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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**BONDO LEVEL 4 HOSPITAL**

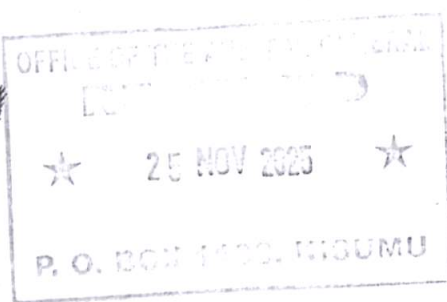
**FOR THE YEAR ENDED  
30 JUNE, 2025**

**SIAYA COUNTY GOVERNMENT**

PAPERS	
DATE	19/2/20
TABLED BY	Kedama
COMMITTEE	
CLERK AT THE TABLE	Abdulkhman.

2/2

Revised 30<sup>th</sup> June 2025



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## **BONDO LEVEL 4 HOSPITAL (Siaya County Government)**

**ANNUAL REPORT AND AMENDED FINANCIAL STATEMENTS**

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

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

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

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**Table of Contents**

1. Acronyms & Glossary of Terms .....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Management.....	v
4. Key Management Team .....	vi
5. Chairman’s Statement .....	vii
6. Report of The Medical Superintendent .....	viii
7. Statement of Performance Against Predetermined Objectives .....	ix
8. Corporate Governance Statement .....	xii
9. Management Discussion and Analysis.....	xiii
10. Environmental And Sustainability Reporting.....	xv
11. Report of The Board of Management.....	xix
12. Statement of Board of Management’s Responsibilities.....	xx
13. Report of the Independent Auditor (specify entity name).....	xxi
14. Statement of Financial Performance for The Year Ended 30 June 2025.....	1
15. Statement of Financial Position As At 30 <sup>th</sup> June 2025 .....	3
16. Statement of Changes in Net Asset for The Year Ended 30 June 2025 .....	5
17. Statement of Cash Flows for The Year Ended 30 June 2025 .....	5
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025 .....	8
19. Notes to the Financial Statements .....	11
20. Appendices .....	63

**1. Acronyms & Glossary of Terms**

*Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.*

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

**2. Key Entity Information and Management**

**(a) Background information**

Bondo Hospital is a level 4 hospital established under gazette notice number 786 and is domiciled in Siaya County under the Health Department. The hospital is governed by a Board of Management.

**(b) Principal Activities**

**Vision**

We strive to improve Health by providing preventive, promotive, curative health care by 2030

**Mission**

To provide quality health care services that is accessible, affordable while being responsive to community health needs.

**(c) Key Management**

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

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

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Evans Ogoti
2.	Head of finance	CPA. Micheal Ochieng
3.	Administrator	Mrs. Hilda Okuthe

**(e) Fiduciary Oversight Arrangements**

- County Assembly of Siaya
- Parliamentary Committees
- County Assembly Health Committee
- County Assembly Finance Committee

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

**(f) Entity Headquarters**

P.O. Box 89 – 40601  
Bondo, KENYA  
Bondo Usenge Road, Bondo Town

**(g) Entity Contacts**

Telephone: (+254) 723616241  
E-mail: bondodistricthospital@gmail.com

**(h) Entity Bankers**

- a) Kenya Commercial Bank  
P.O Box 598-40601  
Bondo
- b) Cooperative Bank  
P.O Box 38-40601  
Bondo

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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






**(k) County Attorney**

P.O. Box 83-40600  
Siaya, Kenya

### **3. The Board of Management**

Bondo level 4 Hospital doesn't have a Board of Management. Currently the Board of Management nominees are before the County Assembly for Consideration.

**4. Key Management Team**

Ref	Management	Details
1.	 Dr. Evans Ogoti Medical Superintendent	Medical Superintendent of the hospital and chair of the management team. MBCHB holder. Duties include: <ul style="list-style-type: none"> <li>• Seeing patients for treatment</li> <li>• Overall supervision of the hospital</li> <li>• Chairing of HMT meetings of the hospital.</li> </ul>
2.	 Mrs. Hilda Okuthe Hospital Administrator	Hospital Administrative Officer (HAO) and member of HMT Duties include <ul style="list-style-type: none"> <li>• Ensuring effective running of facility daily activities</li> <li>• Development work and leave schedules for staff</li> <li>• Is the secretary to the HMT</li> </ul>
3.	 CPA. Micheal Ochieng Accountant	Hospital accountant and a member of HMT. Duties <ul style="list-style-type: none"> <li>• Supervising revenue staff</li> <li>• Budgeting for the facility</li> <li>• Maintain book of accounts for the facility</li> <li>• Control expenditure</li> </ul>
4.	 Mr Fredrick Obare Nursing Service Manager	Nurse in Charge and HMT member Duties Preparing duty roaster all nursing staff Preparing end month nursing report Supervising the Nursing staff
5.	 Dr. Felix Tindi Pharmacy In Charge	Pharmaceutical technologist and member of HMT Duties Issuing medicine to patients Managing pharmacy operations Ordering and receiving medical supplies Doing stock takes

**5. Chairman's Statement**

Bondo Level 4 Hospital doesn't have a board of management. Currently the Board of Management nominees is before the County Assembly for consideration.

.....

Name

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

During the 2024/2025 financial year, Bondo level 4 Hospital had an average performance generally. We were able to maintain our core mandate of provision of curative and rehabilitative services during the year. The following were areas of priority that the hospital focussed on to ensure the delivery of the said services.

- Availability of health product and technologies
- Sustaining the payment for utilities especially electricity and water
- Payment of pending bills

Like all other entities, the hospital experienced a myriad of challenges that greatly affected the income and general cash flow to the hospital hence delaying execution of the financial plan. These include

- High cost of living that saw the increase in the price of commodity across almost all areas but significantly on food items, electricity and fuels.
- Reduced purchasing power of the patients resulting in less revenue from the FIF revenue stream.
- Inadequate human resource – as service oriented entity, adequate human resource remains an important pillar to the delivery of our services. During this financial year under review, the hospital had severe shortage of personnel cutting across all departments. The worst affected being nursing, clinical officers, medical officers and specialists making it difficult to discharge our mandate of service provision.

These significantly affect the facility since the hospital largely relies on its own revenue generated to facilitate services. This is further compounded by the requirement to surrender 25% of revenue it generates to the department for running other rural facilities.

Despite the all the above challenges, the hospital still managed to improve its revenue generation compared to a similar period previous year. This was largely possible due to the strengthening of our revenue collection system and better supervision by the various departmental heads that insisted in ensuring better revenue collection at their service delivery points. It shows the potential the hospital has to further improve service delivery once more funds are available.

To mitigate on the challenges raised above, the hospital management team was very responsive and deliberate in decision making to prioritise key spending areas to keep the hospital running. Am grateful for their support and guidance during this financial year.

We hope that more deliberate efforts shall be made to support the operations of the hospital especially in making more funds available through direct funding from the exchequer and allowing the hospital to utilise 100% of their collection. This alone immediately gives the hospital access to almost 18 million additional spending money per year.

.....

**Name**

**Secretary to the Board**

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

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the County Government entity’s performance against predetermined objectives.

The County’s 2018 – 2022 CIDP has identified 10 key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor’s manifesto, the National Government’s ‘‘Big Four’’; NIUPLAN, SDGs and MTP III. The strategic objectives are synthesised product of the aforementioned planning frameworks that amalgamate that thematic focus and development aspirations in these policy frameworks. The targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Health and Sanitation	To reduce mortality from preventable deaths	To reduce mortality from preventable deaths	No. Completed medical laboratories	1
			No. completed maternity units	1
			No. completed general wards	1
			% of clients counselled and tested for HIV	83%
			% of HIV positive	97%

			clients linked to care	
			% of WRA who know their HIV status	92%
			% of HEI turning HIV positive at 18 months	2%
			% of clients with viral load <1000c/ml	93%
			No. of accredited CHVs given feedback	1535
			No. of CHAs sensitized eye health	24
			No. of half jackets distributed	2200
			No. of CHVs sensitized on NCDs	40
			No. of CHAs trained on	30

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

			community MNH	
			No. of stakeholders meetings held	2
			No. of HHs reached with COVID 19 messages	250,698
			No. of targeted dialogue days held	6
	Improved diagnostic services through completion of maternity wing			
	To provide accessible and appropriate diagnostic and curative services	Reduced disease burden in Siaya County	Blood bank fenced at SCRH	Completed

#### **8. Corporate Governance Statement**

During the year under review the facility did not have an active Board of Management this is because the term of services of the previous board had expired. In the subsequent year (FY 2025 – 2026) endeavour to establish the board of management.

