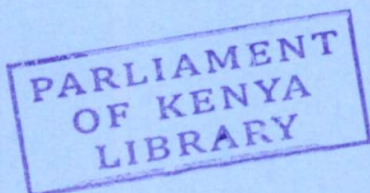
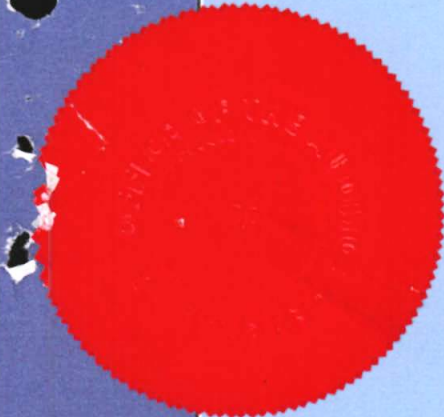
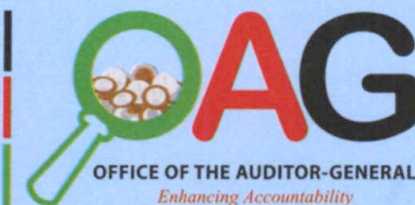


REPUBLIC OF KENYA



REPORT

123

OF

THE AUDITOR-GENERAL

ON		PAPERS LAID
DATE	17/2/20	
TABLED BY	fa (D. Molega)	
COMMITTEE		

KABARTONJO LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF BARINGO

211



KABARTONJO LEVEL 4 HOSPITAL (Baringo County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

Table of Contents

1. Acronyms & Glossary of Terms	
2. Key Hospital Information and Management	iii
7. Statement of Performance against Predetermined Objectives	xvi
8. Corporate Governance Statement	xix
9. Management Discussion and Analysis	xix
11. Report of the Board of Management	xxiv
12. Statement of Board of Management’s Responsibilities	xxv
13. Report of the Auditor General on Financial Statements for Kabartonjo Level 4 Hospital for the year ended 30th June 2025	xxvii
14. Statement of Financial Performance for the year ended 30th June 2025	1
15. Statement of Financial Position as at 30th June 2025	3
16. Statement of Changes in Net Assets for the year ended 30th June 2025	5
17. Statement of Cash Flows for the year ended 30th June 2025	6
18. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2025	8
Notes to the Financial Statements	9
19. Appendices	50

Appendix IV Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		

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

1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the hospital.
OPD	Out- Patient Department
EMR	Electronic Management Records
AIE	Authority to Incur Expenditure
NHIF	National Hospital Insurance Fund
SHA	Social Health Authority
AMREF	African Medical and Research Foundation
USAID	United State Agency for International Development
BOM	Board of Management
HMT	Head of Management Team

2. Key Hospital Information and Management

(a) Background information

Kabartonjo Hospital is a gazetted level (4) hospital established and is domiciled under the Health department in county government of Baringo. The hospital is governed by a Board of Management. Its Foundation was laid in 1964; it became a Dispensary in 1984 and was elevated to a Health centre in 1995. On 22nd July 2011 it was gazetted as a District Hospital then as a level 4 Hospital in 2017 gazette. The hospital is situated in the highlands of Katimok Forest in Bebyemit village, Tiriondonin sub location, Ossen location, and Kabartonjo ward - Baringo North in Baringo County. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility. The hospital sits on 11 acres which is demarcated.

(b) Principal Activities

Outpatient services:

- Consultation
- pharmacy and dispensing
- Voluntary Testing & Cancellling (VCT) services
- Patient Initiated Testing & Cancellling (PITC) physiotherapy
- Social work
- Laboratory services
- Special clinics (TB, CCC /HIV, Mental clinic, MOPC/SOPC) Nutrition clinic, MCH/immunization, Public health education/check-ups, Radiological service-X-Ray/Us, Referral services / Ambulance, orthopaedic trauma

Inpatient services: maternal care/delivery, general inpatient services, minor surgeries

VISION

To be the most attractive and competitive referral hospital that affords progressively the highest health standards for all the residents of Baringo North Sub County, Baringo County and beyond.

Key Hospital Information and Management (continued)

MISSION

To transform the livelihoods of Baringo residents by offering quality affordable, accessible, acceptable health services to all citizens in a fair equitability and responsive manner.

The core objectives

- To provide quality health care services
- To advocate and mobilize adequate funding for the hospital
- To train different health workers.

(c) Key Management

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

- County department of health
- County department of finance
- Board of Management
- Medical Superintendent
- Health Management Team

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Anderson Chelugo
2.	Health Administration Office	Haron Kabirer
3.	Head of Nursing	Janet Kabutiei
4.	Head of Biomedical technology	Christopher Amdany

Key Hospital Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The fiduciary oversight of the county is done by;

I. The County Assembly

The county assembly pursuant to the constitution of Kenya, 2010 and the County Government act, 2012 under article 8(1) has fiduciary oversight role over the execution of the functions of the County Government; it approves the budget and expenditure of the county government in accordance with article 207 of the constitution of Kenya.

II. The Controller of Budget

Under article 22(5) of the constitution of Kenya, 2010, the controller of budget has fiduciary role by approving withdrawal of public funds from exchequer

III. County Executive Committee

The CEC Member exercises executive authority in accordance with the constitution and county government act.

IV. Internal Audit Department

Internal audits department of the County Government of Baringo ensures that internal controls exists and are adhered to.

(f) Kabartonjo Level 4 Hospital

P.O. Box 120-30401
Kabartonjo
Baringo, KENYA

(g) Kabartonjo level 4 Hospital Contacts

Telephone: (+254) 722449799
E-mail: medsupkabartonjo@gmail.com

(h) Kabartonjo level 4 Hospital Bankers

Kenya Commercial Bank
A/C no. 1149215593

Key Hospital Information and Management (continued)

(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.53-30400
Kabarnet, Kenya





3. The Board of Management

Ref	Directors	Photos	Designation	Details / Qualification
1.	Mr. Charles Kiberut		Chair Person	-Business -Diploma in Education
2.	Mr. Anderson Chelugo		Medical Superintendent	-Clinical Officer -BSC
3.	Mrs. Esther Chemokwo		Member	-Teacher -Bed
4.	Mr. Zachary Kipsaina		Member	-Unionist -Bed






Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025




5.	Mr. Haron Kabirer		Hospital Administrator	-Degree in Bachelor of Commerce
6.	Mr. Peter Kiptoo		Member	-Pharmacist -BSC
7.	Mrs. Hellen Juma		Sub County Administrator	- Administrator -Bes -Med
8.	Mrs. Irene Kemboi		Member	-Pastor -BA
9.	Mrs. Linda Bogong		Member	-Diploma in ICT

4. Management Team

Ref	Management	Photos	Details
1	Mr. Anderson Chelugo		Medical Superintendent
2	Mr. Haron Kabirer		Hospital Administrator
3	Mrs. Janet Kabutie		Nursing Officer I/C
4	Mr. Joseph Kendagor		Bio Med
5	Dr. Jack Cherop		Medical Officer

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

6	Mrs. Maryline Yator		Revenue Clerk
7	Mrs. Vibian Kilanya		Ophthalmology I/C
8	Irene Kimiti		Social Worker I/C
9	Mrs. Noela Chelimo		Public Health I/C
10	Dr. Kibet Kimengich		Pharmacy I/C

