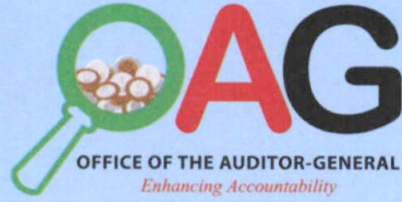


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REPORT

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THE AUDITOR-GENERAL

ON

SIGOWET SUB-COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KERICHO

800



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**SIGOWET SUB-COUNTY HOSPITAL LEVEL 4 HOSPITAL  
(County Government of Kericho)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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**1. Acronyms & Glossary of Terms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
NHIF	National Hospital insurance fund
FIF	Facility Improvement Fund
SHA	Social Health Authority
AIE	Authority to incur expenditure
HMT	Hospital management team

**2. Key Entity Information and Management**

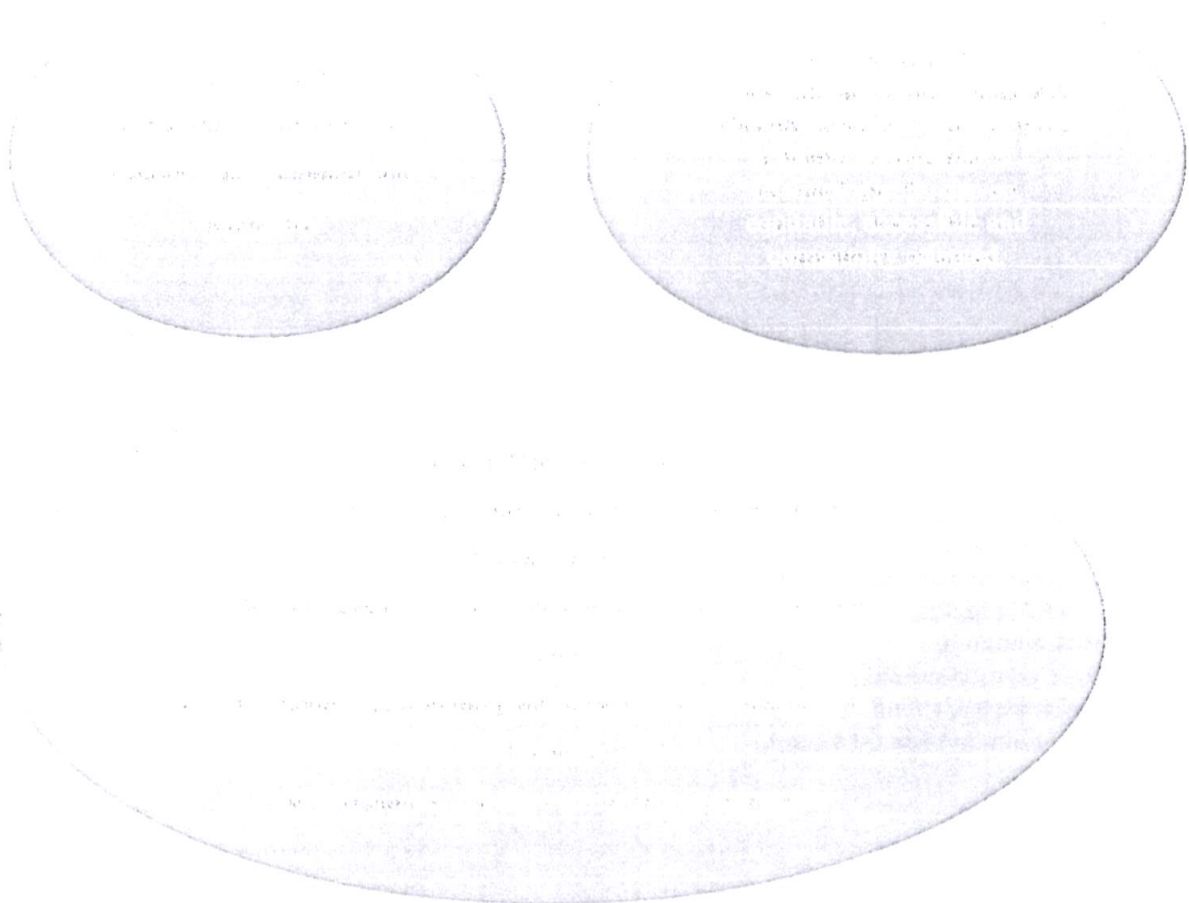
**(a) Background information**

Sigowet Sub-county hospital was established in 1986 as a Health Centre known as Nyayo Wards ( tier 3). It was later elevated to Sub County Level-4 Facility in the year 2009 under gazette notice no. 786. The facility is located in Kericho County, Soin Constituency. It's the only facility of its kind in the constituency. The catchment area is densely populated rural setting serving neighboring Sub Counties such as Nyamira, Nyakach, Nyando and Kasipul Kabondo with an estimated population of over 200,000. We are a 111-bed capacity, Level 4, which serves the needs of the vast South Rift region and the country at large.

Sigowet Sub-County is a department of Health Primary Care Hospital. We offer 24-hour medical services. We provide compassionate and affordable health care services centred on quality and Christ mindedness

**(b) Principal Activities**

The principal activity/mission/ mandate of the hospital is to:



**(c) Key Management**

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

- County department of health
- County Health Management Team.
- Accounting Officer/ Medical Superintendent
- Hospital Management Team.

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Peter Mugun
2.	Head of Finance	Ms. Dorothy Chemutai
3.	Head of supply chain	Ms. Vivian Chelangat
4.	Laboratory in-charge	Mr. Gilbert Yegon
5.	Nursing service Manager	Mr. Alfred Sigei
6.	Clinical Services Manager	Mrs. Caroline Chepngetich
7.	Pharmacist in-charge	Dr. Laween Chepngetich
8.	Health Administrative Officer	Mr. Isaac Langat

**(e) Fiduciary Oversight Arrangements**

The key fiduciary oversight bodies at the County for the year ended 30th June 2025 were:

- i. Internal Audit unit undertake periodic reviews of expenditures and make recommendations on improprieties noted
- ii. The County Executive Committee is in charge of ensuring all programmes are run smoothly and there is value for money
- iii. Clinical Research and Standards Committee.
- iv. Audit Committee.
- v. Risk Committee.
- vi. The County Assembly.
- vii. Parliamentary Committee.
- viii. Office of the Auditor General.

**Key Entity Information and Management (Continued)**

**(f) Entity Headquarters**

P.O. Box 112 – 20200  
Sigowet Market  
KERICHO, KENYA

**(g) Entity Contacts**

Telephone: (+254) 721544433,+254703542742  
E-mail: sigowethosp@gmail.com  
Website:

**(h) Entity Bankers**

Kenya Commercial Bank Limited  
Sundu Branch

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**(k) County Attorney**

P.O. Box 112  
Kericho, Kenya

**3. The Board of Management**

The hospital in consultation with County department of Health are in the process of constituting Board of management

