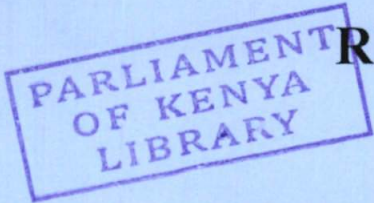


REPUBLIC OF KENYA



REPORT

W29

OF

THE AUDITOR-GENERAL

ON

ALUPE SUB COUNTY HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF BUSIA

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ALUPE Level 4 HOSPITAL (Busia 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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
HMT	Hospital Management Team
FIF Act	Facility Improvement Financing Act
SRC	Salary and Remuneration Commission
CHMT	County Health Management Team
SOPs	Standard Operating Procedures
SHA	Social Health Authority
KISM	Kenya Institute of Supply Management
CHVs	Community Health Volunteers
IPC	infection prevention and control
PWD	Person Living with Disability
SDG	Sustainable Development goals
NGO	Non-Governmental Organisation
CIDP	County Integrated Development Plans
UHC	Universal Health Coverage

2. Key Entity Information and Management

(a) Background information

Alupe Sub County Hospital is a level 4 hospital established under gazette notice number Vol.CXXII-No.24 and is domiciled in Busia County under the Health and Sanitation Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal mandate of the hospital is offering comprehensive primary care including inpatient, outpatient, maternity, minor surgery, emergency and public health outreach serving approximately 34,462 people in Teso south sub county.

Alupe Sub-County Hospital envisions becoming a resilient, responsive, and regionally competitive hospital, dedicated to delivering quality health care within Teso South Sub-County and beyond. The hospital’s mission is to provide progressive, sustainable, technologically driven, evidence-based, and client-centered healthcare that meets the highest attainable standards. Guided by a commitment to service excellence, the hospital operates on a foundation of core values that define its culture and drive performance.

Core Value	Description
Integrity	Upholding honesty, strong moral principles, and ethical conduct in all operations.
Accountability	Taking responsibility for actions and outcomes to build public trust.
Professionalism	Demonstrating competence, respect, and commitment to high standards of service.
Stewardship	Managing resources efficiently and effectively for the public good.
Responsiveness	Acting promptly and appropriately to meet the health needs of the community.
Transparency	Ensuring openness and clarity in decision-making, communication, and reporting.
Confidentiality	Safeguarding patient and staff information with the utmost care and discretion.

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr Loice Ohenga
2.	Hospital Administrator	Lynda Isapuke
3.	Head of Finance	Michael Roche
4	Accountant	Edwin Ariku
5	Head of Nursing	Jane Opilit
6	Head of Supply Chain	Kevin Ouma
7	Head of Laboratory	Pius Irukan
8	Head of Biomedical Department	Amos Mamati

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 35-50400 Busia
Alupe Hospital Building
Busia-Malaba/Road/Highway
Busia, KENYA

(g) Entity Contacts

Telephone: (+254) 721220149
E-mail: alupesubcountyhospital@gmail.com

(h) Entity Bankers

Kenya Commercial Bank (KCB)
Busia Branch
P.O Box
Busia, Kenya

(i) Independent Auditors

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

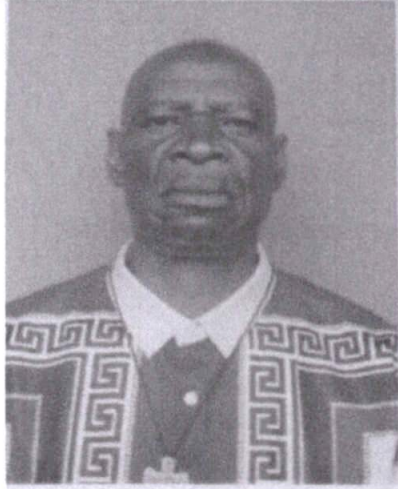

(j) Principal Legal Adviser

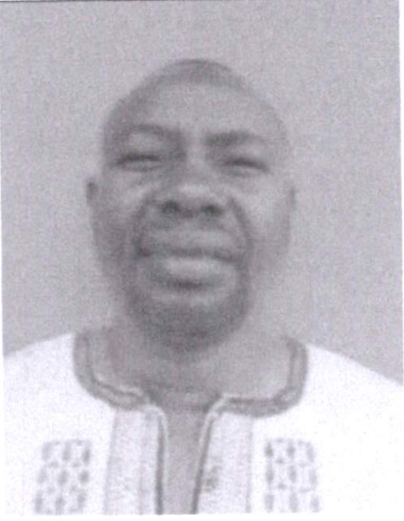
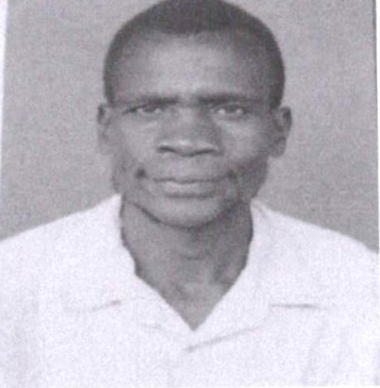
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya




(k) County Attorney

P.O. Box. Private Bag
Busia, Kenya

3. The Board of Management

Ref	Directors	Details
1.		<p>MR. THADDEUS ONG'ARIA-BOARD CHAIR Mr Thaddeus Ong'aria is a holder of KCE DIV II (1983). He Joined Kenya Army Artillery (1985) and was Enlisted in the Kenya Defence Forces (1984). During his tenure he served as Trainer of Trainers. He retired as a Senior Sergeant in the year 2006. Curently he serves as a Chairperson Alupe Sub County Hospital Board, Chairperson Development Committee, Chakol Parish, Deanery coordinator CCR – Amukura, Academic Chairperson – St. Teresa Township Secondary School, Busia and Chairperson, Discipline Committee (BoM) – St. Charles Lung'anyiro Secondary School</p>
2.		<p>MR. FRANCIS AMAKOYE-MEMBER Mr Fancis Amakoye is a holder of Diploma in Occupational Therapy (1982). He served as Occupational Therapist – Alupe Hospital and Ag. Chief Occupational Therapist – Busia County before retiring in 2022. He sits as a technical person in the Board. Curently he is also serving as Chairperson Alupe Special School for the Hearing Impaired and Finance Chairman - Board of Management – St. Anne's Girls Angorom Secondary School,</p>




3.		<p>MR JOSEPH GITHUA-MEMBER Mr Joseph Githua is a holder of Craft Course in Motor Vehicle Mechanics – Sangalo Institute of Science and Technology (2003) and Certificate in Auto Mechanics – Kenya from Christian Industrial Training Institute (1999). He is also trained in Customs valuation, HS classification, Rules of Origin, Ethics and Integrity, and Single Customs Territory – 2015, Kenya National Electronic Single Window System -2014, ToT training on Peace Building and Conflict Resolution – 2008 and First Aid at Work Course – St. John Ambulance Kenya – 2009. He has worked as a Mechanic trainee - Kenya Trypanosomiasis Research Institute, Alupe – 1998 -1999. He sits in the board as a Youth representative</p>
4.		<p>FRANCIS OMONGOLUK-MEMBER Francis Omongoluk is board member representing people with disability. He holds Certificate in Early Childhood Education (ECDE), 2021, Uganda Certificate of Education (O Level), equivalent KCE (O Level) Div III</p>
5.		<p>FLORENCE EJAKAIT-MEMBER Florence is a board member representing Women. She is a holder of Kenya Certificate of Education KCE (1982). She works as a Community Health Volunteer, a Volunteer with Afya Plus, Kenya Red Cross, World Vision. She has Training in Malaria Control</p>