11	Mrs. Judy Kiptoon		Nutrition I/C
12	Mrs. Lilian Amdany		Orthopaedic Trauma
14	CPA Phyllis Cheboiwo		Fund Accountant

5. Chairman's Statement

Over the year we realized a commendable improvement in improvement in service delivery, customer satisfaction and key infrastructure development highlight were below;

- The donation of a new well equipped ambulance to the hospital
- Construction of the hospital gate ,security house and wall
- Renovation and operationalization of ward, opd and staff toilets
- Implementation of cashless system hence improved revenue collection
- Implementation of cashless system in the opd via EMR system
- 24 hour Revenue collection
- Painting of Theatre
- operationalization of haematology and biochemistry analyser machines
- biometric clock in clock out system implementation
- However during the year there were challenges faced; Delay in NHIF claims payment due to delayed in approvals of AIE
 - Power Outages
 - Staff shortage especially medical officers, clinicians, laboratory, pharmacy, support staff and nursing unit
 - Shortage of infrastructure
 - Staff shift hand over gaps
 - Patient-staff socialism affecting revenue
 - Insecurity due to porous fence and internal infrastructure

The board sat severally and proposed the following as recommendations

- Operationalization of the theatre
- Automation of generator
- Initiate blood transfusion services
- Hospital wards construction
- Maintaining of lighting and wiring system
- Absorption of hospital casuals to permanent terms

- (i) Key success for the FY 2024/2025
- Renovation of revenue office
 - Extension of perimeter wall fence
 - Repair of hospital borehole and replacement of power inverter
 - Construction of oxygen plant courtesy of AMREF/ministry of health/county government of Baringo
 - Managed reduction in pending bills
 - SHA registration uptake was scaled up.
- (ii) Challenges faced;
- Hospital was erroneously graded as level 2 by SHA
 - Reduction in revenue due to the SHA error
 - Delayed disbursement of food by NHIF
 - Human resource shortage
 - Infrastructure not adequate
 - Lack of 24 hour services
- (iii) The board sat severally and proposed the following as recommendations
- Confirmation of hospital casuals to permanent
 - Operationalization of the hospital theatre.
 - Electrification of hospital borehole
 - Automation of services
 - Automation of the hospital generator
 - Blood bench to be established
 - Expand services- rental services.

In conclusion the hospital performance in its key areas is expected to improve even more in the next financial year.

.....
Chairman Name
Chairman to the Board



6. Report of the Medical Superintendent

(a) Background information

- Bed capacity 32 to 60
- Accredited by SHA as level 3A from level 4
- HMT – we have 15 members from previous 13
- Technical staff 61 members from 57
- Casual workers 16 from 13

b) Finance

i) Revenue

The hospital revenue is derived from FIF. During the financial period the hospital realized a marked improvement in its revenue as compared to 2023/2024. This was attributed to SHA policy and disbursement. There is a significant drop of cash payers and an increase in SHA payments which the hospital was paid over 39million. Key drives: maternity, laboratory, inpatient, pharmacy and radiology.

ii) Expenditure

Key expenditures were the casual wages, medical drugs, non-pharmaceuticals, laboratory reagents and equipment's, hospital repairs

iii) Pending bills

Total pending bills at the end of the financial year was at zero balance.

c) Strategy

Our strategy is to make Kabartonjo Sub County Hospital a fully-fledged level IV hospital which offers befitting wide range of quality and affordable services to its citizens.

d) Achievements

The hospital management of board and team managed to do the following Key activities during the year

- Extension of the perimeter wall fence
- Renovation of revenue office
- Repairs of the hospital borehole
- Construction of the oxygen plant by AMREF in partnership with Ministry of health and County Government of Baringo
- Reduction of pending bills
- SHA registration uptake was scaled up.

e) Challenges

Kabartonjo Sub County Hospital based on the population that it serves had the following challenges;


- Human resource gaps/shortages
- In adequate infrastructure
- Lack of 24hours services in laboratory and pharmacy
- Power outages with no automatic generator
- Lack of automation of services
- High casual wages verses income/revenue
- High fuel expenditure due to frequent power outages.

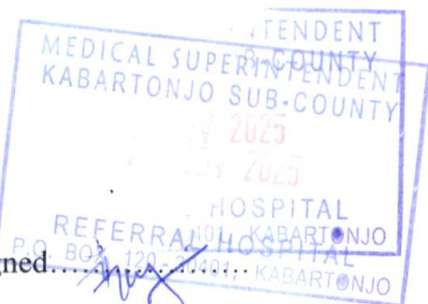
f) Way Forward/Future Outlook of Hospital

- Confirmation of casual staff
- Automation of hospital services
- Automation of our hospital generator
- Electrification of the generator
- Extension of perimeter wall
- Blood transfusion services
- Dental services
- Operationalization of the hospital theatre.
- Avail budget for essential drugs and non-pharmaceuticals
- Hospital morgue
- Fencing of hospital land
- Constructing of paediatric ward

g) Appreciation

I take this opportunity to thank and appreciate the County Government of Baringo, Central Rift Valley Water Works Agency, AMREF, USAID, BOM, HMT and the entire hospital staff for their contributions in achieving the results. Looking forward to a better 2025/2026 financial year

Signed.....

Mr. Anderson Chelugo



Medical superintendent

7. Statement of Performance against Predetermined Objectives

Kabartonjo Hospital has annual work plan based on the above pillars

The Hospital has Seven strategic pillars and objectives within the current Strategic Plan for the FY 2024/25- FY 2025/26. These strategic pillars/ themes/ issues are as follows:

1. Clinical service product
2. Health care financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Strategic Pillar/The me/Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Clinical services delivery and infrastructural development	-To establish and enhance good clinical governance	-Hospital drug formulary in place -No. of stock-out tracer drug -No prescription reviewed Updated SOPs	-Rational use of Medications -Provision of health products -Monthly clinical audits and mortality meetings -Lockable stores	-Hospital drug formulary in place %reduction in morbidity and mortality.
	-To ensure quality diagnostic services	-Client satisfaction report -EMR	-Complete installation of EMR system	-
	-To enhance effective internal/external referral systems	-Acquisition of a new ambulance	-Ambulance donated	-timely referrals
	-To enhance routine maintenance of infrastructure	-Painting of the hospital	-Renovation of ward windows -Renovation of maternity ward -Renovation of opd and clinics -Servicing of various medical equipment's- generator -Servicing of photocopier machines	-X-ray roof 100% complete - photocopier serviced and functioning -Generator serviced and in good condition
2. Health care financing and sustainability	-To increase revenue generation	-Revenue reports %increase in revenue	-diversify revenue streams -Increase customer base	-Revenue improved compared to previous years
	-Facilitate prudent financial management	-Financial reports -%increase in resource allocation to departments	-Provide cashless payment -Strengthen use of financial and procurement policies and guidelines.	M-payment at the linkage stage guidelines in place
3. Quality improvement	-Enhance continuous quality improvement	-Training reports -customer care desk -Minutes of the change agents	-Training of staff on KQMH -Customer care desks	-Customer care introduced at outpatient
4. Human resource	-Improved performance	-Human resource reports	-Conduct quarterly and annual staff	-staff appraisal