**4. Key Management Team**

<b>No.</b>	<b>Management</b>	<b>Details</b>
1.	Dr.Peter Mugun	Overall in-charge of the hospital and the chair person to the management team.
2.	Mr.Isaac Langat	Health Administrative Officer and secretary to the management team
3.	Mrs.Dorothy Chemutai	Accounts in-charge
4.	Mrs.Vivian Chelangat	Procurement in-charge
5.	Mr.Gilbert Yegon	Laboratory in-charge
6.	Mr.Alfred Sigei	Nursing In-charge
7.	Mr.Nelson Koech	Health Records in-charge
8.	Mr.Gilbert Cheruiyot	Public Health in-charge
9.	Mrs.Caroline Chepngetich	Clinical officer in-charge
10.	Dr.Laween Chepngetich	Pharmacy in-charge
11.	Mr.Fredrick Rotich	Medical Engineering in-charge
12.	Mrs.Judith Chepkorir	Nutrition in-charge
13.	Dr. Daniel Kipchoge Koech	Orthopaedics in-charge
14.	Mrs.Sandra Ruto	Human Resource in-charge
15.	Mrs.Lily sawe	Imaging in-charge
16.	Rolax Too	Store in-charge
17.	Gladys Chepkirui	Rehabilitative in-charge
18.	Gladys Chemutai	Social work in-Charge
19.	Dr.Erick Langat	Dental In-charge
20.	Mr.Frankline Mutai	Psychiatric In-charge
21.	Mr.Victor Korir	Psychology In-charge
22.	Mrs.Evaline Kibet	IPC In-charge

**5. Chairman's Statement**

The board of management did not exist during financial year 2024/2025 and therefore no Chairman's statement

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

The FY 2024/2025 period marked another year of significant activity and service delivery at Sigowet Sub-County Hospital, building on the progress of the past three years. The hospital continued to serve as a Level 4 referral facility for Sigowet–Soin and surrounding sub-counties, delivering both preventive and curative services despite resource and operational constraints.

### **Service Delivery Performance**

Outpatient attendance rose from 36,017 in FY 2021/22 to 39,341 in FY 2024/25, reflecting strengthened community engagement, increased trust in public health services, and expanded clinic days. Inpatient admissions, which had dipped to 1,492 in FY 2022/23, rebounded strongly to 3,037, driven by improved ward services and specialist coverage.

Maternal health services experienced mixed trends. Deliveries declined from 1,319 in FY 2021/22 to 1,100 in FY 2024/25, partly due to strengthened referral systems to nearby facilities and patient choice patterns. However, caesarean sections increased from 143 to 185 over the same period, indicating improved obstetric care and timely surgical interventions.

### **Surgical and Emergency Care**

The surgical theatre remained a key driver of clinical services. Major operations rose from 116 in FY 2021/22 to 181 in FY 2024/25, with total theatre cases increasing from 487 to 536. Accident and Emergency cases surged from 87 to 506, reflecting both the expansion of emergency services and a rise in trauma-related incidents.

Specialized outpatient clinics continued to grow in popularity, recording a 67% increase in attendance from 2,848 patients in FY 2021/22 to 4,774 in FY 2024/25.

### **Capacity and Resource Utilization**

The hospital increased its bed capacity from 104 in FY 2021/22 to 125 in FY 2024/25. Bed occupancy rates remained high, averaging between 65% and 76%, with an Average Length of Stay (ALOS) stable at about 4 days (4.3 days in FY 2024/25). This stability points to efficient inpatient management despite high patient turnover.

### **Health Outcomes**

The mortality count rose from 165 in FY 2021/22 to 306 in FY 2024/25, largely due to higher referrals of critically ill patients from lower-tier facilities and improved reporting systems. The hospital is prioritizing quality-of-care interventions aimed at reducing preventable deaths in the coming year.

### **Financial Support**

The hospital operated without external sponsorship during the review period, relying on county allocations and internally generated revenue to fund operations. This underscores the need for strategic partnerships to support infrastructure upgrades and service expansion.

### **Outlook**

Looking ahead to FY 2025/26, the hospital will focus on:

- Expanding emergency and surgical service capacity.
- Strengthening maternal and newborn services to reverse the decline in deliveries.
- Implementing mortality reduction strategies through critical care improvements.
- Pursuing collaborations for specialized equipment and infrastructure enhancement



.....  
Dr. Mugun Peter

**Medical Superintendent**  
**Sigowet-Sub County Hospital**

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

The Statement of Performance against Predetermined Objectives provides an assessment of the hospital's performance in delivering services, projects, and programs in line with the strategic objectives set in the County Integrated Development Plan (CIDP), the Annual Development Plan (ADP), and the departmental Annual Work Plan for FY 2024/25.

Strategic Objective	Performance Indicator	Baseline FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	Variance Analysis & Comments
1. Improve access to quality outpatient services	Outpatient attendance	36,017	43,152	37,434	39,341	Attendance rose by 5% from FY 2023/24 due to expanded special clinics and enhanced A&E services.
2. Increase in-patient service utilisation	In-patient admissions	3,187	1,492	3,294	3,037	Slight decline (-7.8%) attributed to improved outpatient management and shorter ALOS.
3. Improve maternal and child health outcomes	Deliveries	1,319	1,220	993	1,100	10.8% increase due to improved maternity wing capacity and NHIF coverage.
	Caesarean sections (C/S)	143	168	116	185	Significant rise (59.5%) in C/S linked to improved theatre facilities and referral linkages.
4. Enhance surgical services	Major operations	116	162	164	181	10.4% increase, reflecting better surgical capacity and skills.
	Total theatre procedures	487	417	435	536	23.2% growth driven by expanded service days and equipment upgrades.
5. Reduce hospital mortality	Mortality rate (absolute numbers)	165	189	134	163	Mortality numbers increased in FY 2024/25 partly due to late referrals from peripheral facilities.
6. Optimize resource utilisation	Bed capacity	104	109	114	125	Increment due to expansion projects and ward

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

						renovations.
	Bed occupancy rate (%)	64.5%	65%	76%	75.8%	Stable high occupancy; marginal drop due to more rapid patient turnover.
	Average Length of Stay (ALOS, days)	4	4	4	4.3	Slight increase due to complex surgical cases.
<b>7. Expand emergency and specialist care</b>	Accident & emergency cases	87	41	181	506	Sharp rise linked to road accident response and improved triage system.
	Special clinics attendance	2,848	3,530	4,020	4,774	Consistent growth due to targeted outreach and specialist rotations.
<b>8. Ensure financial sustainability</b>	Total revenue (Kshs.)	32,857,279	48,271,829	59,647,976	96,872,769	62.4% increase in FY 2024/25, mainly from SHA reimbursements.
	Total expenditure (Kshs.)	37,444,015	38,958,863	55,605,850	68,983,060	Costs rose due to increased medical supply expenses and staff costs; however, revenue growth outpaced expenditure.
<b>9. Maintain fiscal discipline</b>	Surplus/Deficit (Kshs.)	(4,586,736)	9,312,966	4,042,126	27,889,709	Positive turnaround due to enhanced NHIF and SHA collections.

## 8. Corporate Governance Statement

### 1. Introduction

This Corporate Governance Statement outlines the governance framework, leadership structures, decision-making processes, and internal control mechanisms of Sigowet Sub-County Hospital for the year ended 30 June 2025. The Hospital operates under the oversight of the Kericho County Department of Health in accordance with the County Governments Act, 2012, Public Finance Management Act, 2012, and relevant county health policies.

### 2. Governance Framework

The governance of the Hospital is based on the principles of accountability, transparency, integrity, participation, and service delivery excellence. Key elements of the governance framework include:

- **Strategic Oversight:** The County Health Management Team (CHMT) provides strategic direction in line with the County Integrated Development Plan (CIDP) and Annual Development Plan (ADP).
- **Operational Leadership:** Day-to-day management is led by the Medical Superintendent, supported by a Facility Management Team.
- **Decision-Making Structure:** Regular management meetings, departmental consultative forums, and stakeholder engagements ensure participatory decision-making.
- **Compliance & Reporting:** The Hospital submits regular technical and financial performance reports to the Department of Health, the County Treasury, and the Controller of Budget.

