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REPORT

OF

THE AUDITOR-GENERAL

ON

MOI (VOI) COUNTY REFERRAL HOSPITAL

FOR THE YEAR ENDED

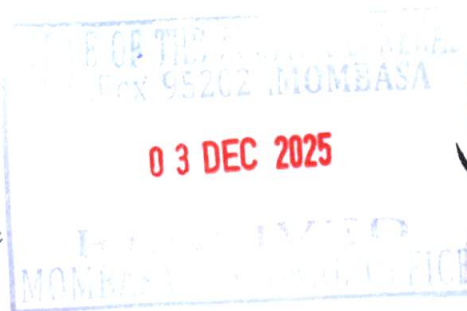
30 JUNE, 2025

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TAITA TAVETA COUNTY GOVERNMENT

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Moi (Voi) County Referral Hospital (Taita Taveta 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

CHMT	County Health Management Team
CSR	Corporate Social Responsibility
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
MED SUP	Medical Superintendent
MVCRH	Moi Voi County Referral Hospital
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act

2. Key Information and Management

(a) Background information

Taita Taveta County is a semi-arid region comprising four sub-counties—Voi, Mwatate, Taveta, and Wundanyi—with a total area of 17,128.3 km². Of this, only 2,055.4 km² is suitable for rainfall-dependent agriculture, while approximately 74% of the land is classified as low agricultural potential. The County's projected population stands at 369,979, including 50,587 children under five years and an estimated 10,979 annual deliveries. Health services are provided through 75 public facilities, among them four hospitals, eight health centers, and sixty-three dispensaries.

Moi Voi County Referral Hospital (MVCRH) is the largest and most critical health facility in the County. Its origin dates back to the late 1940s when Kenya Railways constructed a small hospital to serve railway workers along the Mombasa–Nairobi corridor. Opened in 1950, the facility initially operated with limited capacity but expanded steadily as Voi town grew due to increased trade, transportation activity, and proximity to Tsavo East and West National Park.

By the 1960s and 1970s, the hospital had transitioned into a sub-district hospital, offering broader outpatient and inpatient services. Further upgrades in the 1990s and 2000s elevated it to Voi District Hospital, with dedicated departments in surgery, internal medicine, paediatrics, obstetrics and gynecology. Its placement along the busy Mombasa–Nairobi Highway positioned it as a major emergency center, particularly for road traffic accident cases.

Following Kenya's 2010 Constitution and the devolution of health services, the facility was transferred to the Taita Taveta County Government and re-designated Moi Voi County Referral Hospital. This transition reinforced its role as the main referral center for the County's population of over 350,000 residents, as well as for the hundreds of thousands of travellers using the Nairobi–Mombasa Highway and the Standard Gauge Railway. Its strategic location 150 km from Mombasa, 160 km from Makindu Hospital, and 300 km from Nairobi makes it the primary emergency care point along one of the busiest and accident-prone transport corridors in the country.

From 2023 onward, the hospital embarked on significant modernization efforts, including the development of a specialized ophthalmology wing and the expansion of the oncology unit, currently awaiting equipping. These advances have reduced the need for patients to seek specialized care in far-off urban centers.

Today, Moi Voi County Referral Hospital stands as a central pillar in Taita Taveta County's health system. Evolving from a small railway clinic into a fully-fledged county referral hospital and an accredited internship training center, it continues to expand its specialized services despite challenges in staffing, infrastructure, and financing. Its ongoing progress reflects both the county's commitment to improving healthcare and the hospital's critical role in safeguarding the health of the region's population and transit corridor users.

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Existing buildings include:

- ❖ Administration block
- ❖ Male ward 35 beds
- ❖ Female ward 35 beds
- ❖ Maternity Wing/New Born Unit
- ❖ Pediatrics ward 27 beds
- ❖ Kitchen/laundry block-1
- ❖ Mortuary (capacity of 9 bodies.)
- ❖ Maintenance unit
- ❖ Laboratory block (ISO Certified)
- ❖ X-ray Unit
- ❖ CT SCAN Unit
- ❖ Casualty/A&E/Dental Block
- ❖ Eye Center 16 beds
- ❖ OPD block
- ❖ Sickle cell & Hemophilia clinic
- ❖ Theatre Unit
- ❖ CCC clinic
- ❖ Renal Unit (Dialysis)
- ❖ CSSD
- ❖ Oncology Block
- ❖ Orthopedic
- ❖ Specilized clinics/Physiotherapy unit
- ❖ Occupational Therapy Unit
- ❖ Pharmacy
- ❖ Blood bank Unit
- ❖ Staff quarters 27 units

Hospital Service Delivery data

DESCRIPTION	Daily Load	Average Work	Monthly Workload
Combined Out Patient Attendance		400	10,000
Number of Hospital deliveries		5	150
Number of Caesarean Sections		4	50
Number of Major Surgeries		4	120

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Combined number of inpatients	85	3000
No of Road Traffic Accidents cases	4	100
BED OCCUPANCY %	54%	86%

AVAILABLE CONSULTANCY SERVICES

		Consultant	
1	General Surgery	2	Fulltime
2	Orthopaedic and Trauma	2	"
3	Obstetrics and Gynaecology	2	"
4	Ear, Nose and Throat Surgery	1	"
5	Internal Medicine	2	"
6	Urology	1	"
7	Paediatrics and Child Health	2	"
8	Dental Aesthesia	1	"
9	Ophthalmology	1	"
10	Oncology	2	"
11	Dermatology	1	"
12	Clinical Pharmacist	1	"
13	Critical Care/Anaesthesiologists	2	"
14	Radiology and Imaging	2	"
15	Nephrologist	1	"
16	Haematologist	1	"

(b) Principal Activities

The hospital has the following vision, mission and core values;

VISION: A Centre of Excellence in Quality Health Care Services

MISSION: To provide quality, accessible, preventive, curative, Promotive and rehabilitative health care services in a responsive and accountable manner for the communities of Taita Taveta County

CORE VALUES: Patient Centred Care, Compassion and Empathy, Integrity, Excellence, Respect and Dignity, Safety and Accountability.