6.		<p>JOY SHAMMAH AJUANG-BOARD VICE CHAIR Joy Shammah is the Vice Chair of the board. She represents NGO/CBO in the board. She is a holder of Bachelor of Arts in Political Science & Public Administration from Moi university (2019). She is also a founder & Executive Director, Footprints of Hope. She is also a member of Youth Empowerment Development Network-Western Region Monitor. She is also Grassroots Coordinator, She Leads, Amplifying Voices for Women.</p>
7.		<p>DR LOICE JESICA OHENGA-MED SUP/BOARD SECRETARY Dr Loice Jesica Ohenga is Assistant Director of Pharmaceutical Services currently serving as Medical superintendent for Alupe sub county Hospital. She is a holder of Bachelor of Pharmacy degree from University of Nairobi (UoN) Before this appointment, she served as sub county Pharmacist Teso south and Pharmacist In charge Alupe sub county Hospital</p>
8.		<p>Rev Dr Jude Likori Rev Dr Jude Likori is an ordained Catholic priest, and currently a Lecturer and Research Consultant in the Department of Humanities, School of Art and Social Sciences, University of Kabianga. He holds a Doctorate in Theological Studies, PhD in Ethics and an International Post Graduate Certificate in Education from K.U Leuven, Belgium. His areas of research include Ethics (Biotechnological/Environmental; Medical/Bioethics; Business, Social and Media); Religion; Culture and Social Justice and he is particularly interested in the role of ethics and morality towards building bridges in both professional and cultural disparities across faith, belief, science and politics.</p>

4. Key Management Team

Ref	Management	Details
1.		<p>Dr Loice Jesica Ohenga-Med Sup/Board Secretary Dr Loice Jesica Ohenga is Assistant Director of Pharmaceutical Services currently serving as Medical superintendent for Alupe sub county Hospital. She is a holder of Bachelor of Pharmacy degree from University of Nairobi (UoN). Before this appointment, she served as sub county Pharmacist Teso south and Pharmacist In charge Alupe sub county Hospital</p>
2.		<p>Lynda Isapuke Emongole stacy-Senior Health Administrative officer Miss Lynda is a Senior Health administrative officer. She is the current Health administrative officer in charge at Alupe SCH. She also doubles up as a sub county health administrative office for Teso south sub county. She holds a bachelor degree in community development from Mt Kenya University, Diploma in community development and social work from Kobujoi Institute of Development Studies and currently Pursuing Higher diploma in Health administration from Kenya Medical Training college (KMTTC) She has also served in the same capacity in Teso North sub county hospital and Busia County Referral Hospital.</p>
3.		<p>Mr Michael Ngasi Roche-Senior Accountant and head of Finance Mr Michael is a Senior Accountant at the department of Health and sanitation Busia County. He is the Head of Finance at Alupe Sub county hospital and double up as DANIDA Accountant incharge in Busia County. Michael further oversees Accounting operations in Amukura, Lupida and Matayos sub county hospitals. He is a holder of CPA VI from Strathmore university. Prior to his appointment at Busia county, he worked at various departments at the national treasury among them, the Judiciary and ministry of</p>

		Public works
4.		<p>Edwin Obara Ariku-Accountant</p> <p>Edwin is an Accountant at Alupe Sub County Hospital. He is a holder of Bachelor of commerce degree in Accounting from Kabarak University. He also holds CPA IV. He has previously worked in a private sector before his appointment to the public sector</p>
5.		<p>Kevin Ouma Oketch-Head of supply Chain Management</p> <p>Mr Kevin is an experienced Supply Chain management officer Licenced by the Kenya institute of supply chain management. He holds a diploma of supply chain management from the university of Nairobi (UoN). Currently he is the supply chain management officer incharge for Alupe Sub county Hospital in the Teso south sub county and Amukura Level 4 Hospital in Teso Central sub county</p>
6.		<p>Pius Munyalo Irukan - Head of Laboratoy Department</p> <p>Mr Pius Irukan is currently the head Laoratory services at Alupe sub County hospital. He is a holder of Bachelors science degree in Medical Laboratory from the University of Nairobi. He also holds a diploma in medical laboratory from KMTC. Prior to this appointment, Mr Pius was a quality assurance officer at Alupe sub county hospital and Nambale sub county hospital</p>

7.		<p>Jane Achodo Opilit-Head of Nursing Ms Jane Opilit is the current Head of Nursing department at Alupe Sub County Hospital. She holds a diploma in Nursing from Kenya Medical Training College KMTC. Prior to this she worked at Nambale sub county hospital and Lukolis Health centre in the same capacity</p>
8.		<p>Amos Mamati Sirengo- Head of Biomedical department Mr Amos Mamati is Pricipal Medical Engineering Technologist and the Head of Biomedical department at Alupe Sub County Hospital. He is also doubling up as sub county Bio medical engineer. He holds a diploma in Medical engineering technology for KMTC Eldoret campus</p>
9.		<p>CPA Ruth Ipuwa –Head of Reporting CPA Ruth is a certified public accountant and a registered member of the Institute of Certified Public Accountants of Kenya. She holds a Bachelors of commerce Degree in Accounting from Kenyatta University with over 6 years’ experience in the finance sector. She is currently the head of finance at Nambale sub county hospital.</p>

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

5. Chairman's Statement

As a board, this year has been one of remarkable progress for Alupe Sub County Hospital, despite persistent resource constraints and operational challenges. Our collective efforts, supported by the County Government of Busia, and the community, have continued to strengthen our capacity to deliver quality, accessible, and patient-centred healthcare services to the people of Teso South Sub county.

Key Activities and Achievements

During the year under review, the hospital made significant strides across its three strategic pillars Curative Health Services, Preventive and Promotive Health Services, and Universal Health Coverage (UHC). Our outpatient, inpatient, maternity, dental, and laboratory services registered notable growth, generating Kshs 16.9 million in medical service income. Under the SHA/UHC programme, subsidized healthcare services reached a wider segment of the community, reducing out-of-pocket costs for many households.

Several critical infrastructure projects progressed well:

- Construction of the Hospital Fence – 30% completed, enhancing hospital security and safeguarding vital assets this was done through FIF.
- Construction of Hand washing facility at the OPD- This complete and in use courtesy of the County government of Busia
- Construction of 4 door pit latrine at the Outpatient- The unit is complete awaiting official handover courtesy of the County government of Busia
- Construction of 4 door pit latrine at the inpatient- the unit is complete and is awaiting official hand over courtesy of the County Government of Busia.
- Renovation of an x-ray block- the work is complete. Awaiting official handover and installation of an X ray equipment that is already supplied. This was courtesy of the county government of Busia.
- Phase III of the mother and Child hospital block. Tender awarded and the contractor is supposed to be on site. This is also courtesy of the county Government of Busia

Preventive and Promotive health activities remained central to our mission. Public health campaigns, medical outreach camps, distribution of sanitary and reproductive health products, and environmental health interventions benefitted thousands in our catchment area.

Challenges

Despite these achievements, the hospital continued to face systemic challenges:

- Stalled projects. This includes the Mortuary block. This is installed with modern cold chain with a capacity to handle 25 bodies. Pending work include electrical flooring and landscaping.
- Human resource gaps in specialized cadres constrained optimal utilization of the facility with a major one being the nursing department. Although the FIF has tried to sort it out but their still need to have MoH staff deployed.
- Inconsistent drug and medical supply chains, requiring increased reliance on Facility Improvement Financing (FIF) procurement.
- Funding limitations, which slowed the pace of some development projects.

The Board worked closely with the County Department of Health to mitigate these issues through resource mobilization, strategic partnerships, and prudent financial management.

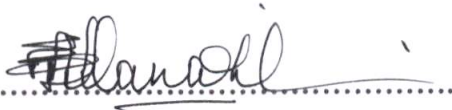
Future Outlook

Looking ahead to FY 2025/2026, the hospital will prioritize:

- Full operationalization of all wards, oxygen, reigniting the X-ray department and completion of the New Morgue.
- Enhanced staffing through county support and targeted recruitment.
- Improved service efficiency by expanding digital health systems and strengthening performance-based budgeting.
- Sustained community engagement to promote preventive health measures and uptake of UHC services.
- Completion of Mother and Child project to meet growing patient demand.