### 3. Leadership Structure (FY 2024/25)

#### a) Facility Management Team (FMT)

- Medical Superintendent – Overall facility head and accounting officer for hospital operations
- Nursing Services Manager
- Clinical Services Coordinator
- Health Records & Information Officer
- Human Resource Officer
- Supply Chain Officer
- Finance Officer
- Public Health Officer

#### b) Oversight Committees and Their Roles

Committee	Mandate	Meeting Frequency
Hospital Management Team (HMT)	Reviews strategic plans, budgets, and performance reports	Quarterly
Quality Improvement Team (QIT)	Oversees quality of care, patient safety, and clinical audits	Quarterly

Health & Safety / IPC Committee	Monitors occupational health, safety, and infection prevention measures	Monthly
Procurement & Tender Committee	Ensures compliance with procurement laws and policies	As per procurement cycle

#### 4. Ethics, Integrity & Anti-Corruption Measures

- Adherence to the **Leadership and Integrity Act, 2012**.
- Zero-tolerance policy towards corruption and unethical conduct.
- Whistleblowing channels available through the County Anti-Corruption Committee.

#### 5. Risk Management & Internal Control

- **Risk Register:** Maintained and updated to identify, assess, and mitigate key operational, clinical, and financial risks.
- **Internal Controls:** Segregation of duties in financial management, adherence to procurement thresholds, and regular bank reconciliations.
- **Audit Oversight:** Facility financial and operational systems are subject to both internal audit by the County Internal Audit Unit and external audit by the Office of the Auditor-General.
- **Compliance:** All procurement, recruitment, and expenditure follow Public Finance Management (PFM) guidelines.

#### 6. Stakeholder Engagement

The Hospital engages with stakeholders including patients, community representatives, development partners, and the County Government through:

- Community health forums and barazas
- Public participation in planning and budgeting processes
- Partnership agreements with NGOs for service delivery support

#### 7. Compliance with Laws & Regulations

During FY 2024/25, Sigowet Sub-County Hospital operated in compliance with all applicable laws and regulations, including:

- County Governments Act, 2012
- Public Finance Management Act, 2012
- Public Procurement and Asset Disposal Act, 2015
- Health Act, 2017
- Occupational Safety and Health Act, 2007

**8. Outlook for FY 2025/26**

- Strengthen governance through capacity building for Facility Management Team members.
- Implement an electronic document and records management system to improve decision-making transparency.
- Enhance risk management by integrating facility risk registers into county-level health risk mapping.

**9. Management Discussion and Analysis**

**Clinical Performance**

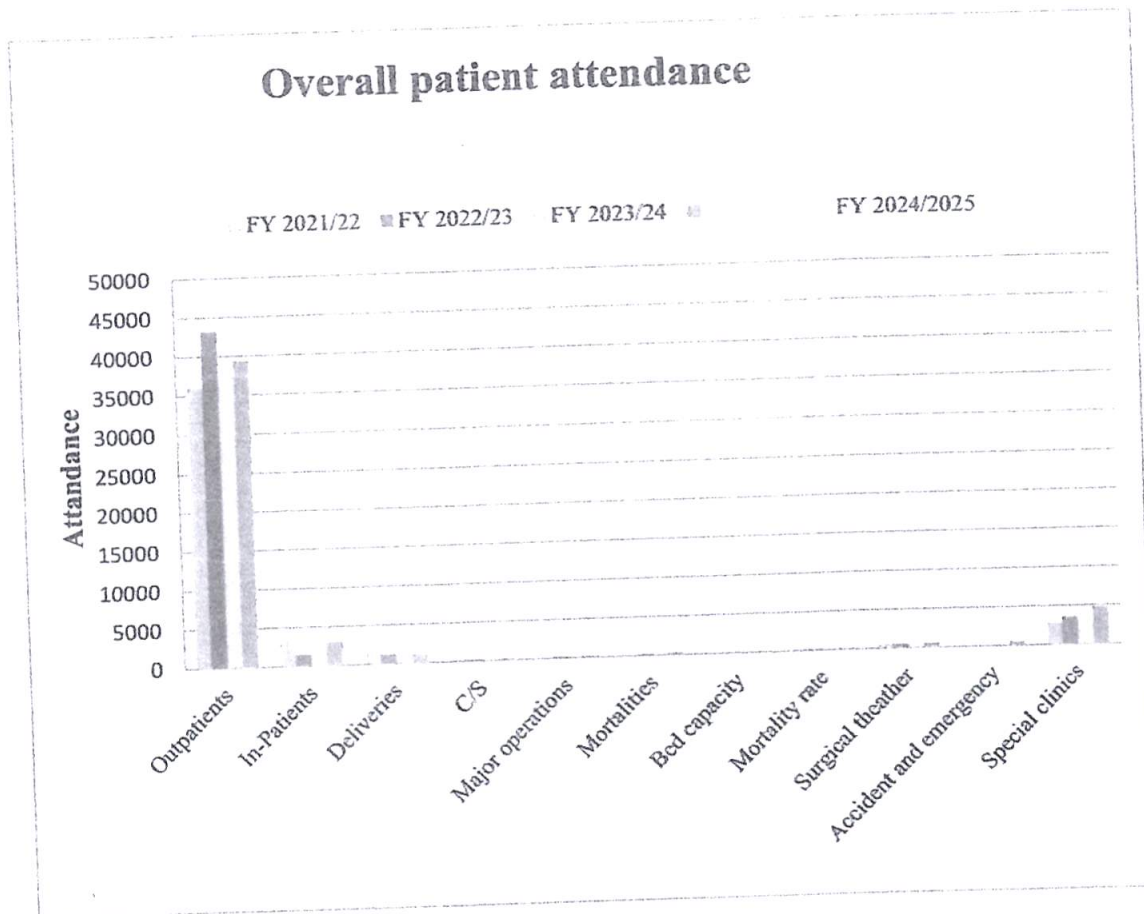
Hospital continues to provide a wide range of highly specialized healthcare services to its patients. The Specialized services include, specialized outpatient clinics, inpatient care, day care procedures for surgery, dental amongst other services and specialized accident and emergency that receives emergency. The hospital also provides clinical support services that include laboratory, Nutrition, pharmacy and radiology. The hospital strives to ensure that the clinical services provided are safe, timely, appropriate, innovative, and effective. The hospital patient attendance continues to increase despite the many challenges i.e. budgetary constraints and shortage of staff. Our partners includes Kenya Commercial Bank-Sondu Branch, Kenya Medical Training College Campuses, National Health insurance Fund, Local Churches e.g. AGC(Africa Gospel Church).AIC( Africa Inland Church), CATHOLIC,Walter Reed/ Pefar

**Overall patient attendance**

Over the past three financial years, the patient attendance trend has shown a steady and consistent pattern in the hospital. This consistent trend highlights the resilience of our clinical services despite occasional fluctuations, and demonstrates our ability to maintain a strong patient base through continuous improvements in healthcare delivery. This trend is a key indicator of our facility's on-going success in meeting community healthcare needs and our commitment to delivering quality clinical care.

<b>Description</b>	<b>FY 2021/22</b>	<b>FY 2022/23</b>	<b>FY 2023/24</b>	<b>FY 2024/2025</b>
Outpatients	36017	43152	37434	39341
In-Patients	3187	1492	3294	3037
Deliveries	1319	1220	993	1100
C/S	143	168	116	185
Major operations	116	162	164	181
Mortalities	165	189	134	306
Bed capacity	104	109	114	125
Overall out/inpatients	39304	44644	40728	42378
ALOS days	4	4	4	4.3
Bed occupancy Rate	64.5%	65%	76%	75.80%
Mortality rate	165	189	134	163
Surgical theatre	487	417	435	536
Accident and emergency	87	41	181	506
Special clinics	2848	3530	4020	4774
Sponsorship	0	0	0	0

CLINICAL PERFORMANCE TREND FOR THE LAST THREE FINANCIAL YEARS



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

There was no board of management during the year but the hospital operated under the hospital management team

**Principal activities**

The principal activity of the entity is to provide quality healthcare to all clients.