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

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**9. Management Discussion and Analysis**

It is my pleasure to present Bondo Level 4 Hospital financial statements for the year ended 30<sup>th</sup> June 2025. The financial statements present the financial performance of Bondo level 4 Hospital over the past year.

**Clinical/operational performance**

Bed capacity of the hospital.	118
Overall patient attendance during the year for both inpatient and outpatient.	59,110
Accident and Emergency attendance	
Specialised clinic attendance	19,671
Average length of stay for in patient.	5
Bed occupancy rate	70%
Mortality rate	8%
Surgical theatre utilisation (number of operations over a period of time)	1955
Sponsorships and partnerships	

**The entity's operational and Financial performance**

The Hospital has seen a growth in revenue trends over the past periods. During the year, the facility raised a total of Kshs. 104,938,978.16 as revenues. A total of Kshs. 90,597,843,68 incurred expenses and waivers of Ksh. 1,468,906. Hence expenditure of ksh. 92,066,749.68

**Entity's compliance with statutory requirements**

The hospital is continually carrying out its mandate in line with different regulations guiding its operations.

**Major risks facing the entity**

The major risk factor facing the hospital is lack of liquidity to finance most of its operations. Moreover, this poses a challenge in terms of offsetting its accrued pending bills.

**Material arrears in statutory/financial obligations**

During the reporting period, the hospital accrued a total of Kshs. 8,789,903.40 as pending bills.

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

**Financial Performance**

REVENUE TRENDS				
BONDO SUB COUNTY HOSPITAL REVENUE TRENDS FOR THE LAST SIX YEARS				
FINANCIAL YEAR	F.I.F	NHIF/SHA	LINDA MAMA	TOTAL
2019/2020	14,496,611.00	9,704,025.00	13,171,845.00	37,372,481.00
2020/2021	22,077,745.00	6,390,568.00	6,581,084.00	35,049,397.00
2021/2022	39,787,180.00	13,524,183.00	17,726,713.00	71,038,076.00
2022/2023	51,097,258.00	15,438,337.00	22,818,400.00	89,353,995.00
2023/2024	57,209,170.75	14,218,500.00	16,393,385.00	87,821,055.75
2024/2025	38,879,510.16	66,059,460.00	-	104,938,978.16

## **10. Environmental and Sustainability Reporting**

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

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

Bondo Sub County Hospital has identified the following sustainability priorities; consultative planning and budgeting process, improving own source collection and sourcing for local service providers. In consultative planning and budgeting process, the hospital has ensured all stakeholders are brought on board in project identification, implementation to completion and this has ensured project ownership by the intended beneficiaries and ultimately creating the desired impact. The Hospital has developed own source revenue collection strategy as a deliberate effort of laying down strategies of improving own source revenue collected within the hospital. These efforts are aimed at boosting the fiscal resource basket of the hospital that is largely supported by the exchequer from the National Government. In the end, the Hospital is also promoting sourcing of services from local providers with an objective of 'Buying Siaya Building Siaya'. This translate to promoting local goods and services that will ultimately build the local economy. While implementing that above sustainability priorities, there are broad political and macroeconomic trends from the National outlook that are likely to affect their realization. The major macroeconomic trend projected is high cost of inflation in the country. The high inflation rate will affect the cost of living and production cost that will negatively affect the business environment and eventually own source revenue collection. Similarly, the country is also headed in the electioneering period and the political environment interfere with sustainability priorities. Notwithstanding, the Hospital will align its policies to adjust to the microeconomic conditions and implement succession management plan in the transition period to manage the political environment. However, in the course of implementation, there are challenges experienced across departments. They include; effects of covid 19, inadequate staffing, inadequate funding and delays in disbursement of funds.

**ii) Environmental performance**

Bondo sub county Hospital is yet to establish an environmental policy however, the Hospital has adopted National laws to guide the public in compliance with the environmental laws. Some of the environmental and climate change issue experienced include; deforestation in hills, flooding in areas near water bodies, pollution in urban areas, drought and famine, invasive species, loss of biodiversity and change in water levels especially in Lake Victoria. To manage these environmental hazards, the county is developing policies that will help protect the environment; investing in woodlots to promote tree planting, establishing designated dumping sites for waste management; promoting irrigation; establish dykes in flood prone areas; preserving indigenous trees and certain wild animals.

**iii) Employee welfare**

To improve staff performance, Bondo Sub County hospital has initiated capacity building programmes to staffs through trainings by Kenya School Government and partners such as World Bank. Further, the Human Resource department coordinates staff appraisal, performance contracting and propose rewards and sanctions.

The Hospital has complied with Occupational Safety and Health Act of 2007, (OSHA) by providing adequate office space that is regularly cleaned, providing sanitation facilities, regular trainings on drug and substance abuse and providing PPEs to staffs in health-related fields.

**iv) Market place practices-**

The hospital advocates for fairness in service provision, resource allocation, open bidding, evaluation and awarding of tenders to suppliers. All advertisement of tenders and communications are done through the County Government website and official social media platforms. The county has fully embraced the e-procurement system to help in the tendering process. To successful suppliers, the county makes timely payment of goods and services delivered and made efforts to settling pending bills owed to creditors. The County expect quality goods and services despite not having quality assurance unit to check on standards. Nonetheless, the process is ISO certification is in course.

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

Bondo sub county hospital is fostering interaction with businesses. NGOs and key stakeholders to address social problems through Corporate Social Responsibility (CSR) agenda. Various sectors have partnered with NGOs to provide CSR services. In health sector, the county has partnered with NGOs to provide polio vaccines to new-born in the communities, training of expectant mothers, providing mosquito nets and providing food supplements. In agriculture, through partners, farmers have benefited from free extension services, providing of certified seeds and fertilizers, provision of fingerlings and fishing gears.

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

Section 164 of the Public Finance Management Act, 2012 with the PFM Act and Health Act, 2017 and County Government Act, 2012 requires the Board of Management to prepare financial statements in respect of the hospital which give a true and fair view of the state of the affairs of the hospital at the end of financial year and the operating results of the hospital for that year/ period. The Board of Management is also required to ensure that hospital keep proper accounting records which disclose with reasonable accuracy the financial position of the hospital. The council members are also responsible for safeguarding the assets of the hospital.

The Board of Management is also responsible for the preparation and presentation of hospitals financial statement, which gives a true and fair view of the state of affairs of the hospital for and as the end of the financial year (period) ended on June 30<sup>th</sup> 2025. These responsibilities include;

- i. Maintaining adequate financial management, arrangements and ensuring 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 Bondo sub County Hospital.
- iii. Designing, implementing and maintaining internal controls relevant to preparation and fair presentation of the financial statement, and ensuring they are free from material misstatement. Whether due to error or fraud.
- iv. Safeguarding the Assets of Bondo Sub County Hospital.
- v. Selecting and applying appropriately policies.
- vi. Making accounting estimates that are reasonable to the circumstance.

The of Management accepts responsibility for the hospitals financial statement, 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 PFM Act, 2012 and Health Act, 2017 and County Government Act, 2012. The Board members are of the opinion that Bondo Sub County Hospital Financial statements give a true and fair view of the state of the hospital's transactions during the year ended June 30<sup>th</sup> 2025, and of the hospital's financial position as at that date. The Board members further the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the entity's financial statement as well as adequacy of the systems of internal financial control.

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

.....

**Name**

**Secretary to the Board**

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

Section 164 of the Public Finance Management Act, 2012 with the PFM Act and Health Act, 2017 and County Government Act, 2012 requires the Board of Management to prepare financial statements in respect of the hospital which give a true and fair view of the state of the affairs of the hospital at the end of financial year and the operating results of the hospital for that year/ period. The Board of Management is also required to ensure that hospital keep proper accounting records which disclose with reasonable accuracy the financial position of the hospital. The council members are also responsible for safeguarding the assets of the hospital.

