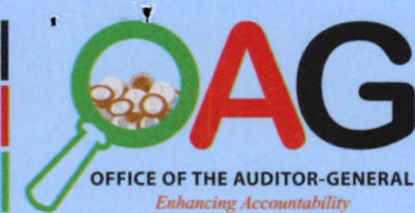


REPUBLIC OF KENYA



REPORT

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ON

**JARAMOGI OGINGA ODINGA TEACHING
AND REFERRAL HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2025**

OFFICE OF THE AUDITOR GENERAL
RECEIVED
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Revised 30th June 2025



**JARAMOGI OGINGA ODINGA TEACHING AND REFERRAL HOSPITAL LEVEL 6A
(Kisumu 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)**

***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for the Year Ended 30th June 2025***

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*Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
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1. Acronyms & Glossary of Terms

CEO.	Chief Executive Officer
CUEA	Catholic University of Eastern Africa
EEG	Electroencephalogram
EMR	Electronic Medical Records
HMIS	Hospital Management Information Systems
NHIF	National Hospital Insurance Fund
SMT	Senior Management Team
SOPs	Standard Operating Procedures
JOOTRH	Jaramogi Oginga Odinga Teaching & Referral Hospital
UHC	Universal Healthcare
CSR	Corporate Social Responsibility
PFMA	Public Financial Management Act

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2. Key Entity Information and Management

(a) Background information

Jaramogi Oginga Odinga Teaching and Referral Hospital is a level 6A hospital established under gazette notice number 10900 and is domiciled in Kisumu County under the Health Department. The hospital is governed by a Board of Management. Jaramogi Oginga Odinga Teaching & Referral Hospital (JOOTRH) has been in existence for more than a century, having been established in the early 1900s to cater for the health needs of the workers at the then port town of Kisumu. Since then it has grown to become the referral hospital serving County, Sub-County and private hospitals in more than 10 counties in the Western Kenya Region with a population of more than 10 million people.

The hospital, having been commissioned in 1969, has seen a lot of development by the Kenyan government providing more funds to improve the in-patient capacity and outpatient facilities to its present state. JOOTRH has had an eventful history, which continues to influence its present status. Its inception was largely influenced by the high presence of malaria and other diseases in the then Port Florence, which necessitated the creation of a facility to cater for the Black population.

Currently the hospital was elevated to a state corporation through Kenya gazette supplement No.90, Legal Notice No.111 under the state corporation Act Order

(b) Principal Activities

The Vision of Hospital is to become a centre of excellence in specialized healthcare services, its mission is to provide accessible, responsive, quality specialized medical services through innovation, training and research while its motto is excellent clinical outcomes.

The main mandate of JOOTRH is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for research activities, training for medical students and health workers

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The Following are the key Objectives of the Hospital:

- To provide High quality healthcare services,
- To provide Super-specialized healthcare services
- To conduct clinical research
- To train different levels of health cadres
- To serve as a Centre that can be utilized by local stakeholders for development or implementation of medical intervention of health policies.
- To build and strengthen partnership and sector coordination.
- To advocate and mobilize for adequate funding to the hospital.

(c) Key Management

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

- County department of Health
- County department of Finance
- Board of Management
- Accounting Officer/ Chief Executive Officer
- Hospital Management Team

(d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Executive Officer	Dr. Richard Lesiyampe
2.	Senior Director Clinical Services	Dr. Dedan Ong'onga
3.	Senior Director Nursing Services	Mrs. Teresa Okiri
4.	Senior Director Finance and Administrator	Mr. Joshua Clinton Okise

**Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
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Name	Details of qualifications and experience
<p>1. Dr. Richard Lesiyampe</p> 	<p>Dr. Richard Leresian Lesiyampe is the CEO of the hospital and Board's Secretary, 61 years old. Has the degree of Doctors of Philosophy (PhD) in Business Administration and Management from Kenya Methodist University. Has over 35 years of experience in Public Administration. He has worked in State Department of Agriculture from July 2015 to 2022 as the Principal Secretary, State Department of Environment and Natural Resources from 2013 to 2015 as the Principal Secretary, Kenyatta National Hospital from June 2011 to June 2013 as the hospital CEO, Kenya Wildlife Services in 2011 as the Deputy Director, Finance and Administration and as the Senior Assistant Director, Finance and Administration.</p>
<p>2. Dr Dedan Ongonga</p> 	<p>Dr. Ongonga is a Paediatric Surgeon Specialist, Senior Director for Clinical Services. Holds MMED (Surgery), MBChB, Diplomain Sexually Transmitted Infections from University of Nairobi;He is also the Deputy CEO in JOOTRH With more than 12 years.</p>
<p>3. Mrs. Teresa Okiri</p> 	<p>Mrs., Okiri is the Senior Director Nursing in JOOTRH. Holds Masters in Nursing from MMUST. DirectorNursing at JOOTRH with over 12 years' experience).</p>
<p>4. Mr. Joshua Clinton Okise</p> 	<p>Mr. Joshua Clinton is the Senior Director of Finance and Administration. Has Masters of science in Finance and Currently on-going with degree of Doctors of Philosophy (PhD) in Business Administration and Management (Finance). He is a Professional Accountant; Financial Consultant and a lecturer Has over 10 years of experience in Financial Management.</p>

*Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
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(a) Fiduciary Oversight Arrangements

Clinical Research and Standards Committee.

The committee ensures adherence to ethical and legal standards, maintaining data integrity and safe guard of the financial interests and reputation of the facility. It acts ton the best interest of all stakeholders, overseeing research to prevent risks and ensuring proper conduct of its members.

Audit committee

- The internal Audit Department ensures that the internal controls exist and are adhered to. The internal Audit reports submitted to the Board Audit Committee,

The Controller of Budget

The controller of budget has a fiduciary oversight role of the County Government under article 22(5) of the Constitution of Kenya, 2010, by approving withdrawals from public funds onlywhen satisfied that they are authorized by law.

County Assembly

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

County executive committee

The County Executive Committee exercises executive authority in accordance with the Constitution and county legislation.

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Key Entity Information and Management (continued)

- (b) Entity Headquarters**
P.O. Box 2738 - 40100
Prosperity Building/House/Plaza
Jomo Kenyatta Avenue/Road/Highway
KISUMU, KENYA
- (c) Entity Contacts**





Telephone: (254) 0733888579, 0756353477
E-mail: ceo@jootrh.go.ke
Website: www.jootrh.go.ke
- (d) Entity Bankers**
Kenya
Commercial
Bank
Kisumu Branch
P.O. Box 17 40100
Kenya City Square
- (e) Independent Auditors**
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (f) Principal Legal Adviser**
The Attorney General
State Law Office
Haram bee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
- (g) County Attorney**
P.O. Box. 2738-40100
Kisumu, Kenya

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3. The Board of Management

Ref	Directors	Details
1.	<p>Doris Ombara</p> 	<p>Chairperson Doris Ombara is the Chairperson of the board, Eng. She is a BSc. Agricultural Engineering graduate from Egerton University and, Masters of Science degree in Civil Engineering from Delft University of Technology, Netherlands. Has worked with Ministry of Agriculture the capacity of Agricultural Officer and later as Regional Director, World Wildlife Fund. She was appointed the City Manager Kisumu until 15th Oct. 2020. She initiated and effected key infrastructural transformation projects in Kisumu City County. She is currently the chairperson of the JOORTH Board</p>
2.	<p>Mr. Festus Achilla</p> 	<p>Vice Chairperson Member Mr. Festus is the vice chairperson, 62 years old, He is a Certified Public Accountant (CPA) with more 10 years' experience in Financial Management, He worked in Barclays bank from 1986-1993, he is currently the vice-chairperson of Finance Sub-Committee in JOOTRH.</p>
3.	<p>Richard Lesiyampe</p> 	<p>Secretary Dr. Richard Leresian Lesiyampe is the CEO of the hospital and Boards Secretary, 61 years old. Has the degree of Doctors of Philosophy (PhD) in Business Administration and Management from Kenya Methodist University. Has over 35 years of experience in Public Administration. He has worked in State Department of Agriculture from July 2015 to 2022 as the Principal Secretary, State Department of Environment and Natural Resources</p>

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		from 2013 to 2015 as the Principal Secretary, Kenyatta National Hospital from June 2011 to June 2013 as the hospital CEO, Kenya Wildlife Services in 2011 as the Deputy Director, Finance and Administration and as the Senior Assistant Director, Finance and Administration
4.	<p>Mrs. Mildred Odhiambo</p> 	<p>Member</p> <p>Mrs. Mildred Odhiambo is a health Systems strengthening Consultant with experience in Clinical and healthcare management. She is passionate about maintaining standards in health care, She is also a lecturer at Daystar University.</p>
5.	<p>Mrs. Nelly Achieng Oloo</p> 	<p>Member</p> <p>Mrs. Nelly Achieng Oloo has more than 10years experience in management.</p>
6.	<p>Mr. Herbert Otieno Okalo</p> 	<p>Member</p> <p>Mr. Herbert Otieno Okalo is a long term residence of Kisumu County. He has over 15 years in construction management. He is currently the chairman for Infrastructure and development subcommittee.</p>
7.	<p>Mr. Tom Were</p> 	<p>Member</p> <p>Mr. Tom Were is a board member. He is an ongoing PhD student at university of Radboud (Netherlands) in the faculty of business and strategic management.</p> <ul style="list-style-type: none"> - Has over 19 years' experience in development, public and private sectors. Over 13 Years in Non-profit Leadership. -He is currently the CEO, Act, has a long term experience in programmers /projects management.

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4. Key Management Team

Ref	Name	Position
1	Dr. Richard Lesiyampe	Chief Executive Officer
2	Dr. Stephen Bati	Dental
3	Dr. Ojuma Stephen	Ophthalmologist
4	Dr. Got George	ENT
5	Mr. Onduu Stephen	Procurement
6	Mr. Edwin Opiyo	Maintenance
7	CPA Peresia Omino	Finance
8	Ms Linda Nyaoke	Training School
9	Mr. Edward Kojiema	Welfare
10	Ms. Nereah Ochieng	Human Capital
11	Mr. Shadrack Mahonga	Public Health
12	Mr. Jacob Odhiambo	Clinical Officer in charge
13	Mr. Denis Odagoh	Radiology
14	Ms. Pauline Aoko	Quality
15	Ms. Elizabeth Ayieko	Nurse Manager Paediatrics
16	Janet Aoko	Patient Support Center
17	Ms. Rosebella Apollo	Nurse Manager Obs/Gyn
18	Mrs. Alice Adoma	Deputy DNS
19	Mr. Isaiah Ruto	Occupational Therapy

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20	Eunice Natala	Nurse Manager Surgical
21	Mr. Evans Oloo	Senior Adm. Officer
22	Mrs. Lilian Ochumba	Orthopedic Department In charge
23	Mrs. Betty Okundi	In charge Nutrition Department
24	Mrs. Betty Onyango	Nurse Manager Medicine
25	David Onoka	Deputy in charge Laboratory
26	Christine Abiero	Physiotherapy In Charge
27	Ms Eunice Gor	Social Worker

5. Chairman's Statement

JOOTRH main mandate is referral hospital; it strengthens its provision in providing curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for research activities, training for medical student and health workers. JOOTRH being a centre of excellence in healthcare delivery is always set and ready for the dynamic healthcare and environmental changes. The hospital has currently been elevated to a national referral hospital level 6A.

The hospital has achieved its plan and currently has 900 bed capacity, conduct complex surgeries e.g. renal transplant, heart surgeries and neuro-sciences amongst others. It is in this regard that I have the pleasure to present the JOOTRH financial statements for 2024/2025 ending 30th June 2025. The financial statements present the financial performance of the fund in relation to ensuring affordable and quality healthcare.

1

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Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
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OPERATING ENVIRONMENT

JOOTRH started the year's operations on a positive outlook, the operating environment quickly changed after the elevation of the facility to a state corporation leading to improved service delivery. This has automatically led to an improvement on the general performance. JOOTRH covering a huge population continued to realize huge flow of patients from neighbouring counties due to its specialised services offered. These has impacted positively on the performance as all patients are to register with SHA to get the treatment on referral cases and has helped reduce the cases for waiver of bills.

