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ON

WAMALWA KIJANA TEACHING AND
REFERRAL LEVEL 4 HOSPITAL

FOR THE YEAR ENDED

30 JUNE, 2025

COUNTY GOVERNMENT OF TRANS NZOIA



10/25



**WAMALWA KIJANA TEACHING AND REFERRAL
Level 4 HOSPITAL
(TRANS-NZOIA County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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



Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Wamalwa Kijana Teaching and Referral Hospital Information and Management	iii
3. The Board of Management.....	vi
4. Key Management Team.....	ix
5. Chairman’s Statement.....	x
6. Report of The Medical Superintendent.....	xi
7. Statement of Performance Against Predetermined Objectives	xiii
8. Corporate Governance Statement.....	xiv
9. Management Discussion and Analysis	xviii
10.Environmental and Sustainability Reporting	xxi
11.Report of The Board of Management	xxviii
12.Statement of Board of Management’s Responsibilities	xxix
13.Report of the Independent Auditor on Wamalwa Kijana Teaching and Referral Hospital for the year ended 30 th June 2025	xxxii
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position as At 30 th June 2025	2
16. Statement of Changes in Net Assets for The Year Ended 30 June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025 5	
19. Notes to the Financial Statements	7
20. Appendices.....	35

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 Wamalwa Kijana Teaching and Referral hospital.

2. Key Wamalwa Kijana Teaching and Referral Hospital Information and Management

(a) Background information

Wamalwa Kijana Teaching and Referral Hospital is a level 4 hospital established under gazette notice number 106 15 July 2024 and is domiciled in Trans-Nzoia County under the health services and Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to health care services

Vision: To be globally competitive health care services provider

Mission: To systematically build a progressive, responsive, sustainable, technology-driven, evidence based and client centred health care system.

Core objective is to achieve high quality accessible affordable and equitable health care for all.

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Isaac kisiangani
2.	Head of finance	Godfrey Kiliswa
3.	Head of supply chain	Thomas Wefwila-
4.	Hospital Administrator	Amos Barasa
5.	Nursing services manager	Fridah Lunanai

(e) Fiduciary Oversight Arrangements

- At WKTRH, the **Clinical Research and Standards Committee** plays a key role in ensuring clinical governance, patient safety, and the oversight of all research activities. It reviews and approves hospital guidelines, monitors clinical outcomes through mortality and morbidity reviews, and ensures adherence to national standards. Any human research conducted at the

hospital must be cleared by an accredited Institutional Ethics Review Committee and licensed by the National Commission for Science, Technology and Innovation (NACOSTI). Clinical trials require additional authorization from the Pharmacy and Poisons Board (PPB). Oversight of professional practice is further reinforced by the Kenya Medical Practitioners and Dentists Council (KMPDC) and the Health Professions Oversight Authority (KHPOA), which regulate facilities and practitioner conduct.

- The office of the county internal auditor provides independent assurance on financial management and internal controls. It reviews financial statements, oversees internal and external audits, and ensures that audit recommendations are implemented. Its mandate is grounded in the Public Finance Management (PFM) Act, 2012 and the PFM (County Governments) Regulations, 2015, which require every county entity to establish such a committee. Internal audit is complemented by external audits conducted by the Office of the Auditor-General (OAG). Together, these structures ensure that financial reporting is transparent and that fiduciary responsibilities are properly discharged.
- Closely linked is the Risk Committee (or a combined Audit and Risk Committee), which manages enterprise risks across the hospital. It maintains a risk register, sets the hospital's risk appetite, and oversees compliance with procurement laws, business continuity planning, and clinical safety requirements. This arrangement is aligned with the Mwongozo Code of Governance for State Corporations, which guides public entities to establish risk oversight structures. The committee provides the Hospital Board with regular updates on compliance, integrity matters, and operational risks.
- At the county level, the Trans Nzoia County Assembly exercises oversight through its Health Committee, which monitors service delivery, and through the County Public Accounts and Investments Committee, which interrogates the Auditor-General's reports on county health expenditures. The County Assembly also plays a budgetary oversight role, ensuring that hospital financing aligns with county priorities and the PFM framework.
- At the national level, Parliamentary committees also influence fiduciary accountability. The Senate, through its County Public Accounts and Investments Committee (CPAIC), scrutinizes the use of national revenue allocated to counties, including funding for WKTRH. The Senate's Committee on Health conducts sector-specific oversight, while the National Assembly's Departmental Committee on Health addresses legislative and policy issues that shape service delivery in county referral hospitals. Both houses rely heavily on Auditor-General reports when carrying out their mandates.
- Other important oversight mechanisms reinforce hospital governance. WKTRH has a Hospital Management Board (HMB) established under county law, responsible for approving key plans and policies, keeping proper records, and ensuring compliance with financial and administrative procedures. Procurement processes are guided by the Public Procurement and Asset Disposal Act (PPADA) 2015, with checks provided by procurement committees and reviewed by the Audit and Risk Committee. Additionally, the Facilities Improvement Financing (FIF) Act, 2023 governs how the hospital manages its improvement funds, ensuring proper collection, use, and reporting of resources. On the clinical side, medicines and health products are regulated by the PPB, while professional and facility standards are monitored by KMPDC and KHPOA.
 - Clinical Research and Standards Committee.
 - Audit committee




- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

Key Wamalwa Kijana Teaching and Referral Hospital Information and Management
(continued)



- (f) **Wamalwa Kijana Teaching and Referral Hospital Headquarters**
WAMALWA KIJANA TEACHING & REFERRAL HOSPITAL
P.O. Box 4211-30200
Hospital Building/House/Plaza
KITALE, KENYA
- (g) **Wamalwa Kijana Teaching and Referral Hospital Contacts**



Telephone: (+254) 0743901770
- (h) **Wamalwa Kijana Teaching and Referral Hospital Bankers**
Kenya Commercial Bank Kitale west
- (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**
The County Attorney
Trans-Nzoia County
P.O. Box. 4211-30200
Kitale, Kenya

3. The Board of Management

Ref	Directors	Details
1.	<p>Carolyne Nalyanya, Interim Chairperson</p> 	<p>Carolyne Mutoro Nalyanya is currently the Health Coordinator-Health Department: Catholic Diocese of Kitale. She is a Public Health Officer with a Bachelor of Science Degree in Public Health from Jomo Kenyatta University of Agriculture and Technology. She is a seasoned and resolute professional with expertise in strategic management, resource mobilization, health promotion, participatory approaches, project appraisals, human resource management, budgeting and budget control, analytical applications, leadership and governance and quality improvement in health care systems. Over 25 years of first-hand experience in health programming in non-state institutions specifically international non-governmental organizations and faith-based health care institutions. A proven track record in oversight role provision to health facilities through the facility boards and Facility Management Teams.</p>
2.	<p>Julia Ngeiywa, Member</p> 	<p>Julia Kanyi Ngeiywa trained Human Resource officer from the University of Nairobi with a Bachelor of Commerce (Human Resources) in the year 2002 – 2008. She worked at Karangata Group of Schools – Nairobi in the Position of Secretary later in 2008 – 2019, and with Multi-Media University as the Senior Secretary. Currently, she is the chairperson Trans Queens and Kings Local Poultry Farmers as well as the chairperson Sango Secondary School</p>
3.	<p>Kepher Simiyu, Membe</p> 	<p>Rev Dr. Kepher Simiyu Kisobo joined Teachers Service Commission as Assistant Teacher (Kahuhia Girl’s High School-Muranga) from 1986 to 1996. He then joined St. Anthonys Boys High School-Kitale in 1996. After having worked a few years, he was transferred to Kibomet Sec School and later to St Francis Secondary School-Kolongolo. In February 2002, he decided to explore Calling in serving God and enrolled in Logos Christian College and graduate school</p>

Wamalwa Kijana Teaching and Referral Hospital (County Government of Trans-Nzoia)
Annual Report and Financial Statements for The Year Ended 30 June 2025

		Bachelor of Biblical Studies /Christian Counseling and graduated in 2005 and provided an avenue in Pastoral Ministry. Currently he is an ordained minister of deliverance church overseeing ten churches. In April 2014, he moved on to lecture in Kisii University as a part time lecture in the Department of Art and Social Science up to date. Currently he is teaching In Chisare Secondary School. A Total of 36 years in Education.
4.	<p>Sharon Luseno, Member</p> 	<p>Sharon Luseno is an accomplished Accountant with a degree in Business Administration specializing in finance from Kiriri Womens University of Science and Technology. She has developed a strong expertise in Financial Reporting, Budgeting, and Tax Compliance. Sharon is committed to Leveraging her skills to support businesses in achieving their financial objectives while ensuring transparency and integrity in their operations. As a board member, she aspires to create a health care environment that prioritises high quality, accessible care for the community</p>
5.	<p>Dr. Isaac Babu Kisiang'ani</p> 	<p>Bachelor of Medicine and Bachelor of Surgery (MBChB), Moi University, 2014 Master of Medicine in Psychiatry (MMed Psychiatry), Moi University, 2022</p> <p>Professional Experience:</p> <ul style="list-style-type: none"> • Medical Officer, County Government of Kajiado (2015–2017) • Medical Officer, County Government of Bungoma (2018–2019) • Psychiatry Resident, Moi Teaching and Referral Hospital (2019–2022) • Consultant Psychiatrist, Bungoma County Referral Hospital (Jan 2023 – Aug 2024) • Medical Superintendent, Kimilili Sub-County Hospital (Aug 2024 – Jan 2025) • County Director of Health, Trans Nzoia County (Feb 2025 –
6.	<p>Amos Barasa</p>	<p>Amos Barasa is A Health Administrative Officer at Wamalwa Kijana Teaching and Referral Hospital who has been serving in the Department of Health Services and Sanitation in 2015 as a clerk. In the 2021 he was promoted to the position of Health Administrative Officer until now. He holds a Diploma in Business Administration from Jomo Kenyatta University of Agriculture and</p>

