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REPORT

OF

THE AUDITOR-GENERAL

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COMMITTEE	

GOD KWER SUB COUNTY HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF MIGORI

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**GODKWER SUB-COUNTY HOSPITAL
MIGORI COUNTY GOVERNMENT**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

God kwer Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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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 Godkwer Sub County Hospital.

1. Key God kwer Sub County Hospital Information and Management

(a) Background information

God kwer Sub County hospital is a Sub-County Hospital is domiciled in Migori County under the Health Medical Service Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mandate of the hospital is to execute prompt, effective and quality service delivery.

Vision: To have a nationally and internationally Competitive, productive and healthy county

Mission: To provide integrated, responsive and high-quality client –centred promotive, preventive, curative and rehabilitative health care services that is evidence based and technologically driven to the people of Migori County

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

Hospital departmental Heads

(c) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Angela Langi
2.	Hospital administrator	Moline Akinyi Dianga
3	Head of Accounts	Stephen Nyainda

(d) Fiduciary Oversight Arrangements

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

Key Godkwer Sub County Hospital Information and Management (continued)

- Parliamentary committees

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- Other oversight committees

(e) God kwer Sub County Hospital Headquarters

God kwer Sub County Hospital,
P.O. Box 541-40404,
suna.

(f) God kwer Sub County Hospital Contacts

Telephone: (+254) 714163371
E-mail: godkwersubcounty hospital@gmail.com

(g) God kwer Sub County Hospital Bankers

Co-operative bank of kenya
A/C No, 01102020330001

(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

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

(j) County Attorney





P.O. Box. 202
MIGORI, Kenya

2. The Board of Management

Ref	Directors	Details
1.		The Board chairman: John Ochieng Bunde Age: 58 Academic Qualification: Form 4 Farmer Independent Board Member
2.		Medical Superintendent: Angela Langi Age : 35 Academic Qualification: Bachelor of Science in Nursing Occupation: Nurse Executive Board Member
3.		Name: Tom Otieno Age: 53 Academic Qualification: Std 8 Occupation: Pastor Independent Board Member
4.		Name: Eunice Odada Age: 60 Academic Qualification: Std 7 Independent Board Member Occupation: Farmer
5.		Name: Dominic Abich Age: 59 Qualification and Work Experience: Std 7 Independent Board Member Occupation: Businessman
6.		Name: Florence Achieng Independent Board Member Level of Education: KCPE Occupation: Farmer
7.		Name: Mourice Owera Age: 64 Academic Qualification: Carpenter Independent Board Member

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3. Key Management Team

Ref	Management	Details
1.	Medical Superintendent – Angela Langi 	Co-Ordinate the general Function of the Hospital <ul style="list-style-type: none"> • Clinical Functions • Nursing Functional • Medical Functions • Referral Function • Procurement and Accounting • Diagnostic Functions • Staff relations and Disciplines Patients Welfare
2.	Hospital Administrator – Mrs Moline Akinyi Dianga Diploma in human resource 	i. Co-ordinate administration issues in conjunction with Med-sup ii. Ensuring the working environment is clean iii. In charge of Non-Medical Staff iv. Ensuring that the utility Vehicles and Ambulances are serviced and operational v. Secretary to then HMT Assist in hospital day to day running and coordinating Revenues collected and Banking of the same
3.	Nursing officer in charge- Stephen Omolo 	Functions Nurse Manager Coordinates nursing services in the facility
4.	Laboratory In Charge – Bob Omondi Yogo  Diploma in medical laboratory science	Functions -coordinate all laboratory services within the facility -Ensures quality sample taking, networking/testing and timely results -manages laboratory commodities by timely quantification, ordering, storage and appropriate use

4. Chairman's Statement

I would like to present the financial statement of God-Kwer sub county hospital on behalf of the hospital board members. I would like to echo that the hospital performed progressively well as compared with the previous financial year which was majorly attributed by increase in uptake of the social health insurance fund by the neighbouring community. Some of the key responsibility of our hospital board members include;


- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Hospital
- 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
- Safeguarding the assets of the Hospital
- Selecting and applying appropriate accounting policies
- Making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standard (IPSAS), and the State Corporations Act. The Board is of the opinion that the Hospital's financial statements give a true and fair view of the state of Hospital's transactions during the financial year ended June 30, 2025, and of the Hospital's financial position as at that date. The Board further confirms the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital's financial statements as well as the adequacy of the systems of internal financial control

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

Approval of the financial statements

The Hospital's financial statement was approved by the Board on 17th August, 2025 and signed on its behalf by:

Thank You! 
.....

John Bunde
Chairman to the Board

5. Report of The Medical Superintendent

In the financial year ending 30th June 2025 Godkwer sub county hospital demonstrated a committed approach in management of its resources. We had comprehensive and strategic approach to budgeting and expenditure aimed at enhancing operation efficiency within the facility.

The revenue streams involved, were FIF allocation and donor funds that we received inform of medical drugs donations. These donations played a crucial role in ensuring that essential medical drugs are available in our stores which made the provision of quality and affordable healthcare much easier. The expenditure has been heavily aligned to the priorities of relevant department within the hospital, of importance to mention also entails renovations of new departments initiated within the facility by the County.

BUDGET UTILIZATION

The budget is usually derived from the annual work plan of the facility of that financial year its done in 4 quarters

The process usually involves heads of departments, who does the process depending on the needs of their departments. This is then tabled for endorsement by the board members of the hospital, copies are sent for AIE processing by the accounts department, upon approval by director of health medical services and chief officer of health.

FINANCIAL CHALLENGES.

- Fluctuating patient numbers this has been attributed to industrial strike mostly by medics.
- There is also increased preference of private facilities to public ones hence low income.
- Few revenue streams.
- Increased number of private facilities,

However, due to targeted intervention we have noted some improvements in revenue collection and service delivery.

We are currently focused on sustaining financial stability with enhanced quality of care to our patients, we anticipate continued efforts in optimizing our financial resources with any additional funding from the county government to support strategic plan, and also championing for

- Improved accreditation to level 4 facility.
- Increased bed capacity to that of level 4 facility.
- Digitization of revenue collection modalities.
- Active stakeholder's involvement.

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I would like to extend my gratitude to the Governor of Migori County, His Excellency, Dr. Geroge Mbogo Ayako, Godkwer sub county hospital staff members and stakeholders for their dedication and hard work in attaining our financial goals.

Thank You!



.....
Name: Angela Langi
Secretary to the Board

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6. Statement of Performance Against Predetermined Objectives

God Kwer Sub County Hospital has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024/25. These strategic pillars/ themes/ issues are as follows;

- Pillar /theme/issue 1: **Planning and administrative support services**
- Pillar/theme/issue 2: **Preventive and promotive health services**
- Pillar/theme/issue 3 **Curative services**

Godkwer Sub County Hospital develops its annual work plans based on the above 3 pillars/Themes/Issues.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Planning and administrative support services	To ensure efficient and effective well-coordinated health services	No Of health policies developed	Developing Annual work plans.	One work plan developed
		No. of Annual Work Plans developed	Conducting performance reviews	Biannual and annual review conducted
	To increase, develop, retain and motivate health personnel	No. of Strategic plans developed	Renovation of consultation rooms and ceiling	Quarterly performance reviews conducted
	To construct, expand, maintain and improve health infrastructure	% of performance reviews conducted	Conducting performance reviews	Renovation of health infrastructure conducted
	To construct, expand, maintain and improve health infrastructure	% quarterly support supervision conducted	Conducting support supervision	Quarterly supervision conducted
	To accelerate scale up of Universal Health Coverage	% quarterly data quality audits conducted	Conduct data review audits	Quarterly supervision conducted

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<p>Curative, rehabilitative and referral services</p>	<p>To provide affordable curative, rehabilitative and referral services</p> <p>To improve access to essential health services provision</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>Functional health service units</p>	<p>1 ambulance available for referrals.</p> <p>Dental unit, ENT unit, Ultrasound unit available for the mentioned services</p>
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7. 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.