The HMB and hospital management has strived and positioned the hospital as the lead health service provider in the region, seek increased visibility, resource mobilization and allocation in line with the status of a teaching referral & research hospital being that its now under the National Government. It will further seek to win the support of local leaders with a goal of boosting the image of the hospital and improving its relations with the political leadership and public at large. (Improve Linkage with private players and other public healthcare providers in the whole region and beyond.)

STRATEGIC DIRECTION

The hospitals brand has now improved due to the strategic thinking that the board of management approved for an upgrade to a fully pledged National and referral hospital to secure a sustainable future that has finally be achieved o 18th March 2025. The Board made radical decisions to restructure and rationalize the hospital's core business centres to optimize their performance. It fast- tracked the automation process by bringing in a qualified consultant to jumpstart the process of giving the hospital full autonomy towards its operations which is now under implementation by the Management.

To consolidate its mandate as a referral hospital and realize its vision and mission, JOOTRH has implemented and will still continue with a set of priority activities organized around the following eight key strategic choices in the period set in this strategic plan:

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development

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5. Infrastructure development
6. Leadership and governance
7. Health information
8. Research and training

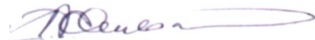
ACHIEVEMENTS

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2023/2024, infrastructural development, continuous facelift of the hospital, renovations of various wards and Human resource development.

LOOKING INTO THE FUTURE

The Board is optimistic that with the hospital upgraded to National Teaching Referral Hospital, consistent with our vision, Board continues to invest in Modern Technology, infrastructural and specialized human resources to position the JOOTRH as the premier healthcare facility in the western region. The Board's pledge is to ensure that our systems and human resources are effectively deployed to support the transformation of the hospital into a sustainable, excellent institution.

I greatly appreciate the commitment and inclusive support of the Shareholders, Board, Management, Staff and Stakeholders to the vision and mission of the JOOTRH.



.....
Doris Ombara
Chairperson to the Board

*Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
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6. Report of the Chief Executive Officer

a) BACKGROUND

Jaramogi Oginga Odinga Teaching & Referral Hospital (JOOTRH) has been in existence for more than a century, having been established in the early 1900s to cater for the health needs of the workers at the then port town of Kisumu. Since then, it has grown to become the referral hospital and finally a national referral hospital serving County, Sub-County and private hospitals in more than 10 counties in the Western Kenya Region with a population of more than 10 million people.

JOOTRH exists and operates within a broader socioeconomic and political context. The understanding of this environment is critical in enabling the hospital to position itself to take advantage of emerging opportunities and deal with threats. Of fundamental importance in this environment is government policy. As a national referral public hospital, JOOTRH is governed by the policies and regulations set forth by both the National and County government departments responsible for health services

The hospital, having been commissioned in 1969, has seen a lot of development by the Kenyan government providing more funds to improve the in-patient capacity and outpatient facilities to its present state. The main mandate of JOOTRH is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for research activities, training ~~for~~ students and health workers. The hospital has 1007 staff: consisting of 321 regular staff, 98

County contracted 89 Locum Nurses, 17 Locum Doctors, 48 interns, 180 JOOTRH contracted staffs, 254 Casuals. The hospital has outsourced Cleaning, laundry and Security services, which equates to approximately 10% of the budget

FINANCE

i) Revenue

The hospital's revenue is derived from Facility improvement funds (FIF), County grants, and donors. During this financial year the hospital has realized great improvement of revenue compared to the last financial 2023/2024 Operating revenue increased from Sh.832,608,425 to Sh. 1,484,677,815

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The numbers of patients' admissions reduced by 4% while the Mortality rate increased from 7% to 7.1%. The key drivers of our revenue included Pharmacy, Laboratory, Maternity, Renal, Bed fees, surgical income, training and research fee and Radiology which ~~constitute~~ to the total revenue.

ii) Expenditure

The total expenditures during the period amounted to Kshs. 1,109,698,706 representing 97% of the actual earned receipts and 80% total approved budget. Top drivers of the budget were medical drugs, Staff remunerations, non-pharmaceuticals, patient's food, Laboratory, Contracted Services ~~and~~ others. High Utilization rate realized.

iii) Surplus/Deficit

The hospital had a surplus compared to the previous year that it had a deficit. This was achieved by maximising and expanding the revenue streams in the hospital. This helped the facility to clear the previous year's pending bills, employment of more staffs, purchase of medical equipment's, face lifting of the facility and improved service delivery.

iv. STRATEGY

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

The strategy is characterized by both Growth and social responsibility and transformative initiatives that will see the hospital grow to become the best hospital in Eastern central Africa.

b. ACHIEVEMENTS

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2023/2024, opening of private wing (Prime Care), facelift of the hospital, renovations of various wards, collaborating with partner organizations and Human resource development. Functioning of the private wing has boosted accessibility of the health services to a large number of Kisumu residence and equally reduced congestion within the facility. leading to an overall increment in our revenue performance.

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b. CHALLENGES

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

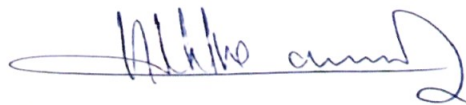
c. LOOKING FORWARD

Modern Technology transformation is one of the pillars of the Strategic Plan. The hospital has embarked on this journey to increase operational efficiencies, enhance customer experience through consistent and patient-focused service delivery and informed decision-making aided by business intelligence. Crucial to this will be the implementation of the key operational systems, the Hospital Information Management System (HMIS)) that will finally lead to minimal paper operation.

d. APPRECIATION

I take this opportunity to express my sincere gratitude and appreciation to the Ministry of health, county government of Kisumu, development partners, stakeholders, management and staff for their continued support, which made us, achieves these results.

I look forward to your continued support in the year 2024/2025.



DR. Richard Lesiyampe
Secretary to the Board

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7. Statement of Performance Against Predetermined Objectives

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

JOOTRH has eight strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024 - FY 2025. These strategic pillars/ themes/ issues are as follows;

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information
8. Research and training

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

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements for the Year Ended 30th June 2025

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery and Infrastructural development	<ul style="list-style-type: none"> To Establish and enhance good clinical governance 	<ul style="list-style-type: none"> No of stock-out tracer drugs No of prescription reviewed Updated SOPs No of Pharma vigilance conducted. Reduction in morbidity and mortality Increase access to adequate blood 	<ul style="list-style-type: none"> Rational use of Medications Rational use of blood and blood products Provision of Health products Monthly Clinical Audits and mortality Meetings Blood donation drive 	<ul style="list-style-type: none"> %reduction in morbidity and mortality. Adequate blood supply SOPs updated Mortality audit done
	<ul style="list-style-type: none"> To ensure Quality Diagnostic Services 	<ul style="list-style-type: none"> Registers Survey reports Client satisfaction report EMR 	<ul style="list-style-type: none"> Expand the scope of 24 hours specialized services Introduce new specialized Services Adhere to Quality Standards 	<ul style="list-style-type: none"> CT Scan and MRI done on call 24 hours UECs sensitivities done 24 hours EEG, ECG AND ECHO Introduced and working 24 hours.

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	To strengthen	<ul style="list-style-type: none"> • Training reports • Committee Minutes 	<ul style="list-style-type: none"> • Train 100 staff on Emergency preparedness. • Form Emergency Preparedness Committee • Conduct Annual Emergency Drill 	<ul style="list-style-type: none"> • 100 Staff Trained • Committee is in existence. • CMEs carried out on emergency preparedness.
	<ul style="list-style-type: none"> • To Enhance Effective Internal and External Referral Systems 	<ul style="list-style-type: none"> • Survey Reports • Meeting Minutes • EMR • Client Satisfaction report 	<ul style="list-style-type: none"> • Implement referral guidelines • Review and implement internal and external referral protocols 	<ul style="list-style-type: none"> • Referral guidelines implemented 99% • Three Meetings with the referring facility and Kisumu County department of health.
	<ul style="list-style-type: none"> • To Expand work space through infrastructural Development 	<ul style="list-style-type: none"> • Completion Certificates • Project Committee Evaluation Report. • Survey Reports 	<ul style="list-style-type: none"> • To complete phase 2 doctors' suit • To complete radiotherapy Centre. • To complete the new farewell home • Phase 1 solarization of the facility. • Completion of Lift installation 	<ul style="list-style-type: none"> • Radiotherapy center 69% • Farewell home 100% complete • Periodic review of the solar lights • Lift installation is 85% complete

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	<ul style="list-style-type: none"> • To enhance Routine Maintenance of Infrastructures 	<ul style="list-style-type: none"> • Job Card Reports • Project Committee Reports • Completion Certificates 	<ul style="list-style-type: none"> • Hospital Facelift • Renovation of Maternity Ward • Renovation of administration roof • Servicing of Photocopier Machines • Servicing of Various Medical Equipment's 	<ul style="list-style-type: none"> • Periodic facelifts • Annual servicing and maintenance of plant and machinery achieved • Photocopiers serviced and functioning • ICU and Theatre equipment's serviced
Healthcare Financing and Sustainability	<ul style="list-style-type: none"> • To increase revenue Generation 	<ul style="list-style-type: none"> • Revenue Reports • %increase in revenue 	<ul style="list-style-type: none"> • Diversify Revenue Streams • Review User Fee Charges • Increase Customer Base • Develop Concept papers and proposals to development partners 	<ul style="list-style-type: none"> • Revenue improved compared to previous year • Review of user fees continuous and on progress • New institutions brought on board for MOUs Signed with other institutions to boost revenue collection. • New services introduced, Urology, Maxillo-facial and enhanced Ophthalmology services • Increased insurance uptake

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for The Year Ended 30th June 2025***

	<ul style="list-style-type: none"> • Facilitate prudent Financial Management 	<ul style="list-style-type: none"> • Financial Reports • % increase in Resource allocation to departments 	<ul style="list-style-type: none"> • Provide E and M-Payment • Strengthen use of financial and procurement policies and guidelines 	<ul style="list-style-type: none"> • Cashless system in place • Financial and procurement policies and guidelines in place

Quality Improvement	<ul style="list-style-type: none"> • Enhance Continuous Quality Improvement • Enhance customer care services 	<ul style="list-style-type: none"> • Training Reports • Customer care desks • Minutes of the change Agents 	<ul style="list-style-type: none"> • Training of staff on KQMH • Customer care desks • Minutes of the change Agents 	<ul style="list-style-type: none"> • More than 100 Staff trained and its continuous • Three customer desks operational at outpatient, at the entrance & Casualty • Monthly meeting for Change Agents Achieved. • CMEs
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***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements
for The Year Ended 30th June 2025***

Human Resource Development	<ul style="list-style-type: none"> • Improved performance management 	<ul style="list-style-type: none"> • Human Resource Department established and functional • Human Resource Reports • Staff Appraisal Reports 	<ul style="list-style-type: none"> • Establish Human Resource Department • Conduct Quarterly and Annual Staff Appraisal 	<ul style="list-style-type: none"> • Human Resource Department functional • Staff Appraisals Continuous
	<ul style="list-style-type: none"> • To develop Staff 	<ul style="list-style-type: none"> • % staff trained • Training Needs Report • Key Competencies Identified and developed 	<ul style="list-style-type: none"> • Carry out and Implement training Needs Assessment • Training of Staff on specialized areas 	<ul style="list-style-type: none"> • Training needs Identified Staffs Trained on neurosurgical, nephrology and medical. • Introduction of specialized trainings
	<ul style="list-style-type: none"> • Staff Motivation 	<ul style="list-style-type: none"> • Staff Satisfaction Report • Client Satisfaction • Minutes 	<ul style="list-style-type: none"> • Staff Recognition, rewards and Sanctions • Annual Staff Party • Improving The staff Levels • Staff involvement on decision making • Remuneration 	<ul style="list-style-type: none"> • All Staffs are involved in decision making through various committees, HMT, Departmental meeting, staff meeting days • Staffs supported on annual scientific conference and AGMs • Staffs supported on short term trainings

**Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements
for The Year Ended 30th June 2025**

Leadership and Governance	<ul style="list-style-type: none"> Enhance policy formulation, dissemination and implementation 	<ul style="list-style-type: none"> CEO Performance Contract report %increase in hospital performance No of staff Meetings No of HMB meetings 	<ul style="list-style-type: none"> Monthly staff meeting Quarterly Board meeting Implementation of strategic plan 	<ul style="list-style-type: none"> CEO performance contract signed Quarterly board meetings Achieved with Few Special Meetings
	<ul style="list-style-type: none"> Enhanced Leadership and Governance Capacity 	<ul style="list-style-type: none"> Management Audit Report Board of Survey report 	<ul style="list-style-type: none"> Capacity Building for board ,senior and middle level managers Develop and implement internal controls 	<ul style="list-style-type: none"> Capacity building done to all level of management Internal controls developed and continuous
	<ul style="list-style-type: none"> Enhance and Maintain public private partnership 	<ul style="list-style-type: none"> MOUs Signed Contracts With Private Institutions No of projects initiated through PPP 	<ul style="list-style-type: none"> Develop and implement PPP Policy Develop key gaps that require PPP intervention 	<ul style="list-style-type: none"> Continuous Review of MOUs signed by different partners

	<ul style="list-style-type: none"> Networking and Collaboration 	<ul style="list-style-type: none"> No of meetings held with partners No of stakeholders identified MOUs Signed 	<ul style="list-style-type: none"> Mapping of stakeholders Exchange and Benchmarking program Consultative meetings with partners and 	<ul style="list-style-type: none"> Several Meetings Held Several stakeholders such as signing of MOU with Russian Government on completion of Radiotherapy Centre
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Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements for The Year Ended 30th June 2025

			stakeholders	
Health information and Research and Training	<ul style="list-style-type: none"> Strengthen, coordinate and manage health information 	<ul style="list-style-type: none"> ICT Policy document System Maintenance register 	<ul style="list-style-type: none"> Develop and implement ICT policy Maintain ICT infrastructure to ensure full functionality of the system 	<ul style="list-style-type: none"> Quarterly servicing and maintenance of the system done
	<ul style="list-style-type: none"> Enhance Ethical Research Activities 	<ul style="list-style-type: none"> No of internal research done School Registration Certificate No of protocols reviewed No of scientific conference held 	<ul style="list-style-type: none"> Strengthen Ethics and research Committees Hold Scientific Conferences Promote internally driven research 	<ul style="list-style-type: none"> Committee in place and very active and functional Periodic and Continuous Protocols Review

***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements
for The Year Ended 30th June 2025***

<p>Medical products, Vaccines and Technology</p>	<ul style="list-style-type: none"> • Strengthen coordinate and manage medical products supply chain • Enhance ethical research activities 	<ul style="list-style-type: none"> • % reduction on stock outs • HMIS report • Bin cards • Complete registers • Sops in place. 	<ul style="list-style-type: none"> • Annual Forecasting • Prepare monthly and Annual Report • Develop SOPs for inventory management • Prepare documentation of services provided 	<ul style="list-style-type: none"> • Forecasting done • Annual and monthly reports done • Stock outs reduced by 30% • SOPs already developed and functional
	<ul style="list-style-type: none"> • Timely provision of health products 	<ul style="list-style-type: none"> • Client Satisfaction • Availability of Products • % of reduction in stock-out 	<ul style="list-style-type: none"> • Strengthening of procurement process • Implementation of procurement plan • Strengthen Commodity Management cycle 	<ul style="list-style-type: none"> • Procurement plan in place and functioning • Reduction in stock out by approximately 30%

8. Corporate Governance Statement

JOOTRH Board of Management is responsible for the corporate governance of the Hospital and is accountable to Ministry of Health, County department of health Kisumu County for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

Board of Management

The Board of Management is composed of non-executive members elected by the governor of Kisumu County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience and each brings an independent judgment and considerable knowledge to the Board's discussions. The board term is two years renewal subject to performance

Summarized below are the key roles and responsibilities of the Board:

- Approve and adopt strategic plans and annual budgets, set objectives and review key risk and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital's management of risk and internal contracts; and
- Review at regular meetings Management's performance against approved budget. The full Board meets at least 4 times a year and the Chairperson has bi-weekly meetings/Consultations with the Chief Executive Officer. The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Chief Executive Officer. The Board nonetheless retains responsibility for establishing and maintaining the
- Hospital's overall internal control, financial, operational and compliance framework.

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Board Meetings

The Board as per the Annual work plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within stipulated timelines. The Main Board held 12 meetings attended by selected members.

a) Board Remuneration

Non-Executive Members provide services to the hospital to which they are entitled to an allowance. The allowance is paid as per the government of Kenya allowance circulars.

b) Committees of the Board

The Board has five standing committees, which meet regularly under the terms of reference set by the Board. The standing committees as follows:

- Clinical, research and quality sub-committee
- Human capital, finance & administration sub-Committee
- Infrastructure and techno serve Committee
- Audit and Risk Sub Committee

9. Management Discussion and Analysis

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization.

The overall leadership and governance of JOOTRH will be vested in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Kisumu. The day-to-day management of the hospital is vested on the Chief Executive Officer.

The Chief Executive Officer will be assisted in performing the functions of his or her position by the Senior Management Team (SMT), which consists of the CEO with the four Directors and the Hospital Management Team (HMT). The HMT is made up of the divisional heads and heads of departments.

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025
 JOOTRH has developed a governance framework defining the respective roles of Directors and Management.

The overall annual performance is as illustrated below:

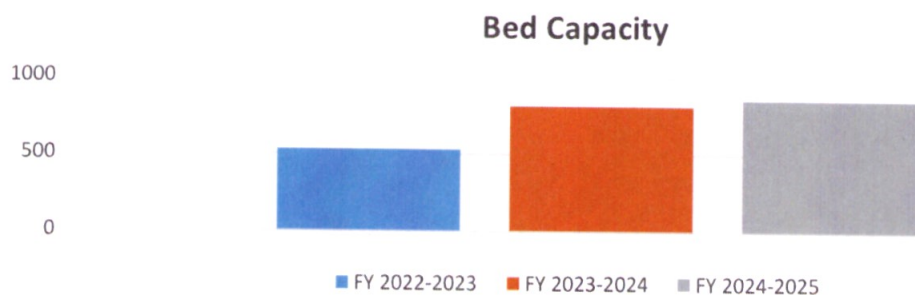
CLINICAL/OPERATIONAL PERFORMANCE

A. Summary Table:

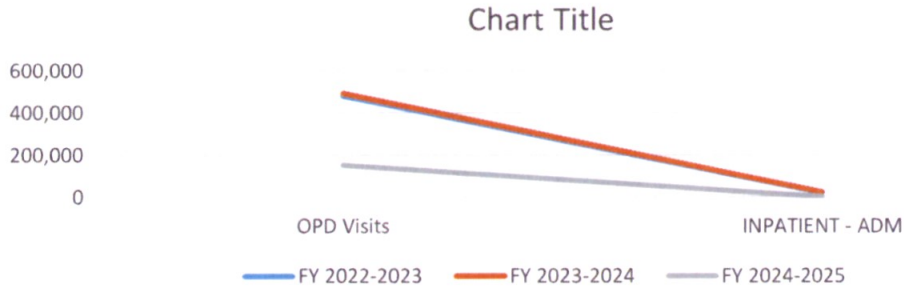
		FY 2022 - 2023	FY 2023 - 2024	FY 2024 -2025
Bed capacity		533	816	863
Patient Attendance: Inpatient and Out-patient	OPD Visits	479,253	490,976	150,788
	Admissions	19,542	21,373	20,465
Accident and Emergency (Casualty) Attendance		51,641	56,978	62,768
Specialized Clinics attendance		157,580	178,127	254,090
Average Length of Stay (In-patients) in Days		7.8 Days	7.3Days	6.8 Days
Bed Occupancy Rate		78.3%	85%	89%
Mortality Rate		6.9%	7%	7.1%
Surgical Theatre Utilization	Major	4,556	3,501	3750
	Minor	619	328	356
	Circumcision	1,781	1,367	1,587
	Total	6,956	5,196	5,693
Maternity (Total Deliveries)		5,287	4,469	5450