The Board remains committed to steering Alupe Sub County Hospital towards becoming a resilient, responsive, and regionally competitive healthcare facility. Our success will continue to depend on collaborative partnerships, staff dedication, and active community participation.

On behalf of the Board of Management, I extend my sincere appreciation to the County Government of Busia, our partners, stakeholders, and the dedicated hospital staff for their unwavering support in advancing our mission. Together, we shall continue to improve health outcomes and enhance the quality of life for the people of Teso South Sub-County.



MR. THADDEUS ONG'ARIA
Chairman to the Board

6. Report of The Medical Superintendent

It is my honour to present the Medical Superintendent's report for the financial year 2024/2025. This year has been a period of notable growth and resilience for Alupe Sub County Hospital, marked by expanded service delivery, infrastructure development, and strong community engagement, despite limited resource and staffing challenges.

The hospital has been Operating as a **COVID-19** treatment and isolation center for Busia County from 2020. This greatly affected Most of the hospital operations as staff were transferred to the neighboring facilities and never transferred back even after **Covid-19** numbers went down.

During the year under review the County government in collaboration with the Hospital board heeded to the call by the community to have the Hospital resume full operations. This was actualized on the 9th April 2025. Before then, the facility was running the outpatient services thus clinical, rehabilitative, nutrition, MCH alongside maternity and pediatrics ward. Other in-patient facilities were non-operational.

Our commitment to the hospital's mission to provide progressive, sustainable, technologically driven, evidence-based, and client-centered healthcare has remained at the forefront of all our operations. Guided by the three strategic pillars in our current Strategic Plan Curative Health Services, Preventive and Promotive Health Services, and Universal Health Coverage (UHC) we made significant progress in achieving our objectives.

1. Service Delivery Performance

Curative Health Services

The hospital continues to deliver comprehensive outpatient, maternity, laboratory, MCH and dental services to the approximately 34,462 residents of Teso Sub-County. During the year under review, the hospital resumed full operations with additional male and female wards reignited through Locum arrangements using FIF. The Hospital generated a total of Kshs 17,000,322 in medical service income.

Key service achievements included:

Preventive and Promotive Health Services

Community health outreach remained a key focus, with initiatives including:

- Public health inspections and environmental health campaigns.
- Disease surveillance and investigation to prevent outbreaks.

Universal Health Coverage (UHC)

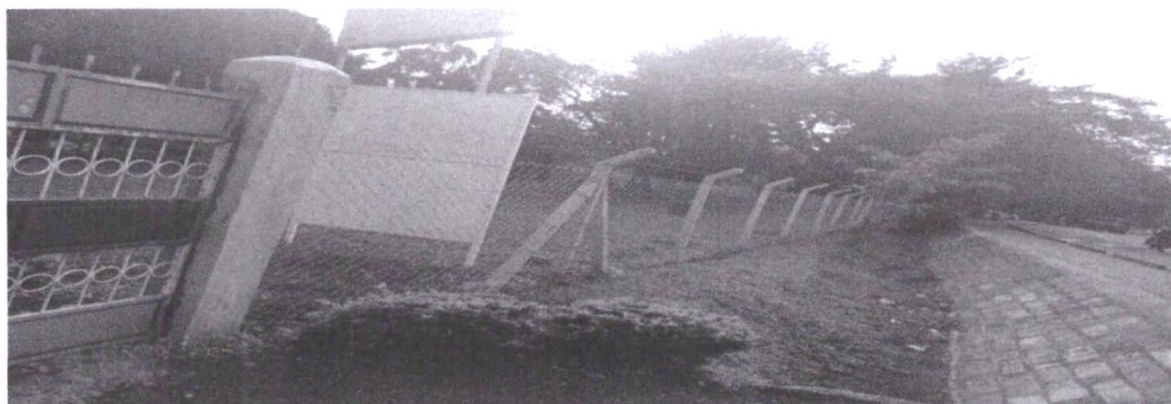
The SHA programme remained a vital tool in increasing healthcare access and equity.

- Revenue from SHA services amounted to Kshs 13,162,444 representing 74.42% of total hospital income.
- Increased SHA awareness through targeted community sensitization campaigns.

2. Infrastructure and Development Projects

We made significant progress on several critical projects:

- Construction of the Hospital Fence – The hospital had stayed without a fence since the demolition of the one during the tarmacking of the road. This is 50% completed across the compound, enhancing hospital security and safeguarding vital assets this was done through FIF.



- Construction of Hand washing facility at the OPD- This Project is complete and in use courtesy of the County government of Busia. This will enhance hand washing hygiene of our patients



- Construction of 4 door pit latrine at the Outpatient- The unit is complete awaiting official handover courtesy of the County government of Busia
- Construction of 4 door pit latrine at the inpatient- the unit is complete and is awaiting official hand over courtesy of the County Government of Busia.
- Renovation of an x-ray block- the work is complete. Awaiting official handover and installation of an X ray equipment that is already supplied. This was courtesy of the county government of Busia.
- Phase III of the mother and Child hospital block. Tender awarded and the contractor is supposed to be on site. This is also courtesy of the county Government of Busia
- Preventive property maintenance. We were able to repair a stalled anesthetic machine hence enhancing quality service delivery.

These projects will significantly enhance our diagnostic, surgical, and emergency care capacity once fully operational.

3. Financial Performance

In FY 2024/2025, the hospital demonstrated prudent financial management:

- Total Revenue: Kshs 17,000,322 (mainly from SHA and out of pocket clients).
- Total Expenditure: Kshs 13,460,467.50

Our financial strategy emphasized maximizing internally generated revenue (IGR) through efficiency, improving billing systems, and adopting digital revenue collection methods to enhance transparency and accountability.

4. Human Resources and Capacity Building

While we have a dedicated and competent workforce, gaps remain in specialized technical cadres, particularly for Nursing department. We continued to collaborate with the County Department of Health to address staffing needs and improve retention. Staff development initiatives included participation in technical trainings, governance workshops, and capacity-building forums to strengthen service delivery skills.

5. Challenges Faced

Despite our progress, several challenges persisted:

- Stalled infrastructure such as Mortuary and uninstalled X-ray equipment slowed service expansion.
- Human resource shortages in specialized departments constrained optimal utilization facility.
- Inconsistent supply of drugs and medical commodities required supplementary procurement under the Facility Improvement Financing (FIF).
- Funding limitations delayed completion of some development projects.

6. Future Outlook

For FY 2025/2026, the hospital will focus on:

- Full operationalization of all wards, oxygen, reigniting the X-ray department and completion of the New Morgue.
- Enhanced staffing through county support and targeted recruitment.
- Improved service efficiency by expanding digital health systems and strengthening performance-based budgeting.
- Sustained community engagement to promote preventive health measures and uptake of UHC services.

Completion of Mother and Child project to meet growing patient demand

Conclusion

In closing, I wish to express my deep appreciation to the County Government of Busia, the Board of Management, our development partners, and the dedicated staff of Alupe Sub County Hospital for their unwavering support and commitment to our mission. With sustained collaboration and continued investment, I am confident that we will achieve even greater milestones in the coming year, further solidifying our role as a leading healthcare provider in Teso South Sub-County.