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.
- vi. Mobilize community resources towards the development of health services within the hospital.

Ethics and Conduct of Board Members

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:

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- 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.

8. Management Discussion and Analysis

Financial performance

God-Kwer Sub County Hospital registered a total of Ksh.2,196,947(Two Million One Hundred and Ninety-Six Thousand Nine Hundred and Forty-Seven) as the revenue for financial year 2024/25. In line with this, the hospital collected a total of Ksh. 1,574,284 from exchange transactions and Ksh. 622,663 from non-exchange transactions. Moreover, the hospital registered a net surplus of Ksh. 700,704(Seven Hundred Thousand Seven Hundred and Four). The operating expenditure increased from Ksh. 213,254 to Ksh. 1,496,243 which resulted in a decrease in net surplus for the period by Ksh. 185,902

Clinical/operational performance

- Bed capacity -36
- Average Length of stay- 3-4days
- Overall patient attendance during the year -3044
- Accident and Emergency attendance -8
- Bed occupancy rate -65%
- Mortality rate -0%
- Surgical theatre utilisation (number of operations over a period of time)-0

Financial performance that includes

- **Revenue sources.**

The Revenue streams for the Hospital is mainly Facility Improvement Fund and Donor Funds.

Sponsors and Partners

CIHEB

Lwala



.....
Name: Angela Langi

Secretary to the Board

9.Environmental And Sustainability Reporting

Godkwer 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 is expanding its infrastructure to increase the provision of specialised services to the community. This in long run will increase the revenue base of the hospital which will make it self-sustainable in future.

ii) Environmental performance

Installation of microwave machine to control and treat health care waste reducing accidents and pollution
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

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 Godkwer 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 gazette ment process

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

Godkwer 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.



10. 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 Godkwer Sub County Hospital are provision of quality, accessible and affordable health services to the citizens.

Results

The results of the Godkwer Sub County Hospital for the year ended June 30 2025 are set out on pages 1 to 5.

Board of Management

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

Auditors

The Auditor General is responsible for the statutory audit of the Godkwer 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: Angela Langi
Secretary to the Board

11. Statement of Board of Management’s Responsibilities

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

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. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Godkwer Sub County Hospital, (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 Godkwer 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 *Godkwer 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 Godkwer Sub County Hospital’s financial statements give a true and fair view of the state of Godkwer Sub County Hospital’s transactions during the financial year ended June 30, 2025, and of the Godkwer Sub County Hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Godkwer Sub County Hospital, which have been relied upon in the preparation of the Godkwer Sub County Hospital’s financial statements as well as the adequacy of the systems of internal financial control.

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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 Godkwer 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 19th August 2025 and signed on its behalf by:



.....
Name: John Bunde
Chairperson
Board of Management



.....
Name: Angela Langi
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON GOD KWER SUB COUNTY HOSPITAL-FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MIGORI

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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of God Kwer Sub County Hospital-County Government of Migori set out on pages 1 to 28, 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 amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the possible 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 God Kwer 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 International Public Sector Accounting Standards Accrual Basis and comply with the Health Act, 2017 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of comparison of budget and actual amounts reflects nil adjustment amount against total expenses which differs with the re-cast total of Kshs.623,339, resulting in a casting error of negative Kshs.623,339. Similarly, the statement indicates nil performance difference amount against total expenses, which differs with the re-cast total of Kshs.701,380, resulting in a casting error of negative Kshs.701,380.

In the circumstances, the accuracy and fair presentation of the statement of comparison of budget and actual amounts could not be confirmed.