Plans are under way to improve the hospital infrastructure to meet the criteria for a fully functional level 5 hospital.

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(c) Key Management

The Moi Voi County Referral Hospital Management is under the following key organs:

- County department of health (CECM-Health, COH-Health, CDH)
- Hospital Management Board
- Medical Superintendent
- Hospital Management Team

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Nestor Daniel Mwasaru
2.	Hospital Administrator	Owen Juma Ndiwa
3.	Nurse Manager	Emmanuel Roge
4.	Hospital Accountant	Collins Sigei
5.	Hospital Supply chain officer	Agnela Mwadali

(e) Fiduciary Oversight Arrangements

The overall oversight responsibility of the facility lies with the Hospital Management Board which has the following Sub-committees;

Finance and General Purpose Sub-committee and Quality of Care Sub Committee.
County assembly health committee and County Department of Health.

(f) Moi (Voi) County Referral Hospital Headquarters

P.O. Box 18-80300

Voi.

Mwakingali 'B' adjacent to Voi Prison.

(g) Moi (Voi) County Referral Hospital Contacts

Telephone: (+254) 43-2030745/6

E-mail: moivoi.hospital@gmail.com

(h) Moi Voi County Referral Hospital Bankers

Kenya Commercial Bank – Voi Branch

(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

County Government of Taita Taveta
P.O. Box. 1066 - 80304
Wundanyi, Kenya

3. The Board of Management

Ref	Directors	Details
1.	 Mrs Grace Wasai Kasololo Board Chairperson	Age: 66 Years Qualification: Diploma in Business Management (University of Nairobi) Work Experience: Worked as an accountant in the ministry of interior and co-ordination under the police department for 34 years.
2.	 Dr. Dickson Mwakangalu Mtungu Board Member	Age: 51 Years Qualification: Medical Doctor (MBChB, medicine and surgery)-Moi University and Master of Public Health –Manchester Metropolitan University Work Experience: Seasoned medical doctor and public health executive with 20+ years of leadership in RMNCAH, HIV, Malaria, TB, Nutrition, WASH and Health Systems Strengthening across Africa and Asia. Proven record of managing large donor-funded programs (USAID, PMI, PEPFAR, FCDO, UNFPA) with budgets exceeding \$50M and teams of 200+. Skilled in designing and scaling integrated health programs, shaping national policies, and fostering partnerships with governments, INGOs, and UN agencies. Chairperson of Quality Of Care Sub Committee

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3.	 Mr Andrew Femmi Board Member	Qualification: Bachelor of Science in Business Information Technology (Mount Kenya University) Work Experience: Has 12 years' experience in administration, governance support, stakeholder engagement and program coordination across government and non-profit organizations. Currently, Serving as project co-ordinator at the Beatrice Elachi Foundation. Member of Quality of Care Sub Committee.
4.	 Mr Gabriel Mlango Board Member	Age: 62 Years Qualification: Diploma in Business management Work Experience: Worked as a Health Administrative Officer and retired as Deputy Chief Health administrative officer. Has worked for 37 years under the ministry of health Chairperson of Finance and General Purpose Sub Committee
5.	 Mr Antony Mwakundia Board Member	Age: 31 Years Qualification: Ziwani Primary School for the deaf(Mombasa). Pwani Secondary School for the deaf(Kilifi). Excellent Sign Language Training Center(Nairobi) Work Experience:

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		Work as a teacher in Kenya sign language, Volunteering in the Kenya Red Cross field team. Member of the Finance and General Purpose Sub committee
6.	 Mrs Everlyne Mghenyi Board Member	Qualification: Completed Form Four level and proceeded to medical college as Kenya Enrolled nurse. Later Upgraded to Diploma certificate for Kenya Registered Nurse. Work Experience: Has 38 Years of work experience in the medical field. Member of the Quality of healthcare sub - committee.
7.	 Mr Harmaton Mbogho Board Member	Age: 72 Years Qualifications: 'O' Level Work Experience: Served in the police service for 34 years in various capacities including Commandant Railways Police and Tourist Police unit. Member of Finance and General Purpose Sub Committee

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8.	 Dr. Nestor Daniel Mwasaru Board Secretary	Qualifications: [MBCh.B, (UON) MMEDAnaesthesia (UON). Assistant Director of Medical Services/ Senior Medical Specialist / Medical Superintendent. Responsibility: Overseeing overall operations of the hospital in service delivery, financing and implementation of activities.
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4. Key Management Team

Ref	Management	Details
1.	 Dr. Nestor Daniel Mwasaru Medical Superintendent.	Qualifications: [MBCh.B, (UON) MMEDAnaesthesia (UON). Assistant Director of Medical Services/ Senior Medical Specialist / Medical Superintendent. Responsibility: Overseeing overall operations of the hospital in service delivery, financing and implementation of activities.
2.	 Mr. Owen Juma Ndiwa Health Administrative Officer	Qualifications: Diploma in Pharmacy Bachelor of Science in Health Systems Management Responsibility: Overseeing administrative activities in the hospital.

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3.	 Mr. Emmanuel Roge Nurse Manager	Qualifications: Diploma in Registered Nurse Principal Registered Nurse Responsibility: Overseeing nursing services in the hospital.
4.	 Collins Sigei Accountant	Qualification: Bachelor of Commerce(Finance) CPA(Finalist) Responsibility: Overseeing financial and accounting services in the hospital.
5.	 Agneta Mwadali Supply Chain Officer	Qualification: Bachelor of business management (Purchasing and supplies management option) Responsibility: Overseeing procurement of goods and services and ensuring safe storage of commodities in the hospital.