**Results**

The results of the entity for the year ended June 30 2025 are set out on pages ...1. To ...5..

**Board of Management**

Sigowet Sub-county hospital did not have the hospital board during the year.

**Auditors**

The Auditor General is responsible for the statutory audit of Sigowet sub-county hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of Sigowet sub-county level iv hospital for the year/period ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Hospital Management Team

*MUGUM*  
Name: Dr. Peter Mugum  
Chairperson  
Health Management Team

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

Sigowet Sub-county hospital did not have Board of management during financial year 2024/2025.

# REPUBLIC OF KENYA

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NAIROBI

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

---

### 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 Sigowet Sub-County Level 4 Hospital - County Government of Kericho set out on pages 1 to 45, 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 the Sigowet Sub County Level 4 Hospital – County Government of Kericho as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy of Rendering of Services – Medical Service Income**

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects rendering of services – medical service income amounting to Kshs.96,872,769. The amount includes income claims from NHIF totalling Kshs.23,600,211. However, the NHIF report indicates that the claims for the period amounted to Kshs.10,808,126 resulting to an unexplained variance of Kshs.12,792,085.

Further, review of records revealed that the Hospital received Kshs.1,855,680 from medical administrators AON. However, the receipts were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of rendering of services – medical service income amounting to Kshs.96,872,769 could not be confirmed.

#### **2. Inaccuracy of the Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment totalling Kshs.11,290,433 and comprising of ICT equipment and medical equipment valued at Kshs.7,037,408 and Kshs.4,253,025, respectively, as disclosed under Note 19 to the financial statements. However, the Hospital owns land measuring 2.04 hectares, buildings, motor vehicles, furniture and fittings which have not been disclosed in the financial statements. The title deed for the land and the fixed asset register were also not provided for audit review.

Further, the property, plant and equipment were not depreciated. This was contrary to Policy 4 (e) of the summary of significant accounting policies which states that all property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

In the circumstances, the accuracy and completeness of property, plant and equipment totalling Kshs.11,290,433 could not be confirmed.

### **3. Inaccuracy of Intangible assets**

The statement of financial position and as disclosed in Note 20 to the financial statements reflects intangible assets totalling Kshs.1,276,000. However, no amortization was charged on the intangibles during the year. This was contrary to Policy 4(g) of the summary of significant accounting policies which states that intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

In the circumstances, the accuracy and completeness of intangible assets totalling Kshs.1,276,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sigowet Sub-County Level 4 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 revenue budget and actual on comparable basis amounting to Kshs.84,200,131 and Kshs.67,611,644, respectively, resulting to an under-funding of Kshs.20,842,540 or sixteen percent (16%) of the budget. Similarly, the Hospital expended Kshs.62,372,450 against actual receipts of Kshs.67,611,644 resulting in under- expenditure of Kshs.5,239,194 of the actual receipts.

My opinion is not modified in respect of this matter.

##### **Key Audit Matters**

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

##### **Other Matter**

##### **Unresolved Prior Year Audit Matters**

In the audit reports of the previous year, seven (7) issues were raised under the Report on the Financial Statements as shown in the table below:

Number	Financial Year	Audit Issues
1	2023/2024	Inaccuracy of Property, Plant and Equipment
2		Non- Amortization of Intangible Assets
3	2023/2024	Unresolved Prior Year Matters
4	2023/2024	Lack of Approved Budget
5		Non- Compliance with Requirements on Universal Health Coverage
6	2023/2024	Failure to Appoint a Hospital Management Committee
7	2023/2024	Lack of Internal Audit Function

However, Management indicated that the issues had been resolved but no documentary evidence was provided to support that the issues had been resolved.

### Other Information

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

In connection with my audit on the, Hospital financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, 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. Irregular Facility Improvement Funds (FIF) Transfers to County Revenue Fund

The statement of financial performance together with Note 12 reflects facility improvement funds (FIF) transferred to the County Revenue Fund (CRF) amounting to Kshs.5,337,885. This was contrary Section 5 (1) of the Facility Improvement Financing Act 2023 which states that there shall be retention of all monies raised or received by or on behalf of all public health facilities. However, the amount was refunded more than three months after the transfer.

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

### 2. Unauthorized General Expenses

The statement of financial performance reflects general expenses totaling Kshs.23,547,224. The amount includes expenditure totalling Kshs.12,004,740 which exceeded the approved budget of Kshs.11,150,000 resulting in unauthorized expenditure of Kshs.854,740 as shown below:

	<b>Component</b>	<b>Approved Budget Amount (Kshs.)</b>	<b>Actual Expenditure (Kshs.)</b>	<b>Unauthorized Expenditure amount (Kshs.)</b>
1.	Electricity	4,600,000	4,641,724	41,724
2.	Travel and accommodation, training and tuition fee	2,750,000	2,876,937	126,937
3.	Refined fuels	3,800,000	4,486,079	686,079
	<b>Total</b>	<b>11,150,000</b>	<b>12,004,740</b>	<b>854,740</b>

This was contrary to Regulation 50(2) of the Public Finance Management (County Government) Regulations, 2015 which states that expenditure commitments for goods and services shall be controlled against spending and procurement plans approved by the responsible Accounting Officer, based on allocations and allotments from approved budgets.

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

### 3. Irregular Procurement of Clinical and Medical Supplies

The statement of financial performance reflects medical and clinical costs amounting to Kshs.43,780,655. The amount includes dressing and non-pharmaceuticals, pharmaceutical supplies totalling Kshs.15,902,800 and Kshs.15,144,221, respectively, all totalling Kshs.31,047,021 incurred on pharmaceutical and non-pharmaceuticals supplies as disclosed in Note 9 to the financial statements.

Review available indicate that medical supplies amounting to Kshs.23,594,254 were procured from local private pharmaceutical through framework agreements. However, unavailability of the required drugs from Kenya Medical Supplies Agency (KEMSA) prior

to procuring of drugs from local pharmacies was not confirmed. Non-supplies notification from Kenya Medical Supplies Authority (KEMSA) confirming that the drugs were out of stock was not provided for audit review.

Further, the Hospital spent Kshs.3,597,192 on medical and clinical supplies procured directly from Mission for Essential Drugs without proper justification for use of direct procurement method of procurement contrary to Section 91(1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which states that open tendering shall be the preferred procurement method for procurement of goods, works and services and shall be adopted for the threshold prescribed in the respective national and county regulations.

In the circumstances, value for money on the expenditure incurred on drugs could not be confirmed.

#### **4. Irregular Procurement of Security Services**

The statement of financial performance reflects general expenses amounting to Kshs.23,547,224. The amount includes contracted services (security services) amounting to Kshs.4,370,909 as disclosed in Note 13 to the financial statements. Review of records revealed that the contract for provision of security services at a contract price of Kshs.240,000 per month was signed on 28 November, 2024 using framework agreement.

However, the procurement was not subjected to mini-competition from at least seven suppliers contrary to Section 114 (1) of the Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity may enter into a framework agreement through open tender if a minimum of seven alternative vendors are included for each category and that when implementing a framework agreement a procuring entity may procure through call-offs order when necessary or invite mini-competition among persons that have entered into the framework agreement in the respective category.