The Board of Management is also responsible for the preparation and presentation of hospitals financial statement, which gives a true and fair view of the state of affairs of the hospital for and as the end of the financial year (period) ended on June 30<sup>th</sup> 2025. These responsibilities include;

- i. Maintaining adequate financial management, arrangements and ensuring 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 Bondo sub County Hospital.
- iii. Designing, implementing and maintaining internal controls relevant to preparation and fair presentation of the financial statement, and ensuring they are free from material misstatement. Whether due to error or fraud.
- iv. Safeguarding the Assets of Bondo Sub County Hospital.
- v. Selecting and applying appropriately policies.
- vi. Making accounting estimates that are reasonable to the circumstance.


The of Management accepts responsibility for the hospitals financial statement, 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 PFM Act, 2012 and Health Act, 2017 and County Government Act, 2012. The Board members are of the opinion that Bondo Sub County Hospital Financial statements give a true and fair view of the state of the hospital’s transactions during the year ended June 30<sup>th</sup> 2025, and of the hospital’s financial position as at that date. The Board members further the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the entity’s financial statement as well as adequacy of the systems of internal financial control.

In preparing the financial statement, the Directors have assessed the Fund’s ability to continue as a going concern.

**Approval of the financial statements**

The Hospital’s financial statements were approved by the Board on \_\_\_\_\_ and signed on its behalf by:

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

  
.....  
**Name: Dr. Evans Ogoti**  
**Accounting Officer**

# REPUBLIC OF KENYA



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

## **REPORT OF THE AUDITOR-GENERAL ON BONDO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - SIAYA COUNTY GOVERNMENT**

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### **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 Bondo Level 4 Hospital – County Government of Siaya set out on pages 1 to 74, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bondo 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 County Governments Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Standards**

Review of the annual report and financial statements and comparison of the template issued by the PSASB with the financial statements submitted for audit revealed the following inconsistencies:

- i. No explanation was provided for differences between actual and budgeted amounts of over or under 10% in the statement of comparison of budget and actual amounts.
- ii. There was no budget reconciliation in the statement of comparison of budget and actual amounts.
- iii. Grants and subsidies of amount Kshs.3,986,373 did not have a corresponding note.
- iv. Corresponding Note 20 to the financial statements relates to General Expenses instead of Note 21 as indicated in the statement of financial performance.

In the circumstances, the Notes to the financial statements were not in agreement with the Notes reflected on the face of the financial statements.

#### **2. Income from Rendering of Services – Medical Service Income**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Kshs.104,938,978 in respect of rendering of services – medical service income, which differs with the amount of Kshs.90,206,230 disclosed by the Receiver of Revenue. Included in this amount is Kshs.66,059,460 relating to NHIF and UHC, Kshs.1,363,629 from Linda Mama, while the rest, described as Facility Improvement Fund (FIF) amounted to Kshs.37,515,889. However, the Siaya County Receiver of Revenue disclosed amounts totalling Kshs.90,206,230 where Kshs.56,310,657 was indicated to have been received from NHIF/SHA, Kshs.33,895,573 from the FIF and that no funds had been received from Linda Mama, resulting to a variance of Kshs.14,732,748. This implies that either, the Hospital under

declared its revenues or the Receiver of Revenue acknowledged less than the amount collected.

Additionally, the supporting ledgers provided for audit by the Hospital reflected total collection of Kshs.89,677,876 resulting to a variance of Kshs.15,261,102.

In the circumstances, the accuracy and completeness of rendering of services-medical service income of Kshs.104,938,978 could not be confirmed.

### **3. Property Plant and Equipment**

The statement of financial position and as disclosed in Note 32 to the financial statements reflects property plant and equipment of Kshs.1,249,944. However, the following discrepancies were noted:

- i. Review of Hospital records and physical verification revealed that various assets including cost of land, buildings and civil works, plant and medical equipment and motor vehicles were not disclosed in the financial statements.
- ii. Ownership documents for the land where the hospital sits were not provided for audit.
- iii. Not all fields were updated in the assets register provided including the depreciation rate, accumulated depreciation, depreciation charge for the year and net book value for the assets.

In the circumstances, the accuracy, completeness, ownership and disclosure of property, plant and equipment of Kshs.1,249,944 could not be confirmed.

### **4. Trade Payables**

The statement of financial position and as disclosed in Note 36 to the financial statements reflects trade and other payables of Kshs.8,789,903. Analysis of trade payables ledger provided for audit revealed that the Hospital owed KEMSA Kshs.2,214,511. However, documentation supporting the debt owed to KEMSA and the ageing analysis were not provided for audit review.

In the circumstances, the accuracy and completeness of the balance of Kshs.8,789,903.40 in respect of trade and other payables could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bondo Level 4 Hospital – County Government of Siaya 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**

#### **Budget Control and Performance**

The statement of comparison of budget and actual reflects revenue budget of Kshs.119,400,000 against actual revenue of Kshs.95,977,092 resulting to under

collection of Kshs.23,422,908. Similarly, the Hospital recorded expenditure of Kshs.90,597,844 resulting to under-absorption of Kshs.5,379,248.

Further, the approved budget and the minutes of the Board approving the budgets were not provided for audit review; contrary to Section 149(1) of the Public Finance Management Act, 2012 which states that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, Management had not resolved the issues as at 30 June, 2025 as detailed below:

<b>S/No.</b>	<b>Financial Year</b>	<b>Issue</b>
1.	2023/2024	Property, Plant and Equipment in the Financial Statements
2.	2023/2024	Budgetary Control and Performance
3.	2023/2024	Unresolved Prior Year Matters
4.	2023/2024	Late Submission of Financial Statements to the Auditor-General
5.	2023/2024	Non-disclosure of Head of Finance ICPAK Membership Number
6.	2023/2024	Non-Compliance with Kenya Quality Model for Health Policy Guidelines
7.	2023/2024	Lack of Risk Management Policy, Strategic Plan and Disaster Recovery Plan
8.	2023/2024	Lack of a Fixed Assets Register
9.	2023/2024	Failure to Establish a Board of Management
10.	2023/2024	Inadequate Management of it Systems and Operations
11.	2023/2024	Equipment not in Working Condition and Un-Serviced Equipment
12.	2023/2024	Lack of Audit Committee and Internal Audit Unit Function

## **Other Information**

The Management is responsible for the Other Information set out on page iii to xx which comprise of the Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, 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 conclusion thereon.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Observe Reservations in Employment**

The staff bio data provided for audit review revealed that Bondo Level 4 hospital had a total of thirty-six (36) employees in the year under review and none is a person living with disability contrary to Section 13 of the Persons with Disabilities Act, 2003 which requires 5% of all appointments for persons with disabilities.

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

#### **2. Non- Compliance with Law on Ethnic Composition**

Review of the staff bio data provided for audit revealed that Bondo Hospital had 36 employees on casual terms and 34; representing 95% were from the dominant community contrary to Section 7(1) and (2) of the National Cohesion and Integration

Act, 2008 which requires that, no public establishment shall have more than one third of its staff from the same ethnic community.

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

### **3. Irregular Engagement of Casual Workers**

During the year under review, Bondo Level 4 hospital engaged a total of 36 employees as casual workers. It was noted that the user department made requisitions to the Department of Health and Sanitation in the County Executive in order to engage the casual workers. However, scrutiny of the supporting documents on casuals revealed that the employees have continuously been engaged in the Hospital with their contracts being renewed after every three (3) months. It was also noted that the Hospital does not have a casuals recruitment framework that could be used to determine the terms of engagement. Further, the casuals had been performing tasks that were long term in nature. This is contrary to Section 37 (a) of the Employment Act, 2012 which requires that where a casual employee works for a period or a number of continuous working days which amount in the aggregate to the equivalent of not less than one month, then there should be conversion of casual employment to term contract.

Additionally, it was noted that there was no approved salary structure for the casual workers.

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

### **4. Non-Compliance with the Law and Effectiveness of Upgrade of Hospitals**

Audit examination established that the Hospital has not fully complied with the provisions of the Health Act, 2017 regarding the requirements for Level 4 (Primary Hospital) facilities. Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by thirty-seven (37) staff or 37% of the 101 authorized in the staff establishment; contrary to the norms and standards for human resource development as stipulated under Section 15(1)(g) of the Act. As a result, the Hospital's operations as a Level 4 facility only partially meet the statutory requirements outlined in Appendix 1 of the Act, thereby limiting its ability to effectively deliver the full range of services expected at this level.

Further, review of the Kenya gazette notice no.786 of 4<sup>th</sup> February 2020 and the facility's license to operate as a public medical institution revealed that the Hospital is categorized as a level 3B hospital. However, in its financial statements, the facility has been identified as a level 4 hospital without any basis.