2. Undisclosed Property, Plant and Equipment (PPE)

The statement of financial position reflects nil balance in respect of property, plant, and equipment. However, review of documents, interviews with Management, and physical verification revealed that the Hospital was in possession of various assets, including land, buildings, a motor vehicle, furniture, computers, and equipment, none of which were disclosed in the financial statements. Further, ownership documents for the land and motor vehicle logbooks were not provided for audit review.

Further, review of records and physical inspection of the Hospital revealed that the Hospital did not maintain an updated fixed asset register to control its assets. Essential details and unique identifiers, such as asset tags, year of purchase, location, and condition, were not recorded in the fixed asset register. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires the Accounting Officer to maintain a register of all assets under their control or possession in accordance with relevant laws.

In the circumstances, the accuracy, completeness, and fair presentation of the nil property, plant, and equipment balance could not be confirmed. Also, Management was in breach of the law.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the God Kwer 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 revenue budget of Kshs. 2,197,623 and actual revenue of Kshs. 1,496,244, resulting in an underfunding of Kshs. 701,379, or 32% of the budget.

The Underfunding affected planned activities and may have negatively impacted on 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 matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxii 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, Management Discussion and Analysis, 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 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Retain Facilities Improvement Funds (FIF) at the Hospital

Review of revenue records obtained from the Godkwer Sub-County Hospital in Migori County revealed that the Sub-County Hospital collected a total Kshs.1,499,109 towards the health facilities improvement which was all transferred to Migori County Health Services Fund Account. However, the Management reimbursed a total of Kshs.858,255 to the Sub-County Hospital resulting in a deficit of Kshs.640,854. 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.

3. Irregular Engagement of Casuals

The statement of financial performance, and as disclosed in Note 10 to the financial statements, indicates employee costs amount of Kshs.100,670 being casual wages paid to five (5) casual employees which was not supported with an approved staff establishment showing deficiency of staff to be filled by the casuals nor formal requests done by the user departments on the need for engaging casuals. Further, there was no authorization by the County Public Services Board to the departments to recruit casual employee's contrary to Section 74 of the County Governments Act, 2012 which states that the County Public Service Board shall regulate the engagement of persons on contract, volunteer and casual workers in its public bodies and offices. In addition, the casuals were engaged for a whole year being paid Kshs.14,025 per month, contrary to the provisions of the Employment Act.

In the circumstances, Management was in breach of the law

4. Non-Compliance with Requirements on Universal Health Care (UHC)

Review of the Hospital's operations and records during the year under review revealed that it operated below the set standards as per the Kenya Quality Assurance Model

for Health Checklist for level 4 hospitals. The following deficiencies in specialist implementation of Universal Health Care programme were observed:

Staff Requirements	Level 4 Std	No. in Hospital	Variance
Medical officers	16	0	16
Anaesthesiologists	2	0	2
General Surgeons	2	0	2
Paediatricians	2	0	2
Radiologists	2	0	2
Registered nurses	75	6	69

Further, the hospital lacked or had shortage of the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below:

Staff Requirements	Level 4 Std	No. in Hospital	Variance
Resusitaire	3	3	0
New born unit incubators	5	1	4
New born unit cots	5	2	3
ICU beds	6	0	6
Hdu beds	6	0	6
Renal unit with 5 dialysis machines	5	0	5
Functional operation theatres	2	0	2
Beds	150	25	125

The deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

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

5. Lack of Quarterly Revenue Reports

The statement of financial performance reflects an amount of Kshs.1,574,284 in respect of revenue from exchange transactions. However, the Management did not provide evidence to confirm that quarterly revenue reports were prepared and submitted to the County Treasury, with a copy to the Auditor-General, as required by Regulation 64(1) of the Public Finance Management (County Governments) Regulations, 2015. The Regulation requires the Accounting Officer, receiver of revenue, or collector of revenue to prepare a quarterly revenue report not later than the 15th day after the end of each quarter.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 Fraud and Risk Management Strategies

During the year under review, God Kwer Sub-County Hospital did not have a Fraud Management Policy in place to assist in detecting and preventing fraud. Further, Management did not have a risk management policy or strategy, and therefore, lacked approved processes and guidelines for mitigating operational, legal, and financial risks. This was contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires the Accounting Officer to ensure that a county government entity develops risk management strategies, including fraud prevention mechanisms, and establishes a system of risk management and internal control to support robust business operations. In addition, Management did not maintain a risk register to document identified risks, nor were formal risk assessments conducted during the financial year under review.

