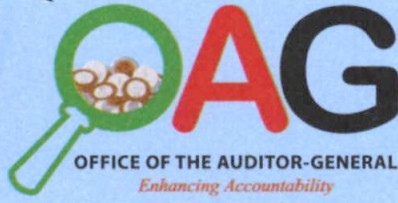


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REPORT

12

OF

THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	17/2/26
TABLED BY	Sec (or) Nelson
COMMITTEE	

UASIN GISHU DISTRICT HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF UASIN GISHU



18

Revised 30th June 2025



**UASIN GISHU DISTRICT HOSPITAL
(Uasin Gishu 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)

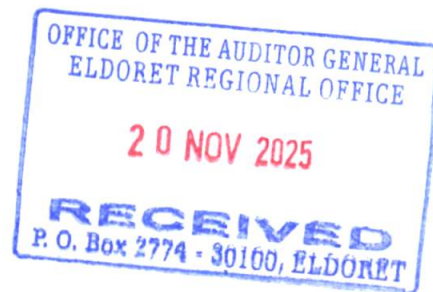


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1. Acronyms & Glossary of Terms

ALOS - Average Length of Stay

ANC - Antenatal Care

A& E - Accident and Emergency

CBK - Central Bank of Kenya

CEO - Chief Executive Officer

CMES - Continuing Medical Education

CO₂ - Carbon Dioxide

Covid19 - Coronavirus Disease 2019

CPA - Certified Public Accountant

CSR - Corporate Social Responsibility

CT - Computed Tomography

DG - Director General

EEC - Executive Expenditure Committee

ENT - Ear Nose and Throat

FIF - Facility Improvement Financing

FY - Financial Year

GOPC - Medical Outpatient Clinic

H.E - His Excellency

HDU - High Dependency Units

HMB - Hospital Management Board

HMC - Hospital Management Committee

HMT - Hospital Management Team

HOD - Head of Department

IHRM - Institute of Human Resource Management

ICPAK - Institute of Certified Public Accountants of Kenya

ICPAK - Institute of Certified Public Accountants of Kenya

UGDH - Uasin Gishu District Hospital

ICT - Information and Communication Technology

ICU - Intensive Care Unit

IPSAS - International Public Sector Accounting Standards

IPSASB - International Public Sector Accounting Standards Board

KEMSA - Kenya Medical Supplies Authority

KDSP - Kenya Devolution Support Programme

KMTC - Kenya Medical Training College

MEDS - Mission for Essential Drugs and Supplies

MOH - Ministry of Health

MOPC - Medical Outpatient Clinic

SHA - Social Health Authority

NSSF - National Social Security Fund

OAG - Office of the Auditor General

OEO - Operation Eyesight Universal

OSHA - Occupational Safety and Health Act of 2007

PFM - Public Finance Management

POPC - Paediatrics Outpatient Clinic

PPE - Property Plant & Equipment

PPP - Public Private Partnership

PSASB - Public Sector Accounting Standards Board

QHC - Quality Healthcare

SDGS - Sustainable Development Goals

SNA - System of National Accounts

SOPC - Surgical Outpatient Clinic

WB - World Bank

2. Key Entity Information and Management

(a) Background information

Uasin Gishu District Hospital is located in the heart of Eldoret Town along Uganda road in Moiben Subcounty, Kimumu ward Uasin Gishu County. The hospital offers 24 hours outpatient services.

Uasin Gishu District Hospital is licenced to operate as a public medical institution in accordance with the provision of rule 5 of the medical practitioners and dentist (Medical institutions) rules as public level 4 hospital.

(b) Principal Activities

The core mandate of the hospital is to provide high quality health care services to the community. The hospital is delivering both primary and secondary medical services to communities in the Sub County and beyond as required of a level 4 hospital. It serves as vital components of the healthcare system, delivering accessible and comprehensive medical services to local communities as it bridges the gap between primary care, secondary care and specialized services, offering a wide range of healthcare interventions.

Vision Statement

An efficient and high-quality health care system that is accessible, equitable and affordable to every Kenyan.

Mission Statement.

To promote and participate in the provision of integrated and high quality promotive, preventive, curative and rehabilitative health care services to all Kenyans.

(c) Key Management

The hospital management is under the following key organs:

- County Department of Health Services
- Health Facility Committee
- Hospital Management Team
- Accounting Officer/ Hospital Manager
- County Treasury

(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	Simon Rono
2.	Hospital Administrator	Mercy Koima
3.	Nursing Officer In charge	Nelly Chebii

(Include all positions regarded as top management in your hospital).