5. Chairperson Statement

During the financial year ending June 30, 2025, Moi Voi County Referral Hospital achieved notable progress across various operational domains, demonstrating an impressive 83.8% revenue collection rate. Total collections amounted to KES 115,073,848 against a target of KES 137,212,921, showcasing the hospital's efficient revenue management despite facing challenges such as delays in insurance disbursements. Revenue sources included the Facility Improvement Fund (FIF), insurance reimbursements from NHIF/SHA and other payers. In response to the revenue challenges, the hospital implemented measures like improved billing processes, thorough claims follow-ups, and resource optimization efforts to enhance revenue collection efficiency.

In terms of infrastructure, the hospital made significant strides with the completion of several key projects that bolster healthcare delivery. Notable completions include the Cancer Centre, where construction and the adjoining walkway have been finalized, and equipping is presently ongoing. The Eye Centre has become operational, although it requires additional procurement of equipment to maximize its utility. The renovation of the Dental Unit is now complete, featuring a new dental workshop along with the addition of a second digital dental chair, thereby enhancing care capabilities. The Patient Waiting Bay has also been constructed alongside a newly renovated revenue and billing office to improve patient experience. The hospital's perimeter fencing is partially completed, with future plans aimed at finalizing the remaining work to enhance security.

A range of ongoing repairs is also being prioritized, including essential projects such as the roofing for the incinerator house and upgrades to the drainage systems and storage tanks, which are critical for maintaining operational standards. Complementing these infrastructure developments is the strategic acquisition and repair of essential medical equipment. Among the highlights are the installation of a new laundry machine to improve hygiene standards, the procurement of an operating table for the surgical theatre, and the acquisition of nebulizers and suction machines aimed at improving respiratory and emergency care services. Additionally, the hospital repaired its X-ray machine and installed air conditioners in both the laboratory and pharmacy, ensuring optimal conditions for temperature-sensitive supplies and equipment.

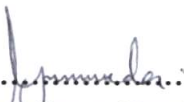
A particularly impactful initiative involved the supply of two neonatal incubators through a partnership, which has significantly enhanced neonatal care and is expected to reduce mortality rates among vulnerable newborns.

In line with modernization efforts, the hospital has made substantial progress in digitization and compliance with Social Health Authority (SHA) policies. The procurement of desktop computers has facilitated improved health record management, billing, and administrative functions. Furthermore, the installation of fibre-optic internet has enhanced connectivity and data transfer capabilities. Efforts are ongoing to fully integrate hospital health information systems with SHA platforms, which includes staff training on digital record-keeping and reporting to ensure seamless interoperability. However, future investments in IT infrastructure and technical support remain critical for sustaining these advancements.

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The hospital also prioritized human resource development by expanding its workforce through additional personnel hired by the County Government, which has addressed critical staffing gaps and significantly improved service coverage.

In conclusion, Moi Voi County Referral Hospital has made substantial advances in key operational areas throughout the financial year. These achievements underscore strong financial performance, successful infrastructure projects, strategic acquisition of medical equipment, notable progress in digitization, and human resource development. Moving forward, the hospital is encouraged to concentrate on completing outstanding infrastructure projects, further enhance digitization and SHA compliance efforts, and continue optimizing resources to improve overall service delivery and patient outcomes.


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Name : Grace Kasololo
Chairperson to the Board

6. Report of The Medical Superintendent

I am pleased to present the 2024-2025 financial statement for Moi-Voi County Referral Hospital which serves as the Taita Taveta County Referral Hospital. It is a 160 bed capacity hospital located in Voi Town.

This audit report provides a comprehensive overview of Moi Voi County Referral Hospital's operations, financial performance, infrastructure development, and compliance status during the financial year ending 30th June 2025. The assessment is based on documentation review, physical verification of key assets and facilities, consultations with hospital management, and review of financial records.

The hospital had an ambitious revenue target of KES 137,212,921 for the 2024–2025 financial year. By the end of the period, the hospital had managed to collect KES 115,073,848, translating to 83.8% achievement rate. The total collections were generated through the Facility Improvement Fund (FIF), insurance reimbursements under the NHIF/SHA and other medical schemes. Although the hospital did not fully meet its target, a 83.8% collection rate is a strong performance within the context of a challenging economic environment and occasional delays in insurance disbursements. However, efforts are ongoing to bridge the 8% shortfall through improved billing, follow-up on claims, and resource optimization.

In the year under review, Moi Voi County Referral Hospital undertook several capital and infrastructure projects aimed at enhancing its capacity to deliver quality healthcare services. Among the major undertakings was the completion of the cancer center, a flagship project that is expected to significantly boost oncology services in the county and reduce the burden of referrals to tertiary hospitals outside the region. The construction of a new walkway to access the oncology center was also completed.

Equipping the centre is ongoing through the efforts of the county government in collaboration with national government and relevant partners. Once fully operational, the cancer Centre will serve as a critical resource for early diagnosis, treatment, and follow-up care for cancer patients.

The eye centre is currently offering services though additional equipment is required. Procurement processes for more specialized ophthalmic equipment is underway. The centre, once fully functional, will address a long-standing gap in eye care services within this region, which has traditionally required patients to travel long distances for basic and advanced ophthalmic interventions.

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The dental unit renovation was also completed. This includes infrastructure upgrades, a dental workshop, installation of modern fittings, and acquisition and installation of a second digital dental chair, which will significantly enhance diagnostic precision and patient comfort.