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

development	management	-Staff appraisal reports	appraisal	done
	-Staff motivation	-Staff satisfaction -Client satisfaction	-staff recognition rewards and sanctions -Annual staff party -Staff involvement on decision making Remuneration	-All staff are involved in decision making through various committees, HMT, Departmental meeting
5. Leadership and governance	-Enhance policy formulation, dissemination and implementation	%increase in hospital performance -No of staff meetings -No of HMB meetings	-Monthly staff meetings -quarterly board meetings -Implementation of strategic plan	-Quarterly board meetings achieved with few special meetings -HMT meetings done
6. Health information and research and trainings	-Strengthen coordinate and manage health information	-System maintenance register	-Maintain ICT infrastructure to ensure full functionality of the system	-Quarterly servicing and maintenance of the system done
7. Medical products vaccines and technology	-strengthen coordinate and manage medical products supply chain -enhance ethical research activities	%reduction on stock outs -HMIS report Bin Cards Complete Registers Sops in place	-Annual forecasting -Prepare monthly and annual report -Prepare documentation of services provided	-forecasting done -annual and monthly reports done - stock out reduced by 50%
	-Timely provision of health products	-Client satisfaction -Availability of products % of reduction in stock out	-Strengthening of procurement process -Implementation of procurement plan	-Procurement plan in place and functioning -reduction in stock out by approximately 30%

8. Corporate Governance Statement

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

9. Management Discussion and Analysis

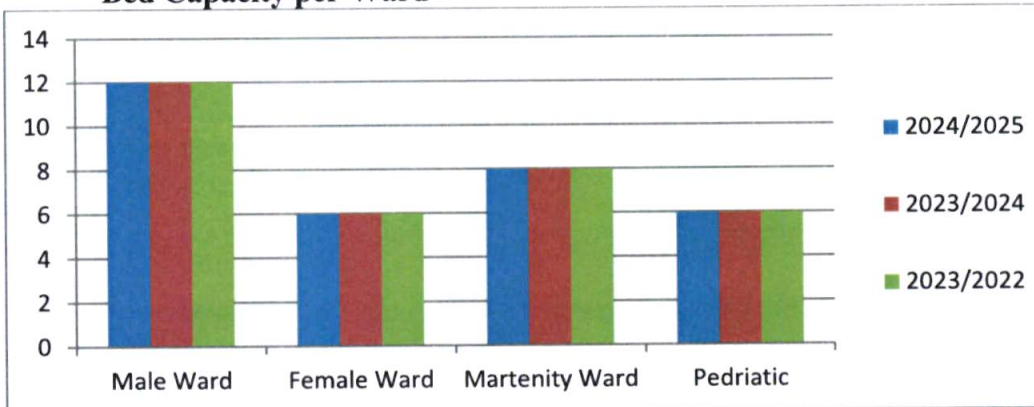
Clinical/operational performance

- Bed capacity of the hospital.
- Overall patient attendance during the year for both inpatient and outpatient.
- Accident and Emergency attendance
- Specialised clinic attendance
- Average length of stay for in patient.
- Bed occupancy rate
- Mortality rate
- Surgical theatre utilisation (number of operations over a period of time)
- Sponsorships and partnerships

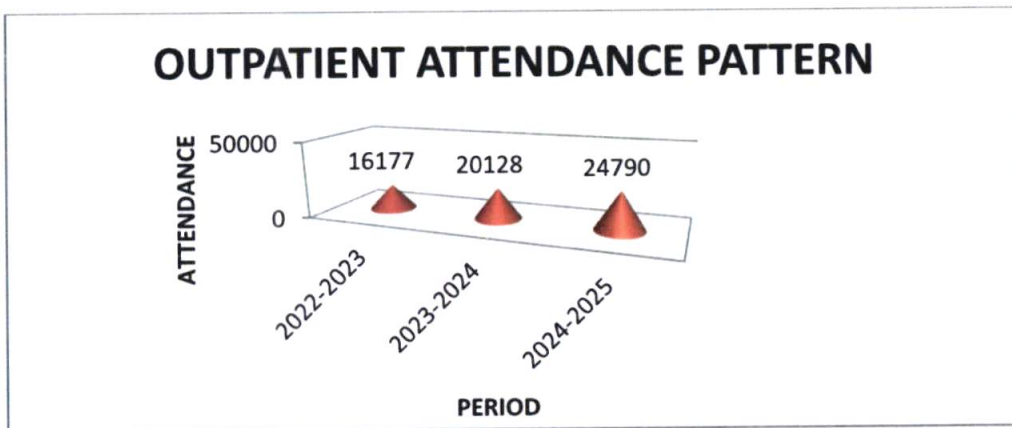
Financial performance that includes: -

- Revenue sources,
- Utilisation of funds

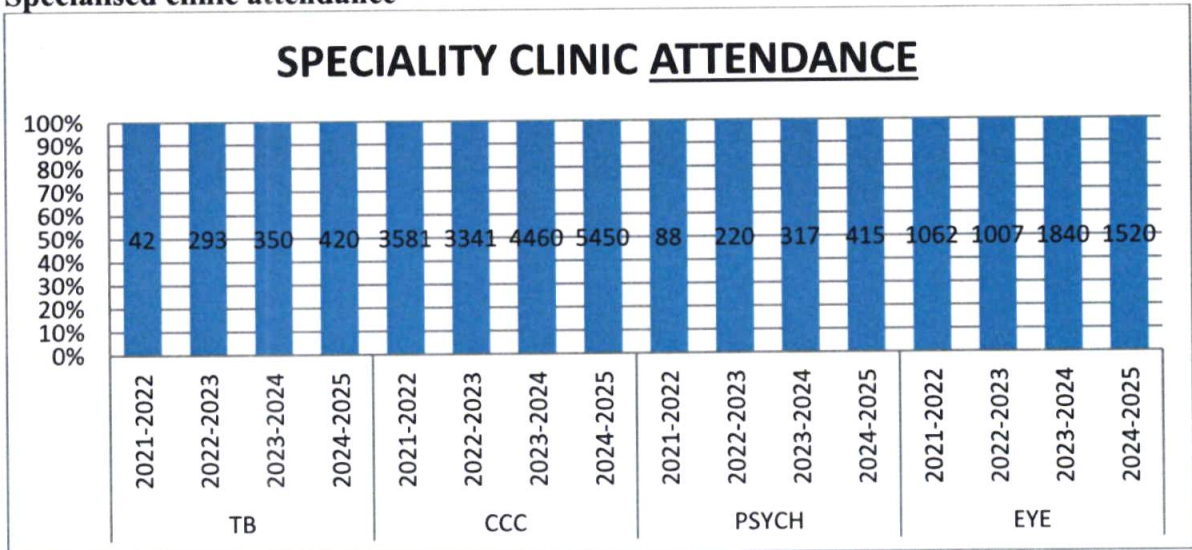
Clinical/operational performance
Bed Capacity per Ward