B. Tables and Charts:

1. Bed Capacity



2 (a) Patient Attendance: Inpatient Admissions & Outpatient

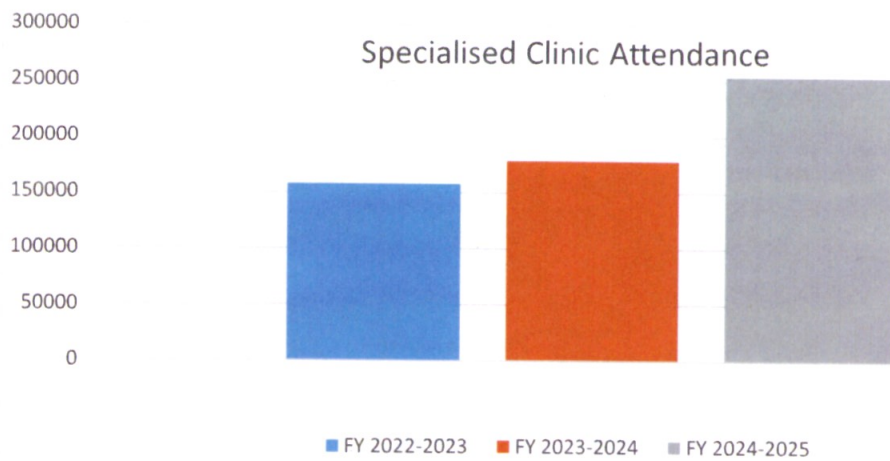


3 Accidents and Emergencies

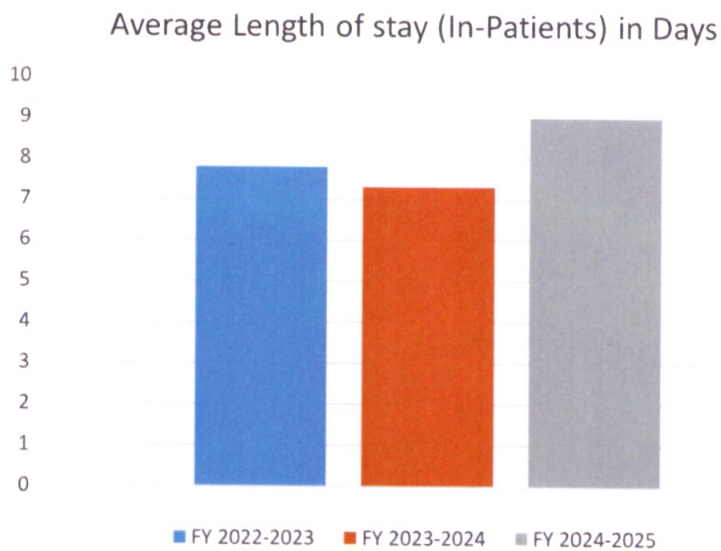


***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025***

4. Specialised Clinic Attendance

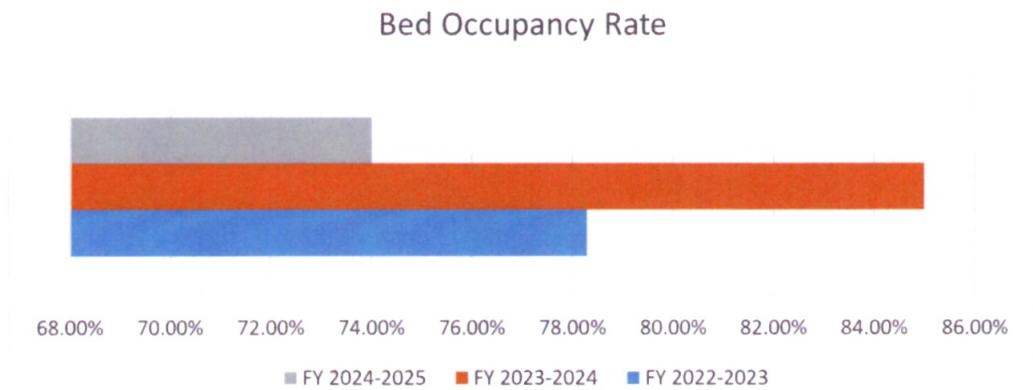


5. Average length of stay for in patient

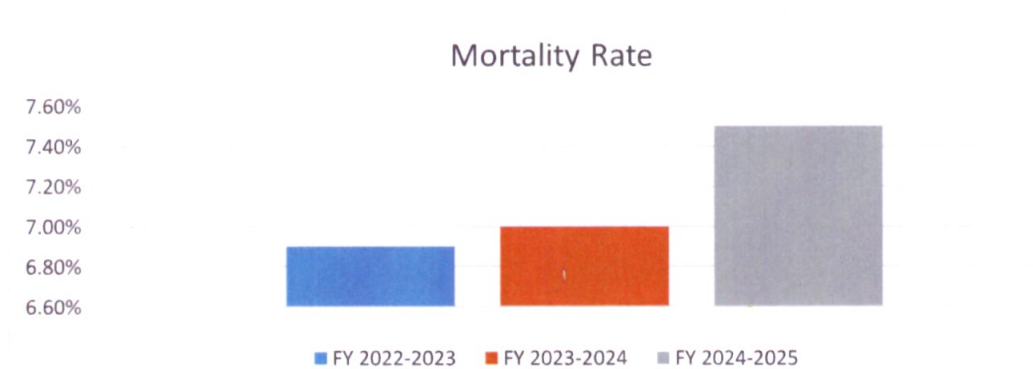


**Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

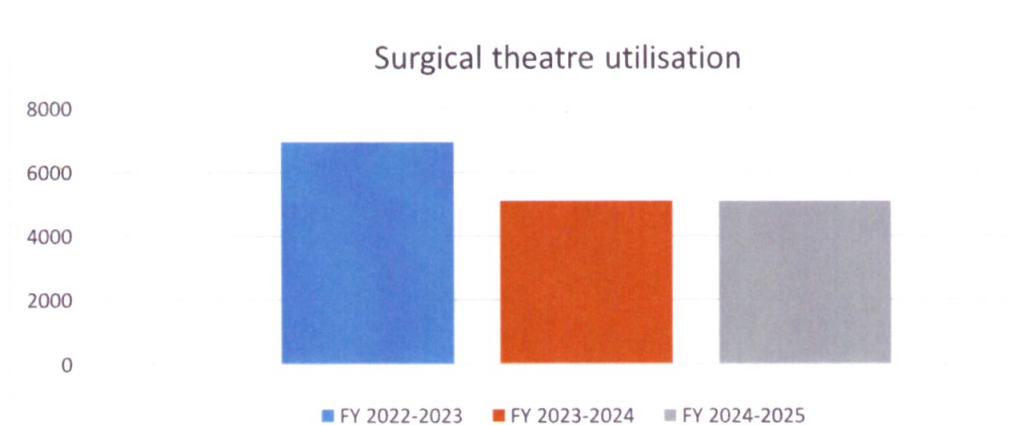
6. Bed Occupancy rate



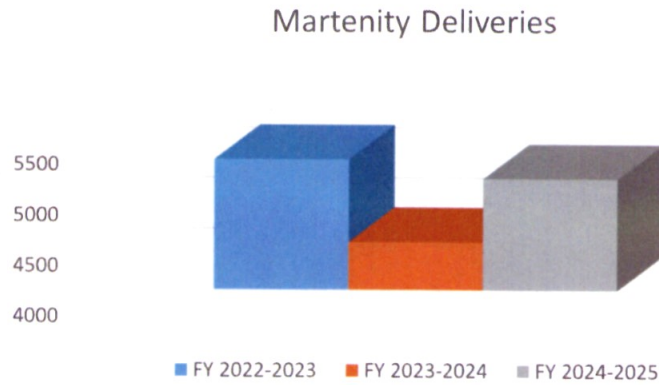
7. Mortality rate



8. Surgical theatre utilisation (number of operations over a period of time)



9. Maternity Deliveries



Financial performance that includes: -

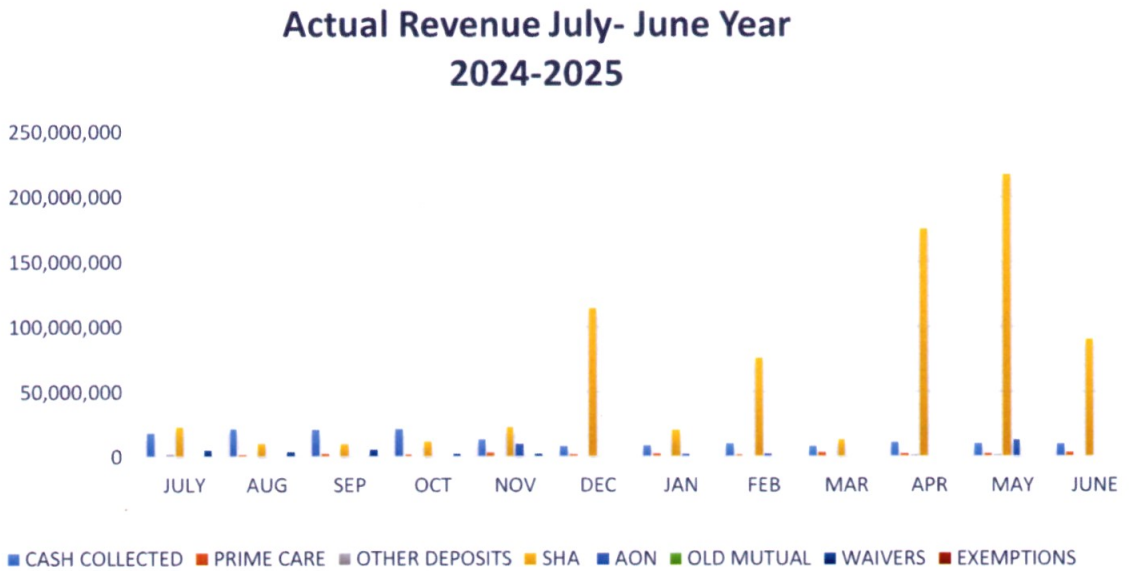
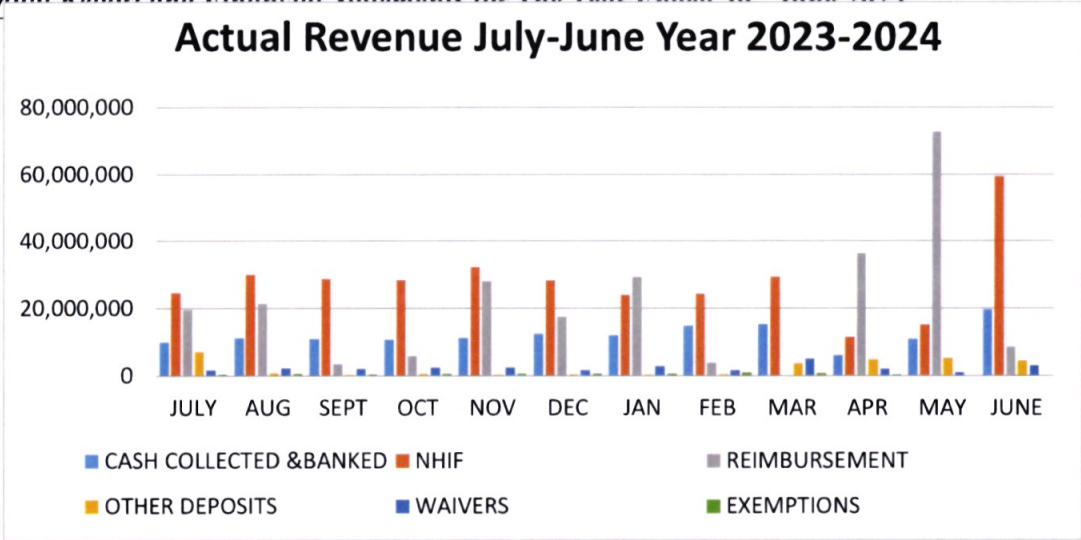
Revenue Sources

JOOTRH revenue Sources Includes:

- User Fees Comprising of
 - Cash collection
 - NHIF Collections
 - SHA Collection
 - Other insurances such as AON,
 - Training and Research Fees

Analysis of revenue performance for the two financial years 2023-2024 – 2024 -2025 is as listed below:

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Annual Report and Financial Statements for The Year Ended 30th June 2025



10. Environmental And Sustainability Reporting

JOOTRH 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 organization's policies and activities that promote sustainability.

Sustainability strategy and profile

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

- Introduction of new specialized services such as heart surgery services, research and training, renal transplant, neurosurgical services, oncology services etc. Public Private Partnership
- Enhancing insurance uptake
- Upgrading the hospital to national referral to get more funding
- Acquisition of modern medical equipment and ICT Technology
- Enhancing Client satisfaction through quality service care
- Bringing on board more financial institutions i.e. lobbying for more engagement with other insurance firms.

Environmental performance

JOOTRH is using the National Health Care Waste Management policy guideline which is guiding us in the management of the waste that we generate in the organization and we have a copy of the policy.

Successes

- We are having colour-coded bins [receptacles] at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of waste.
- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose of non-contaminated waste to the dumping site.

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- The general cleanliness of the organization is well maintained both indoors and grounds

Challenges

- Frequent breakdown of the equipment and the cost of repair.
- High cost of fuel, electricity and water bill.
- Shortage of staffs.
- Delay of funds disbursement.

Efforts to Reduce Environmental Impact of Waste Products

The waste passes through a microwave during treatment process, which renders it harmless before they are taken to the dumpsite.

The incinerator burns the waste at a very high temperature and the products are harmless

Employee welfare

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

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

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

Performance management system is a process conducted by the employer to identify areas of weakness and support the individuals in order to get better results. It's an annual exercise intended to provide employees with clear understanding of job expectations, regular feedback on performance, advice and steps for improving performance, rewards for good performance and actions for poor performance. It helps to measure performance and ultimately the achievement of intended results for the organization.

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The Human Resource Manual procedures also provides for guidelines and standards for the prevention and protection of officer against accidents and occupational hazards arising

at the work place. It provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents contracted while and in the course of employment.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.

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

- b. Responsible Supply chain and supplier relations

.Ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time.

- c. Responsible marketing and advertisement

Effectively done through the use of website and daily newspapers corporate social responsibility/community engagement

- d.Product stewardship

The facility has programmes for seminars, workshops and community outreaches that helps in sensitizing the clients on their rights and responsibilities

- e. Corporate Social Responsibility / Community Engagements

Support to adolescent leaving with HIV/Aids being trained on photography supported by partner program to ensure self-reliance.

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Cancer patients supported by Food and agricultural organization (FAO) through JOOTRH to develop conical gardens in their homes to enhance nutritional sustainability.

f. Organization of free medical camps

Based on assessment, patients have reduced medical cost including waivers given by the hospital.