In response to space and patient flow challenges, a new waiting bay for patients was constructed including a revenue and billing office. Plans are underway to provide an inpatient billing office to further improve service delivery and reduce the waiting time. This is aimed at improving patient experience and reducing congestion in service areas. Fencing of the hospital perimeter was done though not completed but plans are underway to complete the remaining area which is crucial for safety.

Ongoing repairs and maintenance works were observed across multiple areas, including roofing of the incinerator house, drainage systems, broken slabs, storage tanks, theatre doors, and theatre walkway roofing. These are critical to maintaining a safe and hygienic environment and minimizing disruptions to service delivery.

During the audit period, the hospital demonstrated a deliberate and strategic effort to address equipment and medical device gaps, aimed at enhancing service delivery and operational efficiency. A number of key acquisitions and budgetary commitments were made throughout the year. Notably, a new laundry machine was purchased and is currently in use, significantly improving hygiene standards and reducing the turnaround time for hospital linen. In the surgical theatre, an operating table was procured and installed, strengthening the hospital's surgical capacity.

In support of respiratory care and emergency services, the hospital allocated funds for the purchase of four nebulizers and one suction machine. Additionally, critical repairs to the X-ray machine was done which is essential for accurate and timely radiological diagnostics. To maintain proper storage conditions for temperature-sensitive supplies, two air conditioners were purchased and installed in the laboratory and pharmacy departments.

The hospital also recognized the need to improve patient comfort in waiting areas and identified a shortage of plastic sitting benches; additional units are still required to accommodate the increasing patient volume.

Furthermore, two dispatch Centre screens were purchased and installed to enhance operational coordination, particularly in emergency and ambulance services. Overall, these actions reflect the hospital's commitment to closing equipment gaps and strengthening healthcare service delivery across departments.

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A major highlight of the year was the supply of two neonatal incubators through the partnership of the department and Madam Teresia Mudavadi. This donation significantly strengthened the neonatal unit, enabling the hospital to better care for premature and critically ill newborns. The new incubators are essential in reducing neonatal mortality rates and enhancing the hospital's maternal and child health outcomes.

In alignment with Social Health Authority (SHA) policy and country-wide digitization goals, the hospital made substantial progress in its digital transformation efforts. Desktop computers were purchased and the hospital is in the process of distributing them in all services delivery points to support health records management, billing, and administration. The installation of fibre-optic internet was also completed which will enhance connectivity and data transfer speeds.

Digitization efforts are ongoing, but for full SHA compliance, the hospital will need to complete integration of its health information systems, ensure interoperability with SHA platforms, and train all relevant staff in digital record keeping and reporting. Continued investment in IT infrastructure and technical support is necessary to sustain these advancements.

During the period under review, the hospital increased its workforce who were employed by the County government and posted to the hospital by the department according to the identified critical gaps. This has helped ease the pressure on overstretched personnel and improved service coverage.

Moi Voi County Referral Hospital made commendable progress in financial performance, project implementation, and service delivery during the 2024–2025 financial year. Despite falling slightly short of its revenue target, the hospital demonstrated sound fiscal discipline, operational foresight, and a clear commitment to upgrading healthcare services. Continued focus on strategic planning, infrastructure completion, digitization, and staff development will enable the hospital to consolidate its gains and improve patient outcomes in the coming years.

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Name: Dr. Nestor Daniel Mwasaru

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government hospital performance against predetermined objectives.

Moi Voi County Referral Hospital develops its annual work plans based on the pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital did not achieve its set target for the FY 2024/2025.

8. Corporate Governance Statement

Commitment and adherence to good corporate practices is paramount in every institution's vision and so as to continue offering quality services to our clients, Moi Voi County Referral Hospital through the County department of health and the hospital board of management remains committed to ensuring compliance to statutory requirements.

The board of management is constituted as stipulated in the Taita Taveta Health Services Act, 2021. It is made up of 9 members including the facility accounting officer/Medical Superintendent who is the secretary. The hospital administrative officer, hospital accountant and the nursing manager are co-opted members.

The members of the board are appointed as stipulated in the Taita Taveta county health act 2021. The board members are from diverse professional backgrounds such as medicine, finance, public health as well as administration. They serve a 3-year term which may be renewed for one term. The hospital board was inducted on 22nd May 2024.

Hospital Management Board members are remunerated as follows;

ALLOWANCE	DESIGNATION	AMOUNT
Sitting Allowance	Chairperson	4,000.00
Sitting Allowance	Member	2,500.00
Transport		2,000.00
Meal		500.00

a) The attendance of board meeting for the financial year 2024/2025 is as follows;

Board Meeting held FY 2024/2025	Members Present	Absent with Apology
20th August 2024	7	0
7th February 2025	8	0
7th April 2025	7	1

Roles and functions of the board.

- (i) Providing oversight to the hospital management team to improve the health status of the community.
- (ii) Providing necessary checks and balances for the use of all resources available to the hospital.
- (iii) Making decisions that will improve the hospital, ensure continuity while keeping in line with county government policies.
- (iv) Overseeing the prudent utilization and reporting of all resources under their responsibility.

9. Management Discussion and Analysis

The fiscal year ending June 30, 2025, marked a significant period of growth and development for Moi Voi County Referral Hospital, however there are challenges that require strategic attention. This Management Discussion and Analysis (MD&A) aims to provide a comprehensive overview of the hospital's performance in various operational areas, including financial outcomes, infrastructure advancements, service delivery improvements, and compliance with regulatory frameworks.

Financially, the hospital set an ambitious revenue target of KES 137,212,921 for the 2024–2025 fiscal year. By the end of the period, Moi Voi County Referral Hospital successfully collected KES 115,073,848, achieving a commendable 83.8% of its target.