.....
DR Loice Jesica Ohenga
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Alupe Sub county hospital has 3 strategic pillars within the current Strategic Plan for the FY 2024/ 2025. These strategic pillars are as follows:

- Curative Health Services
- Preventive and Promotive Health Services
- Universal Health Coverage (UHC)

Alupe sub county hospital develops its annual work plans based on the above 3 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Alupe sub county hospital achieved its performance targets set for the FY 2024/2025 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Curative Health Services	Deliver comprehensive and timely clinical services	Total revenue from services - Number of patients served - Range of services offered	- Provision of outpatient, inpatient, maternity, laboratory, and dental services - Diagnostic support services - Drug and non-drug supply	- Kshs 17,000,322 generated from medical services
Preventive and Promotive Health Services	Promote community health and prevent disease outbreaks	- Number of community health interventions - Health education reach - Sanitation and surveillance activities	- Public health inspections - Disease surveillance and investigation - Distribution of reproductive and sanitary materials - Provision of health information and preventive kits	- Reproductive and sanitary items distributed - Regular environmental and public health campaigns conducted under the Public Health Department

Universal Health Coverage (UHC)	Enhance access, affordability, and equity in healthcare services	<ul style="list-style-type: none"> - Utilization of SHA program - Free/subsidized service beneficiaries - SHA uptake and community awareness 	<ul style="list-style-type: none"> - Coordination of SHA services - Engagement of special interest groups - Health education and SHA promotion - Financial subsidies to indigents 	<ul style="list-style-type: none"> - Revenue of Kshs 13,162,444 earned from SHA (government-subsidized healthcare) - Enhanced uptake of SHA in community through outreach and sensitization campaigns
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Link to Performance Contracts

The performance indicators in each strategic pillar were integrated into departmental work plans and tracked through internal reporting systems. The CECM signed annual performance contracts tied with the chief officer to measurable targets such as revenue generation, patient satisfaction, clinical efficiency, and outreach coverage.

Management held quarterly performance review meetings to track progress, identify bottlenecks, and adapt plans as necessary. Reports were presented to the Hospital Board, ensuring accountability and continuous improvement in service delivery.

Key Challenges and Mitigation

Challenge	Mitigation Measures
Stalled infrastructural projects such as Mortuary	Requested for funds through the Health and sanitation Department for its completion
Limited in-kind contributions from the County	Maximized internally generated revenue (IGR) through efficient service delivery
Inconsistent drug supply	Procurement of pharmaceuticals and medical gases under FIF budget
Human resource gaps in technical cadres	Collaboration with the County Department of Health for staffing support

8. Corporate Governance Statement

Alupe Sub County Hospital is committed to promoting effective, accountable, and transparent leadership guided by the principles of good corporate governance as enshrined in the Constitution of Kenya, the Public Finance Management (PFM) Act, 2012, and the Mwongozo Code of Governance for State Corporations. The governance framework of the hospital provides for the efficient oversight of institutional strategy, risk management, ethics, and stakeholder engagement, while upholding public sector values and accountability.

i. Appointment and Composition of the Board

The Board of Management of Alupe Sub County Hospital is constituted in accordance with Section 9 of the Public Health Act Cap 242 and operationalized through gazettelement by the County Executive Committee Member (CECM) for Health and Sanitation. Board members are appointed based on professional expertise, gender equity, regional representation, and inclusion of special interest groups. As at 30th June 2025, the Board comprised; 8 Independent Board Members, including representatives of women, youth, and PWDs, 1 Ex-Officio Member (Medical Superintendent/Secretary to the Board)

The current Chairperson, Mr Thadeus Ong'aria was appointed in a democratic election by other board Members. The Board Charter adopted at the start of the financial year defines the responsibilities, powers, and code of conduct of members. Board members serve a three-year renewable term, and removal is conducted in accordance with relevant county policies and governance laws.

ii. Roles and Functions of the Board

The Board is responsible for:

- Approving strategic plans and performance targets
- Providing policy and fiduciary oversight
- Monitoring risk, compliance, and internal controls
- Overseeing financial planning and budgeting
- Evaluating performance of the management and the hospital as a whole

The Board delegates operational responsibilities to the Medical Superintendent, who also serves as the Accounting Officer in line with the PFM Act, 2012.

iii. Induction, Training, and Development

Newly appointed members underwent an induction program facilitated by the County Department of Health and hospital leadership. The Board further supports continuous professional development through exposure to governance forums, health sector briefings, and capacity-building workshops where budget permits.

iv. Board and Members' Performance

Board performance is reviewed annually against a scorecard that assesses attendance, strategic input, financial oversight, and contribution to hospital development. All members participated in at least one governance review during the reporting period. The Board Chair provided quarterly

updates to the County Health Management Team (CHMT) on institutional progress and challenges.

v. Board Meetings and Attendance

In the 2024/2025 financial year, the Board convened four ordinary meetings and one special session. Members achieved a 90% attendance rate. All meetings were minuted, and decisions followed structured procedures in compliance with the Board Charter and Standing Orders.

vi. Succession Planning

Succession is guided by County Public Service policies and the Leadership and Integrity Act, 2012, which promote continuity and institutional memory. The hospital maintains an internal talent pipeline for critical roles and works closely with the County Health Department to ensure timely replacement of retiring or transitioning Board members.

vii. Conflict of Interest Policy

All Board members are required to declare personal and financial interests before engaging in deliberations as per Section 16 of the Leadership and Integrity Act, 2012. A conflict of interest register is maintained, and any member with a conflict excuses themselves from voting or participating in affected agenda items.

viii. Board Remuneration

Board remuneration is governed by the Salaries and Remuneration Commission (SRC) guidelines and comprises sitting allowances. In FY 2024/2025, Kshs 230,000 was paid in sitting allowances. No honoraria or other benefits were paid during the year.

ix. Ethics and Conduct

The Board upholds high standards of public service ethics, integrity, and professionalism. Members are subject to the Leadership and Integrity Act, the Mwongozo Code, and the hospital's

internal code of conduct. Whistle blower mechanisms and feedback channels are in place to address ethical violations.

x. Governance Audit

Although a full governance audit was not conducted in FY 2024/2025, the hospital undertook internal governance assessments through the Hospital Management Team (HMT) and external oversight by the County Health Department. A formal governance audit is planned for the next financial period in line with Mwongozo best practices.

xi. Communication Policy

The hospital promotes open communication with stakeholders through public notice boards, community forums (barazas) and suggestion boxes. Communication is guided by public participation principles under Article 10 of the Constitution and hospital service charters displayed prominently at facility entrances.

xii. Terms of Reference of Committees

The hospital has established the following governance committees:

- Clinical Standards and Research Committee
- Audit and Risk Committee
- Human Resource Advisory Committee (through County linkage)

Each committee operates under defined Terms of Reference (ToRs), focusing on specialized areas including clinical quality, fiduciary compliance, and risk mitigation.

xiii. Related Party Transactions Policy

The Board ensures that all related party transactions are conducted transparently and at arm's length. The hospital discloses any dealings involving Board members or senior staff in the financial statements and Board records in accordance with IPSAS 20 and PFM regulations.

9. Management Discussion and Analysis

Alupe Sub County Hospital continues to grow as a critical healthcare provider in Teso South Sub-County, Busia County. The hospital's operations are guided by principles of equity, accountability, and sustainability in line with national health policy and the County Integrated Development Plan (CIDP). This section outlines operational and financial performance, investment projects, statutory compliance, risk assessment, and strategic outlook, with trends from the past three years.

Despite limitations in human resources, the hospital maintained strong outpatient and specialized clinic service performance.