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

#### **5. Irregular Procurement of Cleaning Services Expenditure**

The statement of financial performance reflects general expenses amounting to Kshs.23,547,224. The amount includes contracted services (security services) amounting to Kshs.4,370,909 as disclosed in Note 13 to the financial statements. The provision of cleaning services at a contract sum of Kshs.151,000 per month was signed on 28 November, 2024 using framework agreement. However, the procurement was not subjected to mini competition from atleast seven suppliers. This was contrary to Section 114(1) of the Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity may enter into a framework agreement through open tender if a minimum of seven alternative vendors are included for each category and that when implementing a framework agreement a procuring entity may procure through call-offs order when necessary or invite mini-competition among persons that have entered into the framework agreement in the respective category.

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

## **6. Irregular Procurement of Fuel Expenditure**

The statement of financial performance reflects General Expenses amounting to Kshs.23,547,224. The amount includes refined fuel expenditure amounting to Kshs.4,486,079 as disclosed in Note 13 to the financial statements. Review of records revealed that the Hospital Management entered into a two (2) year framework agreement for provision of fuel on 9 December, 2022. However, only four (4) suppliers were invited to quote for prices, shortlisted and awarded. This was contrary to Section 114 (1) of the Public Procurement and Asset Disposal Act, 2015 which requires that a procuring entity may enter into a framework agreement through open tender if a minimum of seven alternative vendors are included for each category.

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

## **7. Failure to Appoint Health Facility Management Committee**

During the year, the Hospital operated without a Health Facility Management Committee contrary to Section 17(1) of the Facility Improvement Financing Act, 2023, which states that every health facility shall have a management committee consisting of not less than seven and not more than nine members appointed by the County Executive Committee Member for Health.

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

## **8. Non-Compliance with Affirmative Action on Procurement Opportunities.**

Review of the Hospital's procurement plan for the year indicated that the Hospital allocated Kshs.3,950,000 of the planned procurement of goods, works and services of Kshs.62,966,708 to enterprises owned by youth, women, and persons living with disabilities representing eight percent (8%) of the planned procurement. This was contrary to Section 53 (6) of the Public Procurement and Asset Disposal Act, 2015 which requires all state organs and public entities to allocate at least 30% of their procurement budget to enterprises owned by women, youth, persons with disabilities, and other disadvantaged groups.

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

## **9. Non-Compliance with Kenya Quality Model for Health Policy Guidelines**

Review of the records maintained at the hospital and analysis of healthcare staffing, interviews with Management and physical verifications of medical equipment's available at the facility revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits as shown in the table below:

<b>Staffing requirements</b>	<b>Requirement</b>	<b>Actual</b>	<b>Variance</b>
<b>Total required</b>	<b>85</b>	<b>52</b>	<b>-33</b>
Medical Officers in place	6	3	-3
Anesthesiologists in place	6	4	-2
General Surgeons in place	2	1	-1
Gynecologists in place	2	1	-1
Pediatricians in place in place	2	0	-2
Radiologists in place	7	5	-2
Registered Community Health Nurses in place	60	40	-20

Further, the Hospital had deficits in services and equipment as shown below:

<b>Equipment's/Services</b>	<b>Level Hospital Standard</b>	<b>In place</b>
Functional theatres	4	2
Beds	150	125
Incubators	6	3
Cots	8	4
Resuscitaire in Theatre	1	1
Resuscitaire in Labor	3	2
ICU beds	6	0
HDU Beds	6	0
Renal Unit with Dialysis machines	6	0
Land	5 Acres	5.01 Acres
Ambulance	2	1

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

In the circumstances, the ability of the Hospital to deliver on its mandate is doubtful.

#### **10. Lack of an Inventory Policy**

The statement of financial position reflects inventories and as disclosed in Note 18 to the financial statements totalling Kshs.17,509,727. However, annual stock taking was not conducted. This was contrary to Section 162 (2) which requires the Head of Procurement Function to arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the accounting officer.

Further, the Hospital does not have an approved inventory management policy in place to guide in classification, valuation, safeguarding, and disposal of inventories. This was contrary to Section 162 (1) of the Public Procurement and Asset Disposal Act, 2015 requires an accounting officer of a procuring entity to ensure that all inventory, stores and assets purchased are received, but shall not be used until taken on charge and as a basis for ensuring that all procured items are properly accounted for and put in proper use as intended by the procuring entity.

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

### **11. Failure to Prepare Quarterly Reports**

Management did not present evidence to confirm whether quarterly cash flow projections and procurement plans were prepared as required in Regulation 43 (3) of the Public Finance Management (County Governments) Regulations, 2015, which states that cash flow plans shall be broken down into a three-month rolling basis and that the quarterly cashflow projections shall be supported by procurement plans.

Further, the County Treasury did not publish and publicize quarterly liquidity position reports on the impact of revenue collection efforts, spending and County public debt operations as well as the cash position of the County Executive as required by Regulation 45 (6) of the Public Finance Management (County Governments) Regulations, 2015.

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 effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Internal Audit function**

As previously reported, the Hospital did not have an internal audit function and was relying on the internal audit function of the County Government. This was contrary to Section 155

(5) of Public Finance Management Act, 2012 stipulates that a county government entity shall maintain internal auditing arrangements, and shall ensure that it complies with this Act and (a) has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board and if any regulations are in force under subsection (2), those regulations are complied with.

In the circumstances, the oversight on effectiveness of internal controls, risk management and overall governance could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

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.

Those charged with governance are responsible for overseeing the Hospital 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**

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government(AIE Funding)	6	5,337,885	15,715,762
In- kind contributions from the County Government	7	4,055,940	5,901,475
		<b>9,393,825</b>	<b>21,617,237</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	8	96,872,769	59,647,976
<b>Revenue from exchange transactions</b>		<b>96,872,769</b>	<b>59,647,976</b>
<b>Total revenue</b>		<b>106,266,594</b>	<b>81,265,213</b>
<b>Expenses</b>			
Medical/Clinical costs	9	43,780,655	28,769,659
Employee costs	10	4,055,940	5,901,475
Repairs and maintenance	11	1,655,181	4,312,360
FIF transfers to CRF	12	5,337,885	15,715,762
General expenses	13	23,547,224	22,523,831
<b>Total expenses</b>		<b>78,376,885</b>	<b>77,223,087</b>
<b>Other gains/(losses)</b>			
Medical services contracts Gains/Losses-WAIVERS	14	(357,130)	562,261
<b>Total other gains/(losses)</b>		<b>(357,130)</b>	<b>562,261</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>27,532,579</b>	<b>3,479,865</b>

The Hospital's financial statements were approved on 25/08/2025 and signed on its behalf by:



Chairman  
 Chief Officer  
 Department Of Health  
 Services



Head of Finance  
 ICPAK No: 31191



Medical Superintendent

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	6,096,490	1,254,053
Receivables from exchange transactions(NHIF & SHA)	16	33,154,309	15,431,218
Receivables from non-exchange transactions	17	-	3,067,042
Inventories	18	17,509,727	5,496,290
<b>Total Current Assets</b>		<b>56,760,526</b>	<b>25,248,603</b>
<b>Non-current assets</b>			
Property, plant, and equipment	19	11,290,433	7,711,127
Intangible assets	20	1,276,000	1,276,000
<b>Total Non-current Assets</b>		<b>12,566,433</b>	<b>8,987,127</b>
<b>Total assets (A)</b>		<b>69,326,959</b>	<b>34,235,730</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	21	24,687,303	17,128,653
<b>Total Current Liabilities</b>		<b>24,687,303</b>	<b>17,128,653</b>
<b>Non-current liabilities</b>			
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>24,687,303</b>	<b>17,128,653</b>
<b>Net assets (A-B)</b>		<b>44,639,656</b>	<b>17,107,077</b>
<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		44,639,656	11,387,252
Capital Fund		-	5,719,825


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

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Net Assets		44,639,656	17,187,077
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The Hospital's financial statements were approved on 25/08/2025 and signed on its behalf by:

  
.....  
**Chairman**  
**Chief Officer**  
**Department Of Health**  
**Services**

  
.....  
**Head of Finance**  
**ICPAK No: 31191**

  
.....  
**Medical Superintendent**

*Sigowet Sub-county Hospital (Kericho County Government)*  
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16. Statement of Changes in Net Asset for The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	-	7,907,387	4,060,910	11,968,297
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	3,479,865	-	3,479,865
Capital/Development grants	-	-	1,658,915	1,658,915
As at June 30, 2024	-	11,387,252	5,719,825	17,107,077
At July 1, 2024	-	11,387,252	5,719,825	17,107,077
Prior year adjustments	-	5,719,825	(5,719,825)	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	27,532,579	-	27,532,579
Capital/Development grants	-	-	-	-
At June 30, 2025	-	44,639,656	-	44,639,656

**Note:** The reason for prior year adjustment is due a double counting error in the capital fund that accumulated as Assets from the last three financial years that had been already recorded as assets under PPE.