(e) Fiduciary Oversight Arrangements

- The Health Facility Committee
- County Audit Committee
- County Assembly Department Committee on Health
- Senate committees
- National Parliamentary Assembly Committees
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 542-30100
UASIN GISHU DISTRICT HOSPITAL (Building)
UGANDA ROAD (Road)
ELDORET KENYA

(g) Entity Contacts

Telephone: (+254) 776174414
E-mail: uasingishucountyhospital@gmail.com
Website: www.go.ke

(h) Entity Bankers

Cooperative bank ac no
01141672821701
01106728217005

(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. 40 -30100
Eldoret, Kenya

3. The Board of Management

Ref	Directors	Details
1.	Director 1 <i>(Insert each Director's passport-size photo and name, and key profession/academic qualifications)</i>	Provide a concise description of each Director's age, key qualifications, and work experience. Indicate whether the director is independent or an executive director and which committee of the Board the director chairs where applicable. Indicate whether the director is independent and or whether alternate.
2.	Director 2	
3.	Director 3	
4.	Director 4/Alternate	
5.	MED SUP	
6.	Entity Secretary	Indicate whether the secretary is a member of ICS as required under the Mwongozo code in addition to their other details.

4. Key Management Team

Ref	Management	Details
1.	<p>Simon Kiplagat Rono</p>  <p><i>(Insert each key manager's passport-size photo and name, and key profession/academic qualifications)</i></p>	<p>Medical Superintendent Masters in Strategic planning JKUAT Bsc Project Planning and management -Moi University HND in HIV/Dermatology Diploma in Clinical Medicine and Surgery</p>
2.	<p>Nelly Chebii Jematur</p> 	<p>Bsc Nursing -university of Eastern Africa Diploma in Kenya Registered Community Health Nursing Senior Management course (SMC)</p>
3.	<p>Mercy Koima</p> 	<p>Diploma in Information Science</p>

(Note: The Med sup and the Entity Secretary will feature both under the 'Board' and 'Management'.)

5. Chairman's Statement

One – two pages

(Under this section, the Chairman of the Board of Management will give a brief highlight of the key activities during the year, successes consolidated, challenges being faced, and the way forward or future outlook for the hospital). (The report should be signed by the chairman of the governing body.)

..... ALLAN KIBIWOTT

FOR Name

Chairman to the Board

6. Report of The Medical Superintendent

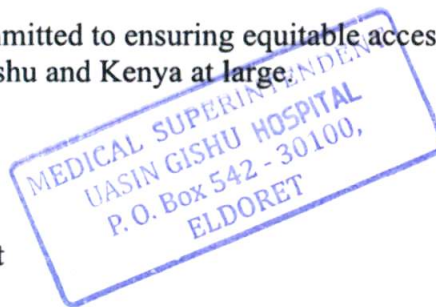
The County is currently implementing its health sector reforms geared towards actualizing Universal Health Coverage (UHC) in line with the National health sector reforms policy. The reforms have been introduced to strengthen the legal basis for health financing and health service provision through strong primary health care systems. These include the Primary Health Care Act, 2023; the Social Health Insurance Act, 2023; the Facility Improvement Financing Act, 2023 and the Digital Health Act, 2023.

These laws are aimed at reducing disparities in health outcomes and promoting a healthier society by ensuring that all citizens have access to essential health care services in an equitable manner, regardless of their socioeconomic status, gender, ethnicity, or geographical location of which the hospital has domesticated the said health sector reforms laws in line with the County health sector priorities.

The above achievements are not without challenges; we have had fair share of them especially emanating from delays in disbursement of funds coupled with human resource industrial actions, inadequate human resource for health and delays in delivery of drugs and medical supplies.

The health facility is committed to ensuring equitable access to high quality healthcare to the residents of Uasin Gishu and Kenya at large.


Simon Kiplagat
Medical Superintendent



7. Statement of Performance Against Predetermined Objectives

Uasin Gishu District Hospital’s performance for FY 2024/2025 was evaluated against four strategic enables outlined in its current strategic plan (FY 2022/2023- FY 2027/2028); governance, infrastructure, finance, and human resources.

Governance, Leadership, and Management: UGDH is focused on enhancing its leadership to ensure alignment with its mission and vision. By improving governance and stakeholder relationships, the hospital aims to inspire staff commitment to its strategic objectives.

Infrastructure and Equipment: UGDH continues to modernize its facilities, equipment, and technology to improve patient care. However, the current state of its infrastructure is unsatisfactory, necessitating renovations, expansions, and new construction to meet growing service demands.

Finances for Sustainability:

UGDH is working on securing government funding and exploring new funding opportunities. Efforts to mobilize are ongoing, with a focus on efficient utilization and accountability of financial resources to ensure sustainability.

Human Resource Development:

Developing human capital is critical to achieving the hospital’s goals. Hospital is committed to ensuring that its workforce is adequate, skilled, and motivated to enhance service efficiency and effectiveness.

Strategic Pillar	Objective	Key Performance	Activities	Achievements
Governance, leadership and management	Strength capacity building for hospital management	-Number of Trainings held. -Annual performance reviews.	-Identify capacity gaps. -Conduct training for HMB and HMT.	-4 trainings conducted. -Annual assessments completed.
	- Improve hospital quality assurance	- Quality assurance unit established - Quality program implemented - descriptions program in	- Establish quality assurance unit - Implement quality program	- Quality assurance unit established - Quality program operational

		place		
Human resource development	- Strengthen professional development	- Number of CMEs and HOD trainings held - Training programs - Developed	- Conduct training needs assessment - Develop staff training - Programs	- 6CMEs held - 4 HOD training sessions conducted
	- Improve performance management systems	- Number of units with performance targets - Support supervision Reviews	- Set performance targets for units - Supervision	-Performance targets set for units -Support supervision



8. Corporate Governance Statement

Uasin Gishu District Hospital acknowledges the significance of establishing a robust corporate governance framework, procedures, and protocols, and is deeply committed to maintaining high standards of transparency, accountability, responsibility, and equity within the Hospital and towards our stakeholders. The Board is tasked with supervising how Management effectively serves the interests of shareholders and other stakeholders concerning environmental, social, and governance aspects, as well as matters pertaining to risk management, regulatory and governmental shifts, and global trends.