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

### **5. Non-Compliance with Public Procurement Capacity Building Levy Order, 2023**

The Management of the Hospital did not remit 0.03% Capacity Building Levy to the Public Procurement Regulatory Authority for all contracts during the year contrary to Section 3(1) of the Public Procurement Capacity Building Levy Order, 2023 which

requires that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and the 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, 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. Inadequate Management of IT systems and Operations

Scrutiny of the entity's IT systems and operations revealed that the Hospital does not have its own IT function complete with the requisite human resources. In addition, the Hospital does not have an IT strategic plan, IT strategic committee, approved ICT and security policy, training needs assessment and is yet to develop and adapt key ICT parameters including procedures manual, business continuity plans, disaster recovery plans and risk management policy.

Further, it was noted that the hospital does not have an offsite backup but rather manual backups on the hard disks yet the hospital operates the integrated county health information and e-health system.

Therefore, the Hospital might not recover in an event of disaster.

#### 2. Lack of Risk Management Policy, Strategic Plan and Disaster Recovery Plan

The Hospital did not have a risk management policy, strategic plan and disaster recovery plan to enable the entity to identify and develop appropriate risk strategies in order to improve on effective and efficient management of public resources.

In circumstances, the effectiveness of the Hospital's strategic and risk management measures could not be confirmed.

#### 3. Failure to Establish a Board of Management

During the year under review, the Hospital had not established a Board of management contrary to Section 12 of Siaya County Health Services Act,

2018. Therefore functions of the board as outlined in the Act which include providing oversight over the administration of the Hospital, promoting the development of the Hospital, approving plans and programs, approving estimates before submission to the Executive Member, supervising and controlling the administration of the funds allocated to the hospital and recommending disciplinary measures and procedures in case of violation of provisions of this Act or any other related laws were not carried out by the management team.

In the circumstances, the Hospital may not achieve its strategic objectives.

#### **4. Lack of Audit Committee and Internal Audit Unit Function**

During the financial year under review, the Hospital did not have an audit committee in place. Additionally, the Management had also failed to rely on the internal audit department of the County Executive since there was no evidence to show that internal auditors from the County Executive had audited the entity.

In the absence of a functioning audit committee and internal audit unit, monitoring and review of the effectiveness of the internal audit process, review of internal controls, risk management systems and financial statements among other functions of an audit committee did not occur which may affect good corporate governance at the hospital.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements 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**

**08 December, 2025**

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*Report of the Auditor-General on Bondo Level 4 Hospital for the year ended 30 June, 2025 - Siaya County Government*

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

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	3,650,000.00
In-kind contributions from the County Government	7	183,239,486.00	18,365,562.00
Grants from donors and development partners	8	49,393,713.61	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		232,633,199.61	22,015,562.00
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	104,938,978.16	87,228,251.00
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		104,938,978.16	87,228,251.00
<b>Total revenue</b>		337,572,177.77	109,243,813.00
<b>Expenses</b>			
Medical/Clinical costs	15	98,914,136.64	40,163,968.00
Employee costs	16	177,338,920.00	14,449,896.00
Board of Management Expenses	17	-	-
Depreciation and amortization expense	18	178,563.36	-
Repairs and maintenance	19	5,004,010.30	3,999,947.00
Grants and subsidies	20	3,986,372.75	4,025,445.00
General expenses	21	31,337,081.00	44,466,393.00
Finance costs	22	-	4,203.00
<b>Total expenses</b>		316,759,084.05	107,109,852.00
<b>Other gains/(losses)</b>			

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

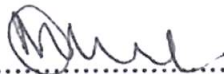
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	1,468,906.16	7,030,846.00
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/losses (exemptions & waivers)		1,468,906.16	7,030,846.00
<b>Net Surplus / (Deficit) for the year</b>		<b>19,344,187.56</b>	<b>-4,896,885.00</b>


(The notes set out on pages 1 to 80 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 24/11/2025 and signed on its behalf by:

.....  
 Chairman

Board of Management

  
 CPA. Micheal Ochieng'  
 Head of Finance  
 ICPAK No:30599

  
 Dr. Evans Ogoti  
 Medical Superintendent



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

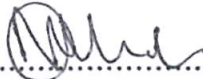
**15. Statement of Financial Position as at 30<sup>th</sup> June 2025**

Description	Note	FY 2024 - 2025	FY 2023 - 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	5,379,247.94	6,299,215.62
Prepayments	28	-	-
Receivables from exchange transactions	29	16,399,725.00	2,607,529.00
Receivables from non-exchange transactions	30	-	-
Inventories	31	9,963,962.00	7,354,140.00
<b>Total Current Assets</b>		<b>31,742,934.94</b>	<b>16,260,884.62</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	1,249,943.54	1,428,506.90
Intangible assets	33	2,024,535.00	2,024,535.40
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>3,274,478.54</b>	<b>3,453,042.30</b>
<b>Total assets (A)</b>		<b>35,017,413.48</b>	<b>19,713,926.92</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	8,789,903.40	12,830,604.00
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>8,789,903.40</b>	<b>12,830,604.00</b>
<b>Non-current liabilities</b>			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>8,789,903.40</b>	<b>12,830,604.00</b>
<b>Net assets (A-B)</b>		<b>26,227,510.08</b>	<b>6,883,322.92</b>

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

<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		14,447,302.56	-4,896,885.00
Capital Fund		11,780,208.15	11,780,208.15
<b>Net Assets</b>		<b>26,227,510.71</b>	<b>6,883,323.15</b>

The Hospital's financial statements were approved by the Board on 24/11/2025 and signed on its behalf by:

.....		.....
<b>Chairman</b>	<b>CPA. Micheal Ochieng</b>	<b>Dr. Evans Ogoti</b>
<b>Board of Management</b>	<b>Head of Finance</b>	<b>Medical Superintendent</b>
	<b>ICPAK No:30599</b>	



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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2023</b>				
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-4,896,885.00	-	-4,896,885.63
Capital/Development grants	-	-	11,780,208.15	11,780,208.15
<b>As at June 30, 2024</b>	-	-4,896,885.00	11,780,208.15	6,883,322.52
<b>At July 1, 2024</b>	-	-4,896,885.00	11,780,208.15	6,883,322.52
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	19,344,187.56		19,344,187.56
Capital/Development grants	-	-	-	-
<b>At June 30, 2025</b>	-	14,447,302.56	11,780,208.15	26,227,510.71

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

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

Description	Note	FY 2024 - 2025	FY 2023 - 2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	3,650,000.00
In-kind contributions from County Government		-	18,365,562.00
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		89,677,876.00	70,235,734.62
Revenue from rent of facilities			-
Finance / interest income		-	-
Miscellaneous receipts( <i>specify</i> )		-	-
<b>Total Receipts</b>		<b>89,677,876.00</b>	<b>92,251,296.62</b>
<b>Payments</b>			
Medical/Clinical costs		43,991,779.63	27,333,364.00
Employee costs		6,278,600.00	14,449,896.00
Board of Management Expenses		-	-
Repairs and maintenance		5,004,010.30	3,999,947.00
Grants and subsidies		3,986,372.75	4,025,445.00
General expenses		31,337,081.00	44,466,393.00
Finance costs		-	4,203.00
Refunds paid out		-	-

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

<b>Total Payments</b>		<b>90,597,843.68</b>	<b>94,279,248.00</b>
<b>Net cash flows from operating activities</b>	43	<b>(919,967.68)</b>	<b>(2,027,951.38)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		-	3,453,042.00
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>3,453,042.00</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(919,967.68)</b>	<b>(5,480,993.38)</b>
Cash and cash equivalents as at 1 July 2024	27	6,299,215.62	11,780,209.00
<b>Cash and cash equivalents as at 30 June 2025</b>	<b>27</b>	<b>5,379,247.94</b>	<b>6,299,215.62</b>