		<p>Technology. Currently pursuing degree in business administration JKUAT</p>
<p>7.</p>	<p>Beatrice Lukoko</p> 	<p>Ms Beatrice Nyakoa Lukoko: Currently, Assistant County Commissioner Trans Nzoia County. She holds an MSc in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a BSc.in Disaster Mitigation and Sustainable Development from Masinde Muliro University of Science and Technology (MMUST). With a strong background in risk assessment, strategic planning, workplace safety, human resource management, public administration, and administrative procedures, she is passionate about enhancing disaster preparedness, fostering effective leadership, and driving sustainable development. One of my key achievements includes successfully coordinating disaster response and risk mitigation efforts in various administrative capacities, improving community resilience and safety.</p> <p>She is committed to supporting policies and initiatives that enhance patient care, staff welfare, and the overall resilience of the hospital. During her free time, she enjoy reading, traveling, and exploring current affairs and history.</p>

4. Key Management Team

Ref	Management	Details
1.	Manager 1 	Medical Superintendent
2.	Manager 2 	Health Administrative Officer
3.	Manager 3 	Hospital Accountant
4.	Fridah Lunani 	Nursing Service Manager
5.	Stephen Gichana 	Pharmacist In-Charge
6.	Thomas Wafwila 	Procurement Officer
7.	Joyce Lutati 	Laboratory In-Charge

5. Chairman's Statement

**Wamalwa Kijana Teaching and Referral Hospital (County Government of Trans-Nzoia)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

On behalf of the Board of Management, I am pleased to present this report highlighting the key activities, successes, and challenges of Wamalwa Kijana Teaching and Referral Hospital over the past year.

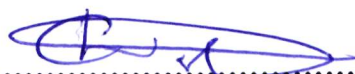
One of the most notable achievements has been the gradual relocation of services from Kitale County Hospital to Wamalwa Kijana Teaching and Referral Hospital. This move has significantly reduced congestion that previously strained service delivery at Kitale County Hospital and has provided patients with access to care in a more spacious and modern facility. We have also made critical strides in strengthening our infrastructure and service capacity. The long-stalled oxygen plant was successfully repaired and put back into operation, ensuring reliable and adequate oxygen supply. This has spared the hospital the high costs of external sourcing and improved our readiness to handle emergencies. In addition, the equipping of a fourth operating theatre has expanded our surgical capacity, reducing waiting times for both elective and emergency surgeries.

In line with our modernization agenda, we have digitized most hospital operations through the implementation of a Hospital Management Information System (HMIS). This has enhanced efficiency, accountability, and transparency while minimizing pilferage. Furthermore, we have been able to maintain relatively consistent supplies of essential commodities, including drugs, non-pharmaceuticals, and laboratory reagents, supporting continuous patient care.

Despite these milestones, we continue to face significant challenges. Reimbursements from the Social Health Authority (SHA) have been both low and unpredictable, leading to frequent cash flow constraints. This has interfered with the hospital's operations and undermined our ability to plan and meet obligations in a timely manner. On staffing, the hospital continues to grapple with shortages across cadres, but the shortage is most pronounced among nurses, whose absence directly impacts service delivery at the frontline of patient care.

Looking forward, the Board is committed to consolidating the gains made, addressing funding and staffing challenges, and completing the full relocation and operationalization of Wamalwa Kijana Teaching and Referral Hospital. We will continue to strengthen hospital governance, pursue resource mobilization, and build strategic partnerships to position the hospital as a center of excellence in healthcare within Trans Nzoia County and the greater Western Kenya region.

I extend my sincere gratitude to our staff, partners, and stakeholders for their continued dedication and support in advancing the hospital's mission. Together, we will continue to transform health service delivery for our community.



.....
Carolyn Nalianya

Chairperson to the Board

6. Report of The Medical Superintendent

It gives me great pleasure to present this year's Medical Superintendent's Report for Wamalwa Kijana Teaching and Referral Hospital. The past year has been one of transition, growth, and resilience as we continued consolidating our operations at this new facility while addressing the challenges of financing, staffing, and service delivery.

A key milestone has been the gradual relocation of services from Kitale County Hospital to Wamalwa Kijana Teaching and Referral Hospital. This move has significantly decongested Kitale County Hospital and allowed patients to access care in a more spacious, modern environment. The improved infrastructure has contributed positively to patient satisfaction and operational efficiency.

During the year, we achieved important successes in strengthening our clinical and support services. The long-stalled oxygen plant was repaired and fully operationalized, ensuring a steady supply of medical oxygen for critical care, theatre, and emergency services. This has greatly reduced dependence on external suppliers, saving the hospital considerable expenditure. We also expanded our surgical capacity by equipping a fourth operating theatre, which has reduced patient waiting times for both elective and emergency procedures.

Digitization has been another major achievement. Through the implementation of the Hospital Management Information System (HMIS), we have streamlined operations, improved efficiency, and enhanced accountability. Importantly, digitization has led to increased revenue collection and reduced financial leakages, thereby strengthening the hospital's financial position. We are confident that continued optimization of the system will further support service delivery and sustainability.

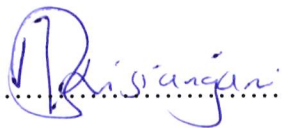
On the financial front, our Social Health Authority (SHA) claims have been gradually increasing, reflecting both growing patient access to insured services and better claims management. However, this growth has been affected by frequent industrial actions by healthcare workers, which reduced hospital activity and, consequently, the volume of claims submitted. In addition, low and unpredictable SHA reimbursements have often disrupted cash flow, leading to difficulties in meeting some operational obligations. Despite these setbacks, we remain optimistic that with improved stability and stronger systems, we will meet our revenue targets in the coming financial year.

**Wamalwa Kijana Teaching and Referral Hospital (County Government of Trans-Nzoia)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Human resources remain a key challenge. While shortages exist across all cadres, the nursing workforce has been most severely affected. This shortage impacts service delivery directly, given the critical frontline role nurses play in patient care. Addressing staffing gaps remains a top priority for the hospital as we seek to match the increased patient load with adequate human resources.

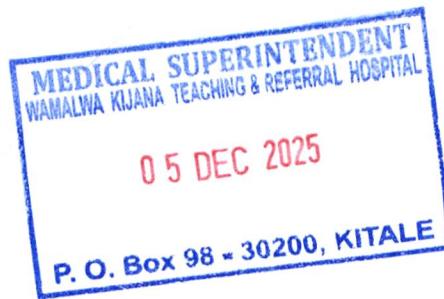
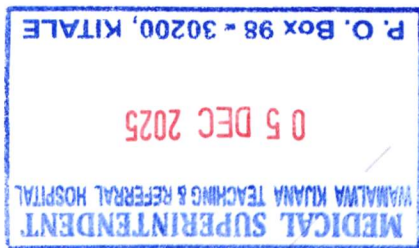
Despite the challenges, the hospital has maintained fairly consistent supplies of essential commodities, including drugs, non-pharmaceuticals, and laboratory reagents. This has supported continuous service delivery and minimized service interruptions.

Looking ahead, our focus will be on consolidating the gains made through relocation, strengthening financial sustainability, addressing staffing challenges, and continuing the modernization of hospital systems. With the support of the Board of Management, staff, and stakeholders, we are confident that Wamalwa Kijana Teaching and Referral Hospital will continue to grow into a center of excellence for Trans Nzoia County and beyond.


.....