In the circumstances, the effectiveness of risk management in the Hospital Could not be confirmed.

2. Lack of Internal Audit Function

Review of documents revealed that the Hospital relied on the Internal Audit function of the County Executive. However, no internal audit reports for the Hospital were provided on the state of risk management, control, and governance for the financial year ended 30 June, 2025. Further, the Hospital did not have an approved Internal Audit Work Plan and Internal Audit Charter.

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

3. Inefficient Audit Committee

During the audit, it was noted that the Hospital did not have an audit committee as there was no evidence that the Audit Committee held a meeting during the financial

year under review. This was contrary to Regulation 172(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires that the audit committee shall meet at least once in every three months.

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

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

Responsibilities of Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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 also 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, SBS
AUDITOR-GENERAL

Nairobi


05 December, 2025

Godkwer Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025


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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Public Contributions and Donations	6	622,663	-
		622,663	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	1,574,284	334,610
Transfers From Other Government Entities	8	-	765,250
Revenue from exchange transactions		1,574,284	1,099,860
Total revenue		2,196,947	1,099,860
Expenses			
Medical/Clinical costs	9	974,091	32,960
Board of Management Expenses	10	120,000	102,500
Employee costs	11	100,670	-
Repairs and maintenance	12	63,000	30,000
General expenses	13	238,482	47,794
Total expenses		1,496,243	213,254
Net Surplus / (Deficit) for the year		700,704	886,606


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



Chairman Board of Management: John Ochieng Bunde



Head of Accounts: Stephen Nyainda
 ICPAK No: 31086




Medical Superintendent: Angela Langi

Godkwer Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025


14. Statement of Financial Position as at 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	1	676
Receivables from exchange transactions	15	701,379	765,250
Inventories	16	885,930	120,680
Total Current Assets		1,587,310	886,606
Non-current assets			
Property, plant, and equipment	17	-	-
Total Non-current Assets		-	-
Total assets		1,587,310	886,606
Liabilities		-	-
Net assets		1,587,310	886,606
Represented By:			
Accumulated surplus/Deficit		1,587,310	886,606
Net Assets		1,587,310	886,606


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



Chairman
Board of Management:
John Ochieng Bunde



Head of Accounts: Stephen
Nyainda
 ICPAK No: 31086



Medical Superintendent:
Angela Langi

Godkwer Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025

15. Statement of Changes in Net Asset for The Year Ended 30 June 2025

Description	Accumulated surplus/Deficit	Total
At July 1, 2023	-	-
Surplus/(deficit) for the year	886,606	886,606
At June 30, 2024	886,606	886,606
At July 1, 2024	886,606	886,606
Surplus/(deficit) for the year	700,704	700,704
At June 30, 2025	1,587,310	1,587,310

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		872,905	213,930
Total Receipts		872,905	213,930
Payments			
Medical/Clinical costs		351,428	32,960
Board of Management Expenses		120,000	102,500
Employee costs		100,670	-
Repairs and maintenance		63,000	30,000
General expenses		238,482	47,794
Finance costs			-
Total Payments		873,580	213,254
Net cash flows from operating activities	18	(675)	676
Cash flows from investing activities			
Net increase/(decrease) in cash and cash equivalents		(675)	676
Cash and cash equivalents as at 1 July	14	676	-
Cash and cash equivalents as at 30 June	14	1	676