While the hospital did not fully meet its revenue target, the 83.8% achievement rate reflects strong performance, particularly considering the challenging economic environment and periodic delays in insurance disbursement. To address the shortfall, management is actively working to improve billing practices, expedite claims follow-ups, and optimize resource allocation to enhance overall financial achievements.

In terms of infrastructure development, the hospital undertook several key projects aimed at significantly improving service delivery. One of the most notable initiative was the ongoing construction of the Oncology Center, a flagship project positioned to enhance oncology services within the county. As at the reporting period, the center is complete and handed over to the department of health awaiting official inauguration. This facility is expected to offer specialized cancer care, enabling early diagnosis and treatment, thereby reducing the burden of referrals to tertiary hospitals outside the region. Equipping the center is actively underway, supported by collaboration with both county and national government entities.

In addition to the Oncology Center, the Taita Taveta Comprehensive Eye Center was officially opened and is now operational, although additional specialized ophthalmic equipment is required to optimize its effectiveness. This center addresses long-standing gaps in eye care services, bringing essential services closer to the community and minimizing the need for long travel to access basic and advanced ophthalmic care.

The hospital also focused on improving patient amenities and flow; through the renovation and completion of the dental unit including essential infrastructure upgrades and the installation of an additional digital dental chair. These improvements will enhance patient comfort and diagnostic capabilities considerably. Also, the construction of a new patient waiting bay and the renovation of the revenue office have streamlined operations, improving the patient experience by reducing congestion and turnaround time. Plans are also in place to establish an inpatient billing office to further enhance service delivery.

The safety of the hospital environment remains a priority, with partial completion of the perimeter fence. However, Plans are underway for the completion of remaining sections. Additionally, there are ongoing maintenance and repairs in several areas, including roofing of the incinerator house and drainage systems to ensure a hygienic and safe operating environment that minimizes service disruptions.

In terms of equipment and medical devices, the hospital has made strategic allocations for purchases of equipment to enhance operational efficiency and quality service delivery. A new laundry machine is now fully operational, significantly enhancing hygienic standards and reducing turnaround time for hospital linens. The procurement of a new operating table for the surgical theatre strengthens surgical capacity, while the purchase of four nebulizers and one suction machine improved support in respiratory care and emergency services. Moreover, necessary repairs to the hospital's X-ray machine have been carried out, ensuring accurate and timely diagnostics. To safeguard temperature-sensitive supplies, two air conditioning units have been acquired and installed in both the laboratory and pharmacy departments, contributing to improved storage conditions.

Recognizing the importance of patient comfort, the hospital has identified a pressing need for additional seating in waiting areas to accommodate the increased patient volume effectively. Furthermore, two dispatch center screens were installed to improve coordination in emergency and ambulance services, reflecting our commitment to operational excellence.

A highlight of the year was the acquisition of two neonatal incubators, a significant benefit made possible through a partnership with the department of health and donations from Madam Teresia Mudavadi. These incubators have greatly enhanced neonatal care capabilities, particularly for premature and critically ill newborns, thereby contributing to the reduction neonatal mortality rates.

In alignment with national digitization goals and Social Health Authority (SHA) compliance, the hospital made marked progress in its digital transformation efforts during the year. Investments in desktop computers have enabled the digitization of health records and improved administrative processes. The installation of a fibre-optic internet connection enables enhanced connectivity and faster data transfer, which is crucial for efficient service delivery. However, achieving full SHA compliance will require completion of the integration of health information systems with SHA platforms, ensuring interoperability and training staff in digital record-keeping practices. Ongoing investments in IT infrastructure and technical support will be essential for sustaining these advancements.

Recognizing the critical role of human resources in delivering quality healthcare, the hospital increased its workforce during the review period. The County Government under the leadership of His Excellence the Governor Hon. Andrew Mwadime employed additional personnel to fill

critical gaps identified in service delivery. This expansion has alleviated pressure on existing staff, allowing them to manage workloads more effectively and improving overall service coverage. With a more robust workforce, the hospital is better positioned to respond to patient needs and enhance quality care across all departments.

Moreover, the successful completion of key infrastructure projects, including the Oncology Centre and Comprehensive Eye Centre, positions the hospital to significantly enhance healthcare service delivery in the region. These developments not only aim to reduce the burden on tertiary facilities but also ensure that patients have access to essential diagnostic and treatment services closer home.

Moving forward the hospital is focused on improving revenue collection and utilizing the available resources appropriately. Measures to reduce expenditure on specific areas like water, electricity and cooking fuel will help. There is a need to direct resources in areas that will address the above thematic areas. Sinking a borehole will reduce, investing in solar energy and biogas will have a major effect in reducing the utility bills.

The hospital spends about five million on medical oxygen per year therefore investing in cheaper alternative sources of medical oxygen will go a long way to reduce this cost.

The need for dedicated male and female surgical wards is urgent. These areas are crucial for conducting various surgical procedures, and their timely completion will involve establishing well-equipped operating rooms furnished with advanced surgical tools, recovery areas for post-operative care, and sterilization facilities. Comfortable patient rooms are also essential for pre- and post-surgery management. Furthermore, ensuring adequately trained surgeons, nurses, and support staff is necessary to provide high-quality care.

Collectively, the hospital's management identifies the maternity theatre as another critical area that requires immediate attention. This facility is essential for complications related to childbirth and procedures such as caesarean deliveries. To ensure safe and supportive childbirth experiences, the maternity theatre will require fully equipped delivery rooms, emergency operation theatres, neonatal care units, and comfortable accommodations for expectant mothers. Skilled obstetricians, midwives, and ancillary medical staff are necessary to promote maternal-fetal health.

The integration of a robust Hospital Information Management System (HIMS) is also vital for digitizing patient records, streamlining administrative processes, and facilitating effective communication among healthcare providers. Implementing HIMS will automate appointment scheduling, medication orders, billing, and data analysis will enhance operational efficiency, supporting clinical decision-making, and ultimately improving the quality of patient care.