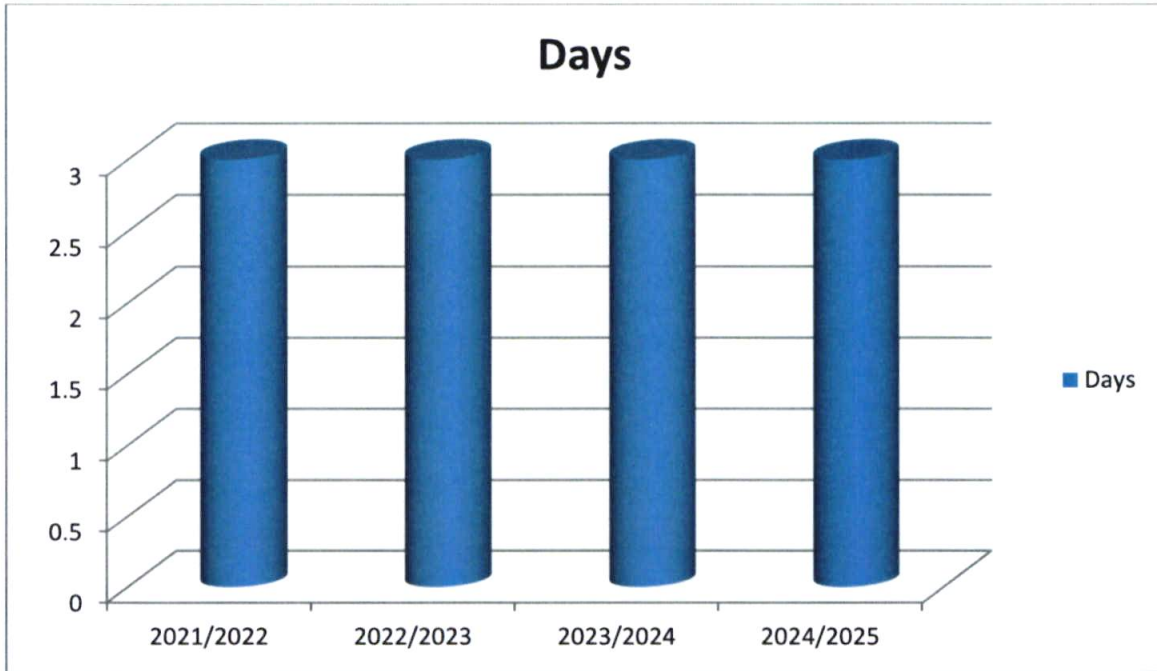
Overall in-patient and out-patient attendance during the year



Accident and Emergency attendance
Specialised clinic attendance

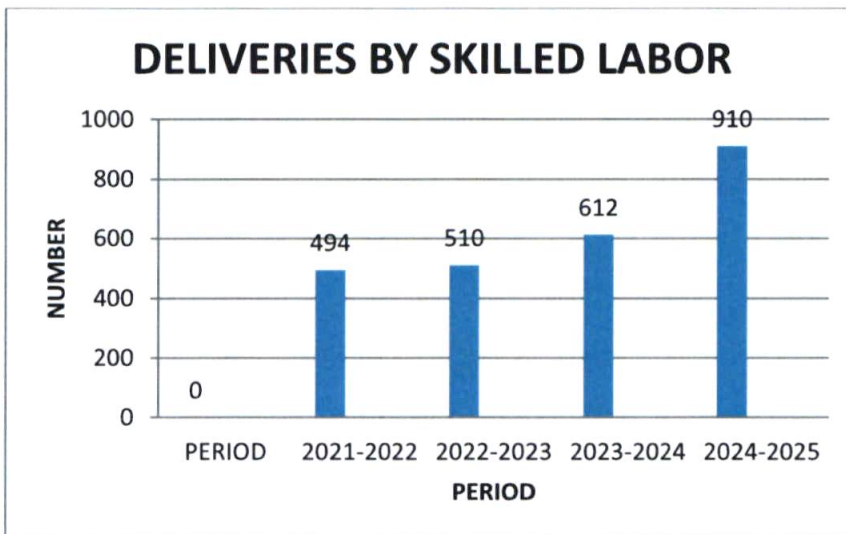


Average Length for Inpatient Stay



Surgical theatre utilisation (number of operations over a period of time)
 Not operational

Deliveries by skilled labour



Sources of Funds

- Inpatient sources
- Outpatient services
- NHIF reimbursements

Utilisation of Funds

Major consumers of the funds are;

- Contracted Casual wages
- Medical drugs and non-pharmaceuticals
- Laboratory materials supplies and small equip
- Food and ration
- Maintenance of building and station

10. Environmental and Sustainability Reporting

Kabartonjo Sub County Hospital has mandate to transform and save lives, our priority is to deliver good services and emphasize on activities that promote sustainability to the citizens.

i) Sustainability strategy and profile

The hospital has assessed its current resources and highlighted the following areas as a way of increasing financial income.

- a. Offering specialized laboratory services e.g biochemistry
- b. Initiate dental unit
- c. Operationalize the skilled Xray
- d. Emphasizing on NHIF subscription and choosing our facility as a point of semi delivery Edu Afya and Linda mama
- e. Completion and operationalization of theatre

ii) Environmental performance

In order to ensure public health safety for both staff and our clients we have introduced the following measures

Successes

- a. Construction of patient ramps
- b. Segregation of waste using the colour coded bins
- c. Maintaining of drainage system
- d. Construction of more pit latrines
- e. Repair of waste pit
- f. enhance environmental hygiene

Challenges

- a. Financial constraints due to routine repairs
- b. High cost of electricity bill
- c. Shortage of Staff
- d. Delay of funds disbursement

Efforts to reduce environmental impact of waste products

1. Incinerator available for burning waste.
2. Waste disposal site fenced to keep off predator

iii) Employee welfare

Employees are hired by the County Public Service Board and others are contracted by the hospital management board. Staff gains their skills via on job training, seminars and workshops. The hospital checks regularly in the welfare of the staff intern of working environment and utilities required to leave then work optionally

iv) Market place practices-

a) Responsible competition practice.

Open tendering process and committee involvement

b) Responsible Supply chain and supplier relations

Good tracking of supplies from tendering to delivery

c) Responsible marketing and advertisement

This is done through barazas and public notice board

d) Corporate Social Responsibility / Community Engagements

Conducting outreach to the community as a way of increasing accessibility to health care

11. Report of the Board of Management

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

Principal activities

The principal activities of the Kabartonjo Level 4 Hospital are;

- Maternity in patient services
- Referrals services
- VCT and Counselling
- Curative services
- Laboratory services
- TB clinics
- Diabetes and hypertension services
- Antenatal and postnatal services
- Comprehensive care clinics for patients living with HIV
- Baby well clinics
- Pharmacy
- X ray services
- Physiotherapy and orthopaedic trauma services

Board of Management

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

Auditors

The Auditor General is responsible for the statutory audit of the Kabartonjo level 4 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board

Results

The results of the hospital for the year ended June 30 2025 are set out on pages 26 to 54

Board of Management

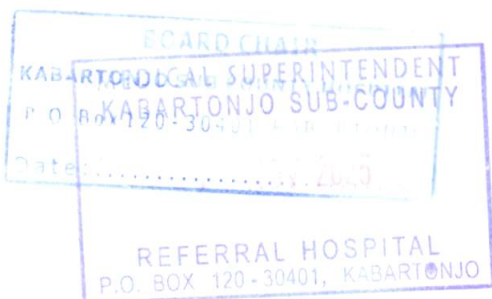
The members of the Board who served during the year are shown on **page vii**.