**EXPENDITURE RETURN STATUS FY
2023/2024**

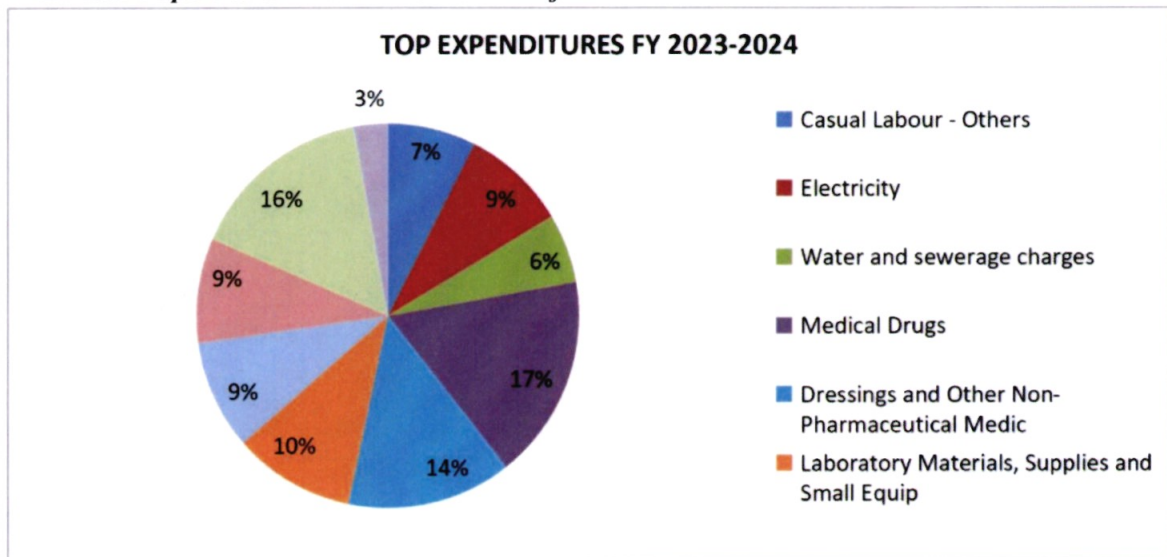
AIE Details	SUBITEM DESCRIPTION	Total AIES		BALANCE
			Payments	
5063000201				
0-5063-5063000201-50600306-2110 202-00001001-0407015060	Casual labor - Others	28,695,000	28,475,297	219,70357,
0-5063-5063000201-50600306-2210 101-00001001-0407015060	Electricity	34,105,000	33,955,083	149,917
0-5063-5063000201-50600306-2210 102-00001001-0407015060	Water and sewerage charges	22,150,000	22,150,000	0
0-5063-5063000201-50600306-2210 201-00001001-0407015060	Telephone, Telex, Facsimile and Mobile Phone	701,250	685,550	9,345
0-5063-5063000201-50600306-2210 399-00001001-0407015060	Domestic-Travel	5,500,000	5,500,000	0
0-5063-5063000201-50600306-2210 203-00001001-0407015060	Courier and Postal Services			
0-5063-5063000201-50600306-2210 302-00001001-0407015060	Accommodation - Domestic Travel	4,216,000	4,047,212	168,788
0-5063-5063000201-50600306-2210 502-00001001-0407015060	Publishing and Printing Services	6,407,815	5,987,634	420,181.00
0-5063-5063000201-50600306-2210 503-00001001-0407015060	Subscriptions to Newspapers, Magazines and P	-		0
0-5063-5063000201-50600306-2210 504-00001001-0407015060	Advertising, Awareness and Publicity Campaigns	1,701,534	163,860	1,537,674
0-5063-5063000201-50600306-2210 701-00001001-0407015060	Travel Allowance	4,585,500	4,575,082	10,418
0-5063-5063000201-50600306-2210 802-00001001-0407015060	Boards, Committees, Conferences and Seminar	2,950,600	2,792,200	158,400
0-5063-5063000201-50600306-2211 001-00001001-0407015060	Medical Drugs	68,957,432	65,774,352	3,183,080
0-5063-5063000201-50600306-2211 002-00001001-0407015060	Dressings and Other Non-Pharmaceutical Medic	56,171,643	53,006,739	3,164,904
0-5063-5063000201-50600306-2211 005-00001001-0407015060	Chemicals and Industrial Gases	150,000	150,000	0
0-5063-5063000201-50600306-2211 008-00001001-0407015060	Laboratory Materials, Supplies and Small Equip	40,058,443	39,070,323	988,120.00
0-5063-5063000201-50600306-2211 011-00001001-0407015060	Purchase/Production of Photographic and Audio-	5,476,311	4,350,498	1,125,813
0-5063-5063000201-50600306-2211 015-00001001-0407015060	Food and Rations	35,337,850	35,180,014	57,836.00
0-5063-5063000201-50600306-2211 021-00001001-0407015060	Purchase of Bedding and Linen	5,663,090	4,989,307	673,783
0-5063-5063000201-50600306-2211 028-00001001-0407015060	Purchase of X-Rays Supplies	4,713,863	4,713,863	0
0-5063-5063000201-50600306-2211 101-00001001-0407015060	General Office Supplies (papers, pencils, forms,	6,379,955	5,629,015	750,940

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)

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0-5063-5063000201-50600306-2211 103-00001001-0407015060	Sanitary and Cleaning Materials, Supplies and S	8,705,233	8,345,318	359,915
0-5063-5063000201-50600306-2211 201-00001001-0407015060	Refined Fuels and Lubricants for Transport	9,552,450	9,354,507	59,395
0-5063-5063000201-50600306-2211 203-00001001-0407015060	Refined Fuels- Other	2,000,000	2,000,000	0
0-5063-5063000201-50600306-2211 204-00001001-0407015060	Other Fuels (wood, charcoal, cooking gas etc...)	2,247,100	2,133,079	21
0-5063-5063000201-50600306-2211 305-00001001-0407015060	Contracted Guards and Cleaning Services	34,098,401	33,574,154	247.00
0-5063-5063000201-50600306-2211 310-00001001-0407015060	Contracted Professional Services	59,710,000	59,331,612	388
0-5063-5063000201-50600306-2220 101-00001001-0407015060	Maintenance Expenses - Motor Vehicles	2,518,300	2,078,720	0
0-5063-5063000201-50600306-2220 201-00001001-0407015060	Maintenance of Plant, Machinery and Equipment	6,739,809	6,339,051	400,758
0-5063-5063000201-50600306-2220 205-00001001-0407015060	Maintenance of Buildings and Stations -- Non-Re	11,541,493	10,931,300	610,193
0-5063-5063000201-50600306-3110 202-00001001-0407015060	Non-Residential Buildings (offices, schools, hosp	15,000,000	10,462,333	537,667
0-5063-5063000201-50600306-3110 902-00001001-0407015060	Purchase of Household and Institutional Appliance	613,665	582,195	31470
0-5063-5063000201-50600306-3111 001-00001001-0407015060	Purchase of Office Furniture and Fittings	892,800	402,939	5754
0-5063-5063000201-50600306-3111 002-00001001-0407015060	Purchase of Computers, Printers and other IT	7,803,030	7,801,030	2,000.00
0-5063-5063000201-50600306-3111 101-00001001-0407015060	Purchase of Medical and Dental Equipment	7,437,800	4,279,164	158,636
	Grant & subsidies	14,800,000	14,600,938	199,062
0-5063-5063000201-50600306-3111 104-00001001-0407015060	Purchase of Therapy Appliance (instrumentation & Calibration Equip.)	1,268,055	913,789	354,266
0-5063-5063000201-50600306-3111 114-00001001-0407015060	Purchase Therapy appliances of Survey. Equipment	1,520,280	1,494,920	25,360
Total for Head 5063000201		505,569,702.00492,	13,123,529	
		446,173.00		
Total for Vote 5063 DEPARTMENT OF PUBLIC HEALTH, MEDICAL AND BIOMEDICAL SERVICES				

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DR. RICHARD LESIYAMPE
Chief Executive Officer

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

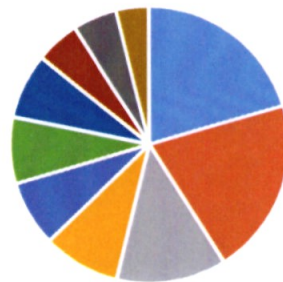
EXPENDITURE RETURN STATUS
FY 2024/2025

AIE Details	SUBITEM DESCRIPTION	Total AIES	BALANCE	
			Payments	
5063000201				
0-5063-5063000201-50600306-2110 202-00001001-0407015060	Casual labor - Others	51,085,454	51,081,792	3,662
0-5063-5063000201-50600306-2210 101-00001001-0407015060	Electricity	56,751,000	56,750,529	471
0-5063-5063000201-50600306-2210 102-00001001-0407015060	Water and sewerage charges	65,600,000	65,596,222	3,778
0-5063-5063000201-50600306-2210 201-00001001-0407015060	Telephone, Telex, Facsimile and Mobile Phone	1,325,000	1,320,990	4,010
0-5063-5063000201-50600306-2210 399-00001001-0407015060	Domestic-Travel	0.00	0.00	0.00
0-5063-5063000201-50600306-2210 203-00001001-0407015060	Courier and Postal Services	0.00	0.00	0.00
0-5063-5063000201-50600306-2210 302-00001001-0407015060	Accommodation - Domestic Travel	6,255,108	6,251,858	3,250
0-5063-5063000201-50600306-2210 502-00001001-0407015060	Publishing and Printing Services	10,920,212	10,915,081	5,131
0-5063-5063000201-50600306-2210 503-00001001-0407015060	Subscriptions to Newspapers, Magazines and P	0.00	0.00	0.00
0-5063-5063000201-50600306-2210 504-00001001-0407015060	Advertising, Awareness and Publicity Campaigns	4,676,123	4,650,608	25,515
0-5063-5063000201-50600306-2210 701-00001001-0407015060	Travel Allowance	12,134,219	12,125,836	8,383
0-5063-5063000201-50600306-2210 802-00001001-0407015060	Boards, Committees, Conferences and Seminar	3,286,500	3,282,800	4,300
0-5063-5063000201-50600306-2211 001-00001001-0407015060	Medical Drugs	96,149,231	96,106,465	42,766
0-5063-5063000201-50600306-2211 002-00001001-0407015060	Dressings and Other Non-Pharmaceutical Medic	160,235,811	160,201,426	34,385
0-5063-5063000201-50600306-2211 005-00001001-0407015060	Chemicals and Industrial Gases	2,412,500	2,408,108	4,392
0-5063-5063000201-50600306-2211 008-00001001-0407015060	Laboratory Materials, Supplies and Small Equip	55,914,819	55,886,104	28,715
0-5063-5063000201-50600306-2211 011-00001001-0407015060	Purchase/Production of Photographic and Audio-	26,779,413	26,775,201	4,212
0-5063-5063000201-50600306-2211 015-00001001-0407015060	Food and Rations	59,691,211	59,683,768	7,443
0-5063-5063000201-50600306-2211 021-00001001-0407015060	Purchase of Bedding and Linen	10,000,501	9,997,428	3,973
0-5063-5063000201-50600306-2211 028-00001001-0407015060	Purchase of X-Rays Supplies	0.00	0.00	0.00
0-5063-5063000201-50600306-2211 101-00001001-0407015060	General Office Supplies (papers, pencils, forms,	17,171,519	17,163,146	8,373
0-5063-5063000201-50600306-2211 103-00001001-0407015060	Sanitary and Cleaning Materials, Supplies and S	18,632,112	18,625,281	6,831
0-5063-5063000201-50600306-2211 201-00001001-0407015060	Refined Fuels and Lubricants for Transport	0.00	0.00	0.00
0-5063-5063000201-50600306-2211 203-00001001-0407015060	Refined Fuels- Other	12,902,401	12,862,641	39,760
0-5063-5063000201-50600306-2211 204-00001001-0407015060	Other Fuels (wood, charcoal, cooking gas etc...)	2,438,709	2,434,028	4,681
0-5063-5063000201-50600306-2211 305-00001001-0407015060	Contracted Guards and Cleaning Services	34,602,111	34,524,575	77,536

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

0-5063-5063000201-50600306-2211 310-00001001-0407015060	Contracted Professional Services	97,814,832	97,759,917	54,915
0-5063-5063000201-50600306-2220 101-00001001-0407015060	Maintenance Expenses - Motor Vehicles	4,258,909	4,243,435	15,474
0-5063-5063000201-50600306-2220 201-00001001-0407015060	Maintenance of Plant, Machinery and Equipment	9,752,414	9,713,857	38,557
0-5063-5063000201-50600306-2220 205-00001001-0407015060	Maintenance of Buildings and Stations -- Non-Re	23,508,312	23,497,279	11,033
0-5063-5063000201-50600306-3110 202-00001001-0407015060	Non-Residential Buildings (offices, schools, hosp)	36,811,500	36,756,775	54,725
0-5063-5063000201-50600306-3110 902-00001001-0407015060	Purchase of Household and Institutional Appliance	4,853,172	4,849,459	3,713
0-5063-5063000201-50600306-3111 001-00001001-0407015060	Purchase of Office Furniture and Fittings	4,197,433	4,148,050	49,383
0-5063-5063000201-50600306-3111 002-00001001-0407015060	Purchase of Computers, Printers and other IT	25,325,176	25,319,795	5,381
0-5063-5063000201-50600306-3111 101-00001001-0407015060	Purchase of Medical and Dental Equipment	23,425,906	23,425,712	194
	Transfer to County Government of Kisumu	0.00	10,000,000	0.00
0-5063-5063000201-50600306-3111 104-00001001-0407015060	Purchase of Therapy Appliance (instrumentation & Calibration Equip.)	0.00	0.00	0.00
0-5063-5063000201-50600306-3111 114-00001001-0407015060	Purchase Therapy appliances of Survey. Equipment	6,706,412	6,704,220	2,192
Total for Head 5063000201				
Total for Vote 5063 DEPARTMENT OF PUBLIC HEALTH, MEDICAL AND BIOMEDICAL SERVICES		992,000,000	991,481,106	518,894

Top Expenditures FY 2024-2025



- Dressing and other non-pharmaceutical supplies
- Medical Drugs
- Food and Ration
- Laboratory supplies
- Contracted guards and cleaning services
- Employee costs
- Water and sewerage charges
- Electricity
- Construction of Non-residentials
- Purchase of audio-visuals

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services in both east and central Africa.