Dr. Isaac Babu Kisiang'ani

Secretary to the Board



7. Statement of Performance Against Predetermined Objectives

1. Statement of Performance Against Predetermined Objectives

In compliance with Section 164(2)(f) of the Public Finance Management Act, 2012, Wamalwa Kijana Teaching and Referral Hospital (WKTRH) provides this statement of performance against its predetermined objectives for the FY 2024/2025. The hospital had 4 thematic pillars as listed below:

- Pillar 1: Quality Health Service Delivery
- Pillar 2: Human Resource Development and Capacity Building
- Pillar 3: Infrastructure and Technology Advancement
- Pillar 4: Governance, Partnerships, and Resource Mobilization

The hospital develops its annual work plans based on these pillars, and performance is monitored quarterly through departmental reports, performance contracts, and management review meetings. For the reporting period, WKTRH achieved notable progress in line with its strategic objectives, as summarized below:

Strategic Pillar/Theme	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Quality Health Service Delivery	Improve access to specialized and comprehensive health services	Number of patients attended, range of specialized services offered, referral turnaround time	Expanded outpatient and inpatient services, conducted community health outreaches, introduced additional clinics (oncology, Chronic disease clinics)	Increased patient attendance by 18%; reduced referral delays; successfully conducted 12 community medical camps.
Pillar 2: Human Resource Development and Capacity Building	Enhance workforce capacity and motivation	Number of staff trained, retention rate, performance appraisal scores	Conducted continuous medical education (CME), sponsored staff for specialized courses, and implemented	80% of staff attended CME; 25 staff sponsored for specialized training; improved staff performance ratings by 15%.

			performance appraisal system	
Pillar 3: Infrastructure and Technology Advancement	Strengthen hospital infrastructure and digitization	Number of new facilities, functional HMIS coverage, equipment installed	Completed installation of HMIS in all inpatient wards, upgraded laboratory equipment, and initiated construction of ICU and maternity wing	HMIS functional in 100% of inpatient units; 75% completion of ICU set up.
Pillar 4: Governance, Partnerships, and Resource Mobilization	Promote accountability, stakeholder engagement, and resource growth	Number of partnerships, funds mobilized, stakeholder forums held	Engaged development partners, held stakeholder forums, strengthened hospital board governance structures	Secured 3 new partnerships (Moi University School of Medicine, Evidence Action Kenya, World Vision)

Linkage to Performance Contracts

The achievements outlined were integrated into departmental and individual performance contracts, ensuring accountability and alignment with both hospital and county health objectives. This framework enabled WKTRH to meet and, in some cases, surpass its targets, thereby contributing to improved health outcomes and strengthened service delivery within Trans Nzoia County.

8. Corporate Governance Statement

Wamalwa Kijana Teaching and Referral Hospital (WKTRH)

The Board of Management of Wamalwa Kijana Teaching and Referral Hospital is committed to the highest standards of corporate governance, transparency, and accountability in line with the Constitution of Kenya, the Public Finance Management Act, Mwongozo Code of Governance for State Corporations, and other applicable laws and policies. This statement outlines the hospital's governance framework and practices during the reporting year.

Appointment and Composition of the Board

Board members are appointed by the County Government of Trans Nzoia through the CECM health and vetted in the county assembly, with consideration given to skills, gender balance, professional diversity, and community representation. Removal of directors follows due process

in accordance with the enabling legislation, guided by principles of accountability and integrity. The Board currently comprises professionals drawn from diverse backgrounds including health, finance, administration, and community service, ensuring a broad range of expertise and perspectives.

Roles and Functions of the Board

The Board provides strategic leadership, oversight, and policy direction to the hospital. Its primary responsibilities include approving strategic and annual work plans, monitoring financial and operational performance, ensuring compliance with laws and regulations, and safeguarding stakeholder interests. The Board also oversees risk management, quality of healthcare delivery, and the prudent utilization of resources.

Induction, Training, and Development

Newly appointed Board members undergo an induction program to familiarize themselves with the hospital's mandate, operations, regulatory framework, and fiduciary responsibilities. Continuous professional development is encouraged through participation in workshops, governance seminars, and sector-specific training, enabling members to stay abreast of emerging issues in healthcare governance.

Board Performance

The performance of the Board and its individual members is reviewed annually through a self-assessment process guided by the Mwongozo Code. This evaluation covers governance effectiveness, strategic oversight, financial stewardship, and stakeholder engagement. Findings are used to strengthen governance practices and improve decision-making.

Meetings and Attendance

During the year under review, the Board held a total of 14 meetings, comprising regular and special sittings to address strategic and operational matters. Attendance was consistently strong, with most members meeting or exceeding the statutory requirement of 75% attendance.

Succession Planning

The Board has put in place a succession plan to ensure leadership continuity both at governance and management levels. This plan identifies key positions, outlines talent development strategies, and ensures that transitions occur smoothly without disrupting hospital operations.

Conflict of Interest Policy

The hospital maintains a clear policy on the management of conflicts of interest. Board members are required to declare any personal or professional interests that may conflict with their fiduciary duties. Such declarations are recorded, and members abstain from discussions or decisions where a conflict exists.

Board Remuneration

Remuneration for Board members is determined in line with guidelines from the Salaries and Remuneration Commission (SRC). The framework ensures fairness, transparency, and alignment with public sector governance standards. Board members are entitled to sitting allowances and reimbursement of expenses directly related to the execution of their duties.

Ethics and Conduct

The Board upholds the highest ethical standards as articulated in the Leadership and Integrity Act and the Public Officer Ethics Act. Members are expected to demonstrate integrity, accountability, and professionalism in all their dealings. The hospital has also adopted a Code of Conduct that binds all Board members and staff.

Governance Audit

A governance audit is conducted periodically in accordance with Mwongozo requirements. This independent review assesses compliance with governance principles, identifies gaps, and provides recommendations to enhance governance effectiveness. The last audit confirmed significant compliance with statutory requirements while highlighting areas for improvement.

Communication Policy

The hospital has adopted a Communication Policy that promotes openness, transparency, and accountability in its interactions with stakeholders. The policy provides for structured communication with the public, county government, partners, and other stakeholders, while safeguarding confidentiality where required.

Board Committees and Terms of Reference

The Board discharges its functions through specialized committees, including the Audit and Risk Committee, Finance and Planning Committee, and Clinical Standards and Research Committee. Each committee operates under approved Terms of Reference, which define its mandate, responsibilities, and reporting obligations to the full Board.

Related Party Transactions

The hospital has adopted a policy on related party transactions to ensure that all dealings with Board members, management, or connected persons are conducted transparently, at arm's length, and in the best interests of the hospital. All such transactions are disclosed in the financial statements and reported to the Board for approval.

9. Management Discussion and Analysis

Wamalwa Kijana Teaching and Referral Hospital is the primary referral center for Trans Nzoia County, providing services to the county's population as well as neighboring sub-counties. Located in Saboti Sub County- Matisi Ward, the facility is expected to serve an estimated population of 103,214 for the year 2025. Currently designated as a Level 4 facility, the hospital is earmarked for upgrading to Level 5 status, a move that will significantly expand its capacity to meet the health needs of the county.

Population Breakdown

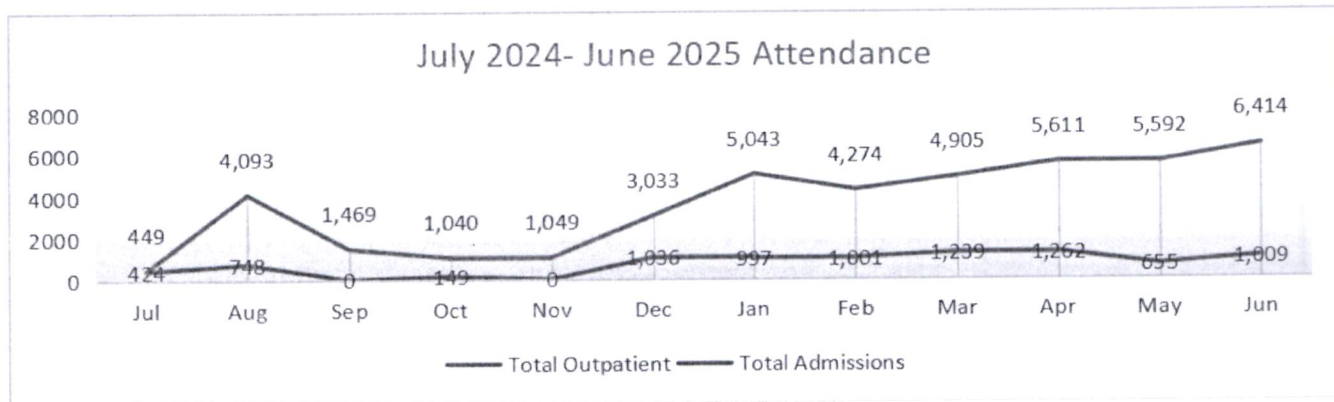
The catchment population of 103,214 is youthful and growing at 2.9% annually, creating a high demand for maternal, child health, and reproductive services, given that 42% are under 15 years and 24,875 are women of reproductive age. With an estimated 3,200 pregnancies each year, there is a clear need for expanded maternity, neonatal, and pediatric care, alongside services for the elderly and the working-age group (32,410) who drive healthcare utilization for chronic and lifestyle-related conditions. Find the breakdown in the table below

Indicator	% Growth rate Rate	Population Estimates
Population Growth Rate	2.9	–
Population Total		103,214
Surviving Infants (<1 year)	2.9%	2,994
Children under 5 years	13.4%	13,831
Children under 15 years	41.9%	43,247
Population 15–24 years	21.4%	22,088
Women of Childbearing Age (15–49 years)	24.1%	24,875
Estimated Pregnant Women	3.1%	3,200
Estimated Deliveries	3.0%	3,097
Estimated Live Births	3.0%	3,097
Population 25–59 years	31.4%	32,410
Population over 60 years	5.3%	5,471