9. Management Discussion and Analysis

a. Clinical/operational performance

Uasin Gishu District Hospital provides quality affordable and accessible comprehensive primary and secondary healthcare services. It bridges the gap between primary, secondary and specialized healthcare services. The hospital provides the following services:

- General Outpatient, Casualty and Emergency Services,
 - Comprehensive Care Centre,
 - Maternity Services,
 - Diagnostic Services (Radiology & Medical Laboratory),
 - Rehabilitative Services (Physiotherapy, Occupational Therapy, orthopaedic & Trauma Technology)
 - Preventive Services (ANC, PNC, EPI, CWC and FP),
 - Public Health – Issuance of food handlers’ certificates, Health Promotion and Disease Prevention,
 - Clinical Support Services and
- Upcoming units
- Modern Diagnostics and speciality centre

b. Overall patient attendance

The hospital has steadily realized increase in outpatient attendance notwithstanding the various challenges which include industrial actions (strikes by key staff – nurses and clinical officers including doctors), delays in funding and drugs and medical supplies, laboratory and X-ray supplies during the period under review.

c. Bed Capacity

The hospital bed capacity is 12 currently

d. Patient Safety.

Uasin Gishu District Hospital is committed to enhancing client’s safety, recognizing it as an important aspect of healthcare service delivery. The hospital continuously implemented set policies thus fostering a safer environment for all clients.

Financial performance that includes: -

o Revenue sources

Uasin Gishu District Hospital has two revenue sources that is NHIF/SHA and user fee (SISIBO). During the financial year total revenue collected was 33,551,791.65.

NHIF -2,429,892

SHA - 27,391,449.65

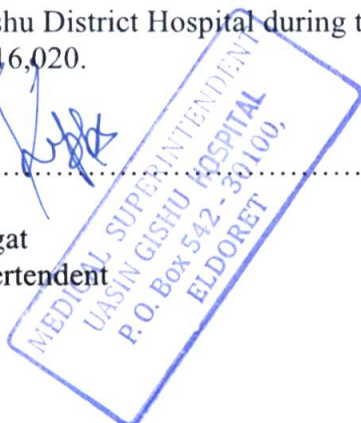
SISIBO - 3,730,450

○ **Utilisation of funds**

Uasin Gishu District Hospital during the financial year expenses amounted to Ksh 14,416,020.

Sign: Date: 28th August, 2025

Simon Kiplagat
Medical Superintendent



10. Environmental And Sustainability Reporting

Two-to-three pages)

i) Sustainability strategy and profile

Collaborating with suppliers and stakeholders, we uphold high standards for sustainable healthcare and encourage environmental and social contributions from our workforce. By working with sustainability specialists, we share best practices to maximize resource efficiency, regularly measuring and reporting our progress. UGDH corporate governance is based on accountability, transparency, and integrity.

ii) Environmental performance

Our commitment extends beyond healthcare services, emphasizing environmental and social responsibility to ensure sustainable success and operational longevity. We are dedicated to upholding high standards of corporate governance, ethics, and integrity as we contribute to the nation's healthcare system.

Recognizing our role in reducing health disparities and advancing sustainability, focus is on developing and executing initiatives that deliver real, lasting benefits to our stakeholders. With a commitment to becoming the healthcare provider of choice, we strive to create enduring value for all stakeholders by addressing material issues that help categorize our economic, environmental, and social impacts.

iii) Employee welfare

UGDH is committed to providing a healthy and supportive work environment. We offer comprehensive

health coverage to all employees and encourage continuous professional development through training programs in leadership, management, and technical skills. The hospital also promotes the physical and mental well-being of its employees, adhering to Occupational Safety and Health (OSHA) policies guided by the County Human Resource policies. We are dedicated to fostering a culture of equality, diversity, and inclusion, delivering services that are responsive to the diverse needs of our employees, patients, and their families. UGDH also supports collective bargaining through employee unions.

iv) *Market place practices-*

Our core mission is to improve the health and well-being of our community through innovative, high-quality healthcare services. We maintain a strong reputation for excellence by consistently meeting safety and regulatory standards, ensuring that all products and services provided meet both ethical and legal requirements.

a) *Responsible competition practice.*

As a leading healthcare provider in the region, UGDH sets an example of responsible business conduct. We adhere to all applicable laws and regulations and engage regularly with governmental bodies to ensure compliance in operations, renovations, and expansions. Our healthcare services are designed to be affordable, with pricing determined by the County Finance Act, passed by the County Assembly of Uasin Gishu.