Results

The results of the entity for the year ended June 30, 2025 are set out on pages 1 to 9


Board of Management

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

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



DR. RICHARD LESIYAMPE

SECRETARY TO THE BOARD

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 (*entities should quote the applicable legislation under which they are regulated*) 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/period 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 (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

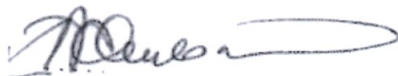
The Board of Management accepts responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*– entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 20xx, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*) OR

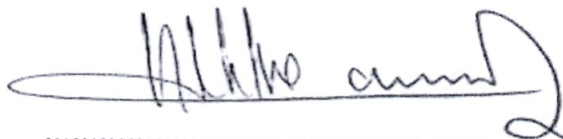
Nothing has come to the attention of the Board of management to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 15th August 2025
and signed on its behalf by:



.....
Name: Doris Ombara
Chairperson
Board of Management



.....
Name: Richard Lesiyampe
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON JARAMOGI OGINGA ODINGA TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Jaramogi Oginga Odinga Teaching and Referral Hospital set out on pages 1 to 40, 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 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 Jaramogi Oginga Odinga Teaching and Referral Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Completeness of Employee Costs

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects employee costs of Kshs.142,085,806 being compensation to casual employees and contracted professional services. However, review of staff establishment revealed that employees working for the hospital and generating economic benefit to it numbering three hundred and twenty one (321) regular staff and ninety-eight (98) contracted staff paid by the County Executive at the cost of Kshs.88,689,448 had not been incorporated in the financial statements. As a result, the reported employee costs are incomplete.

In the circumstances, the accuracy and completeness of employee cost of Kshs.142,085,806 could not be confirmed.

2. Discrepancies in Reported Revenues from Rendering Services

The statement of financial performance reflects rendering of services – medical service income amount of Kshs.1,392,559,442 as disclosed in Note 4 to the financial statements. Included in the amount is receipts from SHA and NHIF of Kshs.928,361,933 and Kshs.163,703,879 respectively. However, the Receiver of Revenue statement of revenue and disbursements indicates the Hospital received Kshs.681,922,169 from approved SHA claims totalling to Kshs.844,849,002 and nil from NHIF.

In the circumstances, the completeness and accuracy of reported rendering of services – medical service income amount of Kshs.1,392,559,442 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Jaramogi Oginga Odinga Teaching and Referral Hospital Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in

accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,245,749,280 and Kshs.1,063,376,309 respectively resulting to under performance of Kshs.220,849,967 or 11% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kisumu County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Unresolved Prior year Matters

In the audit report of the prior year's audit report, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness, Effectiveness in Use of Public Resources and Effectiveness of internal controls, Risk Management and Governance, respectively. Review of the status during audit of the County in 2024-2025 revealed matters which remained unresolved as at 30 June, 2025 as detailed below:

S/No.	Audit issue
1	Inaccuracies in the Presentation of Financial Statements
2	Unsupported Receivable from Exchange Transactions
3	Unsupported Property, Plant and Equipment
4	Unsupported Depreciation and Amortization Expense
5	Unreconciled NHIF and MARWA Records
6	Misstatement of Employee Costs
7	Non-Compliance with the Prescribed Standards for Preparing the Imprest Register
8	Stalled Construction of Cancer Centre
9	Managed Equipment Services
10	Insufficiencies in the implementation of Universal Health Care (UHC)
11	Lack of Audit Committee

2. Long Outstanding Accounts Payables

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables balance of Kshs.290,418,059. Review of the ledgers and documents provided during audit in support revealed contract payments amounting to Kshs.32,597,727 that have been outstanding for more than one year. Management did not render explanation for the delays in settlement of the long outstanding payables. In addition, the Hospital is at risk of incurring avoidable costs in the form of legal suits, penalties and interest for the delayed settlement.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of staff establishment records and work plans revealed that there was massive understaffing in many departments and other critical areas as sampled and tabulated here below.

Staff Cadre	Number in Post	Level 6 Standard	Deficit
Medical Specialists	43	146	103
Pharmacists	12	18	6
Nurses	314	416	102
Radiographers	12	18	6
Clinical Officers	35	94	59
Accounts	2	16	14
Procurement officers	5	8	3

With the understaffing in some of these critical areas, the facility may not meet patients care demands, maintain quality of care and operational efficiency.

2. Non-Compliance with Ethnic Diversity in Staff Employment

Review of the payroll records and staff bio data as at 31 March, 2025 indicated that the total number of regular employees were three hundred and fourteen (314) out of which two hundred and thirty-two (232) or 73% were from the dominant ethnic community. Similarly, Contracted professionals were seventy-one (71) out of which fifty-nine (59) or 83% were from the dominant ethnic community while support staff were two hundred forty-four (244) out of which two hundred twenty-three (223) or ninety one percent (91%) were from the dominant ethnic community. This is contrary Section 7(2) of the National Cohesion and Integration Act 2008, which stipulates that no public establishment shall have more than one third of its staff or recruitment from the same ethnic community.

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

3. Non-Compliance with Affirmative Action on Employment of Persons with Disabilities

Review of the payroll records and staff bio data for the month of March 2025 revealed that the total number of regular employees stood at three hundred and twelve (312). Out of this, only five (5) of the employees had been categorized as persons with disability, constituting 1.6% which was below the recommended level of 5% under Section 13 of the Persons with Disabilities Act, 2013.

Further review of the March, 2025 payroll indicated that there were seventy-one (71) contracted professionals and two hundred forty-four (244) support staff and out this numbers none of the contracted professionals or the support staff have been categorized as persons with disability, constituting 0% which again was below the recommended level of 5% under Section 13 of the Persons with Disabilities Act, 2013. Management did not provide evidence of submitting annual report on status of persons with disability as required by Section 21(3) of the Act.

Review of minutes of Disability Mainstreaming working Committee meeting on 4 December, 2025 had identified that the hospital lacks functional disability toilets and washrooms both for members of staff and visiting client's contrary to requirements of Section 21(2) b of formulating policies of improving working conditions for people with disability.

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

3. Irregular Study Leave

The Hospital granted a medical officer study leave to undertake master's degree of Science in Pediatric Emergency for a duration of three years (September, 2020 – August, 2023) at the University of Edinburgh. Subsequently, the officer was granted another study leave for Masters of Medicine in Pediatrics and child health at Maseno University for four years from October, 2023 to September, 2027. This was contrary to Section 1.7(2) of County Human Resource Manual 2013 which stipulates that an officer who attends a course lasting six months and more above will be required to work for two years before they can qualify for selection for another long course.

Further, Training Bond Form for the Course in Maseno was incomplete as it was not signed by the bonded staff and was not witnessed by a Human Resource officer from the Hospital contrary to Section 2.11(iii) of the Guidelines of the bond for training public servants which requires the Human Resource officer to ensure the bonded Officer reads the content of the agreement and then sign and append the official stamp.

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

4. Irregularities on Contract Management of Security Services

Review of records on security revealed contract between the Hospital and a company for the provision of security services at a contract price of Kshs.18,165,600 per year (from 1 January, 2024 to 31 December, 2025). The contract execution based on the tender documents revealed non-compliance with the terms and conditions of the contract as detailed below:

- i. Lack of Security Controls- Since the service provider took over on 1 January, 2024 there has been no evidence of registration and security checks for the incoming and out-going vehicles at the main gate. For example; the usage of metal detectors and under search mirrors at the entrance.
- ii. Unauthorized Parking- There is no form of authorization for motor vehicles being parked at the hospital's parking bay.
- iii. Discharge Reconciliation- There was no evidence of the patients discharge control register being reconciled with the ward register book on a daily basis.
- iv. Performance Monitoring-There was no evidence that the hospital management team undertook quarterly performance appraisals of the security services to enhance continuous evaluation of performance by the contractor.
- v. Missing Documents- Some documents including the occurrence book where all occurrences of security in nature for example losses and patients abscondments are to be recorded and attendance register for the year 2024 where they check in and out were missing.

In the circumstances, the service provider failed to adhere to the contractual obligations and therefore, the propriety and value for money of Kshs.9,082,800 paid for the period July to December, 2024 could not be confirmed.

5. Compliance with Law on Contract Management and Project Implementation

Review of the hospital procurement processes revealed the following unsatisfactory matters:

5.1. Procurement of Echocardiogram Machine

A company was awarded a contract to supply, train and commission an echocardiogram machine of Kshs.2,685,000 vide local purchase order number 010661 on 2 December, 2024. The machine was delivered on 11 March, 2025, an invoice was issued on the same date. Review of other documents revealed the following inconsistencies:

- i. On the delivery note dated 11/03/25, the user made a remark that the specifications of the delivered machine did not meet the specifications of an echocardiogram machine contrary to what was indicated in the Inspection and Acceptance report which indicated that the machine met all the specifications as detailed on the procurement requisition apart from specification. Consequently, the report was not fully accepted by all the inspection and acceptance committee members.
- ii. During physical verification at the department at the time of audit it was observed that the machine was still in the entity but it had not been put into use. A discussion with the user of the equipment revealed that the machine may not function effectively due to its inability to produce continuous waves.

In the circumstances, the facility may not have received value for the expenditure amounting to Kshs.2,685,000.

6. Outsourced Laundry Services Contract

The statement of financial performance for the year ended 30 June, 2025 reflects general expenses of Kshs.228,897,645. Included in the account balance is Kshs.34,524,575 that relates to contracted services as disclosed in Note 13 to the financial statements.

On 3 July, 2023, a contract agreement was signed between a firm and the Hospital for the provision of laundry services at a contract price of Kshs.14,700,000 for two years

However, the following issues were observed during the audit review:

- i. Lack of Cost-Benefit Justification- Review of the project file revealed that the hospital was responsible for providing the primary equipment for example; washing machines, industrial ironing board and drier. The contractor was only required to provide man power (laundry attendants) and was also to cover for repair cost of equipment repairs. However, no justification in terms of cost benefit analysis was provided as to why management opted to outsource the services instead of employing in-house staff to undertake the duties.
- ii. Non-Compliance with Contractual Meetings- As per the tender document, quarterly meetings between the contractor and the hospital selected HMT members were to be held. However, there was no proof of the quarterly meetings having taken place.
- iii. Equipment Status and Site Conditions- On review of the tender document, it was noted that before bidding the contractor conducted a site visit on 3 May, 2023. On the form filled it was indicated that the hospital had three laundry machines but only two were functioning, one iron machine that was not functioning and one drier that was functioning.

During audit, physical inspection of the laundry area revealed the following anomalies:

- i. Only one laundry machine was functioning. It was explained that the other laundry machine broke down a month ago. It was also noted that the repair process was yet to be initiated. As a result, the one functioning machine is being operated day and night and thus there is a very big possibility of it also breaking down anytime as its being over worked.
- ii. No functioning ironing machine was available- It was noted that the hospital did not have a functioning ironing machine since the year 2023. This contradicts the service scope, which includes washing, ironing, and folding of linen. Thus, ironing services have not been provided for years now.
- iii. The only drier was also found to be non-functional- It was noted that the one drier broke down over a month ago and it is yet to be repaired. Thus, the hospital has no single functioning drier.

As a result of the above issues, the laundry area had heaps of dirty linen on the floor and also the trolleys had very many wet linens that had been washed the previous day.

In the circumstances, the hospital might not be getting optimal laundry services despite promptly paying the service provider on a monthly basis.