Auditors

The Auditor General is responsible for the statutory audit of Kabartonjo level 4 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

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 requires the hospital Management to prepare financial statements in respect of that hospital, which give a true and fair view of the state of affairs of the hospital at the end of the period and the operating results of the for that year. The Hospital Management is also required to ensure that the hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Hospital. The Hospital Management is also responsible for safeguarding the assets of the Hospital. The Board of Management is responsible for the preparation and presentation of the hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 2024.

This responsibility includes;

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Hospital,
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) Safeguarding the assets of the Hospital;
- (v) Selecting and applying appropriate accounting policies, and
- (vi) Making accounting estimates that are reasonable in the circumstances.

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

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

Functions of the Health Management Boards or Committees

The health management boards or committees shall; -

- a) Approve budgets, programmes and work plans of their respective hospitals and health facilities
- b) Prepare the Fund's annual budget and work plans to be adopted by the County Health Services Improvement Fund Board
- c) Formulate, recommend and implement resource mobilization strategies
- d) Identify implementation challenges and take corrective measures;
- e) Make recommendations for changes in user fee charges
- f) Determine such number of standing committees and composition of ad hoc committees
- g) Ensure periodic expenditure returns are prepared and submitted to the relevant supervisory offices
- h) Provide oversight over usage of financial resources by the respective hospitals' facilities' administration.

Role of the Hospital Management Boards and Committees in Management of Funds

The expenditure decisions of the hospital management boards or facility committees shall be bound by the provisions of the Public Finance Management Act, 2012 and the Public Procurement and Disposal of Assets Act, 2015.

The hospital management committee shall;


- a) Review the proposed budgets to ensure they are linked to the priorities outlined in the Quarterly Implementation Plans and Annual Work Plan.
- b) Ensure the proposed budgets are based on the available resources
- c) Approve the proposed budgets after review.


In supervising and controlling the administration of all Funds, the Health Services Management Committee shall;

- d) Ascertain the available Funds and their sources
- e) Guide the hospital administration on user fees, unit costs, exemptions and waivers, as prescribed by the county HISF Board; ensure expenditures conform with the Fund regulations, the Public Finance Management Act and any other written law
- f) Ensure compliance with financial planning cycle
- g) Ensure mitigation against financial risk and
- h) Facilitate internal and external audit work as required under the Public Finance Management Act and the Public Audit Act.

Approval of the financial statements

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

.....
Name: Charles Kibet
Chairperson 
Board of Management


.....
Name:
Accounting Officer

11/11/25

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KABARTONJO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF BARINGO

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 Kabartonjo Level 4 Hospital - County Government of Baringo set out on pages 1 to 50, 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 Kabartonjo Level 4 Hospital - County Government of Baringo as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health act 2017, the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue In-Kind Contributions from the County Government

The statement of financial performance reflects revenue in-kind contributions from the County Government amount of Kshs.6,512,955 in respect of medical supplies-drawing rights (KEMSA) as disclosed in Note 7 to the financial statements. However, the supporting documents including schedule indicating details on quantities drawn, the cost and the dates when drawn was not provided for audit review.

In the circumstances, the accuracy and completeness of the in-kind contribution from the County Government amounting to Kshs.6,512,955 could not be confirmed.

2. Unsupported Rendering of Services Medical Service Income

The statement of financial performance reflects revenue from exchange transactions amount of Kshs.49,391,125 being revenue from rendering services-medical service income as disclosed in Note 11 to the financial statement. However, the balance of includes an amount of Kshs.41,315,405 in respect of other medical services income-SHA which was not supported with a schedule or journal entries.

In the circumstances, the accuracy and completeness of the revenue from exchange transactions amounting to Kshs.41,315,405 could not be confirmed.

3. Unsupported Receivables from Non- Exchange Transactions

The statement of financial position reflects receivables from non- exchange transactions balance of Kshs.32,622,590 as disclosed in Note 30 to the financial statements being transfers from the County Government. However, supporting documents including the authority to incur expenditure (AIEs) and detailed schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of the receivables from non- exchange transactions balance of Kshs.32,622,590 could not be confirmed.

1. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.6,837,485 as disclosed in Note 29 to the financial statements which includes balances of Kshs.3,625,685 and Kshs.3,211,800 in respect of Social Health Authority (SHA) and National Health Insurance Fund (NHIF) respectively. However, supporting schedules of the receivables due and revenue receipts confirmation statements from Social Health Authority (SHA) of the unpaid balances were not provided for audit review.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.6,837,485 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kabartonjo Level 4 Hospital - County Government of Baringo Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final total budget and actual on comparable basis amounts of Kshs.63,121,856 and Kshs.27,287,466 respectively, resulting to an under-funding amount of Kshs.35,834,390 or 57% of the budget. Further, Hospital spent an amount of Kshs.23,261,243 against an actual receipt of Kshs.27,287,466 resulting to under-absorption of Kshs.4,026,223 or 15% of the actual receipt.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on the delivery of services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review

of the status during audit of the Hospital in 2024/2025 revealed that the following eight (8) issues remained unresolved: **Appendix I.**

Other Information

The Board of Management is responsible for the Other Information set out on page iii to xxvi which comprise of Key Hospital Information and Management, the Board of Management, 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 effects of the matter 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.

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

Review of the Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital revealed that the Hospital did not meet the requirements of Kenya Quality Model Policy guidelines due to staff deficits by ninety-four (94) of staff requirements or 93% of the authorized establishment as detailed below:

Staff Deficit				
Grades	Level 4 Standard	Number in the Hospital	Deficits	Percentage
Medical Officers	16	1	15	94%
Anesthesiologist	2	0	1	50%
General Surgeons	2	0	1	50%
Gynecologist	2	0	1	50%

Staff Deficit				
Grades	Level 4 Standard	Number in the Hospital	Deficits	Percentage
Pediatrics	2	0	1	50%
Radiologist	2	0	1	50%
Kenya Registered Community Health Nurses	75	9	74	99%
Total	101	10	94	93%

Further, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below:

Necessary Equipment's and Machines				
Service	Level 4 Standard	Actual in the Hospital	Variance	Percentage
Beds	150	44	106	71%
New Born Unit Incubators	5	1	4	80%
New Born Unit Cots	5	1	4	80%
Functional ICU Beds	6	0	6	100%
High Dependency	6	0	6	100%

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

In the circumstances, Management was in breach of the law and the Hospital will not be able to deliver on its mandate.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Incomplete Asset Register

Review of the fixed assets register provide for audit review revealed that key information about the assets was missing information including description, tag numbers and serial numbers of assets. This was 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 the circumstances, the effectiveness of internal controls on asset management could not be confirmed.