b) *Responsible Supply chain and supplier relations*

The procurement department at UGDH plays a key role in supporting our sustainability objectives. UGDH complies with the Public Procurement and Asset Disposal Act, 2015, and related county policies. We prioritize partnerships with suppliers who adhere to best practices and contractual agreements, ensuring the highest quality of service and goods.

c) *Responsible marketing and advertisement or Responsible engagement with citizens*

Healthcare advertising is regulated to ensure ethical practices in the licensing, testing, and promotion of health products.

d) *Product stewardship or Awareness Creation*

UGDH's Product Stewardship program focuses on minimizing the environmental impact of healthcare products and packaging throughout their life cycle. We prioritize patient safety and satisfaction while ensuring affordability in line with the County Finance Act.

v) *Corporate Social Responsibility / Community Engagements*

UGDH's commitment to social responsibility drives us to fulfil public healthcare needs, particularly for marginalized and vulnerable communities. Although no specific CSR activities were conducted this year, we remain dedicated to improving lives through inclusive healthcare and raising awareness of disease prevention and interventions.

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are (continue to be)

Results

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

Board of Management

The members of the Board who served during the year are shown on page xxx. During the year, xxx director(s) retired/ resigned, and xxx director (s) was appointed with effect from xxxx date.

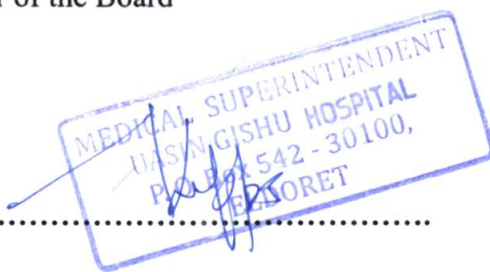
Auditors

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

OR

XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, xxx in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Name

Secretary to the Board

(To be signed by the Secretary of the Board)

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 (*entities should quote the applicable legislation under which they are regulated*) requires the Board of Management to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Board of Management is also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The Board of Management is responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

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


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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 30/06/25 and signed on its behalf by:

..... ALLAN KIBWOTT

Name:
Chairperson
Board of Management

..... 

Name: Nageca Ibrahim
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 UASIN GISHU DISTRICT HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF UASIN GISHU

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 Uasin Gishu District Hospital - County Government of Uasin Gishu set out on pages 1 to 60, 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

Report of the Auditor-General on Uasin Gishu District Hospital for the year ended 30 June, 2025 - County Government of Uasin Gishu

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 Uasin Gishu District Hospital - County Government of Uasin Gishu 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 and the Public Finance Management Act, 2012, County Government Act 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Inaccuracies in Presentation of Financial Statements

Review of financial statements revealed various anomalies as detailed in the table below which was contrary to Paragraph 27 of the International Public Sector Accounting Standards (IPSAS) 1 on presentation of financial statements which stipulates that financial statements shall present fairly the financial position, financial performance, and cash flows of an entity.

1.1 Statement of Financial Performance

In-Kind transfers of Kshs.156,966,770 were recognized in the statement of financial performance as contributions from the County Government. However, these were contributions which did not involve cash transfers.

1.2 Statement of Cash Flows

The statement of cashflows reflects the same cash and cash equivalents balance of Kshs.19,159,939 as at 30 June, 2024 and 30 June, 2025 signifying that there were no transactions during the year. In addition, In-Kind transfers of Kshs.156,966,770 were recognized as receipts in cash flows from operating activities which does not involve cash transfers. It was also noted that the Net cash flows from operating activities has been reported as Kshs.18,634,739 instead of Kshs.19,135,772 resulting to a variance of Kshs.501,033. Further, the cash and cash equivalents of Kshs.19,159,939 as at 1 July, 2024 was not supported with bank reconciliations, cash books and bank balance confirmation certificates.

1.3 Statement of Comparison of Budget and Actual Amounts

All the actual amounts appearing in the statement comparison of budget and actual amounts but could not be confirmed because ledgers were not provided to support the amounts.

In the circumstances, accuracy, disclosure and fair presentation of the financial statements could not be confirmed.

2. Unsupported In-Kind Contributions from the County Government

The statement of financial performance reflects In-Kind Contributions from the County Government of Kshs.156,966,770 as disclosed in Note 7 to the financial statements. However, documents supporting this balance were not provided for audit verification.

In the circumstances, the accuracy and completeness of In-Kind Contributions from the County Government amounts of Kshs.156,966,770 could not be confirmed.

3. Rendering of Services-Medical Services Income

The statement of financial performance reflects rendering of services amount of Kshs.33,551,792 as disclosed in Note 11 to the financial statements. Review of documents revealed that the hospital had a collection of Kshs.30,362,742 from both Social Health Authority (SHA) and Social Health Insurance Fund (SHIF) and a total of Kshs.11,224,565 from SISIBO as collections at the end of the financial year all totalling Kshs.41,587,307 resulting to an unexplained variance of Kshs.8,035,516. Further, Management did not maintain a revenue cashbook with details of daily billings and collections per patient, transfers to fund account, withdrawal through Authority to incur the expenditure (AIEs) and revenue receivables. In addition, the hospital did not disclose in-kind contribution from the County Government in form of salaries to staff and medical costs.