1. Clinical/operational performance

Clinical/operational performance

- *Alupe sub county Hospital has a bed capacity of 134 beds.*
- *Overall patient attendance during the year for both inpatient and outpatient was 33,131.*
- *Accident and Emergency attendance was Zero during the year under review*
- *Specialised clinic attendance stood at 10, 355 clients*
- *Average length of stay for in patient was 2 days.*
- *Bed occupancy rate was 6.8%*
- *Mortality rate 7.7%*
- *Surgical theatre utilisation (number of operations over a period of time) were 331 cases*
- *Sponsorships and partnerships*

2. Financial Performance

Revenue Source	Amount (Kshs)	% of Total Revenue
SHA(UHC Programme+capitation)	13,162,444	77.42%
Cash-Paying Clients	2,793,115	16.43%
Opening bal for the Revenue a/c	1,010,929	5.95%
Waivers	33,834	0.20%
TOTAL	17,000,322	100%

a) Revenue Sources

In FY 2024/25, the hospital generated **Kshs 17,000,322** in total revenue, primarily from: SHA and out of pocket payments

b) Fund Utilization

Total expenditure for FY 2024/25 was **Kshs 13,460,467.50** used in:

Expenditure Category	Amount (Kshs)
Medical Supplies & Pharmaceuticals	3,959,864
Staff Remuneration & Board	630,500
Repairs & Maintenance	2,488,566
Social Grants/Subsidies	3,958,600
Utilities & Services	373,960
Other Operational Costs	1,851,381.25
Acquisition of PPE	197,595.7

3. Ongoing and Key Investments

Alupe Sub County Hospital has attracted both county government and development partner support to address critical infrastructure and service gaps. Key investments underway include:

i) Construction of a Mother and Child Hospital (*County Government*)

This project began in the year 2020. It was not achieved during the planned project completion period due to financial constraints. The county government undertook its completion and is done in phases. The third phase of completion was advertised and tendered during the financial year under review.

ii) Fencing of the hospital (*Internal Revenue Sources –FIF*)

To enhance security and control facility access, construction of a chain link fence began in FY 2024/25. This will reduce theft, improve patient and staff safety, and secure key hospital installations such as the pharmacy and laboratories and minimize patients' abscondment. This will be done in phases, of which phase one is already complete.



4. Statutory Compliance

Alupe Sub County Hospital complied with:

- Public Finance Management Act, 2012
- Public Procurement and Asset Disposal Act, 2015
- Occupational Safety and Health Act, 2007
- Leadership and Integrity Act, 2012
- International Public Sector Accounting Standards (IPSAS).

There were no major compliance issues or audit queries raised during the period. Financial reports were submitted to the County Treasury and Auditor-General as required.

5. Risks and Mitigation

Risk	Description	Mitigation Strategy
Inadequate Drug Supply	Delay in County deliveries	Direct procurement under FIF and emergency stockpiling
Underutilization of some Facilities	Incomplete infrastructure or staffing gaps	Liaise with County Dept. for staff secondment and commissioning
High Patient Load	Overburdening available resources	Implement appointment systems and strengthen CHV outreach
Security Concerns	Open facility perimeter exposing hospital assets	Phased Construction of chain link fence (in progress)

6. Statutory Arrears and Financial Obligations

As of 30th June 2025:

- Trade and other payables: Kshs 1,753,457
- No material arrears in statutory deductions or obligations

7. Conclusion and Outlook

The hospital has recorded strong operational growth, sustained revenue performance, and infrastructure development despite funding and staffing challenges. With ongoing support from the County Government and partners:

- There is increased community trust in hospital services, driven by outreach, subsidy programs, and improved diagnostics.
- Management will focus on performance-based budgeting, infrastructure optimization, and digital health adoption to further enhance service delivery.

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Alupe Sub-County Hospital integrates sustainability into its operations by aligning with global frameworks such as the Sustainable Development Goals (SDGs), particularly SDG 3 (Good Health and Well-being) and SDG 13 (Climate Action). The hospital prioritizes eco-friendly practices, community health, and efficient resource management to minimize its environmental footprint.

Key Achievements:

- Waste Management: Implemented a waste segregation system (biodegradable, non-biodegradable, and hazardous waste) with designated disposal bins.



- Local Procurement: Allocated 30% of supply contracts to local vendors, supporting women- and youth-owned businesses.

Challenges & Mitigation:

- Limited funding for green infrastructure → Seeking partnerships with NGOs for solar energy expansion.
- Low community awareness on recycling → Conducted training sessions for staff and patients.

ii) Environmental performance

The hospital adheres to Kenya's Environmental Management and Coordination Act and Occupational Safety and Health Act (OSHA 2007).

Waste Management

- Medical Waste: Alupe Sub County Hospital has a safe incineration unit for hazardous waste.
- Plastic Reduction: Replaced single-use plastic bottles with water dispensers and reusable containers.

Climate Action Initiatives

- Tree planting: 5,000 assorted trees planted on 5 acres of hospital land to offset carbon emissions.

iii) Employee welfare

Alupe Sub County Hospital upholds inclusive, equitable, and merit-based employment practices in line with the Constitution of Kenya, the Employment Act, and the Occupational Safety and Health Act (OSHA), 2007. The hospital's human resource policies support a fair hiring process that considers gender balance, youth representation, and inclusion of Persons Living with Disabilities (PWDs).

Hiring Policies and Inclusion

The hospital has implemented structured recruitment procedures that ensure transparency and fairness. These procedures are aligned with county government guidelines and affirmative action provisions. In the financial year 2024/2025, deliberate efforts were made to maintain gender equity and enhance youth and PWD representation in the workforce and hospital board. This is evidenced by appointments the youth representative on the Board (Mr. Francis Omong'oluk), an inclusion of a PWD representative, ensuring diverse stakeholder interests are accommodated in decision-making.

Stakeholder Engagement and Policy Review

Hiring and staffing policies are periodically reviewed by the County Department of Health and the Hospital Board to incorporate evolving needs, legal reforms, and stakeholder feedback. Through engagement forums and hospital management team (HMT) meetings, staff welfare issues and employment concerns are discussed and addressed, allowing continuous improvement in workforce management practices.

Career Development and Staff Motivation

While the financial statement reflects limited allocations to salaries and benefits (Kshs 73,000 for the FY 2024/2025), the hospital has continued to invest in non-financial staff support. Staff participated in several training sessions and knowledge-sharing forums during the year (Thus, 1 Accountant and 2 Clinical officers). Though formal appraisal and structured reward systems are still developing, the management has prioritized opportunities for professional growth, especially for heads of departments and clinical personnel.

Workplace Safety and OSHA Compliance

Alupe Sub County Hospital is committed to ensuring workplace safety in compliance with OSHA (2007). The hospital premises are routinely inspected for hazards, with appropriate signage, cleanliness, and ventilation maintained in critical areas such as laboratories, wards, and the pharmacy. No work-related injuries were reported during the financial year, a testament to the

hospital's proactive safety measures and training of staff on standard operating procedures (SOPs) and infection prevention and control (IPC).

Efforts to Minimize Risk

To further promote staff safety, the hospital has invested in essential protective equipment such as uniforms, gloves, and clinical safety materials. A total of Kshs 68,000 was spent on, linen during the year, which directly contributes to personal safety, hygiene, and professionalism.

In the upcoming financial year, the hospital plans to enhance its welfare program by expanding training opportunities, formalizing appraisal systems, and improving occupational health monitoring.

iv) Market place practices-

A Sub County Hospital operates in a highly regulated public health environment, where transparency, accountability, and equity are foundational to service delivery and resource management. The hospital has institutionalized a variety of marketplace practices to promote ethical governance, fair competition, responsible procurement, and citizen-focused engagement.

a) Responsible competition practice.

The hospital promotes responsible competition through strict adherence to public procurement laws and policies, including the Public Procurement and Asset Disposal Act. All procurement activities are conducted through open tendering. The procurement officer, registered with the Kenya Institute of Supply Management (KISM), ensures all processes meet compliance and integrity thresholds.

The hospital Allocated Ksh 72,000 to advertising in the current year, the hospital adopted outreach and communication tools such as community barazas and bulletin boards to inform the public of available services. Measures have been instituted to prevent corruption, including segregation of duties, use of standardized procurement procedures, and oversight by audit and risk management committees.