*Bondo Hospital (Siaya County Governm )*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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	
Budget carryovers from the previous year	-	-		6,299,215.62	(6,299,215.62)	0.00%
<b>Receipts</b>						0.00%
Transfers from the County Government	-	-	-	-	-	0.00%
In Kind Revenue		-			-	
Grants from donors and development partners	-	-	-			0.00%
Transfers from other Government entities	-	-	-	-	-	0.00%
Public contributions and donations	-	-	-	-	-	0.00%
Rendering of services- Medical Service Income	119,400,000.00	-	119,400,000.00	89,677,876.00	29,722,124.00	75.11%
Revenue from rent of facilities	-	-	-	-	-	0.00%
Finance / interest income	-	-	-	-	-	0.00%
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	0.00%
<b>Total receipts</b>	<b>119,400,000.00</b>	<b>-</b>	<b>119,400,000.00</b>	<b>95,977,091.62</b>	<b>23,422,908.38</b>	<b>80.38%</b>

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

Payments								
Medical/Clinical costs	36,895,000.00	-	36,895,000.00	43,991,779.63	(7,096,779.63)		119.24%	
Employee costs	3,225,800.00	-	3,225,800.00	6,278,600.00	(3,052,800.00)		108.95%	
Remuneration of directors	-	-	-	-	-		0.00%	
Repairs and maintenance	6,740,000.00	-	6,740,000.00	5,004,010.30	1,735,989.70		82.56%	
Grants and subsidies	29,850,000.00	-	29,850,000.00	3,986,372.75	25,863,627.25		13.35%	
General expenses	42,689,200.00	-	42,689,200.00	31,337,081.00	11,352,119.00		73.41%	
Finance costs	-	-	-	-	-		0.00%	
Refunds	-	-	-	-	-		0.00%	
<b>Total Operational Expenditure paid</b>	<b>119,400,000.00</b>	<b>-</b>	<b>119,400,000.00</b>	<b>90,597,843.68</b>	<b>28,802,156.32</b>		<b>116.09%</b>	
Capital Expenditure paid	-	-	-	-	-			
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,379,247.94</b>	<b>(5,379,247.94)</b>			

**Budget notes**

1. Provide an explanation of differences between actual and budgeted amounts (any over/ 90% under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

*Bondo Hospital (Siaya County Governm )*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	xx
2	Reason for differences	xx
3	Reason for differences	xx
4	Reason for differences	xx
	Closing Cash and Cash Equivalent as per the statement of Cash flows	xxx

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

### **1. General Information**

Bondo Level 4 Hospital is established by and derives its authority and accountability from xxx Act. Bondo Level 4 Hospital is wholly owned by the Siaya County Government and is domiciled in Siaya County in Kenya. The entity's principal activity is to offer high quality and affordable health 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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The financial statements have been prepared in accordance with the PFM Act, and (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

*(When an IPSAS becomes effective on 1<sup>st</sup> January 20xx, it is applicable in Kenya from 1<sup>st</sup> July 20xx)*

*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 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> 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 Entity if relevant</i></p>

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

Standard	Effective date and impact:
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> 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 Entity if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users</p>

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

Standard	Effective date and impact:
	<p>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 Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> 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 Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> 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 Entity if relevant</i></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><i>Applicable 1<sup>st</sup> 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> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

*iii) Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2024/2025 was approved by Board on 30<sup>th</sup> April, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of 0.00 on the FY 2024/2025 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**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.

*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

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

**e. Property, plant and equipment**

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

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

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

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

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

**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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements. (amend as appropriate).*

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

### **Financial assets**

#### **Classification of financial assets**

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

#### **Subsequent measurement**

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

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value

through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Financial liabilities**

**Classification**

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

**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 Entity.

**l. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

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

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

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

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

**v. Service concession arrangements**

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

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

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

6. Transfers from The County Government

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants ( <i>specify</i> )	-	-
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	3,650,000.00
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	-	<b>3,650,000.00</b>

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	
Siaya County Government	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Notes to Financial Statements Continued

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

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Salaries and wages	12,034,760.00	12,257,600.00
Salaries and wages for P & P staffs	159,025,560.00	
Medical supplies-Drawings Rights (KEMSA)	12,179,166.00	-
Laboratory-Drawings Rights	-	-
Pharmaceuticals-Drawing Rights	-	6,107,962.00
Non-Pharmaceuticals-Drawing Rights	-	-
Utility bills	-	-
<b>Total grants in kind</b>	<b>183,239,486.00</b>	<b>18,365,562.00</b>

**8. Grants from Donors and Development Partners**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Tuberculosis	4,452,610.30	-
Malaria	1,419,288.60	-
Family Planning	919,509.66	-
Disability	230,973.57	-
HIV/AIDS	42,371,331.48	-
<b>Total grants from development partners</b>	<b>49,393,713.61</b>	<b>-</b>

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

**8 (a) Grants from donors and development partners (Classification)**

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Comparative Period
	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-
JICA	-	-	-
World Bank	-	-	-
Global Fund	49,393,713.61		
<b>Total</b>	<b>49,393,713.61</b>	<b>-</b>	<b>-</b>

**9. Transfers From Other Government Entities**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>

**10. Public Contributions and Donations**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organizations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortized	-	-
<b>Total donations and sponsorships</b>	<b>-</b>	<b>-</b>

**10 (a) Reconciliations of amortised grants**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortized and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

**11. Rendering of Services-Medical Service Income**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Pharmaceuticals	2,227,031.00	12,441,613.00
Non-Pharmaceuticals	744,644.00	1,546,836.00
Laboratory	7,541,006.00	8,342,488.00
Radiology	4,809,565.00	5,643,805.00
Orthopedic and Trauma Technology	395,090.00	802,434.00
Theatre	1,391,777.00	2,139,320.00
Occupational Therapy	42,121.00	12,214.00
Ophthalmology	139,700.00	105,595.00
NHIF and UHC	66,059,460.00	13,671,845.00
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Outpatient Services	560,845.00	5,760,383.00
Physiotherapy	344,491.98	393,309.00
Nutrition service	-	-
Cancer Centre service	-	-

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

Dental services	472,800.00	535,690.00
Reproductive health (Linda Mama)	1,363,629.00	16,347,235.00
Inpatient services	6,480,395.00	2,471,885.00
Pediatrics services	-	-
Farewell home services	8,780,473.00	7,415,836.00
Ambulance services	-	-
Medical Records	1,974,917.04	2,566,917.00
Admission	84,000.00	-
Other medical services income	58,126.98	7,030,846.00
Waivers and Exemptions	1,468,906.16	
<b>Total revenue from the rendering of services</b>	<b>104,938,978.16</b>	<b>87,228,251.00</b>

**12. Revenue from Rent of Facilities**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	<b>-</b>	<b>-</b>

*(Provide brief explanation for this revenue)*

**13. Finance /Interest Income**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	<b>-</b>	<b>-</b>

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

**14. Miscellaneous Income**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Dental costs/ materials	3,576,880.00	2,831,250.00
Laboratory chemicals and reagents	10,895,400.00	4,501,950.00
Public health activities	-	-
Food and Ration	6,566,120.00	9,043,750.00
Uniform, clothing, and linen	-	16,000.00
Dressing and non-pharmaceuticals	7,248,350.00	9,575,080.00
Pharmaceutical supplies	6,538,381.00	7,196,126.00
Health information stationery	-	-
Physiotherapy	14,300.00	-
Rehabilitation materials	-	276,775.00
Reproductive health materials	-	-
Sanitary and cleansing Materials	1,608,920.00	2,325,024.00
Purchase of Medical gases	54,000.00	1,346,200.00
X-Ray/Radiology supplies	6,730,480.00	3,051,813.00
Other medical related clinical costs	758,948.63	-
<b>Total medical/ clinical costs</b>	<b>43,991,779.63</b>	<b>40,163,968.00</b>

*Adjust for Changes in Payable and Inventory*

<i>Decrease in Payables</i>	(4,040,700.60)
<i>Increase in Inventory</i>	(2,609,822.00)
<b><i>Total medical cost for the period</i></b>	<b>37,341,257.03</b>
<i>In Kind medical cost</i>	12,179,166.00
<i>Grants and Donations</i>	49,393,713.61
	<b>98,914,136.64</b>

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

**16. Employee Costs**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Salaries, wages, and allowances	6,278,600.00	14,449,896.00
In kind employee costs	12,034,760.00	
P & P Employees Gross Pay	159,025,560.00	
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs ( <i>specify</i> )	-	-
<b>Employee costs</b>	<b>177,338,920.00</b>	<b>14,449,896.00</b>

**16. Board of Management Expenses**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**17. Depreciation and Amortization Expense**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Property, plant and equipment	178,563.36	-
Intangible assets		-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>178,563.36</b>	<b>-</b>