In the circumstances, the accuracy and completeness of rendering of service medical service amount of Kshs.33,551,791. could not be confirmed.

4. Unsupported Expenses

The statement of financial performance reflects medical/clinical costs and employee costs of Kshs.22,422,185 and Kshs.143,549,786 respectively as disclosed in Note 15 and Note 1 to the financial statements. However, documents which include ledgers and payroll summaries supporting the balances were not provided for audit verification.

In the circumstances, the accuracy and completeness of Medical/Clinical costs and Employee costs amounts of Kshs.22,422,185 and Kshs.143,549,786 respectively could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 27 to the financial statements reflects cash and cash equivalents balance of Kshs.19,159,939 which was not supported with bank reconciliations statements and the board of survey reports. Further included in the cash and cash equivalents is a bank balance of Kshs.3,730,450. which was not supported with a cash book and bank reconciliations.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.19,159,939 could not be confirmed.

6. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.1,464,900 as disclosed in Note 32 to the financial statements. However, physical verification revealed that the Hospital owned various assets including land, buildings, specialized and non-specialized medical equipment, ICT equipment furniture and fittings which were not disclosed. The only assets that were disclosed were additions of Kshs.1,464,900. Further, the corresponding depreciation expense was not disclosed in the statement of financial performance.

In the circumstances, accuracy and completeness of property plant and equipment balance of Kshs.1464,900 could not be confirmed.

7. Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.7,275,880 as disclosed in Note 36 to the financial statements. Review of the trade and other payables ageing analysis revealed that trade creditors totalling Kshs.5,939,274 have been outstanding for more than one (1) year. It was not explained when the Hospital will settle their obligations to avoid disruption of services. This is contrary to Section 104(i) of Public Finance Management Act 2012 which requires that each County Treasury should put in place proper management and control of, and accounting for finances of county government and its entities in order to promote efficient and effective use of county's budgetary resources.

In the circumstances, the accuracy, completeness and settlement of obligations of the trade and other payables could not be confirmed.

8. Failure to Provide a Trial Balance

During audit, the Hospital Management did not provide a trial balance to support the balances reflected in the financial statements. It was therefore not possible to confirm the accuracy of the balances reported in the financial statements.

In the circumstances, the accuracy and completeness of the reported balances in the financial statements could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and Actual revenue of Kshs.285,777,842 and Kshs.190,518,517 respectively resulting to an under realization of Kshs.95,259,325 or 33% of the budgeted revenue. Similarly, the Hospital spent Kshs.171,516,917 against actual receipts of Kshs.190,518,517 resulting to underutilization of Kshs.19,001,600 or 10% of the actual receipts.

In the circumstances, the under-realization and under-utilization on the budgeted funds may have negatively affected service delivery to public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page (ii) to (xvii) which comprise of Acronyms and Definition of Terms, Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Management Discussion and Analysis, Report of the Board of Management and Statement of the Board of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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 LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Kenya Quality Model for Health Policy Guidelines

Verification of services offered at Uasin Gishu District Hospital and number of staff at the Hospital revealed that during the year, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits as analysed in the table below:

	Required (Staff Establishment)	Actual Numbers	Deficit
Personnel			
Medical Officers	16	2	14
Dentists	4	2	2
Clinical Officers	30	16	14
Anaesthesiologist	4	1	3
Psychiatrist clinical officer	2	0	2
Paediatricians	2	0	2
Equipment			
Beds	30	9	21
Operating theatres	2	0	2
Inpatient wards	3	1	2

These deficiencies contravene the First Schedule of Health Act, 2017 and which implies that accessing highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved. Further this contravened the Kenya Quality Model for Health Policy Guidelines for level 4 hospitals and may have hindered the realization of the Government program on Universal Health Coverage (UHC).

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

2. Lack of Fixed Assets Register

The Hospital did not maintain a fixed asset register contrary to Regulation 136(2) and Regulation 137 of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets as prescribed by the relevant laws.

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

3. Anomalies in Procurement of Property, Plant and Equipment

Examination of payment vouchers revealed that the Hospital procured IT Equipment, furniture and desk tops amounting to Kshs.1,464,900 using direct procurement without adhering to the prescribed procurement procedures under the Public Procurement and Asset Disposal Act, 2015. It was noted that the Hospital lacked an approved procurement plan, there was no competitive bidding, Inspection and acceptance committee was not involved and there was no documentation showing supplier evaluation or award criteria and there was no register for pre-qualified suppliers. This is contrary to Section 103.(1) of the Public Procurement and Disposal Act states that a procuring entity may use direct procurement as allowed under sub-section (2) as long as the purpose is not to avoid competition.