7. Non-compliance with Fiscal Responsibility Principle on Development Budget Expenditure

During the year under review, the hospital had a total revenue budget of Kshs.650,000,000 and a development budget of Kshs.33,901,700. Development budget represents only 5% of the total budget, which is contrary to Section 15(2)(a) of the Public Finance Management (PFM) Act, 2012. The Act requires that, over the medium term, a minimum of 30% of the national government's budget should be allocated to development expenditure.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Controls and Governance Systems over Information Communication and Technology

1.1. Lack of Migration Strategy

Review of change management process at the Hospital revealed that the Hospital was in the process of migrating from the FUNSOFT system to a new Enterprise Resource Planning (ERP) system. However, the Hospital did not have in place a migration strategy to guide the transition. In addition, no evidence was provided of stakeholder sensitization, risk assessments, fallback procedures, or training programs to ensure smooth adoption of the new system. In the absence of fallback and rollback procedures may result in irreversible data corruption or prolonged service interruptions if the migration fails.

1.2. Inadequate Physical and Environmental Controls at the Server Room

Physical verification of the JOOTRH server room established the following weaknesses:

- i. No CCTV cameras were installed, leaving the server room without adequate surveillance.
- ii. The heat and smoke detection system were not installed.
- iii. Cables were poorly arranged, creating tripping hazards and potential damage to equipment. Rack cabinets containing critical equipment had poorly managed and unlabeled cabling.
- iv. The room was congested, limiting proper airflow and safe handling of equipment.
- v. Dust accumulation was observed on equipment surfaces, racks, and the floor.
- vi. No regular cleaning or preventive maintenance schedule was in place to control environmental contaminants. This condition increases the risk of overheating, blocked airflow, and hardware failure.

Failure to develop and enforce a server room physical and environmental controls policy to ensure compliance with ICT governance and information security best practices is against Regulation 22(1)(b)(c) of the Public Finance Management (County Governments) Regulations, 2015 states that Accounting Officers shall in accordance with Article of 226(2) of the Constitution and section 149(1) of the Act, be accountable to the County Assembly for maintaining effective systems of internal Control and the measures taken to ensure that they are effective.

2. Weaknesses in Granting Waivers and Exemptions

Review of the medical services contracts totaling Kshs.24,696,883 as disclosed in Note 14 to the financial statements which represents waivers and exemptions revealed several control and process weaknesses, as outlined below:

2.1 Irregular Issuance of Waiver Application Form Books

Review of serialized waiver application form books revealed that the Accounts Office was issuing the books randomly, without adhering to the sequential order of the serial numbers. For example, in July, 2024, three waiver application form books were issued.

Two of these books did not indicate any book number, while only one was labelled as Book Number 26.

2.2 Existence of Duplicate Exemption Numbers

The hospital uses the FUNSOFT system to generate waiver/exemption numbers for patients. However, these system-generated numbers differ from the serialized numbers in the manual waiver books. Management has not configured the system to align with the manual book's serial numbering, resulting in a lack of consistency and potential duplication.

This inconsistency indicates weak internal controls over the issuance, tracking, and management of waiver application forms. Furthermore, management did not provide a register or inventory showing the number of waiver books received, issued, or remaining in store. In the circumstances, this casts doubt on the waiver and exemption process at the hospital, raising concerns about the regularity, completeness, and accuracy of the waiver amounts reported by hospital management.

From the foregoing, management's action is in contravention of Regulation 22.(1)(b) of Public Finance Management Regulations (County Government) Regulations 2015, which states the Accounting Officers shall be accountable to the County Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

In the circumstances, the effectiveness of internal controls systems over granting of waives and exemption are weak while management was in breach of the law.

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

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

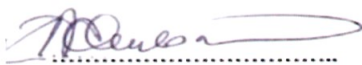
11 December, 2025

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

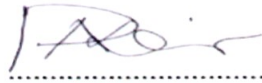
14 Statement of Financial Performance for The Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		KHS	KHS
Revenue from non-exchange transactions			
Transfers from the County Government	1	0	125,000,000
In- kind contributions from the County Government	2	88,689,448	168,412,308
Grants from donors and development partners	3	0	14,600,938
		88,689,448	308,013,246
Revenue from exchange transactions			
Rendering of services- Medical Service Income	4	1,392,559,442	523,310,504
Revenue from rent of facilities	5	1,770,000	1,027,500
Miscellaneous Income	6	1,658,925	257,175
Revenue from exchange transactions		1,395,988,367	524,595,179
Total revenue		1,484,677,815	832,608,425
Expenses			
Medical/Clinical costs	7	656,216,806	531,443,964
Employee costs	8	142,085,721	87,806,909
Board of Management Expenses	9	3,282,800	2,792,200
Depreciation and amortization expense	10	41,749,122	36,086,614
Repairs and maintenance	11	37,466,612	19,843,679
Grants and subsidies	12	0	14,600,938
General expenses	13	228,897,645	122,749,948
Total expenses		1,109,698,706	815,324,252
Other gains/(losses)			
Medical services contracts Gains/Losses	14	(24,696,883)	(34,826,424)
Total other gains/(losses)		(24,696,883)	(34,826,424)
Net Surplus / (Deficit) for the year		350,282,226	(17,542,251)

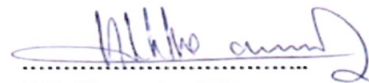
The Hospital's financial statements were approved by the Board on ___ 15th August 2025 _____ and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:8470



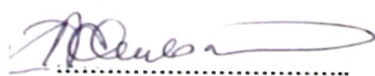
Chief Executive Officer

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

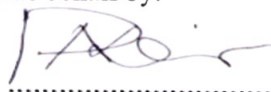
15 Statement of Financial Position As At 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		KHz	KHz
Assets			
Current assets			
Cash and cash equivalents	15	136,797,787	38,476,996
Receivables from exchange transactions	16	395,182,434	196,463,806
Inventories	18	91,659,251	64,029,357
Total Current Assets		623,639,472	298,970,159
Non-current assets			
Property, plant, and equipment	19	2,899,624,179	2,829,331,236
Total Non-current Assets		2,899,624,179	2,829,331,236
Total assets (A)		3,523,263,651	3,128,301,395
Liabilities			
Current liabilities			
Trade and other payables	20	290,418,059	245,738,029
Total Current Liabilities		290,418,059	245,738,029
Non-current liabilities			
Total non-current liabilities			245,738,029
Total Liabilities (B)		290,418,059	245,738,029
Net assets (A-B)		3,232,845,592	2,882,563,366
Represented by:			
Accumulated surplus/Deficit		476,317,452	126,035,226
Capital Fund		2,756,528,140	2,756,528,140
Net Assets		3,232,845,592	2,882,563,366

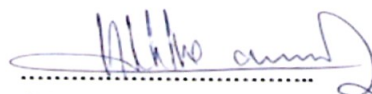
The Hospital's financial statements were approved by the Board on __15th August 2025 _____ and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:8470



Chief Executive Officer

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	143,577,477	0	143,577,477
Revaluation gain	-	-	2,756,528,140	2,756,528,140
Surplus/(deficit) for the year	-	(17,542,251)	-	(17,542,251)
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	126,035,226	2,756,528,140	2,882,563,366
At July 1, 2024 (current year)	0	126,035,226	2,756,528,140	2,882,563,366
Revaluation gain	0		-	0
Surplus/(deficit) for the year		350,282,226		350,282,226
Capital/Development grants		-	-	-
At June 30, 2025(current year)	-	476,317,452	2,756,528,140	3,232,845,592

*Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the County Government	1	0	125,000,000
Grants from donors and development partners	3	0	14,600,938
Rendering of services- Medical Service Income	4a	1,021,832,888	327,199,198
Revenue from rent of facilities	5a	1,407,500	1,027,500
Miscellaneous receipts(<i>specify</i>)	6	1,658,925	257,175
Total Receipts		1,024,899,313	468,084,811
Payments			
Medical/Clinical costs	7a	434,369,848	234,527,445
Employee costs	8	142,085,721	87,806,909
Board of Management Expenses	9	3,282,800	2,792,200
Repairs and maintenance	11	37,466,612	19,843,679
Grants and subsidies	12	0	14,600,938
General expenses	13	228,897,645	122,749,948
Total Payments		846,102,626	482,321,119
Net cash flows from operating activities		178,796,687	(14,236,308)
Cash flows from investing activities			
Purchase of property, plant, equipment	19	(80,475,896)	(10,125,054)
Net cash flows used in investing activities		(80,475,896)	(10,125,054)
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		98,320,791	(24,361,362)
Cash and cash equivalents as at 1 July		38,476,996	62,838,358
Cash and cash equivalents as at 30 June	15	136,797,797	38,476,996

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

18 Statement of Comparison of Budget and Actual Amounts for Year Ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-			38,476,996		
Receipts						
Rendering of services- Medical Service Income	1,242,212,355		1,242,212,355	1,021,832,888	220,379,467	97%
Revenue from rent of facilities	1,878,000		1,878,000	1,407,500	470,500	90%
Miscellaneous receipts (specify)	1,658,925		1,658,925	1,658,925	0	100%
Total receipts	1,245,749,280		1,245,749,280	1,063,376,309	220,849,967	89%
Payments						
Medical/Clinical costs	571,892,203		571,892,203	434,369,848	65,222,180	96%
Employee costs	154,400,000		154,400,000	142,085,721	5,558,291	97%
Remuneration of directors	3,283,000		3,283,000	3,282,800	200	99%
Repairs and maintenance	37,470,500		37,470,500	37,466,612	3,888	99%
General expenses	348,061,877		348,061,877	228,897,645	111,170,871	88%
Total Operational Expenditure paid	1,115,107,580		1,115,107,580	846,102,626	225,140,278	89%
Capital Expenditure paid	130,641,700		130,641,700	80,475,896	50,165,804	67%
Surplus				136,797,787		
TOTAL EXPENSES	1,245,749,280		1,245,749,280	1,063,376,309	182,372,971	

Budget Notes

The absorption rate was at 97% due to delay in the remittance of the claims from the debtors including SHA and other insurance that the facility offers Services to their clients.

Budget Reconciliation

Description of Particulars
Actual Surplus amount as per the budget statement
1. Reason for differences - Carry over from the previous year
2. Absorption rate low in some votes

Kshs.
136,797,787

19. Notes to the Financial Statements

1. General Information

JOOTRH entity is established by and derives its authority and accountability from PFM Act 2012. The entity is wholly owned by the Kisumu County Government and is domiciled in Kisumu County in Kenya. The entity's principal activity is providing quality and affordable preventive, promotive, rehabilitative and curative health services in both east and central Africa

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th 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 cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. 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>

***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025***

Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<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>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</p>

***Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025***

Standard	Effective date and impact:
	geared to provide guidance to entities that provide transfers on accounting for such transfers.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

Rental income

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

Budget information

The original budget for FY 2024/2025 was approved by Board on **xxxx.1/7/2024** Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of the FY 2023/2024 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

b. 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.

c. 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 xxx years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d. Property, plant and equipment

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

Hospital Policy on Depreciation is as illustrated below: Depreciation Rates

Land	0%
Buildings	4%
Motor Vehicles	25%
Fixtures & Fittings	10%
Plant & Equipment	12.5%

e. Leases

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

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

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

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

f. 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.

g. Research and development costs

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

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

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

h. 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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital'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 entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

i. 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.

j. Provisions

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

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

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

k. 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.

l. 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.

m. 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.

n. 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.)*

o. 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.

p. Employee benefits

Retirement benefit plans

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

q. Foreign currency transactions

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

r. 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.

s. 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.

t. 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.

u. 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.

v. Comparative figures

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

w. 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, 2024.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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Notes to Financial Statements Continued

1. Transfers from the County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	0	100,000,000
Unconditional development grants	0	25,000,000
		125,000,000

2. In Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical supplies-Drawings Rights (KEMSA)	88,689,448	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)		168,412,308
Total grants in kind	88,689,448	168,412,308

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

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Research grants	0	14,600,938
Total grants from development partners	0	14,600,938

4. Rendering of Services-Medical Service Income

Description	FY	FY
	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	20,034,660	22,055,986
Non-Pharmaceuticals	30,448,540	32,882,358
Laboratory	26,178,156	31,974,687