Moi (Voi) County Referral Hospital (Taita Taveta County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2025

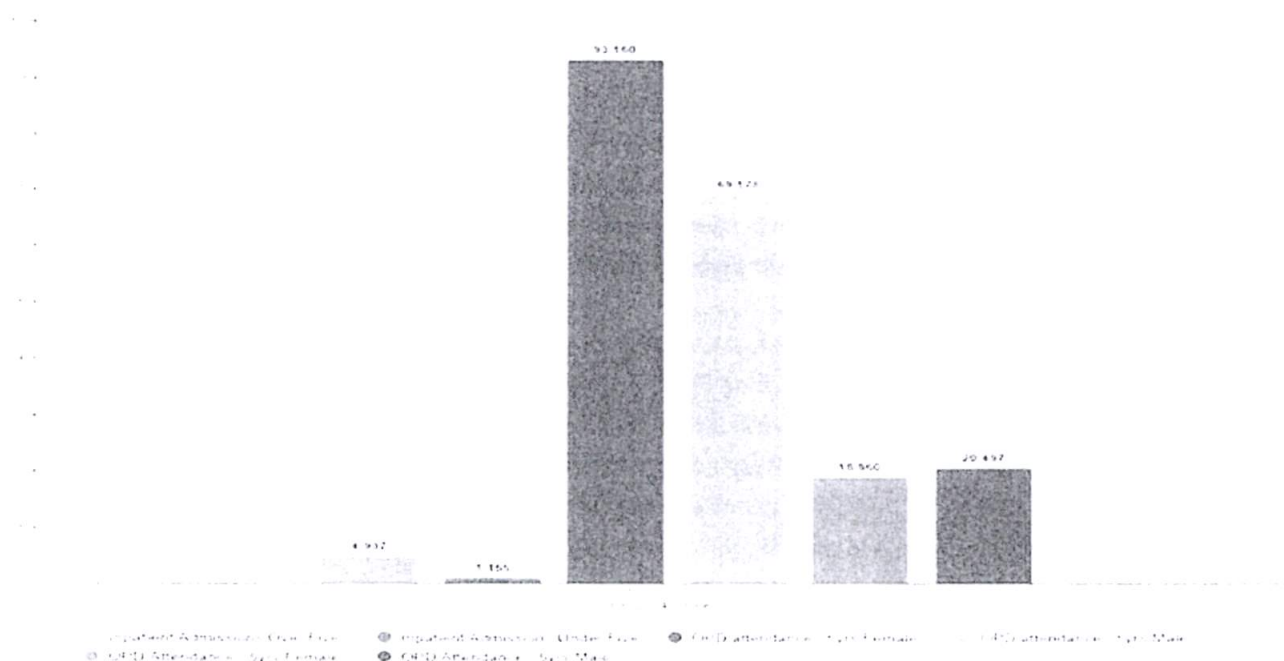
In terms of hygiene and sanitation, the completion of the outpatient toilet facility is essential. Although it may seem minor, clean and well-equipped toilets are crucial for preventing the spread of infections and promoting a healthy environment for patients, visitors, and healthcare workers. It is imperative that proper plumbing, ventilation, and sanitation measures are established to ensure the outpatient toilet meets the highest hygienic standards.

The hospital morgue requires a facelift so as to befit the dignity and respect for deceased persons. This will involve setting up refrigeration units for body storage and viewing rooms for family members to pay their respects.

In summary, the fiscal year ending June 30, 2025, was a period of significant achievement and strategic development for Moi Voi County Referral Hospital. The hospital has demonstrated resilience in the face of financial challenges. Despite falling slightly short of its revenue target, the 92% collection rate is indicative of the hospital's commitment to financial stability, especially given the economic challenges in the healthcare sector.

HOSPITAL WORKLOAD

Voi Sub County, Moi County Referral Hospital (Voi)
in thousands of patients/visitors/attendances



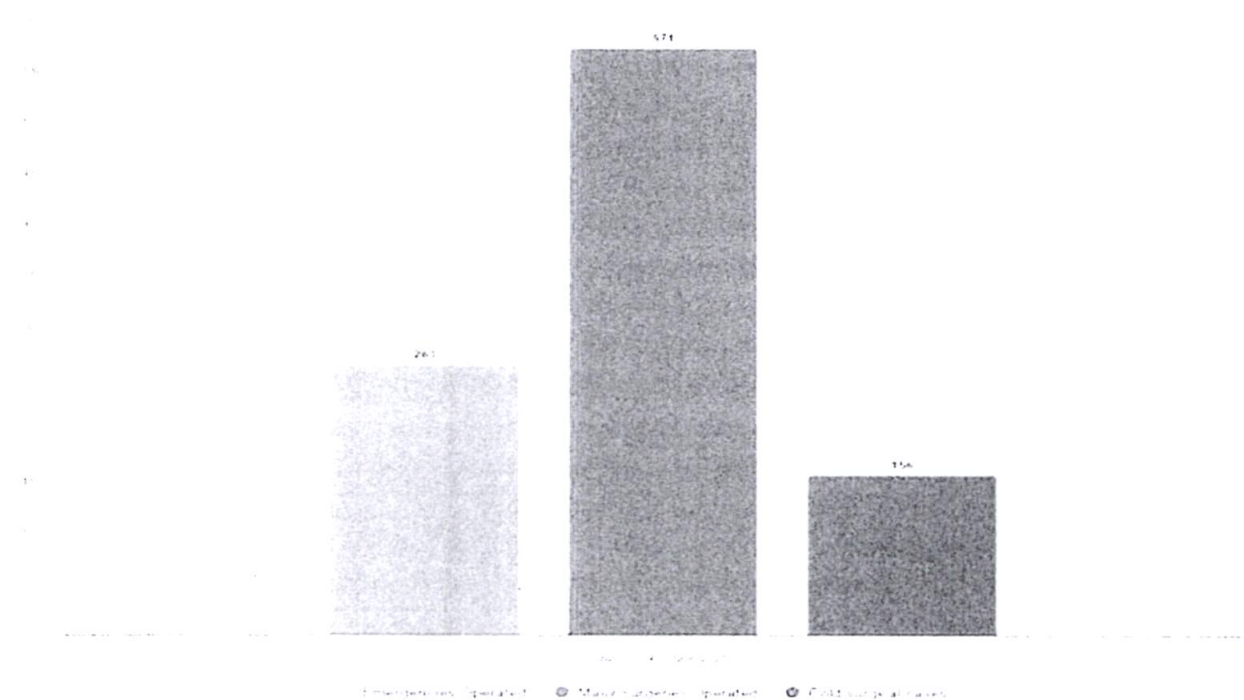
Moi (Voi) County Referral Hospital (Taita Taveta County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