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

5. High Wage Bill

The statement of financial performance reflects employee costs of Kshs.143,549,786 as disclosed in Note 16 to the financial statements. However, the employee costs were 84% of the total expenditure cost of Kshs.171,516,916 and 75% of the total revenue income of Kshs.190,518,561 earned by the hospital. This was contrary to Regulation 25(1)(b) of the public finance act of the public finance management (County Government) Regulations, 2015 states that expenditure on wages and benefits should not exceed 35% of County Government revenue.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weakness in Internal Control Environment

Review of the overall internal control environment revealed that the hospital did not have Internal Audit function and Audit Committee, Risk Management Policy and Management Framework, an Approved Staff Establishment, Approved Human Resource Policy, Lack of a Procurement Plan and an Approved Disaster Recovery plan.

In the circumstances, effectiveness of internal controls, risk management and Governance could not be confirmed.

2. Lack of an Approved Recruitment Policy

The statement of financial performance reflects other employee costs of Kshs.1,133,127 as disclosed in Note 16 to the financial statements. This expenditure was incurred on wages paid to temporary employees. However, review of the documents revealed that there was no approved recruitment policy for casual employees and no casual register/biodata. Further, no evidence was provided to confirm that the Hospital management committee had authorised the engagement of the casual workers. There was also no evidence of how the casual employees were hired, the tasks for which they were paid, their job descriptions, and their terms of engagement. In addition, the number of casual employees engaged at the Hospital could not be confirmed as the standing list for all casual employees or monthly muster rolls were not maintained.

In the circumstances, control over employee recruitment cost of Kshs.1,133,127 could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with Management are 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

28 November, 2025

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

Description	Note	2024-2025 FY	Insert Comparative FY
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	156,966,770	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	33,551,791.65	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		-	-
Total revenue		190,518,561.65	-
Expenses			
Medical/Clinical costs	15	22,422,185	-
Employee costs	16	143,549,786.79	-
Board of Management Expenses	17	-	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	1,107,645	-
Grants and subsidies	20	-	-
General expenses	21	4,437,300	-
Finance costs	22	-	-
Total expenses		171,516,916.79	-
Other gains/(losses)			

Uasin Gishu District Hospital (Uasin Gishu County Government)
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Description	Note	2024-2025 FY	Insert Comparative FY
		Kshs	Kshs
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(-)	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		19,001,644.86	-

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

The Hospital's financial statements were approved by the Board on 30/06/25 and signed on its behalf by:

.....
 ALLAN KIBIWOTT

FOR
 Chairman
 Board of Management

.....


Head of Finance
 ICPAK No: AAC/4908



Comparative FY refers to the financial year preceding the current year.

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

Description	Note	2024-2025	Insert Comparative
		FY	FY
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	19,159,939.15	-
Prepayments	28	-	
Receivables from exchange transactions	29	2,528,526	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	-	-
Total Current Assets		21,688,465.15	-
Non-current assets			
Property, plant, and equipment	32	1,464,900	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35		
Total Non-current Assets		1,464,900	-
Total assets (A)		23,153,365.15	-
Liabilities			
Current liabilities			
Trade and other payables	36	7,275,880.79	-
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		7,275,880.79	-
Non-current liabilities			
Provisions	38	-	-

Uasin Gishu District Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

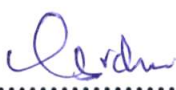
Description	Note	2024-2025	Insert Comparative
		FY Kshs	FY Kshs
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		7,275,880.79	-
Net assets (A-B)		15,877,484.36	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		19,001,644.86	-
Capital Fund		-	-
Net Assets		15,877,484.36	-

(The notes on pages x to xx form an integral part of the Annual Financial Statements.)


The Hospital's financial statements were approved by the Board on 30/06/25 and signed on its behalf by:

ALLAN KIBIWOTT

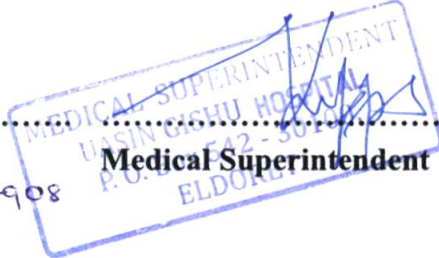
 FOR **Chairman**
Board of Management



Head of Finance
 ICPAK No: A-0014908



Medical Superintendent



Comparative FY refers to the financial year preceding the current year.

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023(previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 20xx (previous year)	-	-	-	-
At July 1, 2024 (current year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	19,001,644.86	-	-
Capital/Development grants	-	-	-	-
At June 30, 20xx (current year)	-	19,001,644.86	-	-

(Note:

- 1. For items that are not common in the financial statements, the entity 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.*
- 2. 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.)*