Service delivery is governed by a public service charter displayed within hospital premises, outlining patient rights, responsibilities, and expected turnaround times. The hospital has also embraced digital systems in revenue collection offering *cashless payments* as evidenced by the Kshs 17 million generated in medical service income, much of it processed electronically.

b) Responsible Supply chain and supplier relations

Alupe Sub County Hospital fosters responsible supplier relationships by maintaining ethical procurement practices and honoring contractual obligations within budget constraints. As seen in the financial report, over Kshs 1,753,457 in trade and other payables had been recorded as at 30th June 2025, reflecting ongoing commitment to settle valid claims.

The procurement office, led by a licensed professional, ensures fair evaluation of bids and compliance with local content policies. Priority is given to youth, women, and PWD suppliers in line with national affirmative action directives. The hospital consistently respects agreed delivery timelines, avoids unnecessary delays in approvals, and values long-term partnerships built on trust and performance.

c) Responsible marketing and advertisement or Responsible engagement with citizens

Although traditional advertising expenditures are not reflected in the 2024/2025 budget, the hospital remains active in community outreach through public health campaigns, stakeholder meetings, and information sessions during mobile clinics and medical camps.

The hospital avoids unethical promotion by providing factual, verifiable health service information through its staff, public health officers, and community health volunteers. All communication emphasizes inclusivity, respect for cultural and gender diversity, and discouragement of misinformation or exaggerated promises. Patients and citizens are informed of service eligibility criteria, SHA coverage, and referral processes during health talks and community barazas.

d) *Product stewardship or Awareness Creation*

Alupe Sub County Hospital is committed to protecting patient rights and ensuring safe, reliable, and informed access to healthcare services. This is demonstrated through:

- Health and safety: Implementation of infection prevention protocols and provision of clean, safe hospital environments.
 - Product information: Patients receive clear explanations of procedures, prescriptions, and treatment plans.
 - Complaint and redress mechanisms: A suggestion box and front-desk feedback systems allow patients to report grievances, which are reviewed by the Hospital Management Team (HMT) for resolution.
- v) Citizen awareness: Community outreach teams educate citizens on rights to health, insurance options (SHA), immunization schedules, and access to specialized care such as maternity and pediatrics services.

vi) *Corporate Social Responsibility / Community Engagements*

During the financial year 2024/2025, Alupe Sub County Hospital actively engaged in a variety of Corporate Social Responsibility (CSR) initiatives aimed at enhancing community health and well-being, in alignment with its core mandate of delivering comprehensive primary healthcare services. These activities were focused on addressing pressing community health challenges, promoting inclusivity, and strengthening partnerships for sustainable development in Teso South Sub-County.

1. Free and Subsidized Medical Camps:

The hospital organized and supported several medical camps across remote areas of Teso South Sub-County. These camps provided free consultations, laboratory screening, maternal care services, and treatment for communicable and non-communicable diseases. These

outreach efforts significantly improved access to healthcare for vulnerable populations, especially children, women, the elderly, and persons with disabilities.

2. Health Education and Public Sensitization:

Through coordinated efforts with community health volunteers (CHVs) and the public health department, the hospital held regular sensitization campaigns on hygiene, family planning, immunization, nutrition, cancer screening, and HIV/AIDS awareness. Civic education sessions also covered SHA registration, healthcare rights, and service charter awareness.

Impact

- **Improved Access:** Over 100 beneficiaries received free eye medical services during the reporting period.
- **Enhanced Awareness:** Health education sessions reached approximately 9,000 community members.
- **Community Trust:** Strengthened partnerships with local organizations, fostering long-term collaboration.

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 is offering comprehensive primary care including inpatient, outpatient, maternity, minor surgery, emergency and public health outreach serving approximately 34,462 people in Teso South.

Results

The results of the entity for the year ended June 30th 2025 are set out on pages 1 to 9

Board of Management

The members of the Board who served during the year are shown on page vi to vii. During the year, 2024/2025 no director(s) retired/ resigned, and 9 directors were appointed with effect from 5th July, 2024.

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

By Order of the Board

Da

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Dr Loice Jesica Ohenga
Secretary to 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 2024/2025 ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *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.

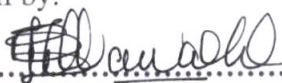
The Board of Management accepts responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the 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, 2025, 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 30/7/25 and signed on its behalf by:


.....
MR. THADDEUS ONG'ARIA
Chairperson
Board of Management


.....
Name: **DR. LOLEE O'HENGA**
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ALUPE SUB COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF BUSIA

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 Alupe Sub County Hospital - County Government of Busia set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

Report of the Auditor-General on Alupe Sub County Hospital for the year ended 30 June, 2025 - County Government of Busia

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Alupe Sub County Hospital - County Government of Busia as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Busia County Health Services Act, 2016, the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Medical/Clinical Costs

The statement of financial performance shows medical /clinical costs of Kshs.2,828,572. However, the balance differs from the corresponding supporting Note 15 balance of Kshs.2,896,298 resulting to unreconciled variance of Kshs.67,726. Further, Note 15 shows closing inventory adjustment balance of Kshs.1,063,566 whose supporting documents and nature were not provided.

In the circumstances, the accuracy and completeness of medical/clinical costs of Kshs.2,828,572 could not be confirmed.

2. Inaccuracy of General Expenses

The statement of financial performance and Note 21 show general expenses of Kshs.2,142,103. However, Note 21 shows closing inventory adjustment balance of Kshs.83,238 whose supporting documents and nature were not provided for audit review.

In the circumstances, the accuracy and completeness of general expenses of Kshs.2,142,103 could not be confirmed.

3. Inaccuracy of Medical Services Contracts Gains/Losses

The statement of financial performance shows medical services contracts gains of Kshs.33,845. However, Management has not disclosed the nature of the transaction and workings in relation to the gain/ loss.

In the circumstances, the accuracy and completeness of medical services contracts loss of Kshs.33,845 could not be confirmed.

4. Inaccuracy of Depreciation and Amortization Expense

The statement of financial performance and Note 32 to the financial statements show depreciation and amortization expense of Kshs.44,841. However, there was no depreciation policy and depreciation rates used were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the depreciation and amortization expense of Kshs.44,841 could not be confirmed.

5. Accuracy of the Statement of Financial Performance

The statement financial performance shows total expenses of Kshs.12,160,180. However, recalculation of the total expenses shows a balance of Kshs.12,093,182 resulting to unreconciled variance of Kshs.66,998.

In the circumstances, accuracy and completeness of the total expenses of Kshs.12,160,180 could not be confirmed.

6. Inaccuracy of Receivables from Exchange Transactions

The statement of financial position and Note 29 to the financial statements show receivables from exchange transactions balance of Kshs.3,677,717. However, the balance includes an impairment allowance of Kshs.33,845 whose nature was not disclosed and supporting schedule was not provided for audit review.

In the circumstances, the accuracy and completeness of receivables from exchange transactions of Kshs.3,677,717 could not be confirmed.

7. Failure to Value Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.152,755. However, the balance excludes undetermined value of land, buildings, motor vehicles, furniture and fittings owned by the Hospital. No explanation was provided for failure to value the assets and include them in the financial statements.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.152,755 could not be confirmed.

8. Inaccuracy of the Statement of Changes in Net assets

The statement of changes in net assets shows capital fund balance of Kshs.104,017. However, supporting schedule and bank statement in relation to capital grant of Kshs.104,017 were not provided for audit review.

In the circumstances, the accuracy and completeness of the capital fund balance could not be confirmed.

9. Inaccuracy of the Statement of Cash flows

The statement of cash flows shows net increase/decrease in cash and cash equivalents of Kshs.1,649,403 and Kshs.Nil for cash and cash equivalents balance as at 01 July, 2024. However, the statement shows cash and cash equivalents as at 30 June, 2025 of Kshs.1,753,457 resulting to unreconciled variance of Kshs.104,017.