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

Responsibilities of Management and 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

02 December, 2025

Appendix I: Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Unconfirmed Inventory Balance
3	2023/2024	Unsupported Trade and Other Payables
4	2023/2024	Lack of an Approved Budget
5	2023/2024	Unresolved Prior Year Matters
6	2023/2024	Non-Compliance with Requirements on Universal Health Care (UHC)
7	2023/2024	Irregular Engagement of Casual Employees
8	2023/2024	Revenue Safeguards and Controls

14. Statement of Financial Performance for the year ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	6,207,000	389,500
In- kind contributions from the County Government	7	6,512,955	-
Grants from donors and development partners	8	0	-
Transfers from other Government entities	9	0	-
Public contributions and donations	10	0	-
		12,719,955	389,500
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	49,391,125	7,906,994
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
		49,391,125	7,906,994
Total revenue		62,111,080	8,296,494
Expenses			
Medical/Clinical costs	15	9,907,975	2,678,670
Employee costs	16	2,493,338	1,777,270
Board of Management Expenses	17	166,000	315,000
Depreciation and amortization expense	18	7,345,376	0
Repairs and maintenance	19	390,500	1,348,850
Grants and subsidies	20	-	0
General expenses	21	2,958,054	1,399,371
Finance costs	22	-	0
Total expenses		23,261,243	7,519,161
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		38,849,837	777,333

(The notes set out on pages 26 to 54 form an integral part of the Annual Financial Statements.)

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

BOARD CHAIR
 KABARTONJO SUB COUNTY HOSPITAL
 P.O. Box 120-30401, KABARTONJO
 Date: 11/11/25

.....
Chairman; Charles Kiberut
Board of Management

HOSPITAL FUND ACCOUNTANT
KABARTONJO HOSPITAL
 Date 11-11-25
REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

.....
Name; Phyllis Cheboiwo
ICPAK No:21650
Fund Accountant

REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO
 NOV 2025
Andersun Chelugo

.....
Name; Andersun Chelugo
Medical Superintendent

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	11,371,599	1,010,776
Prepayments	28	-	-
Receivables from exchange transactions	29	6,837,485	3,800,000
Receivables from non-exchange transactions	30	32,622,590	526,000
Inventories	31	967,510	1,181,822
Total Current Assets		51,799,184	6,518,598
Non-current assets			
Property, plant, and equipment	32	107,590,089	114,654,214
Intangible assets	33	843,750	1,125,000
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		108,433,839	115,779,214
Total assets (A)		160,233,024	122,297,812
Liabilities			
Current liabilities			
Trade and other payables	36	-	(3,402,225)
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		-	(3,402,225)
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Service concession Arrangements	42	-	-
Total non-current liabilities			-
Total Liabilities (B)		-	(3,402,225)
Net assets (A-B)		160,233,024	118,895,587
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		39,860,613	1,010,776
Capital Fund		120,372,411	118,118,254
Net Assets		160,233,024	119,129,030

N/B – The Capital fund for the previous period has been indicated
 (The notes on pages 26 to 54 form an integral part of the Annual Financial Statements.)

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

BOARD CHAIR
 KABARTONJO SUB COUNTY HOSPITAL
 P.O. Box 120-30401, KABARTONJO
 Date: 11/11/2025

.....
Chairman::; Charles Kiberut
Board of Management

HOSPITAL FUND
 KABARTONJO HOSPITAL
 Date: 11/11/2025
 REFERRAL HOSPITAL
 P.O. BOX 120-30401 KAFARU

.....
Name; Phyllis Cheboiwo
ICPAK No:21650
Fund Accountant

MEDICAL SUPERINTENDENT
 KABARTONJO SUB-COUNTY
 REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

.....
Medical Superintendent

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	-	233,443	-	233,443
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	777,333	-	777,333
Capital/Development grants	-	-	118,118,254	118,118,254
As at June 30, 2024	-	1,010,776	118,118,254	119,129,030
At July 1, 2024	-	1,010,776	118,118,254	19,129,030
Revaluation gain	-	-	2,254,157	2,254,157
Surplus/(deficit) for the year	-	38,849,837	-	38,849,837
Capital/Development grants	-	-	-	-
At June 30, 2025	-	39,860,613	120,372,411	60,233,024

Note:

- For items that are not common in the financial statements, the hospital should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
- Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.)

BOARD CHAIR
 KABARTONJO SUB COUNTY HOSPITAL
 P.O. Box 120-30401, KABARTONJO
 Date: 11/11/23

.....
Chairman:: Charles Kiberut
Board of Management

HOSPITAL FUND ACCOUNTANT
 KABARTONJO HOSPITAL
 Date 11/11/23
REFERRAL HOSPITAL
 P.O. BOX 120-30401 KABARTONJO

.....
Name; Phyllis Cheboiwo
ICPAK No: 21650
Fund Accountant

MEDICAL SUPERINTENDENT
 KABARTONJO SUB-COUNTY
 2025
REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

.....
Name; Andersun Chelugo
Medical Superintendent

17. Statement of Cash Flows for the year ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6 b	6,207,000	389,500
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income	11	13,556,735	7,906,994
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts			-
Total Receipts		19,729,765	8,296,494
Payments			
Medical/Clinical costs	15	3,361,050	2,678,670
Employee costs	16	2,493,338	1,777,270
Board of Management Expenses	17	166,000	315,000
Repairs and maintenance	19	390,500	1,348,850
Grants and subsidies		-	-
General expenses		2,958,054	1,399,371
Finance costs		-	-
Refunds paid out		-	-
Total Payments		9,368,942	7,519,161
Net cash flows from operating activities	43	10,360,824	777,333
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents	43	10,360,824	777,333
Cash and cash equivalents as at 1 July 2024	27	1,010,776	233,443
Cash and cash equivalents as at 30 June 2025	27	11,371,599	1,010,776

BOARD CHAIR
 KABARTONJO SUB COUNTY HOSPITAL
 P. O. Box 120-30401, KABARTONJO
 Date: *11/11/25*

Chairman:: Charles Kiberut
Board of Management

HOSPITAL FUND ACCOUNTANT
 KABARTONJO HOSPITAL
 Date: *11/11/25*
REFERRAL HOSPITAL
 P.O. BOX 120-30401 KABARTONJO

Name; Phyllis Cheboiwo
ICPAK No: 21650
Fund Accountant

MEDICAL SUPERINTENDENT
 KABARTONJO SUB-COUNTY
 11/11/2025
REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

Name; Andersun Chelugo
Medical Superintendent

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

18. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	B	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	1,010,776	-	1,010,776	1,010,776	-	100%
Receipts	-		-	-		
Transfers from the County Government	-	6,207,000	6,207,000	6,207,000	-	100%
Grants from donors and development KEMSA	-	6,512,955	6,512,955	6,512,955	-	100%
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services-Medical Service Income	49,391,125	-	49,391,125	13,556,735	35,834,390	27%
Total receipts	50,401,901	12,719,955	63,121,856	27,287,466	35,834,390	51%
Payments						
Medical/Clinical costs	24,362,786	6,512,955	30,875,741	9,907,975	20,967,766	24%
Employee costs	6,513,066	6,000,000	12,513,066	2,493,338	10,019,728	20%
Remuneration of directors - Board	433,623	-	433,623	166,000	267,623	38%
Repairs and maintenance	3,020,059	-	3,020,059	390,500	2,629,559	13%
Grants and subsidies	-	-	-	-	-	-
General expenses	8,726,991	207,000	8,933,991	2,958,054	5,975,937	33%
Depreciation & Amortization	7,345,376	-	7,345,376	7,345,376	-	100%
Total Operational Expenditure paid	50,401,901	12,719,955	63,121,856	23,261,243	39,860,613	32%
Capital Expenditure paid	-	-	-	-	-	-
Surplus	-	-	-	4,026,223	(4,026,223)	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,026,223
1	Depreciation and Amortisation	7,345,376
	Closing Cash and Cash Equivalent as per the statement of Cash flows	11,371,599