Clinical/Operational Performance

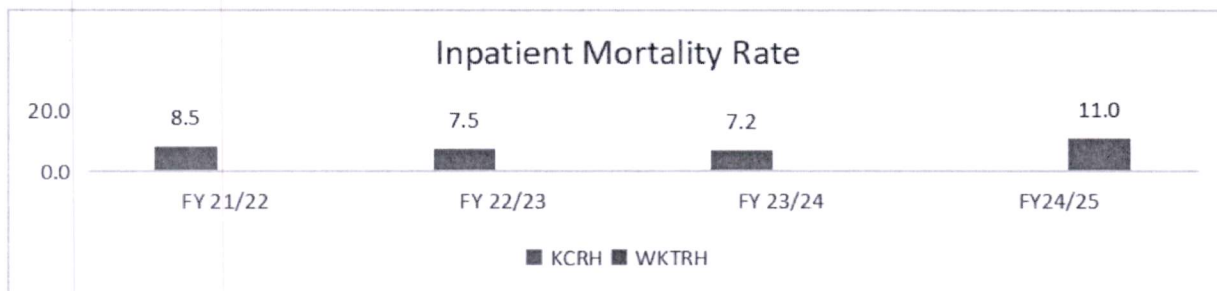
**Wamalwa Kijana Teaching and Referral Hospital (County Government of Trans-Nzoia)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

The hospital has experienced a gradual rise in service use since its establishment, reflecting the phased relocation of services from Kitale County Hospital. Outpatient attendance grew from 449 in July 2024 to 6,414 in June 2025, while admissions rose from 424 to 1,009 over the same period (as seen below). Temporary dips in September and November 2024 were due to the nurses’ industrial action. Despite this growth, the current utilization rate of 0.42 remains well below the WHO recommended 3, highlighting the need for targeted strategies to raise awareness, strengthen referrals, and improve access to services.

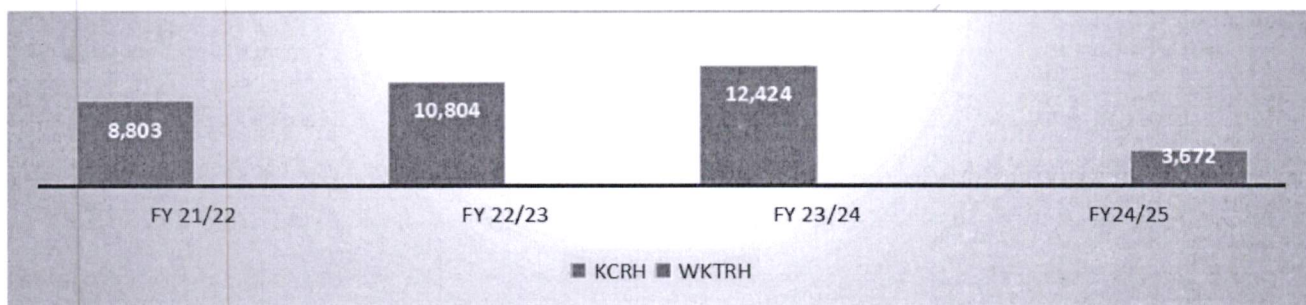


This rising demand for inpatient services is already straining capacity. The hospital has 347 beds (330 ward beds, 5 ICU/HDU, 6 Accident & Emergency, and 6 delivery beds), yet it operated at 111.3% bed occupancy rate, indicating congestion and overstretched services. With the planned upgrade to Level 5 status, expansion to at least 500 beds is critical to align infrastructure with patient load, improve quality of care, and meet WHO-recommended utilization standards. The Average Length of Stay for inpatient clients was at 3.6 which aligns with WHO recommendations of less than 4.

In FY 2024/2025, the hospital recorded 965 deaths out of 8,520 inpatient admissions, translating to an overall inpatient mortality rate of 11.3%. The majority of these deaths (66.5%) occurred in the medical ward, followed by the newborn unit (17.6%). During the same period, the hospital reported 16 maternal deaths, equivalent to a facility maternal mortality rate of 355 per 100,000 deliveries which is higher than the County’s maternal mortality ratio of 287/100,000 livebirths (KPHC 2019). To address these outcomes, the hospital is prioritizing strengthened critical care, improved referral systems, and enhanced maternal and newborn services to reduce preventable deaths. The graph below illustrates trends in inpatient mortality over the years in a referral facility in Trans Nzoia County.

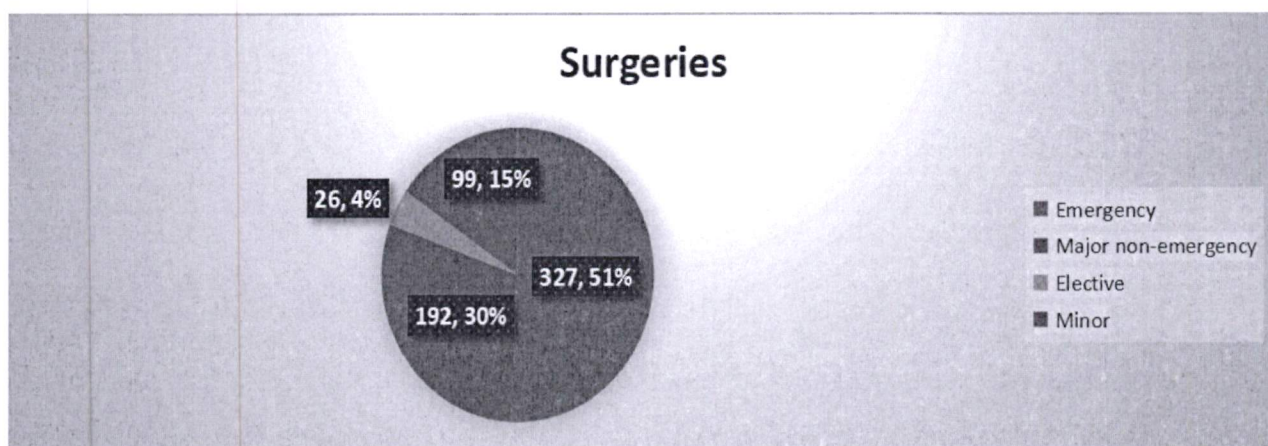


The hospital was able to attend to 3,672 emergency cases in the FY24/25. This was a 70% drop from the previous financial year (23/24) where Kitale County Hospital attended to 12,424 emergency patients. Strengthening emergency referral pathways and public awareness campaigns will be key to reversing this trend. The graph below shows comparison of emergency attendance in a referral Hospital for Trans Nzoia County over the years.



The hospital currently operates four theatres, commissioned in phases: one emergency theatre, two reproductive health theatres, and one orthopaedical theatre, while the general theatre is yet to be operationalized. During the reporting period, emergency surgeries contributed to 51% of all surgical cases (664) highlighting the high demand for urgent surgical care, while elective (cold) procedures were the least at 26 cases (4%), indicating underutilization of planned surgical services. The chart below shows the number of surgical cases performed.

During FY 2024/2025, specialized clinics were rolled out in phases, and by the end of the year, more than 10 clinics were fully operational. These include ENT, orthopaedics, medical, surgical, paediatrics, obstetrics/gynaecology, nutrition, sickle cell, and HIV care and treatment. While



most HIV patients were initially referred to Kitale County Hospital, plans have been advanced to strengthen services at the facility, with 361 clients already enrolled in care. Looking ahead to FY 2025/2026, the facility aims to expand further by establishing additional specialized clinics to enhance service access and comprehensiveness. Our revenue sources comprised SHA reimbursements, cash collections, and rent. We had projected to collect Ksh 241,872,309 from medical services; however, actual collections amounted to only Ksh 95,498,550. This shortfall was largely due to the nurses' industrial action, which disrupted service delivery and consequently affected revenue inflows.

Additionally, being a newly established facility, WKTRH had not yet been fully embraced by the public following the migration of services from Kitale County Hospital. The hospital also faced limitations in service provision, as key units such as operating theatres and advanced imaging were not fully operational. Furthermore, the absence of critical services such as dental care, renal services, and physiotherapy further constrained our capacity to optimize revenue collection.

From the budget, we had projected to raise a total revenue of Ksh 242,052,309. However, we realized a surplus of Ksh 73,791,723, resulting in an unbalanced budget. This was due to the provisions of the Trans Nzoia FIF Act of 2021, which stipulated that the collecting hospital entity could only utilize up to 70% of the collected revenue. The remaining portion was directed toward primary healthcare through Primary Care Networks, countywide public health activities, and remuneration of the County FIF Board.

10. Environmental and Sustainability Reporting

i) Environmental and Sustainability Reporting

Global and National Context

The hospital operates within a dynamic global and national environment shaped by political, economic, and social trends. Climate change, increasing health needs, constrained fiscal space, and global commitments to sustainable development continue to shape our operations. Internationally, the Sustainable Development Goals (SDGs) provide a framework for aligning health services with broader sustainability objectives. WKTRH's mandate and activities directly contribute to SDG 3 (Good Health and Well-being), while also advancing goals related to reduced inequalities (SDG 10), gender equality (SDG 5), decent work (SDG 8), and responsible consumption and production (SDG 12).

Sustainability Priorities and Policy Framework

The hospital has prioritized sustainability along three dimensions:

Environmental sustainability – through responsible energy use, waste management, and ensuring reliable supply of critical resources such as oxygen.

Social sustainability – by enhancing patient access to quality care, promoting equity in service provision, and supporting youth, women, and persons with disabilities (PWDs) through inclusive procurement practices.

Financial and institutional sustainability – by strengthening revenue collection systems, managing costs prudently, and embedding accountability in all operations.