**19. Repairs And Maintenance**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Property- Buildings	719,660.00	672,350.00
Medical equipment	1,611,116.80	-
Office equipment	74,600.00	-
Plant and Machinery	-	763,393.00
Furniture and fittings	-	-
Computers and accessories	2,318,033.50	2,266,704.00
Motor vehicle expenses	280,600.00	297,500.00
Maintenance of civil works	-	-
<b>Total repairs and maintenance</b>	<b>5,004,010.30</b>	<b>3,999,947.00</b>

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

**20. General Expenses**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	-	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	112,060.50	-
Conferences and delegations	1,152,500.00	436,000.00
Institutional Appliances	-	24,000.00
Consultancy fees	-	-
Contracted services	2,227,200.00	2,227,200.00
Electricity expenses	6,427,566.00	7,211,688.00
Fuel and Lubricants	4,562,295.00	4,779,685.00
Other fuel (Charcoal and Firewood)	533,200.00	474,270.00
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	1,228,800.00	2,849,600.00
Legal expenses	-	-
Licenses and permits	-	160,000.00
Courier and postal services	18,900.00	-
Printing and stationery	3,127,700.00	3,959,813.00
General office supplies	7,741,439.50	6,369,783.00
Hire charges	-	-
Rent expenses	-	-

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

Water and sewerage costs	3,625,420.00	2,620,400.00
Skills development levies	-	-
Telephone and mobile phone services	450,000.00	234,700.00
Internet expenses	-	-
Staff training and development	130,000.00	288,650.00
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Other Creditors	-	12,830,604.00
<b>Total General Expenses</b>	<b>31,337,081.00</b>	<b>44,466,393.00</b>

**22. Finance Costs**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Borrowings (amortized cost) *	-	-
Bank charges	-	4,203.00
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>4,203.00</b>

**23. Gain/Loss on Disposal of Non-Current Assets**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-

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

Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	-	-

**24. Unrealized Gain On Fair Value Investments**

<b>Description</b>
Investments at fair value
<b>Total gain</b>

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

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	1,468,906.16	7,030,846.00
<b>Total Gain/Loss</b>	<b>1,468,906.16</b>	<b>7,030,846.00</b>

**26. Impairment Loss**

	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	<b>-</b>	<b>-</b>

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

27. Cash And Cash Equivalents

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Current accounts	5,379,247.94	6,299,215.62
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>5,379,247.94</b>	<b>6,299,215.62</b>

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

Description		FY 2024 - 2025	FY 2023 - 2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1267143932	2,719,301.00	3,321,328.75
Cooperative Bank of Kenya	1141623352000	2,644,703.37	2,270,160.00
Cooperative Bank of Kenya	1141623352001	15,243.57	707,726.87
<b>Sub- total</b>		<b>5,379,247.94</b>	<b>6,299,215.62</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(<i>specify</i>)</b>			
		-	-

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

cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>5,379,247.94</b>	<b>6,299,215.62</b>

**28. Prepayments**

	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**29. Receivables from Exchange Transactions**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Medical services receivables	16,399,725.00	2,607,529.00
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>16,399,725.00</b>	<b>2,607,529.00</b>

**Analysis of Receivables From Exchange Transactions**

	FY 2024 - 2025	FY 2024 - 2025
	Kshs	
	FY 2024 - 2025	% of the total
Less than 1 year	16,399,725.00	100
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
<b>Total (a+b)</b>	<b>16,399,725.00</b>	<b>100</b>

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

**30. Receivables from Non-Exchange Transactions**

	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors ( <i>non-exchange transactions</i> )	-	-
Less: impairment allowance	-	-
<b>Total</b>	-	-

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

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

**31. Inventories**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Pharmaceutical supplies	5,908,515.00	7,354,140.00
Non Pharms	-	-
Radiology	118,100.00	-
Dental materials	141,500.00	-
Laboratory materials	3,276,632.00	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	68,950.00	-
General supplies	450,265.00	-
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>9,963,962.00</b>	<b>7,354,140.00</b>

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

Detailed disclosure on inventories

	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Opening balance	7,354,140.00	-
Additional Inventory in the year	55,390,086.55	-
Inventory expensed in the year	52,780,264.55	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	9,963,962.00	7,354,140.00

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

*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	ICT Equipment	Plant and medical equipment	Motor Vehicles	Furniture, Fittings & Office Equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost	-		1,288,506.90	-	-	140,000.00	-	1,428,506.90
At 1 July 2023	-	-	1,288,506.90	-	-	140,000.00	-	1,428,506.90
Additions	-	-	-	-		-	-	-
Disposals	-	-	-	-		-	-	-
Transfers/adjustments	-	-	-	-		-	-	-
Revaluation Adjustments	-	-	-	-		-	-	-
At 30 <sup>th</sup> Jun 2024	-	-	1,288,506.90	-	-	140,000.00	-	1,428,506.90
At 1 July 2024	-	-	1,288,506.90	-	-	140,000.00	-	1,428,506.90
Additions	-	-	-	-		-	-	-

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

Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2025	-	-	-	1,288,506.90	-	140,000.00	-	-	1,428,506.90	-
<b>Depreciation and impairment</b>										
At 1 July 2023										
Depreciation for the year										
Disposals										
Impairment										
At 30 June 2024										
At July 2024										
Depreciation for the year				161,063.36		17,500.00			178,563.36	
Disposals										
Impairment										
Transfer/adjustment										

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

At 30 <sup>th</sup> June 2025		-	161,063.36	-	-	17,500.00	-	178,563.36
Net book values								
At 30 <sup>th</sup> June 2024	-	-	1,288,506.90	-	-	140,000.00	-	1,428,506.90
At 30 <sup>th</sup> June 2025	-	-	1,127,443.54	-	-	122,500.00	-	1,249,943.54

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

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	2,024,535.40	1,842,241.40
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
<b>At end of the year</b>	<b>2,024,535.40</b>	<b>1,842,241.40</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Additions		182,294.00
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	182,294.00
<b>NBV</b>	<b>2,024,535.40</b>	<b>2,024,535.40</b>

34. Investment Property

	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	-	-
Impairment	-	-
<b>At end of the year</b>	-	-

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

**35. Biological Assets**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
<b>Total</b>	-	-

**36. Trade and other Payables**

Description	FY 2024 - 2025	FY 2023 - 2024		
	KShs	KShs		
Trade payables	8,789,903.40	12,830,604.00		
Employee dues	-			
Third-party payments ( <i>e.g. unremitted payroll deductions</i> )	-	-		
Audit fee	-	-		
Doctors' fee	-	-		
<b>Total trade and other payables</b>	<b>8,789,903.40</b>	<b>12,830,604.00</b>		
<b>Ageing analysis:</b>	<b>FY 2024 - 2025</b>	<b>% of the Total</b>	<b>FY 2023 - 2024</b>	<b>% of the total</b>
Under one year	4,910,787.60	55.87	12,830,604.00	100
1-2 years	2,289,511.00	26.05	-	
2-3 years	1,589,604.80	18.08	-	
Over 3 years	-	0.00	-	
<b>Total</b>	<b>8,789,903.40</b>	<b>100</b>	<b>12,830,604.00</b>	<b>100</b>

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

**37. Refundable Deposits from Customers/Patients**

Description	FY 2024 - 2025		FY 2023 - 2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others ( <i>specify</i> )	-		-	
<b>Total deposits</b>	-		-	
<b>Ageing analysis:</b>	<b>FY 2024 - 2025</b>	<b>% of the Total</b>	<b>FY 2023 - 2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	<b>0.00%</b>	-	-

**38. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
<b>Balance at the beginning of the year</b>	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount & time value for money	-	-	-	-
<b>Total provisions</b>	-	-	-	-

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

Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-
<b>Total Provisions</b>	-	-	-	-

**39. Finance Lease Obligation**

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

**40. Deferred Income**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

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

**40 (a) The deferred income movement is as follows:**

Description	National government	International funders/donors	Public contributions and donations	Total
<b>Balance b/f</b>	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund	-	-	-	-
Transfers to statement of financial performance	-	-	-	-
Other transfers ( <i>Specify</i> )	-	-	-	-
<b>Balance C/F</b>	-	-	-	-

**41. Borrowings**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the period</b>	<b>-</b>	<b>-</b>

**41. (a) Breakdown of Long- and Short-Term Borrowings**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**42. Service Concession Arrangements**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