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Radiology	36,665,848	34,820,705
Orthopedic and Trauma Technology	1,363,977	1,361,390
Theatre	12,939,586	17,303,048
Accident and Emergency Service	-	1,858,802
Research and Trainig	5,375,500	4,779,000
Casualty	1,686,687	1,237,037
Ear Nose and Throat service - (ENT)	521,500	328,400
Child Welfare Clinic	-	-
Renal Services	626,157	2,629,940
Occupational Therapy	672,378	470,560
Eye Services	237,400	597,518
Orthopedic	448,838	219,650
Medical Records	20,346,620	7,416,890
Outpatient	947,450	298,900
Dental services	2,976,000	1,962,450
Medical Examinations	48,300	31,700
Reproductive health	1,345,720	402,847
Paediatrics services	3,534,931	1,858,802
Farewell home services	5,772,000	1,817,318
Physiotherapy	777,325	656,450
I.C.U	3,345,826	1,787,471
Ward	46,806	545,494
Mortuary	16,048,800	13,628,806
Transfer from NHIF	163,703,879	312,953,420
Transfer from SHA	928,361,933	-
Transfer from AON MINET	70,756,122	25,529,859
Transfer from Madison	12,838,057	-
Transfer from Old Mutual	193,439	-
T.S. S. U	550,216	956,238
Prime care Services	23,459,742	944,778
Ambulance services	282,400	-
Nutrition	24,650	-
Total revenue from the rendering of services	1,392,559,442	523,310,504

(Other medical services fee relates to other charges not listed above and should be specified)

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4a. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Total revenue from medical services	1,392,559,442	523,310,504
Less receivables	(384,819,934)	(196,111,306)
totals	1,021,832,888	327,199,198

5. Revenue From Rent of Facilities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Residential property	1,770,000	1,027,500
Total Revenue from rent of facilities	1,770,000	1,027,500

5 a. Revenue Received From Rent of Facilities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Residential property	1,407,500	1,027,500
Total Revenue from rent of facilities	1,407,500,	1,027,500

6. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Income from sale of tender	1,370,660	41,500
Sale of goods (water, publications, containers etc.)	223,865	173,075
Incinerator Charges	64,400	42,600
Total Miscellaneous income	1,658,925	257,175

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7. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	24,470,712	4,279,164
Laboratory chemicals and reagents	54,408,206	39,070,323
Food and Ration	59,683,768	35,180,014
Uniform, clothing, and linen	9,997,438	4,989,307
Dressing and Non-Pharmaceuticals	160,836,305	53,006,739
Pharmaceutical supplies	110,090,895	234,186,660
Health information stationery	17,013,506	5,629,015
Reproductive health materials	0	-
Sanitary and cleansing Materials	18,583,011	8,345,318
Purchase of Medical gases	2,408,108	-
X-Ray/Radiology supplies	27,215,201	9,064,361
Computer accessories and stationeries	26,798,468	6,477,739
Accrued Expenses	133,157,510	128,504,211
Other medical related clinical costs (<i>specify</i>)	11,553,679	2,711,113
Total medical/ clinical costs	656,216,806	531,443,964

7a. Medical/Clinical costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Total medical/clinical costs	656,216,806	531,443,964
Less medical supplies from KEMSA	(88,689,448)	(168,412,308)
Less accrued expenses	(133,157,510)	(128,504,211)
Less retention fees	-	-
Totals	434,369,848	234,527,445

8. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	142,085,721	87,806,909
Employee costs	142,085,721	87,806,909

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9. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Sitting allowance	3,282,800	2,792,200
Total	3,282,800	2,792,200

10. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	41,749,122	36,086,614
Total depreciation and amortization	41,749,122	36,086,614

11. Repairs And Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	23,509,320	0
Medical plant & equipment	9,713,857	6,339,051
Motor vehicle expenses	4,243,435	2,078,720
Maintenance of civil works	0	
Total repairs and maintenance	37,466,612	8,417,771

12. Grants And Subsidies

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Research grant-Balance Study	-	14,600,938
Total grants and subsidies	0	14,600,938

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13. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	4,650,608	163,860
Catering expenses	11,516,378	-
Bank charges	73,104	11,175
Contracted services	34,524,575	33,574,154
Electricity expenses	56,750,529	33,939,483
Fuel and Lubricants	15,296,669	13,845,000
Travel and accommodation allowance	14,877,637	9,386,012
Legal expenses	1,080,000	-
Printing and stationery	10,915,081	5,075,701
Water and sewerage costs	65,596,222	22,150,000
Telephone and mobile phone services	1,320,990	686,843
Staff training and development	12,295,852	3,917,720
Total General Expenses	228,897,645	122,749,948

14. Medical Services Contracts Gains /Losses

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Waivers and Exemptions	24,696,883	34,826,424
Total Gain/Loss	24,696,883	34,826,424

15. Cash And Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	136,797,787	38,476,996
On - call deposits		-
Others(<i>specify</i>)- Mobile money		-
Total cash and cash equivalents	136,797,787	38,476,996

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Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description		FY 2024/2025
Financial institution	Account number	KShs
a) Current account		
Kenya Commercial bank	1150668849	119,027,059.27
Kenya Commercial bank	1104028174	4,112,436.00
Kenya Commercial bank	1260285512975	0.00
Equity Bank, etc	1260282604792	2,977,542.50
Equity Bank, etc	1260285327979	10,486,855.30
Equity Bank – etc	1260286338241	501.00
Co-operative bank	1141662324100	193,393
Sub- total		
b) On - call deposits		
Grand total		136,797,787

16.Receivables From Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables	384,819,934	196,111,306
Rent receivables	362,500	352,500
Borrowing	10,000,000	-
Total receivables	395,182,434	196,463,806

17. Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	266,985,635	68%	352,500	0.2%
Between 1- 2 years	128,196,799	32%	147,083,480	75%
Between 2-3 years			49,027,827	24.8%
Total (a+b)	395,182,434	100%	196,463,806	100%

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18. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	57,697,800	34,570,550
Maintenance supplies	0	1,500,000
Food supplies	240,502	1,544,494
Linen and clothing supplies	187,080	701,314
Non Pharmaceuticals	10,642,510	14,841,750
Laboratory	17,233,920	7,285,740
Dental Services	848,234	830,242
Other Fuels	0	400,400
Printing and Publishing	0	482,232
Radiology and Imaging	2,173,040	410,115
Cleaning materials supplies	1,378,675	920,310
General supplies	1,257,490	542,210
Less: provision for impairment of stocks		-
Total	91,659,251	64,029,357

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Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Furniture Fittings & Office Equip	ICT Equipment	Motor vehicle	Plant and equipment	Capital Work in progress	Total
	Ksh	Ksh		Ksh		Ksh	Ksh	Ksh
Cost								
At 1 July 2024 (previous year)	1,890,000,000	866,520,000	1,716,287	-	-	6,887,073	95,774,045	2,860,897,406
Additions	-	-	402,939				9,722,115	10,125,054
At 30th June 2024	1,890,000,000	870,000,000	2,421,973	-		7,870,941	95,774,045	2,866,066,959
Depreciation for the year	-	34,800,000	302,747	-		983,868	-	36,086,615
At 1 July 2024(current year)	1,890,000,000	866,520,000	1,716,287			6,887,073	95,774,045	2,860,897,406
Additions		32,826,891	4,148,050	7,291,850	9,639,000	6,796,013	19,774,092	80,475,896
Disposals								
At 30th Jun 2025	1,890,000,000	899,346,891	5,864,337	7,291,850	9,639,000	13,683,086	115,548,137	2,941,373,302
Depreciation and impairment		36,131,071	586,434	911,481	2,409,750	1,710,386		41,749,122
At 30 th Jun 2024 (previous)	1,890,000,000	870,000,000	2,421,973	-		7,870,941	95,774,045	2,866,066,959
At 30 th Jun 2025 (current)	1,890,000,000	863,215,820	5,277,903	6,380,369	7,229,250	11,972,700	115,548,137	2,899,624,179

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements for The Year Ended 30th June 2025

20. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	290,418,059		245,738,029	
Total trade and other payables	290,418,059		245,738,029	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	257,820,332	89%	39,462,578	22%
1-2 years	32,597,727	11%	81,963,111	59%
2-3 years			33,974,632	19%
Total	290,418,059	100%	165,400,324	100%

21. Financial Risk Management

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

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

(i) Credit risk

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

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)	196,463,806			
Receivables from exchange transactions		-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	38,476,996		-	-
Total	234,940,802	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	395,182,434			
Receivables from –non-exchange transactions				
Bank balances	136,797,787			
Total	531,980,221			

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

(ii) Liquidity risk management

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

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

Jaramogi Oginga Odinga Teaching and Referral Hospital (Kisumu County Government) Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	-	144,073,444	146,344,615	290,418,059
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	144,073,444	101,664,585	290,418,059
At 30 June 2025				
Trade payables	290,418,059			290,418,059
Total	290,418,059			290,418,059

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

Foreign currency sensitivity analysis

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

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b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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.

xxx 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

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Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx		-
Sales of services to xxx		-
Total		-
b) Grants from the Government		
Grants from County Government	0	125,000,000
Grants from the National Government Entities	0	-
Donations in kind	0	-
Total	0	125,000,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	142,085,721	87,806,909
Payments for goods and services for xxx		-
Total	142,085,721	87,806,909
d) Key management compensation		
Directors' emoluments	3,282,800	2,792,200
Total	3,282,800	2,792,200

22. Capital Commitments

Capital Commitments	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised And Contracted For		
Renovation of Victoria Hospital		18,733,988
Completion of Neuro Surgical Ward		5,673,570
Construction of hospital lift	3,318,034	7,104,434
Phase 1 solarisation of OPD, Administration & Security	5,000,000	
Harvesting, storage and Purification of rain Water	5,000,000	
Completion of Ramp	7,000,000	
Total	20,318,034	31,511,992

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23. Events after the Reporting Period

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

24. Ultimate and Holding Entity

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

25. Currency

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

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20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	1. Stalled Construction of Cancer Centre	<i>The management has noted the observation. It will ensure the completion of the project is completed by engaging partners / stakeholders towards benefiting the citizens within and outside the County of Kisumu.</i>	NOT RESOLVED	30 th January 2025
	2. Managed Equipment Services	<i>The management has noted the observation. However, Managed Equipment Services (MES) equipment outsourced by the Ministry of Health and contracts between maintenance service providers and the Ministry had expired. This has made the operations of the Equipment's not to be at 100%. However, the management has been engaging some service providers to maintain</i>	PARTIALY RESOLVED	30 th April 2026

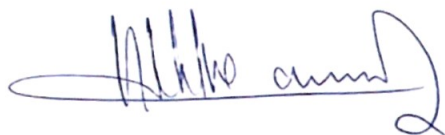
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>the machines to enable hospital offer quality service to the public</i>		
	3. Insufficiencies in the implementation of Universal Health Care (UHC)	<p><i>The management wish to affirm that we have signed MOU with several training Institution like Maseno, Uzima, Great Lake University Jomo Kenyatta University, Kabarak among others towards bridging the human resource Gap. Further, we have been accredited to offer COSESCA, ESCACOP, CANACSA, ECSACOG training leading to more registrars coming on board to bridge the human resource Gap precisely we have 50 registrars supporting 17 medical officers.</i></p> <p><i>Additionally, the management has sent 30 MOs on training bringing the total medical officers to 47. The county has as well employed more staff, specialists for effective delivery</i></p>	PARTIALY RESOLVED	30 th June 2026

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>of healthcare. Furthermore, the management did a request letter to chief officer of Health and Sanitation for more additional staff via memo dated 13th February 2025. Find copy attached (Appendix 6)</p> <p>The Management has noted this with a lot of concern; however, the management has placed 7 more dialysis machines 2 more ventilators for the ICU and 2 more anesthesia machine hence increasing the number of services offered within the facility. These efforts have made KMPDC to classify the hospital under level 6A after 3 consecutive assessment. taken note and is in the process of acquiring more machines, including chemotherapy unit, breaker</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>therapy machine and 14 dialysis machines.</i>		
	4. Lack of Audit Committee	<i>The management has noted this with a lot of concern. However, the management wrote several letters to the county executive to second an auditor, which has now been posted and the internal audit department for the hospital is now functional. Find attached copy of the letters to the executive and copy of the arrival letter attached</i>	RESOLVED	



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Accounting Officer

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Year Ended 30th June 2025*