God-kwer Subcounty Hospital (Migori County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	676	676	676	-	100%
Revenue						
Rendering of services- Medical Service Income	1,574,284	-	1,574,284	872,905	701,379	55%
Public Contributions and Donations	-	622,663	622,663	622,663	-	100%
Total income	1,574,284	623,339	2,197,623	1,496,244	701,379	68%
Expenses						
Medical/Clinical costs	1,052,132	623,339	1,675,471	974,091	701,380	58%
Board of Management Expenses	120,000	-	120,000	120,000	-	100%
Employee costs	100,670	-	100,670	100,670	-	100%
Repairs and maintenance	63,000	-	63,000	63,000	-	100%
General expenses	238,482	-	238,482	238,482	-	100%
Total Expenses	1,574,284		2,197,623	1,496,243		68%
Capital expenditure	-	-	-	-	-	0%
Surplus for the period	0	-	0	1	(1)	0%

NOTE: The hospital registered 55% utilization in rendering of services as there was an outstanding Ksh. 701,379 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 ledger in note 17. This resulted to underutilization of medical and clinical costs by 58%.

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- An amount of Ksh.622,663 is included in the medical and clinical cost which is the budgeted donations which the hospital received as in-kind i.e inform of supply of medical drugs.

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	1
Closing Cash and Cash Equivalent as per the statement of Cash flows	1

18. Notes to the Financial Statements

1. General Information

Godkwer Sub County Hospital entity is established by and derives its authority and accountability from PFM Act. The Godkwer Sub County Hospital is wholly owned by the Migori County Government and is domiciled in Migori County in Kenya. The Godkwer Sub County Hospital’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 Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Godkwer Sub County Hospital*. The financial statements have been prepared in accordance with the PFM Act, and (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

God-kwer Subcounty Hospital (Migori County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Standard	Effective date and impact:
	This standard did not have a significant impact on the correctness and completion of the financial statement as the hospital did not have any lease agreement.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This standard did not have a significant effect on the financial statement for the facility.</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. 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>This standard did not have a significant impact on the accuracy and correctness of the financial statement as the hospital did not have heritage assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li data-bbox="501 1753 1394 1899">i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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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> <p>The standard did not have a significant impact on the correctness and completeness of the financial statement and the institution is yet to adopt it.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>The standard did not have an impact on the correctness and completeness of the financial statement.</p> <p>The entity is yet to adopt the standard hence it did not have a significant impact on the financials presented.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The standard did not have a significant impact on the financial statement.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p>

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Standard	Effective date and impact:
	<p>employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>This standard did not have an impact on the financial statement as the facility is yet to establish a retirement benefit plan.</p>

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

Standard	Effective date and impact
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires: -</p> <ul style="list-style-type: none"> i. 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: ii. 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.

iii) Early adoption of standards

The Godkwer 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 Godkwer 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

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 Godkwer 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 by Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Godkwer Sub County Hospital upon receiving the respective approvals in order to conclude the

final budget. Accordingly, the *Godkwer Sub County Hospital* recorded no additional appropriations on the FY 2024/25 budget. The *Godkwer 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.

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 Godkwer 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 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 Godkwer 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 Godkwer 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 Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g. Intangible assets

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

h. Research and development costs

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

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

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

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 Godkwer 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset

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

Financial assets

Classification of financial assets

The Godkwer 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 entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Godkwer 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 Godkwer 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. 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 Godkwer Sub County Hospital 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 Godkwer 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 entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The entity 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.
- 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 Godkwer Sub County Hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the 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 entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

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

p. Changes in accounting policies and estimates

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

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public

officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

w. Comparative figures

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

x. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

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- 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.