Notes to the Financial Statements

1. General Information

Kabartonjo Hospital is a gazetted level (4) hospital established and is domiciled under the Health department in county government of Baringo. The hospital is governed by a Board of Management. Its Foundation was laid in 1964; it became a Dispensary in 1984 and was elevated to a Health centre in 1995. On 22nd July 2011 it was gazetted as a District Hospital then as a level 4 Hospital in 2017 gazette. The hospital is situated in the highlands of Katimok Forest in Bebyemit village, Tiriondonin sub location, Ossen location, Kabartonjo ward - Baringo North Sub County in Baringo County. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility. The hospital sits on 11.5 acres which is demarcated

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 hospital's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act, and (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Standard	Effective date and impact:
Equipment	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.
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</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 hospital shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue</p>

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Standard	Effective date and impact:
	transactions.
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</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>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</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> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. iii. Disclosures that identify and explain the amounts in the hospital's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

Kabartonjo Level 4 Hospital did not early – adopt any new or amended standards in the financial year 2024/2025

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 Hospital and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Summary of Significant Accounting Policies (Continued)

Rental income

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

b. Budget information

The original budget for FY 2024/2025 was approved by Board on 21/05/2024. 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 hospital upon receiving the respective approvals in order to conclude the final budget. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c. Taxes

Sales tax/ Value Added Tax

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

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

- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Summary of Significant Accounting Policies (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. 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 hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f. Leases

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

associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Hospital will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g. Intangible assets

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

h. Biological Assets

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

Summary of Significant Accounting Policies (Continued)

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification of financial assets

The hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

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 hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

The hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The hospital 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.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

Provisions are recognized when the Hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Hospital expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

r. Employee benefits

Retirement benefit plans

The Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which hospital pays fixed

contributions into a separate 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 hospital to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

Summary of Significant Accounting Policies (Continued)

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Summary of Significant Accounting Policies (Continued)

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 Hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Hospital. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

Useful lives and residual values

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

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

Provisions

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6 b Transfers from the County Government

Name of the Hospital sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	FY2023/2024
			KShs	KShs	KShs
Baringo County Government	6,207,000	-	-	-	389,500
Total	6,207,000	-	-	-	389,500

The details of the reconciliation have been included under Appendix III).

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

7. In Kind Contributions from The County Government

Description	FY 2024/2025	FY2023/2024
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	6,512,955	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills - Waivers	-	-
Total grants in kind	6,512,955	-

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	-	-
Other grants	-	-
Total grants from development partners	-	-

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

Name of the Hospital 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	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements (Continued)

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	-	-
Total Transfers	-	-

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 organisations and individuals	-	-
Other donations	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

10 (a) Reconciliations of amortised grants

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

11. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	1,645,000	2,021,000
Non-Pharmaceuticals	1,527,000	1,282,230
Laboratory	915,250	160,261
Radiology	712,000	200,000
Orthopedic and Trauma Technology	487,000	195,277
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	270,000	-
Nutrition service	610,500	-
Cancer centre service	770,000	-
Reproductive health	375,000	-
Paediatrics services	440,000	-
Ambulance services	280,000	-
Other medical services Income- SHA	41,325,405	
Waivers & Exemptions	33,970	
Total revenue from the rendering of services	49,391,125	7,906,994

12. Revenue From Rent of Facilities

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

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	-	-
Total finance income	-	-

Notes to the Financial Statements (Continued)

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	-	-
Others	-	-
Total Miscellaneous income	-	-

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	431,430	463,800
Public health activities / Repatriation	841,000	167,000
Food and Ration	1,710,465	1,441,130
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	315,750	194,200
Pharmaceutical supplies - Hospital	-	25,000
Health information stationery	62,405	130,000
Reproductive health materials	-	-
Sanitary Materials		257,540
Sub Total - Medical expenditure	3,361,050	2,678,670
Pharmaceutical supplies - KEMSA	6,512,955	-
Other medical related clinical costs- Waivers	33,970	-
Sub Total – Other Costs	6,546,925	-
Total medical/ clinical costs	9,907,975	2,678,670

NOTE;1. The amount of Kshs. 6,512,955 relates to drugs received by the hospital from KEMSA through Baringo County Department of health

2. The amount of Kshs. 33,970 was as a result of waivers given to venerable Patients

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	2,172,490	1,630,332
Contributions to pension schemes	320,848	146,938
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs	-	-
Employee costs	2,493,338	1,777,270

(Social contribution relates to expenses incurred by the employer towards social welfare of Employees)

17. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	26,000	-
Sitting allowance - Members	140,000	315,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	166,000	315,000

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

18. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	7,064,126	8,248,425
Intangible assets	281,250	375,000
Investment property carried at cost	-	-
Total depreciation and amortization	7,345,376	8,623,425

19. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings - Maintenance	305,500	701,500
Medical equipment	-	50,000
Office equipment	-	6,350
Furniture and fittings	-	30,000
Computers and accessories	-	51,000
Motor vehicle expenses	-	510,000
Maintenance of civil works	85,000	-
Total repairs and maintenance	390,500	1,348,850

20. Grants and Subsidies

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

21. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	45,500	-
Waste management expenses - Cleaning	201820	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	16,374	11536
Conferences and delegations	59,000	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	820,000	1,000,000
Fuel and Lubricants	775,000	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	220,000	76,000
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	9,450	-
Printing and stationery	331,910	123,835
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	-	-
Skills development levies	-	-
Telephone and mobile phone services	225,000	113,000
Internet expenses	-	-
Staff training and development	-	-
Library books/Materials	-	-
Supply of Firewood	254,000	254,000
Total General Expenses	2,958,054	1,399,371

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

22. Finance Costs

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

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

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

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	-	-
Total Gain/Loss	-	-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

26. Impairment Loss

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

27. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	11,371,599	1,010,776
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others - Mobile money	-	-
Total cash and cash equivalents	11,371,599	1,010,776

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Description		FY 2024/2025	FY 2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
KCB – FIF Account	114921593	11,371,599	1,010,776
Grand total		11,371,599	1,010,776

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

28. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others	-	-
Total	-	-

29. Receivables From Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables (NHIF)	3,625,685	3,800,000
Medical services receivables (SHA)	3,211,800	-
Total receivables	6,837,485	3,800,000

Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	6,837,485	100%	2,280,000	60%
Between 1- 2 years	-	%	1,140,000	30%
Between 2-3 years	-	%	380,000	10%
Over 3 years	-	%	-	%
Total (a+b)	6,837,485	100%	3,800,000	100%

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

30. Receivables From Non-Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Transfers from the County Government - AIE	32,622,590	526,000
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total	32,622,590	526,000

Analysis of Receivables from Non-Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	32,622,590	100%	526,000	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	32,622,590	%	526,000	%

31. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	718,627	375,000
Maintenance supplies	176,743	830
Lab Reagent	25,950	
Food supplies	26,100	651,552
Linen and clothing supplies	-	31,130
Cleaning materials supplies	5,750	117,050
General supplies	14,340	25,800
Less: provision for impairment of stocks	-	-
Total	967,510	1,181,822