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

Description	Note	2024-2025	Insert Comparative
		FY	FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		156,966,770	xxx
Grants from donors and development partners		-	xxx
Transfers from other Government entities		-	xxx
Public contributions and donations		-	xxx
Rendering of services- Medical Service Income		33,551,791.65	xxx
Revenue from rent of facilities		-	xxx
Finance / interest income		-	xxx
Miscellaneous receipts(<i>specify</i>)		-	xxx
Total Receipts		190,518,562	xxx
Payments			
Medical/Clinical costs		22,422,185	xxx
Employee costs		143,415,660	xxx
Board of Management Expenses		-	xxx
Repairs and maintenance		1,107,645	xxx
Grants and subsidies		-	xxx
General expenses		4,437,300	xxx
Finance costs		-	xxx
Refunds paid out		-	xxx
Total Payments		171,382,790	xxx
Net cash flows from operating activities	43	18,634,739.15	xxx
Cash flows from investing activities			
Purchase of property, plant, equipment		(1,464,900)	(xxx)
Purchase of intangible assets		(-)	(xxx)
Proceeds from the sale of PPE		-	xxx
Acquisition of investments		(-)	(xxx)
Net cash flows used in investing activities		(1,464,900)	(xxx)
Cash flows from financing activities			
Proceeds from borrowings		-	xxx

*Uasin Gishu District Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Description	Not e	2024-2025	Insert Comparative
		FY	FY
		Kshs	Kshs
Repayment of borrowings		(-)	(xxx)
Capital grants received		-	xxx
Net cash flows used in financing activities		(-)	(xxx)
Net increase/(decrease) in cash and cash equivalents		17,169,839.15	(xxx)
Cash and cash equivalents as at 1 July	27	19,159,939.15	-
Cash and cash equivalents as at 30 June	27	19,159,939.15	-

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

Comparative FY refers to the financial year preceding the current year.

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	%
Receipts						
Transfers from the County Government	235,450,155	-	235,450,155	156,966,770	78,483,385	67%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	50,327,687.46	-	50,327,687.46	33,551,791.65	16,775,895.81	67%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total receipts	285,777,842.46	-	285,777,842.46	190,518,516.65	95,259,325.81	67%
Payments						
Medical/Clinical costs	29,148,840.50	-	29,148,840.50	22,422,185	6,726,655.5	77%
Employee costs	186,614,722.83	-	186,614,722.83	143,549,786.79	43,064,936.04	77%
Remuneration of directors	-	-	-	-	-	%
Repairs and maintenance	1,495,320.75	-	1,495,320.75	1,107,645	387,675.75	74%
Grants and subsidies	-	-	-	-	-	%

Uasin Gishu District Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

General expenses	6,655,950	-	6,655,950	4,437,300	2,218,650	67%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Total Operational Expenditure paid	223,914,834	-	223,914,834	171,516,916	52,397,917.	77%
	.08		.08	.79	29	
Capital Expenditure paid	-	-	-	-	-	%
Surplus	22,361,686.	-	22,361,686.	18,634,739.	3,726,947.8	83%
	98		98	15	3	

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)

Budget notes

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

:

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	xx
2	Reason for differences	xx
3	Reason for differences	xx
4	Reason for differences	xx

*Uasin Gishu District Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

	Closing Cash and Cash Equivalent as per the statement of Cash flows	xxx
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19. Notes to the Financial Statements

1. General Information

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the xxx County Government and is domiciled in xxx County in Kenya. The entity's principal activity is xxx.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

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

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

Standard	Effective date and impact:
	<p>information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <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 entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

Standard	Effective date and impact:
	<i>State the expected impact of the standard to the Entity if relevant</i>

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

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

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument

that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. **Comparative figures**

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

y. **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20XX.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2024-2025	Insert
	FY	Comparative FY
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants (<i>specify</i>)	-	-
	-	-
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 Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
xx County Government	-	-	-	-	-
Total	-	-	-	-	-

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under appendix xxx).

*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6(the part on unconditional grants).

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Salaries and wages	142,416,660	-
Medical supplies-Drawings Rights (KEMSA)	14,550,110	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	156,966,770	-

(These include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements)

8. Grants From Donors and Development Partners

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (specify)	-	-
Total grants from development partners	-	-

(Provide brief explanation for this revenue)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	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 Financial Statements Continued

9. Transfers From Other Government Entities

Description	2024-2025 FY	Insert Comparative FY
	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	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations(<i>specify</i>)	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Pharmaceuticals	-	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
Other medical services income (<i>specify</i>)	-	-
Total revenue from the rendering of services	33,551,791.65	-

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

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	2024-2025 FY	Insert Comparative FY
	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	-	-

(Provide brief explanation for this revenue)

14. Miscellaneous Income

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

(NB: All income should be classified as far as possible in the relevant classes and miscellaneous income should be used to recognise income not elsewhere classified).

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Dental costs/ materials	761,000	-
Laboratory chemicals and reagents	983,700	-
Public health activities	-	-
Food and Ration	1,420,850	-
Uniform, clothing, and linen	60,000	-
Dressing and Non-Pharmaceuticals	3,421,845	-
Pharmaceutical supplies	280,000	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	158,280	-
Purchase of Medical gases	285,400	-
X-Ray/Radiology supplies	152,000	-
Other medical related clinical costs (<i>specify</i>)	349,000	-
In kind contribution from KEMSA	14,550,110	
Total medical/ clinical costs	22,422,185	-

(Other medical/clinical related costs refers to all other costs involved in management of the patients directly not analysed above.)