6. Public Contributions and Donations

Description	2024-2025	2023-2024
	KShs	KShs
Public donations	622,663	
Total donations and sponsorships	622,663	-

7. Rendering of Services-Medical Service Income

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Revenue from Facility Improvement Fund	1,574,284	334,610
Total	1,574,284	334,610

8. Transfers From Other Government Entities

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Linda Mama Program	-	765,250
Total	-	765,250

9. Medical/Clinical Costs

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Laboratory chemicals and reagents, medical drugs, on pharms	784,203	-
Food and Ration	48,330	-
Sanitary and cleansing Materials	53,000	32,960
Medical Record	88,558	-
Total	974,091	32,960

10. Board of Management Expenses

Description	2024 - 2025	2023 - 2024
	KShs	KShs

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Sitting allowance	120,000	102,500
Total	120,000	102,500

11. Employee Costs

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Temporary Employees	100,670	-
Total	100,670	-

12. Repairs and Maintenance

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Property- Buildings	63,000	30,000
Total	63,000	30,000

13. General Expenses

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Bank Charges	2,482	2,594
Travel and accommodation allowance	123,000	26,700
Printing and stationery and General office supply	30,000	18,500
Other Fuel	62,000	-
Telephone	21,000	-
Total	238,482	47,794

14. Cash and Cash Equivalents

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Current accounts	1	676
Total cash and cash equivalents	1	676

(a). Detained Analysis of Cash and Cash Equivalent

		2024-2025	2023-2024
Financial institution	Account number	KShs	KShs
a) Current account			

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Co-operative Bank	01102020330001	1	676
Sub- total		1	676
Grand total		1	676

15. Receivables and Exchange Transactions

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Medical services receivables	701,379	765,250
Total receivables	701,379	765,250

Analysis of Receivables from Exchange Transactions

Description	2024 - 2025		2023 - 2024	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	701,379	100%	765,250	100%
Total	701,379		765,250	

16. Inventories

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Pharmaceutical supplies and non-Pharms	212,940	120,680
Non-Pharms	664,730	-
Lab items and Reagents	8,260	-
Total	885,930	120,680

17. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical	Capital	Total
						equipment	Work in progress	

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	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/a djustments	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-
At 1 July 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/a djustments	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-
Depreciati on and impairme nt								
At 1 July 2023		-	-	-	-	-	-	-
Depreciati on for the year		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairmen t		-	-	-	-	-	-	-
At 30 June 2024		-	-	-	-	-	-	-
At July 2024		-	-	-	-	-	-	-

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Depreciation		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
At 30th June 2025		-	-	-	-	-	-	-
Net book values								
At 30th Jun 2024	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-

Item	Depreciation rate
Buildings and Civil works	2.00%
Motor vehicles	25%
Furniture, fittings, and office equipment	12.50%
ICT Equipment	33%
Plant and medical equipment	12.50%

18. Cash Generated from Operations

Description	2024-2025	2023-2024
	KShs	KShs
Surplus for the year before tax	700,704	886,606
Adjusted for:		
Depreciation		-
Working Capital adjustments		
Increase in inventory	(765,250)	(120,680)
Increase in receivables	63,871	(765,250)
Net cash flow from operating activities	(675)	676

19. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The 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 entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the 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
At 30 June 2025				
Receivables from exchange transactions	701,379	0	0	0
Bank balances	1	0	0	0
Total	701,380	0	0	0

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the 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 entity 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,

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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 entity has no transactional currency exposures as there were no purchases of goods and services that were done in foreign currencies.

Foreign currency sensitivity analysis

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.

iii) Capital Risk Management

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

Description	2024/25
	Kshs
Revaluation reserve	0
Retained earnings	0
Capital reserve	0
Total funds	0

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Total borrowings	0
Less: cash and bank balances	(1)
Net debt/ (<i>excess cash and cash equivalents</i>)	(1)
Gearing	0%

20. Related Party Balances

Nature of related party relationships

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

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

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

There was no transaction incurred in relation to the related parties.

21. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

22. Contingent Liabilities

The institution never engaged in the any court case for the financial year under review.

23. Capital Commitments

There were 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 Entity

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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