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		8,404,927	12,648,720
Grants from donors and development partners			-
Transfers from other Government entities			-
Public contributions and donations			-
Rendering of services- Medical Service Income		66,357,591	44,216,758
In-kind contribution from county government			
Finance / interest income			-
Miscellaneous receipts( <i>specify</i> )			-
<b>Total Receipts</b>		<b>74,762,518</b>	<b>56,865,478</b>
<b>Payments</b>			
Medical/Clinical costs		37,288,364	17,951,710
Employee costs		-	-
Board of Management Expenses		-	-
Repairs and maintenance		3,450,869	1,571,955
Grants and subsidies(FIF Transfers)		5,337,885	15,715,762
General expenses		21,633,217	20,076,531
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>67,710,335</b>	<b>55,315,960</b>
<b>Net cash flows from operating activities</b>	22	<b>7,052,183</b>	<b>1,549,518</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		(2,209,745)	(535,915)
Purchase of intangible assets		(-)	(-)
Proceeds from the sale of PPE		-	-
Acquisition of investments		(-)	(-)
<b>Net cash flows used in investing activities</b>		<b>(2,209,745)</b>	<b>(535,915)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Capital grants received		-	-

*Sigowet Sub-county Hospital (Kericho County Government)*  
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<b>Net cash flows used in financing activities</b>		<b>(-)</b>	<b>(-)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,842,437</b>	<b>1,013,603</b>
Cash and cash equivalents as at 1 July	15	1,254,053	240,450
Cash and cash equivalents as at 30 June	15	<b>6,096,490</b>	<b>1,254,053</b>

*Sigowet Sub-county Hospital (Kericho County Government)*  
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**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	1,254,053	-	-
<b>Receipts</b>				-		
Transfers from the County Government	-	-	-	-	-	-
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	87,200,131	-	87,200,131	66,357,591	20,842,539.85	76.1%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total Receipts</b>	<b>87,200,131</b>	<b>-</b>	<b>87,200,131</b>	<b>67,611,644</b>	<b>20,842,539.85</b>	<b>76.1%</b>
<b>Payments</b>						
Medical/Clinical costs	53,300,500	-	53,300,500	37,288,364	16,012,136	69.96%
Employee costs	-	-	-	-	-	-
Remuneration of directors	-	-	-	-	-	-
Repairs and maintenance	4,950,000	-	4,950,000	3,450,869	1,499,131	69.71%
Grants and subsidies	-	-	-	-	-	-
General expenses	24,235,631	-	24,235,631	21,633,217	2,602,413.50	89.26%
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
<b>Total Operational Expenditure paid</b>	<b>82,486,131</b>	<b>-</b>	<b>82,486,131</b>	<b>-</b>	<b>20,113,680.5</b>	<b>75.62%</b>
<b>Capital Expenditure paid</b>	<b>4,714,000</b>	<b>-</b>	<b>4,714,000</b>	<b>62,372,450</b>	<b>2,504,255</b>	<b>46.88%</b>
<b>Surplus</b>				<b>3,029,449</b>		

*Sigowet Sub-county Hospital (Kericho County Government)*  
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**NOTE: RECONCILIATION**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	3,029,449
1	Cash & Transfers from county government-AIE Funding for the previous FY	3,0670,42
	Closing Cash and Cash Equivalent as per the statement of Cash flows	6,096,490

NOTE: The items in the description that falls less than 90% is due to the difference in cash basis and accrual basis as the statement of comparison of budget and actuals is prepared in Cash basis while the statement of financial performance is prepared on accrual basis.

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

### **1. General Information**

Sigowet Sub-county Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kericho County Government and is domiciled in Kericho County in Kenya. The entity's principal activity is provision of health care Services.

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

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

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

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

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

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

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

Standard	Effective date and impact:
	<p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48-</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p>

Standard	Effective date and impact:
Transfer Expenses	The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

*iii) Early adoption of standards*

Sigowet sub-county hospital did not early – adopt any new or amended standards in the financial year.

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2024/2025 was approved by the Medical superintendent and 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. Sigowet Sub-county Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 8 under section 17 of these financial statements.

**c. Taxes**

**Sales tax/ Value Added Tax**

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority

*Notes to the Financial Statements (Continued)*

is included as part of receivables or payables in the statement of financial position.

**d. Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 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.

**e. Property, plant and equipment**

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

**f. Leases**

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

*Notes to the Financial Statements (Continued)*

associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

**g. Intangible assets**

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

**h. Research and development costs**

Sigowet Sub-county hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Sigowet sub-county hospital can demonstrate:

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

*Notes to the Financial Statements (Continued)*

- The ability to measure reliably the expenditure during development.

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

**i. Financial instruments**

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

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

*Notes to the Financial Statements (Continued)*

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.

**Notes to the Financial Statements (Continued)**

**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*.

**Financial liabilities**

**Classification**

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

**j. Inventories**

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

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

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

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

*Notes to the Financial Statements (Continued)*

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k. Provisions**

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

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

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

**l. Social Benefits**

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

**m. Contingent liabilities**

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

**n. Contingent assets**

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are

*Notes to the Financial Statements (Continued)*

Appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**o. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements.

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

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

**q. Employee benefits**

**Retirement benefit plans**

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

**r. Foreign currency transactions**

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

*Notes to the Financial Statements (Continued)*

**s. Borrowing costs**

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

**t. Related parties**

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

**u. Service concession arrangements**

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

**v. Cash and cash equivalents**

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

*Notes to the Financial Statements (Continued)*

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

w. **Comparative figures**

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

x. **Subsequent events**

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

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

The preparation of Sigowet Sub-county hospital 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. Sigowet Sub-county hospital 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.