SPECIAL CLINIC	July 2024 - June 2025
All other special clinics attendance	3,132
ENT Clinic Attendance	1,466
Eye Clinic Attendance	4,307
Comprehensive Care Clinic (CCC)	15,980
Oncology Clinic	738
MOH 717 Rev2020_Physiotherapy	1,291
Renal Clinic	618
Medical Attendance	5,394
Obstetrics/Gynecology Attendance	2,398
Occupational Therapy Attendance	2,844
Orthopedic Clinic Attendance	1,961
Pediatrics' attendances	1,903
Psychiatry Attendance	2,020

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Surgical Clinics attendances	2,455
TB	2,180
TOTAL	48,687

Voi Sub County, Moi County Referral Hospital (Voi)
 2025 TB and Surgical Clinics

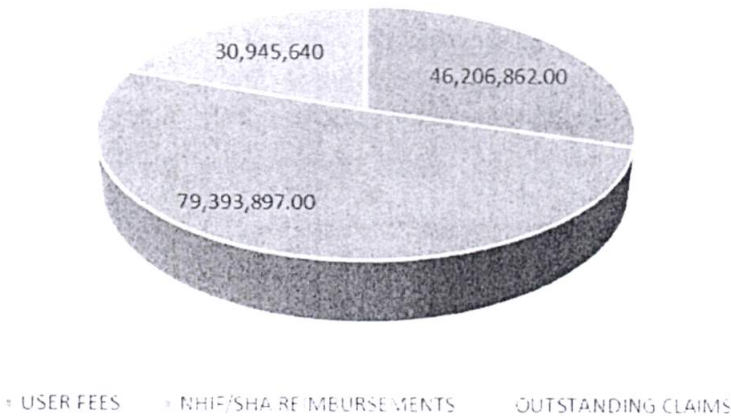


REVENUE SOURCES

The revenue sources for the hospital are user fees and Insurance reimbursements.

SOURCE	AMOUNT
USER FEES	46,206,862.00
NHIF/SHA REIMBURSEMENTS	79,393,897.00
OUTSTANDING CLAIMS	30,945,640
TOTAL	156,546,399.00

REVENUE SOURCES



EXPENDITURE/UTILIZATION OF FUNDS

The total expenses for the hospital during the FY 2024/2025 are Ksh 142,595,020. As it is stipulated in the Taita Taveta Health Act 2021, 3% of the total FIF collection is allocated to the administrator of the fund and 25% of the 97% is sent to the county health management team and the remaining balance is sent back to the facility.

.....
Dr. Nestor Daniel Mwasaru
Medical Superintendent Officer

10. Environmental and Sustainability Reporting

Creating a sustainability strategy and profile for a county hospital like MVCRH involves aligning healthcare services with environmental stewardship, social responsibility, and economic resilience. The hospital's operations have significant environmental impacts, from energy use and waste generation to water consumption and procurement practices. Additionally, hospitals play a critical role in community well-being, equity, and local development.

Sustainability strategy of a county hospital- MVCRH

VISION

To become a leading sustainable healthcare provider that delivers high-quality, patient-centered care while minimizing environmental impact care, promoting health equity, and supporting the local community.

Core pillars of the strategy

1. Environmental Sustainability

Focus: Reducing the hospital ecological footprint.

Key Actions:

Implement energy-efficient systems e.g. LED lighting and solar lighting.

Transition to renewable energy sources

Improve water efficiency (low-flow fixtures, leak detection)

Reduce single-use plastics and hazardous materials

Develop a green procurement policy

Optimize medical and general waste management (segregation, recycling, sharps disposal) through burning through the incinerator.

2. Social Responsibility and Health Equity

Focus: Promoting access to care, diversity, and community health.

Key Actions:

Expand health care access to underserved populations.

Promote workforce diversity and inclusion.

Engage with local communities on preventive care and wellness

Foster staff well-being, mental health, and professional development.

3. Economic Resilience

Focus: Ensuring financial sustainability and community investment.

Key Actions:

Implement cost-saving energy and waste reduction programs

Invest in local suppliers and services

Offer fair wages and local hiring practices

Environmental policy guiding Moi Voi County referral hospital

Policy Statement: The County hospital is committed to reducing its environmental impact through responsible resource use, pollution prevention, and continual improvement in environmental performance. As a healthcare provider, the hospital recognizes the intrinsic connection between a healthy environment and public health outcomes.