These priorities are guided by national policies, the Public Finance Management Act, Public Procurement and Asset Disposal Act, and the hospital's own strategic plan and service delivery charter.

Achievements

During the reporting period, the hospital recorded several key sustainability gains. The relocation of services from Kitale County Hospital to WKTRH has not only improved patient experience but also reduced congestion, making service delivery more efficient. The repair of the oxygen plant has enhanced self-sufficiency and reduced the hospital's carbon footprint by lowering reliance on external suppliers. The digitization of operations through a Hospital Management Information System (HMIS) has improved efficiency, transparency, and increased revenue collection by reducing leakages.

In procurement, the hospital adhered to government policy on inclusion by allocating a proportion of contracts to youth, women, and PWD-owned enterprises, as well as prioritizing local suppliers and contractors where possible. This has supported local economic development and contributed to poverty reduction in Trans Nzoia County.

Challenges and Mitigation Measures

Despite these gains, challenges persist. The hospital continues to grapple with unpredictable Social Health Authority (SHA) reimbursements, which undermine cash flow and financial sustainability. In addition, frequent industrial actions by healthcare workers reduced service volumes and affected revenue targets. On the staffing front, shortages across cadres—particularly among nurses—have limited the hospital's ability to fully meet patient demand.

To mitigate these challenges, WKTRH has intensified engagement with relevant authorities to improve reimbursement timelines, strengthened workforce planning, and invested in digital systems to ensure efficiency in claims processing and financial management. The Board has also prioritized succession planning and resource mobilization through partnerships.

Service Delivery Charter and Contracts Management

The hospital operates under a Service Delivery Charter that outlines the standards of care, turnaround times, and patients' rights and responsibilities. This charter is publicly displayed and regularly reviewed to ensure accountability to the community. On contracts management, WKTRH applies transparent and competitive procurement procedures in line with the Public Procurement and Asset Disposal Act (2015). During the year, a significant share of contracts was awarded to local suppliers and special groups (youth, women, and PWD categories), in line with the government's 30% procurement access requirement.

Future Outlook

Going forward, WKTRH will continue to strengthen sustainability practices by embedding environmental stewardship in operations, expanding renewable energy use, and enhancing waste management. Social sustainability will be advanced through equitable access to care, community engagement, and workforce development. Financial sustainability will be pursued through improved claims management, efficiency gains from digitization, and diversified resource mobilization.

i) Environmental performance

The hospital has no specific environmental policy but is bound by the national -level environmental healthcare waste regulations in Kenya, plus county -level health care and environmental mandates:

- **Kenya’s Sustainable Waste Management Act (2022)** requires all public institutions—including hospitals—to manage waste sustainably, following hierarchy principles: avoid, reduce, reuse, recycle, treat, and dispose of waste responsibly.
- **Environmental Management & Co-ordination (Waste Management) Regulations (2024)** put in place strict biomedical waste controls: hospitals must segregate, package, treat, store, transport, and dispose of biomedical waste according to categorized schedules; secure proper licensing and monitoring; and conduct environmental audits
- **Ministry of Health Healthcare Waste Management SOPs (2016)** and **National HCWM Plan (2016–2021)** provide the operational guidance for hospitals: segregation, packaging, treatment, incineration, containment, PPE, training, and continuous oversight
- **Kenya Environmental Sanitation & Hygiene Policy (2016–2030)** supports efforts toward clean environments, improved sanitation, and healthy public environments—including healthcare settings.
- Kenya National Infection Prevention and Control Policy for Health Care Services (May 2021), aimed at preventing harm from infections in healthcare settings. This policy is a key component of the country's broader health strategy, including Universal Health Coverage (UHC) and the Kenya Health Policy 2014-2030. It emphasizes the importance of IPC practices for patient and healthcare worker safety, and aims to reduce the spread of infections within the healthcare system.
- **Trans Nzoia County’s health vision**, which includes improving *environmental health and sanitation* as part of its healthcare goals.
- **Trans-Nzoia County Environmental health and sanitation Act, 2022**, aims at giving effect to the right to a clean and healthy environment, the right to reasonable standards of sanitation and the right to clean and safe water to all residents of Trans-Nzoia County.
- **Trans-Nzoia County Draft Policy** on Medical equipment leasing, donation, purchasing, placement, and borrowing (May 2025). It outlines the procedures and guidelines for leasing, placement, purchasing, donation, of medical equipment’s in health facilities in Trans-Nzoia County. The purpose of this Policy is to ensure the efficient, ethical, and cost-effective acquisition and utilization of medical equipment to support quality patient care and operational effectiveness.
- **County government initiatives**

The County government of Trans-Nzoia is implementation Financing Locally-Led Climate Action (FLOCAA) program under the department of Water, Environment and Climate change. It aims to empower communities by funding locally proposed climate resilience projects that address water access, clean energy, sustainable livelihoods, agricultural innovation, and environmental conservation. The community around the hospital are beneficiaries of this project.
- Wamalwa Kijana Teaching and referral hospital has installed solar power for heating of water. Plans are underway to have them operationalized.
- There are also plans to install solar panels to reduce power bills and promote clean energy.

- Rain water harvesting has been done to improve on water quantity and improvement in sanitation.
- Trees have been planted and green spaces provided to improve microclimate around the hospital premises.
- The hospital has a new incinerator which has the capacity to degrade 2500 kilograms of wastes per day. The hospital has a functional bio digester for degradation of liquid wastes.
- The hospital has a state of art kitchen which use gas for cooking purposes. This is aimed at reducing pollution related to use of charcoal and firewood.

ii) Employee welfare

Hiring Policies and Inclusivity

Wamalwa Kijana Teaching and Referral Hospital (WKTRH) adheres to the human resource management policies set by the County Government of Trans Nzoia and aligned with the Constitution of Kenya, the Employment Act, and the Public Service Commission guidelines. The hiring process is anchored on fairness, transparency, and meritocracy while ensuring inclusivity as guided by the two-thirds gender rule and the national requirement to allocate opportunities to youth, women, and persons with disabilities (PWDs). Recruitment notices are publicly advertised, and stakeholder engagements are considered during workforce planning to ensure that staffing needs are aligned with both community expectations and hospital service delivery requirements.

The hospital's recruitment policy also ensures equitable regional representation in line with national cohesion principles. These policies are periodically reviewed—generally every three years or as circumstances demand—so as to reflect evolving legislation, labor market dynamics, and organizational needs.

Skills Development and Career Management

WKTRH recognizes that the growth of its staff is directly linked to the quality of care provided. To this end, the hospital has invested in continuous professional development (CPD) programs, including clinical updates, workshops, and managerial training for staff across all cadres. Career management frameworks exist to guide promotions, re-designations, and mentorship programs, thereby offering staff clear pathways for progression.

Appraisal and Reward Systems

Staff performance is managed through an annual appraisal system based on set targets and key performance indicators (KPIs). Appraisal results inform decisions on promotions, transfers, and training needs. Reward mechanisms include recognition of high-performing staff, opportunities for further training, and where applicable, monetary and non-monetary incentives in line with public service guidelines.

Workplace Safety and Compliance with OSHA 2007

The hospital is fully committed to ensuring a safe and healthy workplace environment in compliance with the Occupational Safety and Health Act, 2007 (OSHA). Safety policies cover fire preparedness, infection prevention and control, safe handling of medical waste, and

occupational health services for staff. Safety committees are in place to monitor compliance and recommend improvements.

During the reporting period, the hospital recorded a small number of work-related injuries, mainly minor needle-stick incidents and slips within clinical areas. These were promptly managed, documented, and corrective measures were instituted, including refresher training on safe injection practices, improved signage in wet areas, and reinforcement of proper use of protective gear. To further minimize risks, regular occupational health and safety drills, staff sensitizations, and risk assessments were conducted.

Continuous Improvement

The hospital continuously reviews its HR and safety policies to address emerging issues. The most recent reviews have strengthened inclusivity in recruitment, expanded CPD opportunities, and reinforced compliance with OSHA standards. Looking ahead, WKTRH plans to introduce a more structured staff wellness program and strengthen its reward and recognition framework to further motivate and retain staff.

iii) Market place practices-

a) Responsible Competition Practice

Wamalwa Kijana Teaching and Referral Hospital is committed to responsible competition practices that promote transparency, integrity, and accountability in all its operations. All procurement processes adhere to the Public Procurement and Asset Disposal Act, ensuring fair competition through open tendering and competitive bidding. The hospital maintains a zero-tolerance policy on corruption by implementing robust anti-corruption reporting mechanisms and encouraging staff, suppliers, and clients to report unethical practices through established whistleblower channels.

To enhance service delivery, the hospital has put in place a service charter that clearly communicates expected service standards, timelines, and redress mechanisms. Further, the digitization of hospital operations and the introduction of cashless payment systems have not only minimized leakages but also improved accountability and efficiency. WKTRH also safeguards its reputation and brand through public sensitization campaigns on ethical service delivery and citizen engagement forums, thereby strengthening trust with the public and stakeholders.

b) Responsible Supply Chain and Supplier Relations

The hospital values strong and ethical supplier relationships. Procurement processes are guided by the principles of transparency, accountability, competitiveness, and fairness and PPDA Act 2015. Suppliers are subjected to an open and competitive bidding processes, and all contracts are executed in line with public procurement regulations.