In the circumstances, the accuracy and completeness of the opening cash and cash equivalents balance Nil balance could not be confirmed.

10. Inaccuracy of the Statement of Comparison of Budget and Actual Amounts

Review of the statement of comparison of budget and actual amounts revealed the following anomalies:

- i. The statement shows performance differences in relation to grants and subsidies Kshs.380,596, deficit of Kshs.134,557 and total operational expenditure paid of Kshs.1,404,062. However, recalculation of the amounts shows grants and subsidies Kshs.490,296, deficit Kshs.700,041 and total operational expenditure paid Kshs.1,458,916 resulting to unreconciled variances of Kshs.109,900 Kshs.565,484 and Kshs.54,854 respectively.
- ii. The statement shows medical costs of Kshs.3,959,864, employee costs Kshs.400,500, remuneration of directors Kshs.230,000, repairs and maintenance of Kshs.2,488,566, grants and subsidies actual expenditure balance of Kshs.3,958,600 and general expenses of Kshs.2,225,341. However, the balances differ with the statement of cash flows medical costs of Kshs.3,294,981, Employee costs Kshs.273,000, remuneration of directors Kshs.227,000, repairs and maintenance of Kshs.1,977,026, grants and subsidies Kshs.3,558,600 and general expenses of Kshs.2,111,153 resulting to unreconciled variances of Kshs.664,883, Kshs.127,500, Kshs.3,000, Kshs.511,540, Kshs.400,000 and Kshs.114,188 respectively.

In the circumstances, accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Alupe Sub County Hospital – County Government of Busia 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.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Kenya Quality Model for Health Policy Guidelines

Review of Hospital records revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits as shown below:

Personnel	Level 4 Standard	Actual Numbers	Deficit
Medical Officers	16	6	10
Anesthesiologists / Anastatic-Diploma	2	0	2
General Surgeons	2	0	2
Gynecologists	2	0	2
Pediatrics	2	0	2
Radiologists/Radiographer-no degree	2	0	2
Kenya Registered Community Health Nurses	75	15	60
BScN Nurses	40	0	40
Kenya Enrolled Nurses	6	5	1
Total	147	26	121

In addition, the Hospital lacked equipment and machines recommended in the Health Policy Guidelines as shown below.

Service	Level 4 Standard	Actual Numbers	Deficit
Beds	150	130	20
Resuscitative/defibrillator	2	1	1
New born unit Incubators	5	3	2
New born unit cots	5	0	5
Functional ICU Beds	6	0	6
High Dependency Unit (HDU) beds	6	0	6
Renal unit	5	0	5
Maternity and General Theatre	2	2	0
Morgue	1	0	1
Autopsy	1	0	1
Ambulance	1	1	0
Total	184	137	47

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

In the circumstances, the Hospital may not provide the highest standard of healthcare services, including reproductive health care as envisioned for a Level 4 Hospital.

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 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. Lack of Internal Audit Function and Reports

During the year under review, the Hospital did not have an Internal Audit Function to review risk assessment processes and evaluation of operational effectiveness through reviews of the internal controls.

In the circumstances, the absence of an operational Internal Audit Unit creates a significant gap in the Hospital's governance and control framework, increasing its vulnerability to various risks.

2. Failure to Maintain Board Members Personal Files and Undertake Board Performance Evaluation

Review of the Board composition, revealed that Management did not maintain Board members personal files and Board members performance evaluation reports to establish performance targets for individual members and the full Board for the year under review contrary to Section 11 of Chapter 1 of Mwongozo Code of Governance for State Corporations which states that the Board should conduct an annual evaluation to appraise its performance. The evaluation is to be carried out in accordance with the Board Evaluation Tool.

Further, review of Board and Sub-committees composition revealed that the Board lacks a board member with the requisite financial expertise and the Board committees' composition did not consistently reflect the mix of skills and competencies necessary for effective committees functioning as defined under Governance Parameter 1.1 (6) of Mwongozo Code of Governance.

In the circumstances, the effectiveness of the Board's oversight 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 the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

Alupe Sub County Hospital (Busia County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

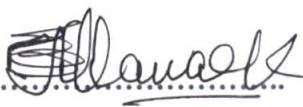
Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	-	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		-	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	17,000,322	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		17,000,322	-
Total revenue		17,000,322	-
Expenses			
Medical/Clinical costs	15	2,828,572.25	-
Employee costs	16	400,500	-
Board of Management Expenses	17	230,000	-
Depreciation and amortization expense	18	44,841.3	-
Repairs and maintenance	19	2,488,566	-
Grants and subsidies	20	3,958,600	-
General expenses	21	2,142,103.25	-
Finance costs	22	-	-
Total expenses		12,160,180.80	-
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-

Alupe Sub County Hospital (Busia County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

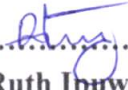
Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	33,845	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		33,845	-
Net Surplus / (Deficit) for the year		4,873,222.20	-

(The notes set out on pages 1 to 58 form an integral part of the Annual Financial Statements.)


The Hospital's financial statements were approved by the Board on 30/7/25 and signed on its behalf by:



Mr. Thaddeus Ong'aria
 Chairman
 Board of Management



CPA Ruth Ipuwa
 Head of Reporting
 ICPAK No: 33853



DR Loice Jesica Ohenga
 Medical Superintendent

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


Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,753,457	-
Prepayments	28	-	-
Receivables from exchange transactions	29	3,677,717.25	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	1,146,804	-
Total Current Assets		6,577,978.25	-
Non-current assets			
Property, plant, and equipment	32	152,754.7	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		152,754.7	-
Total assets (A)		6,730,732.95	-
Liabilities			
Current liabilities			
Trade and other payables	36	1,753,457	-
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		1,753,457	-
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-

Alupe Sub County Hospital (Busia County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		1,753,457	-
Net assets (A-B)		4,977,239.95	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		4,873,222.20	-
Capital Fund		104,017.75	-
Net Assets		4,977,239.95	-

(The notes on pages 27 to 47 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30/7/25 and signed on its behalf by:



Mr. Thaddeus Ong'aria
Chairman
Board of Management



CPA Ruth Ipuwa
Head of Reporting
ICPAK No: 33853



Dr. Loice Jesica Ohenga
Medical Superintendent

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	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2024	-	-	-	-
At July 1, 2024	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	4,873,222.20	-	4,873,222.20
Capital/Development grants	-	-	104,017.75	104,017.75
At June 30, 2025	-	4,873,222.20	104,017.75	4,977,239.95

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		13,288,759.75	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		13,288,759.75	-
Payments			
Medical/Clinical costs		3,294,981.25	-
Employee costs		273,000	-
Board of Management Expenses		227,000	-
Repairs and maintenance		1,977,026	-
Grants and subsidies		3,558,600	-
General expenses		2,111,153.25	-
Finance costs		-	-
Refunds paid out		-	-
Total Payments		11,441,760.50	-
Net cash flows from operating activities	43	1,846,999.25	-
Cash flows from investing activities			
Purchase of property, plant, equipment		(197,596)	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		(197,596)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Alupe Sub County Hospital (Busia County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,649,403.25	-
Cash and cash equivalents as at 1 July 24	27	-	-
Cash and cash equivalents as at 30 June	27	1,753,457	-