**43. Cash Generated from Operations**

Description	FY 2024 - 2025	FY 2023 - 2024
	KShs	KShs
Surplus for the year before tax	19,344,187.56	-4,896,885.00
<b>Adjusted for:</b>		
Depreciation	178,563.36	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	(2,609,822.00)	(7,354,140.00)
Increase in receivables	(13,792,196.00)	(2,607,529.00)
Increase in deferred income	-	-
Decrease/Increase in payables	(4,040,700.60)	12,830,604.00
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>(919,967.68)</b>	<b>(2,027,950.00)</b>

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

**44. Financial Risk Management**

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

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions		-	-	-
Receivables from –non-exchange transactions		-	-	-
Bank balances		-	-	-
<b>Total</b>		-	-	-
<b>At 30 June 2025</b>				
Receivables from exchange transactions		-	-	-
Receivables from –non-exchange transactions		-	-	-
Bank balances		-	-	-
<b>Total</b>		-	-	-



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

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

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	12,830,604.00	-	-	12,830,604.00
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>12,830,604.00</b>	<b>-</b>	<b>-</b>	<b>12,830,604.00</b>
<b>At 30 June 2025</b>				
Trade payables	8,789,903.40	-	-	8,789,903.40
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>8,789,903.40</b>	<b>-</b>	<b>-</b>	<b>8,789,903.40</b>

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

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

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

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

Notes to the Financial Statements (Continued)

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2025</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

Notes to the Financial Statements (Continued)

**Sensitivity analysis**

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

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

Description	FY 2024 - 2025	FY 2023 - 2025
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings		
Capital reserve	-	-
<b>Total funds</b>	-	-
	-	-
Total borrowings	-	-
Less: cash and bank balances		
Net debt/ <i>(excess cash and cash equivalents)</i>	-	-
<b>Gearing</b>	-	-

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

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

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

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

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

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	xxx	xxx
Sales of services to xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
<b>b) Grants from the Government</b>		
Grants from County Government	xxx	xxx
Grants from the National Government Entities	xxx	xxx
Donations in kind	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	xxx	xxx
Payments for goods and services for xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

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

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup		
Compensation to key management	-	-
	-	-
<b>Total</b>	-	-

**46. Segment Information**

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

**47. Contingent Liabilities**

Contingent liabilities	FY 2024-2025	FY 2023 -2024
	Kshs	Kshs
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary		
<b>Total</b>	-	-

*(Give details)*

**48. Capital Commitments**

Capital Commitments	FY 2024-2025	FY 2023 -2024
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For		
<b>Total</b>	-	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

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

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**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

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

**51. Currency**

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

21. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Property, Plant and equipment in the Financial Statements</b></p> <p>The statement of financial position reflects property, plant and equipment balance of Kshs. 1,428,507, However, review of Hospital records and physical verification revealed various assets including cost of land, buildings and civil works, motor vehicles, furniture, fittings and office equipment, plant medical equipment and capital work in progress which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.</p> <p>In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs. 1,428,507 could not be confirmed.</p>	<p>The County is yet to develop Asset Management Policy for Property, Plant and Equipment. As a result, prior year asset acquisitions (land, buildings, civil works, motor vehicles, furniture, fittings and office equipment, plant medical equipment and capital works in progress) could not be included in the financial statements since ownership and asset values could not be reasonably ascertained.</p> <p>The county in collaboration with the National Treasury is the process of developing</p>	Not Resolved	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Asset Management Policy which when finalized will enable recognition of prior year asset acquisitions in the financial statement.		
	<p><b>Budgetary Control and Performance</b> The statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects revenue budget of Kshs. 119,400,000 against actual revenue of Kshs. 109,243,813 resulting to under collection of Kshs. 10,156,187 or 9% of the approved budget. Further, the Hospital spent Kshs. 114,140,698 compared to expenditure budget of Kshs. 119,400,000 resulting to under expenditure of Kshs. 5,259,302.</p> <p>The underfunding and under-absorption may have affected the planned activities and impacted negatively on service delivery to the public.</p> <p>My opinion is not modified in respect of this matter.</p>	During the period under review under-collection was due to write -offs (exemptions and waivers) which were not provided for in the budget. To address this challenge and ensure that we achieve our targets, the hospital is actively registering patients under SHA which does not require waivers and exemptions.		
	<p><b>Unresolved Prior Year Matters</b> In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public</p>	The Hospital is yet to receive County Assembly report (recommendations) for financial year 2022/2023. Once		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2024.	the report is received, the facility shall implement the report accordingly. We affirm that by implementing the recommendations of the county assembly, we shall have addressed effectiveness of internal controls, risk management and governance issues contained in the audit report		
	<p><b>Late Submission of Financial Statements to the Auditor-General</b></p> <p>The financial statements for Bondo Level 4 Hospital were submitted to the Auditor-General on 18 October, 2024, which is 18 days later than the statutory deadline of 30 September, 2024. This is contrary to Section 47(1) of the Public Audit Act, 2015 which provides that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.</p>	We note your observation and wish to state that the financial statement will be submitted to Office of the Auditor General and any other relevant office in time.	<i>Resolved</i>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, Management was in breach of the law.			
	<p><b>Non-Disclosure of Head of Finance Membership Number</b></p> <p>The Institute of Certified Public Accountants of Kenya (ICPAK) membership number for the finance officer who signed the financial statements was not disclosed in the relevant sections of the financial statements. This was contrary to the requirements by the Annual Financial Reporting Template issued by the Public Sectors Accounting Standards Board (PSASB).</p> <p>The Management was therefore in contravention of the law.</p>	During the period under review the accountant in charge of the hospital was not a member ICPAK. A registered accountant has since been posted to the facility as per the attached deployment letter. Going forward the ICPAK number will be disclosed in the relevant sections of the financial statement.	<i>Resolved</i>	
	<p><b>Non-Compliance with Kenya Quality Model for Health policy guidelines</b></p> <p>Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality</p>	In the Siaya County CIDP 2023-2027 the county planned to employ 163 health care workers and improve access to specialised services to comply	<i>Not resolved</i>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																				
	<p>Model for Health Policy Guidelines due to staff deficits by thirty-seven (37) staff requirements or 37% of the 101 authorized establishment as detailed hereunder:</p> <table border="1"> <thead> <tr> <th>Staffing Requirement</th> <th>Level 4 Requirement</th> <th>In Post</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Medical officers</td> <td>16</td> <td>7</td> <td>9</td> </tr> <tr> <td>Anesthesiologists</td> <td>2</td> <td>0</td> <td>2</td> </tr> <tr> <td>General surgeons</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Gynecologists</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Pediatricians</td> <td>2</td> <td>0</td> <td>2</td> </tr> <tr> <td>Radiologists</td> <td>2</td> <td>0</td> <td>2</td> </tr> <tr> <td>Registered community health nurses</td> <td>75</td> <td>55</td> <td>20</td> </tr> <tr> <td><b>Total</b></td> <td><b>101</b></td> <td><b>64</b></td> <td><b>37</b></td> </tr> </tbody> </table> <p>In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below:</p>	Staffing Requirement	Level 4 Requirement	In Post	Variance	Medical officers	16	7	9	Anesthesiologists	2	0	2	General surgeons	2	1	1	Gynecologists	2	1	1	Pediatricians	2	0	2	Radiologists	2	0	2	Registered community health nurses	75	55	20	<b>Total</b>	<b>101</b>	<b>64</b>	<b>37</b>	with the requirements of Kenya Quality Model for Health Policy Guidelines.		
Staffing Requirement	Level 4 Requirement	In Post	Variance																																					
Medical officers	16	7	9																																					
Anesthesiologists	2	0	2																																					
General surgeons	2	1	1																																					
Gynecologists	2	1	1																																					
Pediatricians	2	0	2																																					
Radiologists	2	0	2																																					
Registered community health nurses	75	55	20																																					
<b>Total</b>	<b>101</b>	<b>64</b>	<b>37</b>																																					

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

Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<b>Services Offered</b>						
	Renal Services	Not available					
	<b>Equipment &amp; Machines</b>	<b>Level 4 Requirement</b>	<b>Actuals</b>	<b>Variance</b>			
	Incubators (newborn)	5	4	1			
	Cots	5	10	-5			
	Functional ICU beds	6	0	6			
	HDU beds	6	0	6			
	Renal unit with dialysis machines	5	0	5			
	Bed Capacity	150	133	17			
	<p>These deficiencies contravene the First Schedule of the Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.</p>						