WKTRH is committed to honoring contractual obligations by ensuring timely payments, subject to resource availability, and resolving disputes in a fair and transparent manner. Preference is given to local suppliers, including youth, women, and persons with disabilities (PWDs), in line with government affirmative action policies. This approach not only empowers vulnerable groups but also strengthens local economic development and fosters long-term, sustainable supplier partnerships.

c) Responsible Marketing and Advertisement / Responsible Engagement with Citizens

WKTRH maintains responsible and ethical communication practices to ensure that the public receives accurate, adequate, and timely information. The hospital avoids exaggerated claims or misleading information about its services. Instead, communication is anchored on transparency, respect, and inclusivity.

Regular updates are provided to the public through press briefings, radio programs, hospital website notices, and social media platforms, as well as through consultative forums with community representatives and stakeholders. These efforts promote responsible outreach and citizen sensitization, ensuring that the hospital remains responsive to the health needs of the community while respecting cultural diversity and ethical standards.

d) Product Stewardship and Awareness Creation

As a healthcare institution, WKTRH recognizes its duty to safeguard patients' rights and interests. This is achieved by ensuring the highest standards of health and safety in the delivery of care, providing accurate information on treatment options, and maintaining transparent billing systems. The hospital has adopted clear policies on patient data protection and confidentiality in compliance with the Data Protection Act, 2019. Mechanisms are also in place for dispute resolution and redress, including a functional complaints management system, patient feedback mechanisms, and escalation procedures through hospital leadership.

Additionally, the hospital engages in regular public awareness campaigns on matters of public health such as immunization drives, maternal and child health, infectious disease prevention, and mental health. These campaigns ensure that citizens are adequately informed, empowered to make health-seeking decisions, and assured of their rights when accessing hospital services.

iv) Corporate Social Responsibility / Community Engagements

During the reporting period, Wamalwa Kijana Teaching and Referral Hospital (WKTRH) carried out several Corporate Social Responsibility (CSR) and community engagement activities in line with its mandate of promoting health and wellness. These included free medical camps offering consultations, immunizations, HIV testing, cancer screening, and maternal health services in underserved areas. The hospital also supported community sensitization through health talks, school health programs, mentorship, and engagement of Community Health Volunteers (CHVs) to promote hygiene, nutrition, safe motherhood, and mental health awareness. In addition, the hospital actively participated in public participation forums, including budget-making processes and stakeholder meetings, where community views were incorporated into hospital planning and service improvement.

Further, WKTRH made social investments through partnerships with government, Partners such as AMPATH UZIMA, Evidence Action, and local leaders to rehabilitate health facilities, improve referral systems, and support community water access initiatives such as treatment of community water sources. The hospital also extended charitable support through waivers and subsidized care for indigent patients, alongside donations of food, clothing, and sanitary products to vulnerable groups. Environmental sustainability was promoted through tree planting and waste management

campaigns within the hospital’s catchment area. These initiatives collectively enhanced access to healthcare, built community trust, empowered the public with health information, and contributed to improved environmental conservation and social welfare.

11. Report of The Board of Management

The board members submit their report for the year that ended June 30, 2025, which show the state of the *hospital's* affairs.

Principal activities

The principal activities of the Wamalwa Kijana Teaching and Referral hospital are to provide medical services to members of the public.

Results

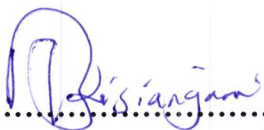
The results of the Wamalwa Kijana Teaching and Referral hospital for the year ended June 30 2025 are set out on pages 1 to 57.

Board of Management

The members of the Board who served during the year are shown on page V. During the year, 2024/2025 the chair of the board Mr Erick Obat resigned and was replaced by Ms. Carolyne Nalianya.

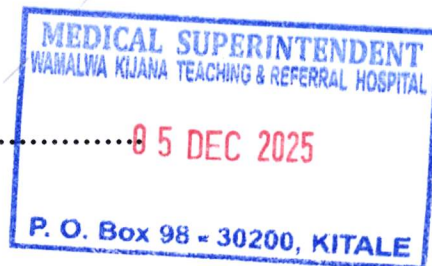
Auditors

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



Name

Secretary to the Board



12. Statement of Board of Management’s Responsibilities

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

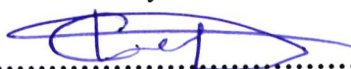
The Board of Management is responsible for the preparation and presentation of the *Wamalwa Kijana Teaching & Referral Hospital* financial statements, which give a true and fair view of the state of affairs of the *Wamalwa Kijana Teaching and Referral hospital* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Wamalwa Kijana Teaching and Referral hospital*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Wamalwa Kijana Teaching and Referral hospital*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

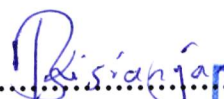
In preparing the financial statements, the Directors have assessed the Fund’s ability to continue as a going concern OR Nothing has come to the attention of the Board of management to indicate that the *Wamalwa Kijana Teaching and Referral hospital* will not remain a going concern for at least the next twelve months from the date of this statement.

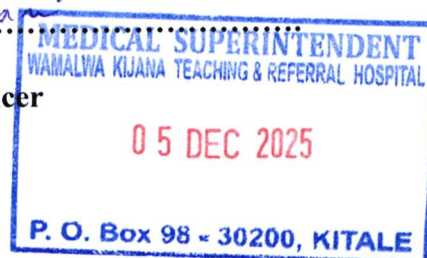
Approval of the financial statements

The Hospital’s financial statements were approved by the Board on 5/12/2025 and signed on its behalf by:


.....

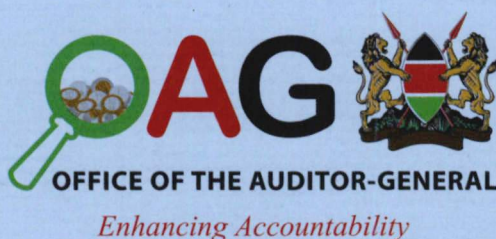
Name:
Chairperson
Board of Management


.....
Name:
Accounting Officer



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Telephone: +254-(20) 3214000
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REPORT OF THE AUDITOR-GENERAL ON WAMALWA KIJANA TEACHING AND REFERRAL LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF TRANS NZOIA

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 Wamalwa Kijana Teaching and Referral Level 4 Hospital set out on pages 1 to 35, which comprise of the statement of

Report of the Auditor-General on Wamalwa Kijana Teaching and Referral Level 4 Hospital for the year ended 30 June, 2025 – County Government of Trans Nzoia

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 Wamalwa Kijana Teaching and Referral Level 4 Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unexplained Variance in Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.40,710,579 as disclosed in Note 18 to the financial statements. These receivables pertain to unpaid claims from the Social Health Authority (SHA). According to data retrieved from the SHA portal for Wamalwa Kijana Teaching and Referral Hospital, covering the period from 1 July, 2024 to 30 June, 2025 and accessed on 14 October, 2025, the following amounts were reported:

Category	Amount (Kshs)
Approved Claims	87,176,824.00
Paid Claims	60,562,102.00
Unpaid Claims	26,614,722.00

The unpaid claims of Kshs.26,614,722 differ from the receivables of Kshs.40,710,579 reported in the statement of financial position resulting in an unexplained variance of Kshs.14,095,857.

In the circumstances, the accuracy and recoverability of the reported receivables from exchange transactions of Kshs.40,710,579 could not be confirmed.

2. Financial Disclosure Gap on Property, Plant, and Equipment

The statement of financial position shows property, plant and equipment balance of Kshs.11,136,744. However, the Management did not disclose land, buildings and motor vehicles in the financial statements.

In the circumstances, the accuracy and completeness of property plant and equipment of Kshs.11,136,744 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wamalwa Kijana Teaching and Referral 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 budgeted receipts of Kshs.242,052,309 against actual receipts of Kshs.77,848,767 resulting to under-funding of Kshs.164,203,542 or 68% of the budget.

In the circumstances, the underfunding may have negatively impacted on health service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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. Incomplete Construction of Wamalwa Kijana Teaching and Referral Hospital

As previously reported under the Trans Nzoia County Executive, the Trans Nzoia County Government planned to construct The Proposed Wamalwa Kijana Teaching and Referral Hospital at a contract sum of Kshs.1,602,528,713. The contract awarded to a construction firm was to be implemented in two (2) phases, with estimated completion period of Phase 1 – 52 weeks and Phase 2 – 62 weeks. The 350-bed facility was aimed at providing specialized medical services to the public. According to the records provided for audit review, Phase 1 of the project was completed on 23 July, 2016.

Phase 2 of the project commenced on 15 December, 2018 with projected completion date of 30 September, 2020. However, as at June, 2025, the project was incomplete and was approximated at 70% complete even though Kshs.1,640,000,000 (Approx. 102% of the contract amount) had been paid. The contractor was not on site and had abandoned the project without attending to the snag list of pending works. Further, the audit confirmed that the Hospital was in use with partial completion certificate. The Management has been conducting piecemeal construction of the Hospital in various departments and a total of Kshs.9,659,016 was utilized in the financial year 2024/2025. However, the Management has not captured the expenditure in the asset register.