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

Detailed disclosure on inventories

	FY 2024/2025	FY 2023/2024
Opening balance	1,181,822	-
Additional Inventory in the year	10,075,825	1,181,822
Inventory expensed in the year	(10,290,137)	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	967,510	1,181,822

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost / Rates		2%	25%	20%	30%				
At 1 July 2023	11,000,000	65,818,619	8,000,000	34,818,020	3,266,000	-	-	-	122,902,639
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30 June 2024	11,000,000	64,502,247	6,400,000	30,465,768	2,286,200	-	-	-	114,654,215
At 1 July 2024	11,000,000	64,502,247	6,400,000	30,465,768	2,286,200	-	-	-	114,654,215
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2025	11,000,000	64,502,247	6,400,000	30,465,768	2,286,200	-	-	-	114,654,215
Depreciation and impairment									
At 1 July 2024	-	(1,316,372)	(1,600,000)	(4,352,253)	(979,800)	-	-	-	(8,248,425)

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
Depreciation for the year 30 June 2024	-	(1,290,045)	(1,280,000)	(3,808,221)	(685,860)	-	-	-	(7,064,126)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2024	-	2,606,417	2,880,000	8,160,474	1,665,660	-	-	-	15,312,551
At 1 July 2024	-	2,606,417	2,880,000	8,160,474	1,665,660	-	-	-	15,312,551
Depreciation	-	(1,290,045)	(1,280,000)	(3,808,221)	(685,860)	-	-	-	(7,064,126)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	(1,290,045)	(1,280,000)	(3,808,221)	(685,860)	-	-	-	(7,064,126)
Net book values									
At 30 th Jun 2024 (previous)	11,000,000	64,502,247	6,400,000	30,465,768	2,286,200	-	-	-	114,654,215
At 30 th Jun 2025 (current)	11,000,000	63,212,202	5,120,000	26657,547	1,600,340	-	-	-	107,590,089

33. Intangible Assets-Software

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Cost		
At beginning of the year	1,125,000	1,500,000
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
At end of the year	1,125,000	1,500,000
Amortization and impairment		
At beginning of the year	1,125,000	1,500,000
Amortization for the period	(281,250)	(375,000)
Impairment loss	-	-
At end of the year		
NBV	843,750	1,125,000

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

34. Investment Property

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

35. Biological Assets

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

36. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	-		2,482,225	
Employee dues	-		920,000	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	-		3,402,225	
Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the total
Under one year	-	%	2,177,225	63.99%
1-2 years	-	%	360,000	10.58%
2-3 years	-	%	475,000	13.96%
Over 3 years	-	%	390,000	11.46%
Total	-	%	3,402,225	100%

Note; Trade and other payables amounting to Kshs. 3,402,225/= were fully paid during the year under review.

Notes to the Financial Statements (Continued)

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	-		-	
Total deposits	-		-	
Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Change due to discount & time value for money	-	-	-	-
Total provisions	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-
Total Provisions	-	-	-	-

39. Finance Lease Obligation

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

40. Deferred Income

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

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

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

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	-	-
Balance at end of the period	-	-

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

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

Notes to the Financial Statements (Continued)

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	34,325,703	(7,846,092)
Adjusted for:	-	-
Depreciation & amortisation	7,345,376	8,623,425
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(214,312)	-
Increase in receivables	(27,693,718)	-
Increase in deferred income	-	-
Decrease in payables	(3,402,225)	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	10,360,824	777,333

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	3,800,000	-	-	-
Receivables from –non-exchange transactions	526,000	-	-	-
Bank balances	1,010,776	-	-	-
Total	5,336,776	-	-	-
At 30 June 2025				
Receivables from exchange transactions	6,837,485	-	-	-
Receivables from –non-exchange transactions	32,622,590	-	-	-
Bank balances	11,371,599	-	-	-
Total	50,831,674	-	-	-

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 hospital has no significant concentration of credit risk on amounts. 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 hospital's short, medium and long-term funding and liquidity management requirements. The hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	-	-	3,402,225	3,402,225
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	3,402,225	3,402,225
At 30 June 2025				
Trade payables	Nil	Nil	Nil	Nil
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	Nil	Nil	Nil	Nil

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 hospital on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the hospital's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The hospital's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the hospital's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

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

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

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

Notes to the Financial Statements (Continued)

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
2023 (previous year)			
Euro	10%	-	-
USD	10%	-	-
2024 (current year)			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

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

45. Related Party Balances

Nature of related party relationships

Entities and other parties related to the hospital include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members. Baringo County Government is the principal shareholder of the hospital, holding 100% of the hospital's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the hospital, both domestic and external. The related parties include:

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	-	-
Sales of services to xxx	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46. Segment Information

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

Notes to the Financial Statements (Continued)

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	-	-
Total	-	-

48. Capital Commitments

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

49. Events after the Reporting Period

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

50. Ultimate and Holding Hospital

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

51. Currency

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

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

19. 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. **OAG/NRO/BCKH/2023-2024/(12)** dated 17 December, 2024

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)
Report on the Financial Statements	1. Inaccuracies in the Financial Statements	The management amended Financial Statement as recommended during the year under review	Resolved	
	2. Unconfirmed Inventory Balance	The management provided the list of closing stock as recommended	Resolved	
	3. Variance of Asset Register and Ledger and Lack of Valuation of Assets	The Management is planning to engage County Public Quantity surveyor for Revaluation	Not resolved	During FY 2024/2026
	4. Long Outstanding and Unsupported Trade and Other Payables	The Management settled all Trade and other payables relating to the prior year	Resolved	
	5. Budgetary Control and Performance	The Budget for the Subsequent Financial year were prepared	Resolved	
	Unresolved Prior Year Matters	The Management Resolved all the matters raised except for the revaluation of Assets which is ongoing	Resolved	
	1.Revenue Safeguards and Controls	The Management has ensures that all Revenue Collection are Cashless and rotation of revenue staff done.	Resolved	

MEDICAL SUPERINTENDENT
 KABARTONJO SUB-COUNTY
 Accounting Officer *[Signature]*
 17/12/2023
 REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

Appendix II: Projects Implemented by the Hospital

Projects

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required per 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							

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix III: Inter-Hospital Confirmation Letter

Name of Transferring Department: Baringo County Treasury

Name of Beneficiary Hospital: Kabartonjo Level 4

Confirmation of amounts received by Kabartonjo Level 4 Hospital as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
1	26/09/2024	1,416,738.00	-	1,416,738.00	
2	11/12/2024	1,834,082.00	-	1,834,082.00	
3	30/12/2024	107,000.00	-	107,000.00	
4	30/12/2024	100,000.00	-	100,000.00	
5	07/02/2025	1,323,107.00	-	1,323,107.00	
6	24/04/2025	852,675.00	-	852,675.00	
7	28/05/2025	6,000,000.00	-	6,000,000.00	
8	27/06/2025	8,096,163.00	-	8,096,163.00	
Total		19,729,765.00	-	19,729,765.00	

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

Head of Accounts Department - Disbursing Hospital:

Name David Rotimo Sign  Date 16 NOV 2025



Head of Accounts Department - Beneficiary Hospital:

Name Anderson Chelugo Sign  Date 11/11/25