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the Hospital will not be able to deliver on its mandate			
	<p><b>Lack of Risk Management Policy, Strategic Plan and Disaster Recovery Plan</b> The Hospital did not have in place a risk management policy, disaster recovery plan and a strategic Plan contrary to Section 158(1) of the Public Finance Management (County Government Regulations), 2015 which requires each County Government entity to develop risk management strategies and a system of risk management to enable the County to identify and develop appropriate risk strategies in order to improve on effective and efficient management of public resources.</p> <p>In circumstances, the effectiveness of the Hospital's risk management measures could not be confirmed.</p>	We acknowledge the observations and state that the Hospital is currently using the National Government Public Sector Risk Management Guidelines as we work towards developing our Management Risk Policy.	<i>Not resolved</i>	
	<p><b>Lack of a Fixed Assets Register</b> The statement of financial position reflects balances of Kshs. 1,428,507 in respect to property, plant and equipment as disclosed in Note 31 to the financial statements. However, it was noted that the Hospital does</p>	The hospital has a listing of all the assets as per the prescribed template Since most of the assets were inherited from National government, defunct	<i>Not resolved</i>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>not maintain fixed asset register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the fund has ever evaluated its assets to ascertain the correct market values.</p> <p>In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed and Management was in breach of the regulations.</p>	<p>local authorities and some were donations, the values have not been ascertained. The county intends to value all its assets in the transition period as guided by IPSAS 33. Once the assets are valued we shall update the asset register accordingly</p>		
	<p><b>Failure to establish a Board of Management</b> During the year under review, the Hospital had not established a Board of management contrary to Section 12 of Siaya County Health Services Act, 2018. Therefore functions of the board as outlined in the Act which include providing oversight over the administration of the Hospital, promoting the development of the Hospital, approving plans and programs, approving estimates before submission to the Executive Member, supervising and controlling the administration of the funds allocated to the</p>	<p>The process of recruiting Hospital Board is ongoing and currently the names of the proposed board members have been forwarded to the County Assembly for vetting and approval</p>	<p><i>Not resolved</i></p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>hospital and recommending disciplinary measures and procedures in case of violation of provisions of this Act or any other related laws were not carried out and others carried out by the management team.</p> <p>In the circumstances, the effectiveness of internal controls, risk management and governance in the Hospital during the year under review could not be confirmed.</p>			
	<p><b>Inadequate Management of IT Systems and Operations</b> During the year under review the Hospital did not have an IT strategy committee and IT steering committee. This may result to inadequacy in IT governance, which forms a critical part of the Hospital governance structure. Further, the Hospital did not have disaster management and recovery policies in place including fire suppression systems. In addition, the Hospital did not have business continuity plan and the IT continuity plan including an off-site back-up plan. In the circumstances, the effectiveness of risk management system at the Hospital could not be confirmed.</p>	<p>The Directorate of ICT established by the County Government of Siaya carries out the functions. The hospital has an ICT officer and also relies on technical back stopping from County directorate of ICT that has also seconded two officers to the health department.</p>	<i>Not resolved</i>	
	<p><b>Equipment Not in Working Condition and Un-Serviced Equipment</b></p>	<p>We note your findings and wish to state that as at the time</p>	<i>Resolved</i>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																		
	<p>Physical verification of assets in the facility revealed that some equipment was not in working condition as they required repairs and servicing as per the attached table:</p> <table border="1"> <thead> <tr> <th>Equipment Name</th> <th>Department</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Portable X-ray unit</td> <td>Radiology</td> <td>Run out of batteries</td> </tr> <tr> <td>CR</td> <td>Radiology</td> <td>Needs software update</td> </tr> <tr> <td>Stretcher</td> <td>Theatre</td> <td>Faulty bed brakes</td> </tr> <tr> <td>2 Baby Incubators</td> <td>Maternity</td> <td>Fault caused by power surge</td> </tr> <tr> <td>Ultrasonic cleaner 22ltr</td> <td>Theatre</td> <td>Unserviceable</td> </tr> </tbody> </table>	Equipment Name	Department	Remarks	Portable X-ray unit	Radiology	Run out of batteries	CR	Radiology	Needs software update	Stretcher	Theatre	Faulty bed brakes	2 Baby Incubators	Maternity	Fault caused by power surge	Ultrasonic cleaner 22ltr	Theatre	Unserviceable	of audit the above-mentioned equipment were faulty and un-serviced. Going forward the management will ensure that the equipment which are not in working condition have been noted for repair and servicing by ensuring that funds are allocated available and staff are also trained on how to use them		
Equipment Name	Department	Remarks																				
Portable X-ray unit	Radiology	Run out of batteries																				
CR	Radiology	Needs software update																				
Stretcher	Theatre	Faulty bed brakes																				
2 Baby Incubators	Maternity	Fault caused by power surge																				
Ultrasonic cleaner 22ltr	Theatre	Unserviceable																				

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Lack of Audit Committee and Internal Audit Unit Function</b>            During the financial year under review, the hospital did not have an audit committee in place. In the absence of a functioning audit committee, monitoring and review of the effectiveness of the internal audit process, review of internal controls, risk management systems and financial statements among other functions of an audit committee did not occur which may affect good corporate governance at the hospital. Management had also failed to rely on the internal audit department of the county executive since there was no evidence to show that Internal Audit from the County Executive had audited the entity. This was contrary to Section 155 of the Public Finance Management Act, 2012 and Section 167(1) of the Public Finance Management (County Governments) Regulations, 2015.            In the circumstances, the effectiveness of the internal controls, risk management and overall governance in the Hospital could not be confirmed.</p>	<p>During the period under review the County had not established audit committee. The audit committee has since been appointed and gazetted. In the subsequent years the audit exercise will be carried out with approved internal audit work plan from the audit committee.</p>	<p><i>Not resolved</i></p>	

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

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**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 entity responsible for the 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**

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

**Appendix II: Projects Implemented by The Entity**

**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							

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

**Appendix III: Inter-Entity Confirmation Letter**

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> 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 Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....

*Bondo Hospital (Siaya County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> 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		

*Bondo level 4 Hospital (Siaya County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

**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 (Ksh.s.)	Comments

*Bondo level 4 Hospital (Siaya County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

<b>BONDO LEVEL 4 HOSPITAL</b>			
<b>REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025</b>			
<b>TRIAL BALANCE</b>			
	<b>Note</b>	<b>DR</b>	<b>CR</b>
Transfers from the County Government	6		
In- kind contributions from the County Government	7		183,239,486.00
Grants from donors and development partners	8		49,393,713.61
Transfers from other Government entities	9		-
Public contributions and donations	10		-
Rendering of services- Medical Service Income	11		104,938,978.16
Revenue from rent of facilities	12		-
Finance /Interest Income	13		-
Miscellaneous Income	14		-
Medical/Clinical costs	15	98,914,136.64	
Employee costs	16	177,338,920.00	
Board of Management Expenses	17	-	
Depreciation and amortization expense	18	178,563.36	
Repairs and maintenance	19	5,004,010.30	
Grants and subsidies	20	3,986,372.75	
General expenses	21	31,337,081.00	
Finance costs	22	-	
Medical services contracts Gains/Losses	25	1,468,906.16	
Cash and cash equivalents	27	5,379,247.94	
Prepayments	28	-	
Receivables from exchange transactions	29	16,399,725.00	
Receivables from non-exchange transactions	30	-	
Inventories	31	9,963,962.00	
Property, plant, and equipment	32	1,249,943.54	

*Bondo level 4 Hospital (Siaya County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

Intangible assets	33	2,024,535.00	
Investment property	34	-	
Biological Assets	35	-	
Trade and other payables	36		8,789,903.40
Refundable deposits from Patients/Prepayments	37		-
Provisions	38		-
Finance lease obligation	39		-
Current portion of deferred income	40		-
Current portion of borrowings	41		-
Provisions	38		-
Non-Current Finance lease obligation	39		-
Non-Current portion of deferred income	40		-
Non - Current portion of borrowings	41		-
Service concession Arrangements	42		-
Revaluation reserve			-
Accumulated surplus/Deficit			(4,896,885.63)
Capital Fund			11,780,208.15
		<b>353,245,403.69</b>	<b>353,245,403.69</b>