*Notes to the Financial Statements (Continued)*

**6. Transfers from the County Government**

Description	2024/2025	2023/2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants –AIE Funding	5,337,885	12,648,720
AIE Funding receivables	-	3,067,042
	-	-
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	<b>5,337,885</b>	<b>15,715,762</b>

**6 b Transfers from The County Government**

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Kericho County Government	5,337,885	-	-	5,337,885	12,648,720
AIE receivables	-	-	-	-	3,067,042
<b>Total</b>	<b>5,337,885</b>	<b>-</b>	<b>-</b>	<b>5,337,885</b>	<b>15,715,762</b>

*Notes to the Financial Statements (Continued)*

**7. In Kind Contributions from The County Government**

Description	2024/2025	2023/2024
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	KShs	KShs
Salaries and wages	4,055,940	5,901,475
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
<b>Total grants in kind</b>	<b>4,055,940</b>	<b>5,901,475</b>

#### 8. Rendering of Services-Medical Service Income

Description	2024/2025	2023/24
	Kshs	Kshs
Orthopedic & Trauma	-	3,000
Imaging	-	2,428,900
In-Patient - Beds	528,250	908,729
Laboratory	1,872,017	2,141,248
MCH	950	-
Mortuary	2,414,500	2,098,500
Non- pharmaceuticals	1,528,205	867,150
Nursing Care	368,620	534,900
Pharmacy	2,172,465	3,032,073
Laundry	178,300	241,000
Inpatient	160,920	
Injection	192,651	274,149
Plasta Services	133,900	317,470
Catering services	381,000	542,740
Attachment fee	182,000	-
Ambulance services	-	3,000
Casualty Services	177,260	202,815
Delivery	379,030	26,000
Dressing in-patient	24,280	23,320
In-halation Agent	224,790	-
Attachment fee	-	133,500
Nutrition service	4,300	6,000
Occupation therapy	10,700	-
Dental services	130,500	110,800
Medical Examination Services	10,800	7,600
Medical private student rotation	112,000	122,000
Medical Oxygen	-	334,775

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Nebulization	3,100	4,300
Physiotherapy	44,800	-
psychology services	3,950	6,510
Rehabilitative services	-	84,600
Revolving Drug Fund	-	302,003
Record Services	137,300	168,290
Major theatre	485,500	623,310
Registration	807,850	863,890
Minor theatre	200,400	280,220
Ultra Sound	1,373,500	-
X-ray	1,204,200	-
Others	27,000	-
SHA Services	57,797,520	-
NHIF Services	23,600,211	42,955,184
<b>Total revenue from the rendering of services</b>	<b>96,872,769</b>	<b>59,647,976</b>

**9. Medical/ Clinical Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	6,776,771	2,974,032
Public health activities	-	-
Food and Ration	-	-
Purchase of Patients Uniform	863,000	-
Dressing and Non-Pharmaceuticals	15,902,800	12,751,282
Pharmaceutical supplies	15,144,221	11,650,612
Health information stationery	-	-
Purchase of Theatre Drapes	725,000	-
Sanitary and cleansing Materials	-	-
Purchase of Medical gases	3,100,449	801,233
X-Ray/Radiology supplies	1,268,414	592,500
Purchase of patients curtains	-	-
<b>Total medical/ clinical costs</b>	<b>43,780,655</b>	<b>28,769,659</b>

*Notes to the Financial Statements (Continued)*

**10. Employee Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	4,055,940	5,901,475
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs ( <i>specify</i> )	-	-
<b>Employee costs</b>	<b>4,055,940</b>	<b>5,901,475</b>

**11. Repairs And Maintenance**

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	-	2,044,405
Medical equipment	955,540	843,450
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories(upgrade of system)	-	243,205
Motor vehicle expenses	-	-
Maintenance of civil works(Hardware)	699,641	-
Maintenance of building and station	-	1,181,300
<b>Total repairs and maintenance</b>	<b>1,655,181</b>	<b>4,312,360</b>

**12. Grants And Subsidies**

Description	2024/2025	2023/2024
	Kshs	Kshs
Community development and social work		-
Education initiatives and programs		-
Free/ subsidised medical camp		-
Disability programs		-
Free cancer screening		-
Social benefit expenses		-
Other grants and subsidies-		-

*Sigowet Sub-county Hospital (Kericho County Government)*  
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FIF transfers to CRF	5,337,885	15,715,762
<b>Total grants and subsidies</b>	<b>5,337,885</b>	<b>15,715,762</b>

**13. General Expenses**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Advertising and publicity expenses	-	-
Water and sewage charges	-	-
Bank charges	19,947	5,090
Consultancy fees	-	-
Contracted services(security &Cleaning)	4,370,909	4,266,600
Electricity expenses	4,641,724	4,737,176
Travel and accommodation allowance	1,758,900	1,135,400
Training /tuition fee	1,118,037	524,100
Hire charges	-	-
Electricals/Hardware	-	-
Courier and postal services	9,450	57,078
Printing and stationery	797,000	1,199,200
Refined fuel	4,486,079	3,522,010
Other Fuels(wood & Charcoal)	-	-
Purchase of patients curtains	-	749,100
Contracted catering services	5,884,038	5,177,420
Purchase of staff uniforms	-	499,000
Telephone and mobile phone services	140,000	120,000
Internet expenses	116,590	69,594
Daily subsistence allowance	204,550	171,500
Kitchen utensils and appliances	-	290,563
<b>Total General Expenses</b>	<b>23,547,224</b>	<b>22,523,831</b>

*Notes to the Financial Statements (Continued)*

**14. Medical Services Contracts Gains /Losses**

Description	2024/2025	2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	357,130.00	562,261
<b>Total Gain/Loss</b>	<b>357,130.00</b>	<b>562,261</b>

**15. Cash And Cash Equivalents**

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts–Revenue Account	5,965,685	1,254,053
Current account- Operations Account	130,805	
On - call deposits		-
Fixed deposits accounts		-
Cash in hand		-
Others( <i>specify</i> )- Mobile money		-
<b>Total cash and cash equivalents</b>	<b>6,096,490</b>	<b>1,254,053</b>

*Notes to the Financial Statements (Continued)*

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

Description		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1152768719	5,965,685	1,254,053
Kenya Commercial bank	1336302356	130,805	-
<b>Sub- total</b>		<b>6,096,490</b>	<b>1,254,053</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(specify)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>6,096,490</b>	<b>1,254,053</b>

**16. Receivables From Exchange Transactions**

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables - NHIF	13,441,440	15,431,218
Medical services receivables- SHA	19,712,869	
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	(-)
<b>Total receivables</b>	<b>33,154,309</b>	<b>15,431,218</b>

**Analysis of Receivables From Exchange Transactions**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	33,154,309	100%	15,431,218	100%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (a+b)</b>	<b>33,154,309</b>	<b>100%</b>	<b>15,431,218</b>	<b>100%</b>

**17. Receivables From Non-Exchange Transactions**

Description	2024/2025	2023/2024
	KShs	KShs
Transfers from the County Government	-	3,067,042
Undisbursed donor funds	-	-
Other debtors	-	-
Less: impairment allowance	(-)	(-)
<b>Total</b>	<b>-</b>	<b>3,067,042</b>

**Analysis of Receivables From Non-Exchange Transactions**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	-	3,067,042	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	<b>-</b>	<b>-</b>	<b>3,067,042</b>	<b>100%</b>

*Notes to the Financial Statements (Continued)*

**18. Inventories**

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	4,713,494	2,403,685
Non-pharmaceuticals	8,840,747	3,092,605
Stationery	621,940	-
Dental supplies	267,000	-
Radiology supplies	348,792	-
Laboratory consumables	2,717,754	-
General supplies	-	-
Less: provision for impairment of stocks	-	(-)
<b>Total</b>	<b>17,509,727</b>	<b>5,496,290</b>

**Detailed disclosure on inventories**

	2024/2025	2023/2024
Opening balance	5,496,290	-
Additional Inventory in the year	74,963,125	-
Inventory expensed in the year	(62,949,688)	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	<b>17,509,727</b>	<b>5,496,290</b>

*Sigowet Sub-county Hospital (Kericho County Government)*  
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*Notes to the Financial Statements (Continued)*