In the circumstances, the value for money on the expenditure of Kshs.1,640,000,000 incurred on the project could not be confirmed.

2. Non-Remittance of Public Procurement Capacity Building Levy

During the financial year ended 30 June, 2025, the Hospital paid local purchase orders/local service orders and contracts amounting to Kshs.75,993,354. However, the Management did not deduct the capacity building levy of 0.03% of the contract amount paid. This was contrary to paragraph 3(1) of Legal notice 206 of the Levy order, 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Management Policy

Review of the internal operating environment of the Hospital revealed that the Hospital did not have a risk management strategy contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which requires that the Accounting Officer shall ensure that—(a) the county government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the county government entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, absence of a risk management policy exposes the Hospital to operational vulnerabilities due to unmanaged risks.

2. Weak Controls over the Management of Fixed Assets and Under-utilization of Medical Facilities at Kitale County Referral Hospital

The transfer of 90% of medical services from Kitale County Referral Hospital to Wamalwa Kijana Teaching and Referral Hospital resulted into transfer of movable fixed assets. Among the assets transferred were undisclosed number of vehicles including ambulances.

Corroboration of information on medical services and related activities at Kitale County Referral Hospital revealed that the Hospital facilities have remained largely under-utilized including reference laboratory with state-of-the-art laboratory equipment valued at approximately Kshs.500,000,000.

In the circumstances, proper management of fixed assets, cooperation/synergy and value for money from the two Hospitals 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 the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

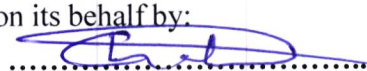
*Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025*

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
In-kind contributions from the County Government	6	65,470,336	-
		65,470,336	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	129,297,753	-
Revenue from rent of facilities	8	150,000	-
Miscellaneous Income	9	69,790	-
Revenue from exchange transactions		129,517,543	-
Total revenue		194,987,879	-
Expenses			
Medical/Clinical costs	10	158,772,752	-
Employee costs	11	4,369,100	-
Board of Management Expenses	12	379,000	-
Depreciation and amortization expense	13	2,741,171	-
Repairs and maintenance	14	9,185,099	-
General expenses	15	13,371,776	-
Total expenses		188,818,898	-
Other gains/(losses)			
Medical services contracts Gains/Losses	16	(5,836,890)	-
Total other gains/(losses)		(5,836,890)	-
Net Surplus / (Deficit) for the year		332,091	-

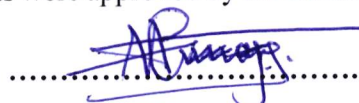
(The notes set out on pages 7 to 34 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 5/12/2025 and signed on its behalf by:



Chairman

Board of Management

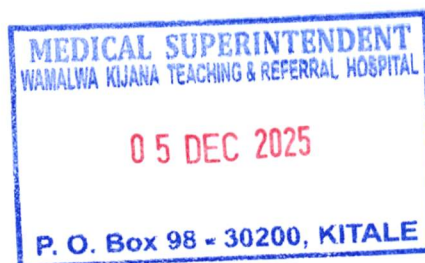


Head of Finance

ICPAK No: 24636



Medical Superintendent



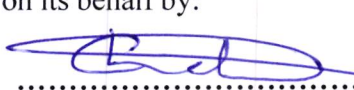
*Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025*

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	257,113	-
Receivables from exchange transactions	18	40,710,579	-
Inventories	19	11,862,335	-
Total Current Assets		52,830,027	-
Non-current assets			
Property, plant, and equipment	20	11,136,744	-
Intangible assets	21	2,133,250	-
Total Non-current Assets		13,269,994	-
Total assets (A)		66,100,021	-
Liabilities			
Current liabilities			
Trade and other payables	22	65,767,930	-
Total Current Liabilities		65,767,930	-
Total non-current liabilities		-	-
Total Liabilities (B)		65,767,930	-
Net assets (A-B)		332,091	-
Represented by:			
Accumulated surplus/Deficit		332,091	-
Net Assets		332,091	-

(The notes on pages' 7 to 34 form an integral part of the Annual Financial Statements.)

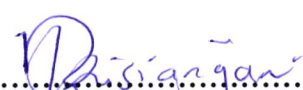
The Hospital's financial statements were approved by the Board on 5/12/2025 and signed on its behalf by:



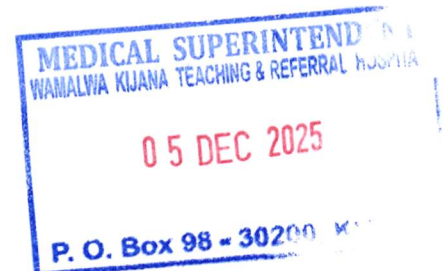
Chairman
Board of Management



Head of Finance
ICPAK No: 24636



Medical Superintendent



Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2025 (previous year)	-	-	-	-
		-	-	-
At July 1, 2025 (current year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	332,091	-	332,091
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	332,091	-	332,091

*Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025*

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income	7	77,848,767	-
Total Receipts		77,848,767	-
Payments			
Medical/Clinical costs	10	44,590,900	-
Employee costs	11	1,477,300	-
Board of Management Expenses	12	121,000	-
Repairs and maintenance	14	8,747,232	-
General expenses	15	10,961,887	-
Total Payments		65,898,319	-
Net cash flows from operating activities		11,950,448	-
Cash flows from investing activities			
Purchase of property, plant, equipment	20	(10,193,335)	-
Purchase of intangible assets	21	(1,500,000)	-
Net cash flows used in investing activities		(11,693,335)	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		257,113	-
Cash and cash equivalents as at 1 July 2024	17	-	-
Cash and cash equivalents as at 30 June 2025	17	257,113	-

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Medical Service Income	242,052,309	-	242,052,309	77,848,767	164,203,542	32%
Total receipts	242,052,309	-	242,052,309	77,848,767	164,203,542	32%
Payments						
Medical/Clinical costs	115,467,471	-	115,467,471	44,590,900	70,876,571	39%
Employee costs	6,418,000	-	6,418,000	1,477,300	4,940,700	23%
Remuneration of directors	500,000	-	500,000	121,000	379,000	24%
Repairs and maintenance	12,581,415	-	12,581,415	8,747,232	3,834,183	70%
General expenses	13,493,700	-	13,493,700	10,961,887	2,531,813	81%
Primary care network	66,505,554	-	66,505,554	-	66,505,554	0%
Research and publishing	7,286,169	-	7,286,169	-	7,286,169	0%
Total Operational Expenditure	222,252,309	-	222,252,309	65,898,319	156,353,990	44%
Capital Expenditure paid	19,800,000	-	19,800,000	11,693,335	8,106,665	54%
Surplus	-	-	-	257,113	(257,113)	%

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	257,113
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	257,113

19. Notes to the Financial Statements

1. General Information

Wamalwa Kijana teaching and Referral hospital is established by the Medical Practitioners and Dentist Act (Cap253) and derives its authority and accountability from PFM Act. The Wamalwa Kijana Teaching and Referral hospital is wholly owned by the Trans-Nzoia County Government and is domiciled in Trans-Nzoia County in Kenya. The Wamalwa Kijana Teaching and Referral hospital'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 *Wamalwa Kijana Teaching and Referral hospital's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Wamalwa Kijana Teaching and Referral hospital*. The financial statements have been prepared in accordance with the PFM Act, and (*FIF 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.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Wamalwa Kijana Teaching and Referral hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 46	<p><i>Applicable 1st January 2025</i></p>

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Standard	Effective date and impact:
Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Wamalwa Kijana Teaching and Referral hospital 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><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>
IPSAS 50: Exploration For &	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Standard	Effective date and impact:
Evaluation of Mineral Resources	<p>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</p> <p>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the Wamalwa Kijana Teaching and Referral hospital’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>State the expected impact of the standard to the Wamalwa Kijana Teaching and Referral hospital if relevant</i></p>

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Wamalwa Kijana Teaching and Referral 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 Wamalwa Kijana Teaching and Referral hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **20th June 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Wamalwa Kijana Teaching and Referral hospital upon receiving the respective approvals in order to conclude the final budget.

The *Wamalwa Kijana Teaching and Referral hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of **10** 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 Wamalwa Kijana Teaching and Referral hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

The Wamalwa Kijana Teaching and Referral hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Wamalwa Kijana Teaching and Referral hospital can demonstrate:

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

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

j. Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one Wamalwa Kijana Teaching and Referral hospital and a financial liability or equity instrument of another Wamalwa Kijana Teaching and Referral hospital. At initial recognition, the Wamalwa Kijana Teaching and Referral hospital measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The Wamalwa Kijana Teaching and Referral hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Wamalwa Kijana Teaching and Referral hospital recognizes a loss allowance for such losses at each reporting date. There was no impairment reported during the financial year.

Financial liabilities

Classification

The Wamalwa Kijana Teaching and Referral hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k. Inventories

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

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

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

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

l. Provisions

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

Where the Wamalwa Kijana Teaching and Referral hospital 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.