16. Employee Costs

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Salaries, wages, and allowances	142,416,660	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>Casual wages</i>)	1,133,126.79	-
Employee costs	143,549,786.79	-

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

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	-	-

18. Depreciation and Amortization Expense

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs And Maintenance

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Property- Buildings	78,395	-
Medical equipment	145,750	-
Office equipment	-	-
Furniture and fittings	486,000	-
Computers and accessories	305,500	-
Motor vehicle expenses	92,000	-
Maintenance of civil works	-	-
Total repairs and maintenance	1,107,645	-

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2024-2025 FY	Insert Comparative FY
	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(<i>specify</i>)	-	-
Total grants and subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

21. General Expenses

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	217,800	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	11,000	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	830,000	-
Electricity expenses	162,300	-
Fuel and Lubricants	33,600	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	120,500	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	1,992,100	-
Hire charges	-	-
Rent expenses	-	-

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Water and sewerage costs	920,000	-
Skills development levies	-	-
Telephone and mobile phone services	150,000	-
Internet expenses	-	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	4,437,300	✓

22. Finance Costs

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

(Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

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

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
Total Gain/Loss	-	-

26. Impairment Loss

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

27. Cash And Cash Equivalents

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Current accounts	19,159,939.15	-
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	19,159,939.15	-

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

Notes to the Financial Statements (Continued)

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

Description		2024-2025 FY	Insert Comparative FY
Financial institution	Account number	KShs	KShs
a) Current account			
Co-operative bank	0114167282 1701	15,429,489.15	-
Co-operative bank	0110672821 7005	3,730,450	-
Sub- total		19,159,939.15	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account		-	-
Bank Name		-	-
Sub- total		-	-
d) Others(specify)		-	-
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
		-	-
Grand total		19,159,939.15	-

Provide disclosure on any restricted cash that the entity is holding.

28. Prepayments

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

29. Receivables From Exchange Transactions

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Medical services receivables	2,528,526	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	2,528,526	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

Analysis of Receivables From Exchange Transactions

Description	2024-2025 FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,528,526	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	2,528,526	%	-	%

30. Receivables From Non-Exchange Transactions

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

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

Analysis of Receivables From Non-Exchange Transactions

Description	2024-2025 FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

31. Inventories

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Pharmaceutical supplies	-	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	(-)	(-)
Total	-	-

Detailed disclosure on inventories

	2024-2025 FY	Insert Comparative FY
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

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Notes to the Financial Statements (Continued)

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 (Delivery Bed)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfers/adjustments	-	-	-	-	-	-	-	-	(-)
Revaluation Adjustments	-	-	-	-	-	-	-	-	(-)
At 30th Jun 2024	-	-	-	-	-	-	-	-	-
At 1 July 2024 (current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	229,900	114,000	1,001,000	120,000	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer/adjustments	-	-	-	-	-	-	-	(-)	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation and impairment									

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (Delivery Bed)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At 1 July 2023 (previous year)	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
At 30 June 2024	-	-	-	-	-	-	-	-	-
At July 2024 (current year)	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer/adjustment	-	-	-	-	-	-	-	-	(-)
At 30th June 2025	-	-	-	-	-	-	-	-	-
Net book values									
At 30 th Jun 2024 (previous)	-	-	-	-	-	-	-	-	-
At 30 th Jun 2025 (current)	-	-	-	229,900	114,000	1,001,000	120,000	-	-

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

34. Investment Property

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

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	2024-2025 FY		Insert Comparative FY	
	KShs		KShs	
Trade payables	7,141,754		-	
Employee dues	134,126.79		-	
Third-party payments (<i>e.g. unremitted payroll deductions</i>)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	7,275,880.79		-	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	1,336,606.79	18.37%	-	%
1-2 years	3,098,379	42.58%	-	%
2-3 years	xxx	%	-	%
Over 3 years	2,840,895	39.05%	-	%
Total	7,275,880.79	100%	-	%

37. Refundable Deposits from Customers/Patients

Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-

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Others (<i>specify</i>)	-	-		
Total deposits	-	-		
Ageing analysis:	2024-2025 FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

Description	Leave provisio n	Bonus provisio n	Other provisio n	Tota l
	KShs	KShs	KShs	KSh s
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount & time value for money	(-)	(-)	(-)	(-)
Total provisions	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-
Total Provisions	-	-	-	-

39. Finance Lease Obligation

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

40. Deferred Income

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Description	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

Description	12024-2025 FY	Insert Comparative FY
	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	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	2024-2025 FY	Insert Comparative FY
	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	2024-2025 FY	Insert Comparative FY
	KShs	KShs
Surplus for the year before tax	18,634,739.15	-
Adjusted for:		
Depreciation	-	-
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	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	18,634,739.15	-

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 20XX (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 20XX (current year)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

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

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

Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%	-	-
USD	10%	-	-
20XX (current year)			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

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

iv) Capital Risk Management

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

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

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

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

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

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

Description	2024-2025 FY	Insert Comparative FY
	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	-	-

Description	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
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 entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

47. Contingent Liabilities

Contingent liabilities	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(Give details)

48. Capital Commitments

Capital Commitments	2024-2025 FY	Insert Comparative FY
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have

been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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

51. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

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Accounting Officer

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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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