**19. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 1 July 2023	-	-	-	-	2,950,493	3,101,719	-	6,052,212
Additions	-	-	-	-	1,658,915	-	-	1,658,915
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfers/adjustments	-	-	(-)	-			(-)	-
<b>At 30<sup>th</sup> Jun 2024</b>	-	-	-	-	<b>4,609,408</b>	<b>3,101,719</b>	-	<b>7,711,127</b>
At 1 July 2024	-	-	-	-	4,609,408	3,101,719	-	7,711,127
Additions	-	-	-	-	2,428,000	1,151,306	-	3,579,306
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer/adjustments		-		-			(-)	-
<b>At 30<sup>th</sup> Jun 2025</b>	-	-	-	-	<b>7,037,408</b>	<b>4,253,025</b>	-	<b>11,290,433</b>
<b>Depreciation and impairment</b>								
At 1 July 2024		-	-	-	-	-		-
Depreciation for the year		-	-	-	-	-		-
Disposals		(-)	(-)	(-)	(-)	(-)		(-)
Impairment		(-)	(-)	(-)	(-)	(-)		(-)
<b>At 30 June 2025</b>		-	-	-	-	-		-

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 2024		-	-	-	-	-		-
Depreciation		-	-	-	-	-		-
Disposals		(-)	(-)	(-)	(-)	(-)		(-)
Impairment		(-)	(-)	(-)	(-)	(-)		(-)
Transfer/adjustment		-	-	-	-	-	(-)	(-)
<b>At 30<sup>th</sup> June 2025</b>		-	-	-	-	-	-	-
<b>Net book values</b>								
At 30 <sup>th</sup> Jun 2024	-	-	-	-	4,609,408	3,101,719	-	7,711,127
At 30 <sup>th</sup> Jun 2025	-	-	-	-	7,037,408	4,253,025	-	11,290,433

*Notes to the Financial Statements (Continued)*

**20. Intangible Assets-Software**

Description	2024/2025	2023/2024
	KShs	KShs
<b>Cost</b>		
At beginning of the year	1,276,000	1,276,000
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
At end of the year	<b>1,276,000</b>	<b>1,276,000</b>
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	<b>1,276,000</b>	<b>1,276,000</b>

**Sigowet Sub-county Hospital (Kericho County Government)**  
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**Notes to the Financial Statements (Continued)**

**21. Trade and other Payables**

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	24,687,303		17,128,653	
Employee dues	-		-	
Third-party payments	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>24,687,303</b>		<b>17,128,653</b>	
<b>Ageing analysis:</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>2023/2024</b>	<b>% of the total</b>
Under one year	24,687,303	100%	17,128,653	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>24,687,303</b>	<b>100%</b>	<b>17,128,653</b>	<b>100%</b>

**22. Cash Generated from Operations**

Description	2024/2025	
	KShs	
Surplus for the year before tax	27,532,579	
<b>Adjusted for:</b>		
Medical contract losses(Waivers)	(357,130)	
Depreciation	-	
Non-cash grants received	(-)	
Changes in cash and cash equivalent	(1,013,603)	
Impairment	-	
Gains and losses on disposal of assets	(-)	
Contribution to provisions	-	
Contribution to impairment allowance	-	
<b>Working Capital adjustments</b>	<b>9</b>	
Increase in inventory	(12,013,437)	
Increase in receivables	(14,656,049)	
Increase in deferred income	-	
Increase in payables	7,558,650	
Increase in payments received in advance	-	
<b>Net cash flow from operating activities</b>	<b>7,052,183</b>	
	<b>1,549,518</b>	

*Notes to the Financial Statements (Continued)*

**23. 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:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	15,431,218	-	-	-
Receivables from –non-exchange transactions	3,067,042	-	-	-
Bank balances	1,254,053	-	-	-
<b>Total</b>	<b>19,752,313</b>	-	-	-
<b>At 30 June 2025</b>				
Receivables from exchange transactions	33,154,309	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	6,096,490	-	-	-
<b>Total</b>	<b>39,250,799</b>	-	-	-

**Notes to the Financial Statements (Continued)**

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 2024. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	-	17,128,653	17,128,653
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>17,128,653</b>	<b>17,128,653</b>
<b>At 30 June 2025</b>				
Trade payables	-	-	24,687,303	24,687,303
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>24,687,303</b>	<b>24,687,303</b>

*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.

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2024</b>			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

*Notes to the Financial Statements (Continued)*

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	0%	-	-
USD	0%	-	-
<b>2025</b>			
Euro	0%	-	-
USD	0%	-	-

**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.

**Notes to the Financial Statements (Continued)**

**24. 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.

Kericho County Government is the principal shareholder of Sigowet Sub-county Hospital, holding 100% of the *Sigowet'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

Description	2024/2025	2024/2025
	FY	FY
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to Sigowet hospital	-	-
Sales of services to Sigowet Hospital	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for Sigowet Casual employees	4,055,940	3,296,200
Payments for goods and services for Sigowet Hospital	-	-
<b>Total</b>	<b>4,055,940</b>	<b>3,296,200</b>

**Sigowet Sub-county Hospital (Kericho County Government)**  
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Description	2024/2025	2024/2025
	FY	FY
	Kshs	Kshs
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	<b>4,055,940</b>	<b>3,296,200</b>

**25. Events after the Reporting Period**

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

**26. Ultimate and Holding Entity**

Sigowet Sub-county hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health services. Its ultimate parent is the County Government of Kericho.

**27. Currency**

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

28. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KRO/SIGOWET SCL4H/2023/2024(16)	Inaccuracy of the PPE balance	Errors has been noted and adjustments will be done	Not resolved	-
OAG/KRO/SIGOWET SCL4H/2023/2024(16)	Non-amortization of intangible assets	The management will adopt an amortization policy for intangible assets	Not Resolved	-
OAG/KRO/SIGOWET SCL4H/2023/2024(16)	Lack of Approved Budget	The management will continuously engage the Chief officer health services and County Executive Committee member to ensure hospital committee is appointed without further delay	Not resolved	-
OAG/KRO/SIGOWET SCL4H/2023/2024(16)	Non-compliance with requirements of Universal health coverage	The management is committed to complying with First schedule of Health Act 2017, and the Kenya Quality Model for Health Policy Guidelines	Not resolved	-
OAG/KRO/SIGOWET SCL4H/2023/2024(16)	Failure to Appoint a Hospital Committee	The management will continuously engage the Chief officer health services and County Executive Committee member to ensure hospital committee is appointed without further delay	Resolved	
OAG/KRO/SIGOWET SCL4H/2023/2024(16)	Lack of Internal audit Function	The Hospital Management will, therefore, liaise with the County Internal Audit Department to facilitate periodic audits and reviews	Not Resolved	-

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

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)
		until a dedicated internal audit function is established at the hospital level		

  
 .....  
 Accounting Officer

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




Inter Entity Confirmation Letter

Sigowet Sub County Hospital  
 Po Box 1122-20200  
 Kericho.

The County Government of Kericho wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts received and populate the column E in the table below please sign and stamp this request in the space provided and return to us.

Confirmation of amounts received by Sigowet Sub County Hospital for the FY 2024/2025								
Reference Number	Date Disbursed	Amounts Disbursed by Kericho County Government in Kshs as at 30th June 2025				Totals (D)=A+B+C	Amount Received by Sigowet Sub County Hospital in (Kshs) for FY 2024/2025 (E)	Difference in Kshs (F)=(D-E)
		Recurrent(A)	Development (B)	Inter-municipal(C)				
FT24289H28G3	15-Oct-24	1,229,501			1,229,501	1,229,501	—	
FT242898KCZS	15-Oct-24	3,067,042			3,067,042	3,067,042	—	
FT242899XWQH	15-Oct-24	4,108,384			4,108,384	4,108,384	—	
<b>Total</b>					<b>8,404,927</b>	<b>8,404,927</b>	<b>—</b>	

I confirm that the amounts shown above are correct as of the date indicated  
**Head of County Treasury:**  
 Name: Hon. Jackson Rop Date 30-6-25 Sign 

Yours Sincerely,



Dr. Peter Mugun  
 Medical Superintendent



Cc: Director General, Accounting Services and Quality Assurance, the National Treasury