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

The Wamalwa Kijana Teaching and Referral hospital creates and maintains reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

The Wamalwa Kijana Teaching and Referral hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

v. Service concession arrangements

The Wamalwa Kijana Teaching and Referral hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Wamalwa Kijana Teaching and Referral hospital* 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 *Wamalwa Kijana Teaching and Referral hospital* also recognizes a corresponding liability, adjusted by a cash consideration paid or received

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Wamalwa Kijana Teaching and Referral 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 Wamalwa Kijana Teaching and Referral hospital. 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:

Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

- The condition of the asset based on the assessment of experts employed by the Wamalwa Kijana Teaching and Referral hospital.
- 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.

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to Financial Statements Continued

6. In Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals and Non-Pharmaceutical Supplies	16,301,196	-
Other supplies food and ration	27,905,290	-
Other supplies sanitary and cleansing materials	1,681,040	-
Other supplies motor vehicles	19,582,810	-
Total grants in kind	65,470,336	-

7. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	17,573,415	-
Non-Pharmaceuticals	11,188,207	-
Laboratory	17,688,755	-
Radiology	6,525,576	-
Orthopedic and Trauma Technology	4,781,682	-
Theatre	19,126,728	-
Accident and Emergency Service	12,972,048	-
Amenity	14,345,046	-
Ear Nose and Throat service	5,578,629	-
Out Patient Department	11,157,258	-
Sale of Oxygen	3,187,788	-
ECHO	2,390,841	-
Reproductive health	22,314,515	-
Records	198,600	-
Farewell home services	10,360,311	-
Revenue spent by other entity(KCH)	(30,091,646)	
Total revenue from the rendering of services	129,297,753	-

8. Revenue from Rent of Facilities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Commercial property	150,000	-
Total Revenue from rent of facilities	150,000	-

Notes to Financial Statements Continued

9. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<i>Others (Incineration)</i>	69,790	-
Total Miscellaneous income	69,790	-

10. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Laboratory chemicals and reagents	6,129,979	-
Food and Ration	61,313,846	-
Uniform, clothing, and linen	139,550	-
Dressing and Non-Pharmaceuticals	49,709,752	-
Pharmaceutical supplies	18,733,211	-
Health information stationery	8,621,504	-
Sanitary and cleansing Materials	9,440,440	-
Purchase of Medical gases	2,832,000	-
X-Ray/Radiology supplies	1,752,470	-
Other medical related clinical costs (<i>specify</i>)	100,000	-
Total medical/ clinical costs	158,772,752	-

11. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	4,369,100	-
Employee costs	4,369,100	-

12. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Sitting allowance	379,000	-
Total	379,000	-

13. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	2,436,421	-
Intangible assets	304,750	-
Total depreciation and amortization	2,741,171	-

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

14. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	3,070,871	-
Medical equipment	4,363,548	-
Furniture and fittings	59,250	-
Computers and accessories	504,660	-
Motor vehicle expenses	901,720	-
Maintenance of civil works	285,050	-
Total repairs and maintenance	9,185,099	-

15. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	38,000	-
Catering expenses	904,300	-
Bank charges	26,649	-
Contracted services	2,239,280	-
Fuel and Lubricants	3,044,811	-
Travel and accommodation allowance	1,893,950	-
Courier and postal services	15,558	-
Printing and stationery	2,239,280	-
Water and sewerage costs	285,050	-
Telephone and mobile phone services	60,000	-
Staff uniforms	289,850	-
Subscriptions to professional bodies	10,000	-
Other fuels	2,325,048	-
Total General Expenses	13,371,776	-

16. Medical Services Contracts Gains /Losses

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Waivers and Exemptions	(5,836,890)	-
Total Gain/Loss	(5,836,890)	-

Notes to the Financial Statements (Continued)

17. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	257,113	-
Total cash and cash equivalents	257,113	-

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

Description		FY 2024/2025	FY 2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank		257,113	-
Sub- total		257,113	-
Grand total		257,113	-

18. Receivables from Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables(SHA)	40,490,789	-
Rent receivables	150,000	-
Other exchange debtors	69,790	-
Total receivables	40,710,579	-

Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	FY 2024/2025	% of the total	Comparative FY	% of the total
Less than 1 year	40,710,579	100%	-	%
Between 1- 2 years	-	0%	-	%
Between 2-3 years	-	0%	-	%
Over 3 years	-	0%	-	%
Total (a+b)	40,710,579	100%	-	%

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

19. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	2,331,852	-
Non-Pharmaceutical supplies	6,506,933	-
Food supplies	2,092,400	-
Health information stationery	885,850	-
Linen and clothing supplies	45,300	-
Total	11,862,335	-

Detailed disclosure on inventories

	FY 2024/2025	FY 2023/2024
Opening balance	-	-
Closing balance	11,862,335	-

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

20. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment (DEPRICIATION RATE 12.5%)	ICT Equipment (DEPRICIATION RATE 33.3%)	Plant and medical Equipment (DEPRICIATION RATE 12.5%)	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 30 th Jun 2024	-	-	-	-	-	-	-	-	-
At 1 July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	3,680,895	3,556,610	6,335,660	-	-	13,573,165
At 30 th Jun 2025	-	-	-	3,680,895	3,556,610	6,335,660	-	-	13,573,165
Depreciation	-	-	-	(460,112)	(1,184,351)	(791,958)	-	-	(2,436,421)
At 30 th June 2025	-	-	-	(460,112)	(1,184,351)	(791,958)	-	-	(2,436,421)
Net book values				3,220,783	2,372,259	5,543,703	-	-	11,136,744
At 30 th Jun 2024(previous)	-	-	-	-	-	-	-	-	-
At 30 th Jun 2025(current)	-	-	-	3,220,783	2,372,259	5,543,703	-	-	11,136,744

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

21. Intangible Assets-Software

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	2,438,000	-
At end of the year	2,438,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period (12.5%)	304,750	-
At end of the year	-	-
NBV	2,133,250	-

22. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	65,767,930		-	
Total trade and other payables	65,767,930		-	
Ageing analysis:	FY	% of	FY	% of
	2024/2025	the	2023/2	the
		Total	024	total
Under one year	65,767,930	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	65,767,930	100%	-	%

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

23. Cash Generated from Operations

Description	FY2024/2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	257,113	-
Adjusted for:		
Depreciation	2,436,421	-
Non-cash grants received		(-)
Impairment	304,750	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(11,862,335)	(-)
Increase in receivables	(40,710,579)	(-)
Payment on accrual	(4,242,852)	-
Increase in payables	65,767,930	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	11,950,448	-

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

24. Financial Risk Management

The Wamalwa Kijana Teaching and Referral hospital'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 Wamalwa Kijana Teaching and Referral hospital's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025 (current year)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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 Wamalwa Kijana Teaching and Referral hospital has significant concentration of credit risk on amounts due from xxxx. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

(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 Wamalwa Kijana Teaching and Referral hospital's short, medium and long-term funding and liquidity management requirements. The Wamalwa Kijana Teaching and Referral hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

(ii) Market risk

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the Wamalwa Kijana Teaching and Referral hospital 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 Wamalwa Kijana Teaching and Referral hospital'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 Wamalwa Kijana Teaching and Referral hospital's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Wamalwa Kijana Teaching and Referral hospital 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 Wamalwa Kijana Teaching and Referral hospital's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The Wamalwa Kijana Teaching and Referral hospital 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.

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

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

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.

b) Interest rate risk

Interest rate risk is the risk that the Wamalwa Kijana Teaching and Referral hospital'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.

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

Sensitivity analysis-

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

iv) Capital Risk Management

The objective of the Wamalwa Kijana Teaching and Referral hospital's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The Wamalwa Kijana Teaching and Referral hospital capital structure comprises of the following funds:

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-	-

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Notes to the Financial Statements (Continued)

25. Related Party Balances

Nature of related party relationships

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

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

Provision thus the s, IPSAS 18 on segmental reporting.

26. Contingent Liabilities

During the period under audit review there no contingent liabilities

27. Capital Commitments

There were no capital commitments during the year thus no disclosure in accordance with IPSAS 17.

28. Events after the Reporting Period

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

29. Ultimate and Holding Wamalwa Kijana Teaching and Referral hospital

The Wamalwa Kijana Teaching and Referral hospital is a County Corporation/ or a Semi-Autonomous Government Agency under the Department of Health Services and Sanitation. Its ultimate parent is the County Government of Trans-Nzoia.

30. Currency

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

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved. This is the base year thus there were no prior year auditor recommendations.

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)

Guidance Notes:

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

.....
Accounting Officer

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Appendix II: Projects Implemented by The Wamalwa Kijana Teaching and Referral hospital

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Appendix III: Inter-Wamalwa Kijana Teaching and Referral hospital Confirmation Letter

Name of Transferring Wamalwa Kijana Teaching and Referral hospital.....

Name of Beneficiary Wamalwa Kijana Teaching and Referral hospital.....

Confirmation of amounts received by [Insert name of beneficiary Wamalwa Kijana Teaching and Referral hospital] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Wamalwa Kijana Teaching and Referral hospital:
Name Sign Date

Head of Accounts Department - Beneficiary Wamalwa Kijana Teaching and Referral hospital:
Name Sign Date.....

**Wamalwa Kijana Teaching and Referral Hospital (Trans-Nzoia County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025**

Appendix IV Reporting of Climate Relevant Expenditures

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

XX Hospital (XX County Government)
Annual Report and Financial Statements for The Year Ended 30th June 20xx

Appendix V: Disaster Expenditure Reporting Template

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