Alupe Sub County Hospital (Busia County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 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	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	13,979,195	3,801,930	17,781,125	17,000,322	780,803	95%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total receipts	13,979,195	3,801,930	17,781,125	17,000,322	780,803	95%
Payments						
Medical/Clinical costs	3,959,864	435,585.07	4,395,449.32	3,959,864	435,585.32	90%
Employee costs	400,500	44,055	444,555	400,500	44,055	90%
Remuneration of directors	230,000	25,300	255,300	230,000	25,300	90%
Repairs and maintenance	2,488,566	273,742.26	2,762,308.26	2,488,566	273,742.26	90%
Grants and subsidies	4,013,450	435,446	4,448,896	3,958,600	380,596	90%
General expenses	2,225,341.25	244,787.54	2,470,128.79	2,225,341.25	244,787.54	90%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Total Operational Expenditure paid	13,262,871.25	1,458,915.87	14,776,637.37	13,317,721.25	1,404,062.37	93%
Capital Expenditure paid	197,596	21,955	219,551	197,596	21,955	%
Surplus	4,873,258.20	1,993,923.8	2,784,963.63	3,485,004.75	-134,557.25	

:
Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	3,485,004.75
1	Lower than projected medical service revenue due to reduced patient volumes in some months and delays in SHA reimbursements	780,803
2	Unutilised operational budget from efficiency savings in medical supplies procurement and general expenses	434,626
3	miscellaneous budget adjustments due to changes in planned outreach activities and public health campaigns.	445,939
4	Prioritized recruitment of Locum staff on the needy departments made the unit realize some savings	43,333
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,753,457

19. Notes to the Financial Statements

1. General Information

Alupe sub county hospital entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Busia County Government and is domiciled in Busia County in Kenya. The entity's principal activity is provision of quality health care services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *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 FIF Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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>
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>
IPSAS 45-	<p><i>Applicable 1st January 2025</i></p>

Standard	Effective date and impact:
Property Plant and Equipment	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.
IPSAS 46 Measurement	<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>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48-	<p><i>Applicable 1st January 2026</i></p>

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

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 2025 was approved by Board on *1st November 2025*. 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 Ksh **3,801,930** on the FY 2024/2025 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c. Taxes

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of *10 to 70* 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.*

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 26*.

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.

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2024/2025	2023/2024
	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
Busia County Government	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	-	-

8. Grants From Donors and Development Partners

Description	2024/2025	2023/2024
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>specify</i>)	-	-
Total grants from development partners	-	-

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	2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from - National Hospital	-	-
Transfer from - Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	2024/2025	2023/2024
	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	-	-

10 (a) Reconciliations of amortised grants

Description	2024/2025	2023/2024
	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	2023/2024
	Kshs	Kshs
Pharmaceuticals	449,256	-
Non-Pharmaceuticals	-	-
Laboratory	796,350	-
Radiology	14,500	-
Orthopedic and Trauma Technology	50,445	-
Theatre	28,350	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	136,290	-
Cancer centre service	-	-
Dental services	33,500	-
Reproductive health	-	-
Paediatrics services	226,430	-
Farewell home services	19,400	-
Ambulance services	-	-
Other medical services income (<i>capitation</i>)	822,825	-
Opening balance for the revenue account	1,010,929	-
Maternity and Inpatient	382,134	-
Mopc	153,580	-
Rehabilitative services	49,050	-
Medical Records	330,530	-
Ophthalmic Services	19,700	-
Administrative Services	39,500	-
MCH	14,000	-
Special & Skin Clinics	50,100	-
Waiver	33,834	-
Insurance Claims paid (SHA)	12,339,619	-
Total revenue from the rendering of services	17,000,322	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

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

13. Finance /Interest Income

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

14. Miscellaneous Income

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	646,183	-
Public health activities	-	-
Food and Ration	1,011,372	-
Uniform, clothing, and linen	68,000	-
Dressing and Non-Pharmaceuticals	465,612	-
Pharmaceutical supplies	1,423,247.25	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	345,450	-
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	-
Less closing inventory	(1,063,566)	-
Net medical/ clinical costs	2,896,298.25	-

16. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	400,500.00	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	-	-
Employee costs	400,500.00	-

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	230,000	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	230,000	-

18. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	44,841.3	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	44,841.3	-

19. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	1,443,236	-
Medical equipment	321,840	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	29,000	-
Motor vehicle expenses	115,050	-
Maintenance of civil works	579,440	-
Total repairs and maintenance	2,488,566	-

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2024/2025	2023/2024
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies(<i>specify</i>)	3,958,600.00	-
Total grants and subsidies	3,958,600.00	-

21. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	72,000	-
Catering expenses	140,840	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	18,268	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	250,000	-
Fuel and Lubricants	427,001	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	18,500	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	189,600	-
Hire charges	-	-
Rent expenses	-	-

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Description	2024/2025	2023/2024
	Kshs	Kshs
Water and sewerage costs	123,960	-
Skills development levies	-	-
Telephone and mobile phone services	139,500	-
Internet expenses	37,200	-
Staff training and development	351,000	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Other expenses	457,472.25	-
Less closing Inventory	(83,238)	
Total General Expenses	2,142,103.25	-

22. Finance Costs

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

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

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

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2024/2025	2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	33,845	-
Total Gain/Loss	33,845	-

26. Impairment Loss

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

27. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	1,748,445.00	-
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	5,012.00	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	1,753,457.00	-

Notes to the Financial Statements (Continued)

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

Description		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1264498616	1,703,602.25	-
	1264497768	44,842.75	
Equity Bank, etc		-	-
Sub- total		1,748,445	-
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		5,012	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		5,012	-
			-
Grand total		1,753,457	-

28. Prepayments

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

29. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	3,711,562.25	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	33,845	-
Total receivables	3,677,717.25	-

Analysis of Receivables from Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,677,717.25	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	3,677,717.25	%	-	%

30. Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

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

31. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	870,627	-
Maintenance supplies	-	-
Food supplies	175,639	-
Linen and clothing supplies	-	-
Cleaning materials supplies	17,300	-
General supplies	83,238	-
Less: provision for impairment of stocks	-	-
Total	1,146,804	-

Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	1,146,804	-

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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 (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost									
At 1 July 2023 (previous year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-	-
At 1 July 2025(current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	145,096	52,500	00	00	197,596
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	145,096	52,500	00	00	197,596
Depreciation and impairment									
At 1 July 2024 (previous year)	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-

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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 (specify)	Capital Work in progress	Total
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-	-	-	-
At July 2025 (current year)	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	43,528.8	1,312.5	-	-	44,841.3
Net book values									
At 30 th Jun 2024 (previous)	-	-	-	-	-	-	-	-	-
At 30 th Jun 2025 (current)	-	-	-	-	101,567.2	51,187.5	-	-	152,754.7

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	2024/2025	2023/2024
	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	2023/2024
	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	-	-

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Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	1,753,457		-	
Employee dues	-		-	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	1,753,457		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	1,753,457	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,753,457	%	-	%

37. Refundable Deposits from Customers/Patients

Description	2024/2025		2023/2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (specify)	-		-	
Total deposits	-		-	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total

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Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
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	2023/2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

40. Deferred Income

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

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

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

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

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

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

43. Cash Generated from Operations

Description	2024/2025	2023/2024
	KShs	KShs
Surplus for the year before tax	4,873,222.0	-
Adjusted for:		-
Depreciation	44,841.3	-
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	(1,146,804)	-
Increase in receivables	(3,677,717.25)	-
Increase in deferred income	-	-
Increase in payables	1,753,457	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	1,846,999.5	-

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 2024 (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025 (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 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 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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 2024			
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.

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Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024 (previous year)			
Euro	10%	-	-
USD	10%	-	-
2025 (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 00 (2024: KShs 00). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 00 (2025 – KShs 00).

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	2023/2024
	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	0%	0%

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.

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

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Description	2024/2025	2023/2024
	Kshs	Kshs
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	2023/2024
	Kshs	Kshs
Court case - against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(Give details)

48. Capital Commitments

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

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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The entity is a County Corporation under the Department of Health and Sanitation. Its ultimate parent is the County Government of Busia.

51. Currency

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

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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 implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.


.....
Accounting Officer

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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

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

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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

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Appendix IV Reporting of Climate Relevant Expenditures

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

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Appendix V: Disaster Expenditure Reporting Template

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