Key environmental policy objectives

1. Compliance and risk management:

Meet or exceed all applicable environmental laws and healthcare regulations
Regularly review and update compliance protocols

2. Resource Efficiency

Minimize energy, water, and material usage
Invest in energy-efficient technologies and sustainable infrastructure

3. Pollution Prevention

Reduce emissions, effluents, and solid waste
Safely manage and dispose of hazardous materials

4. Sustainable Procurement

Prioritize eco-friendly and ethically sourced products and services
Reduce the carbon footprint of supply chains

5. Education and Engagement

Educate staff and stakeholders about sustainable practices
Encourage green behavior in day-to-day operations

6. Monitoring and Continuous Improvement

Set measurable environmental goals and track progress
Use audits and assessment to guide improvements

Achievements

Replaced outdated lighting with LED hospital-wide, cutting electricity use by 15%
Installed low-flow fixtures, reducing water consumption by 18% annually

Gaps/challenges

Difficulty sourcing affordable eco-friendly alternatives for medical disposables
Environmental policy not well communicated to external stakeholders or the public
Limited sustainability training for medical and administrative staff.
Delay in capital intensive upgrades e.g. solar panels installations.

Recommendations for Improvement

Staff training: Develop mandatory environmental sustainability training modules
Dedicated budget: Allocate a defined budget for environmental upgrades and innovations.
Policy review cycle: Formalize an annual review of the environmental policy.

EMPLOYEE WELFARE

The hospital operates with a diverse workforce comprising both casual workers and staff employed by the county government. The latter are formally assigned to the hospital through the County Department of Health via the office of the County Chief Officer. These county-employed staff members serve in various capacities, supporting the facility's core operations and ensuring that service delivery meets expected standards.

Decision-making within the hospital is largely collaborative. Staff are actively involved through their departmental heads, who represent their concerns and contributions during regular departmental and interdepartmental meetings. These meetings are held consistently to identify challenges, propose

solutions, and streamline hospital operations. This inclusive approach fosters transparency and boosts staff morale, as their voices are not only heard but also integrated into key operational decisions.

To support employee well-being beyond the workplace, the hospital has established a Staff Welfare Committee. This committee plays a central role in organizing social activities, team-building initiatives, and wellness programs, and it offers support during times of personal need or crisis. The welfare of employees is further prioritized through fair and equal opportunities for professional development. All staff are encouraged to pursue further education, and many are sponsored by the hospital to attend specialized training programs, scientific conferences, and medical workshops. In addition, the hospital conducts weekly Continuous Medical Education (CME) sessions. These CMEs are essential for keeping clinical and support staff updated on current medical practices, research findings, and evolving standards of care.

Staff performance is evaluated through a structured appraisal system. These appraisals are conducted periodically and are based on clearly defined roles, responsibilities, and performance indicators. They not only recognize outstanding performance but also help identify areas for further training and support. The outcomes of these evaluations often influence career advancement decisions, including promotions, training nominations, and contract renewals.

The hospital also places a strong emphasis on workplace health and safety. Staff are provided with personal protective equipment (PPE) such as masks, gloves, gowns, and aprons to ensure their protection, especially when handling patients or hazardous materials. The facility maintains a comprehensive waste management system, with designated disposal bins placed in all departments for proper segregation of infectious, sharp, and general waste. Staff receive regular training on safe disposal practices and infection prevention protocols. When potential hazards are identified within the hospital premises, immediate notices are issued through internal communications or signage to alert staff and prompt precautionary measures.

Emergency preparedness is a critical component of the hospital's safety framework. Fire extinguishers are installed at strategic points throughout the facility, and routine fire drills are conducted to ensure all staff are familiar with emergency evacuation procedures. Fire safety training is provided periodically to equip staff with the knowledge to respond effectively in the event of an emergency. Furthermore, the hospital has a reliable security presence. Security officers are stationed at all entrances and exits, while mobile guards patrol the facility to ensure safety, monitor visitor movement, and maintain order within the premises.

Overall, the hospital maintains a supportive and structured work environment that values staff input, prioritizes professional growth, and upholds stringent safety standards. This holistic approach not only improves staff satisfaction and performance but also contributes to the hospital's commitment to delivering quality healthcare services to the community.

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of the Moi Voi County Referral Hospital affairs.

Principle activities

The principle activities of the hospital are to offer curative, Promotive, preventive and rehabilitative health services to all Kenyans.

Results

The results of Moi Voi County Referral Hospital for the year ended June 30 2025 are set out.

Board of Management

During the year 2024/2025 none of the board members retired or resigned and no new appointment was made.

Auditors

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

By Order of the Board



.....
Dr. Nestor Daniel Mwasaru

Medical Superintendent

Moi Voi County Referral Hospital

12. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the hospital financial statements, which give a true and fair view of the state of affairs of the facility for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 hospital;
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital 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 Taita Taveta Health Services act 2021. The Board members are of the opinion that the hospital financial statements give a true and fair view of the state of Moi Voi County Referral Hospital transactions during the financial year ended June 30, 2025, and of the hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 2nd Dec 2025 and signed on its behalf by:

.....
Name: Grace Kasololo
Chairperson
Board of Management

.....
Name: Dr. Nestor Daniel Mwasaru
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MOI (VOI) COUNTY REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - TAITA TAVETA COUNTY GOVERNMENT

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 Moi (Voi) County Referral Hospital - Taita Taveta County Government set out on pages 1 to 54, which comprise of

Report of the Auditor-General on Moi (Voi) County Referral Hospital for the year ended 30 June, 2025 - Taita Taveta County Government

the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Undisclosed In-Kind Contributions from the County Government

The statement of financial performance reflects employee costs of Kshs.4,289,400 as disclosed in Note 16 to the financial statements in respect of wages for casual employees. However, the expenditure did not include salaries of undetermined amount for permanent medical staff working at the Hospital and paid by Taita Taveta County Executive. Further, the payments in-kind were not reported as revenue from the County Government.

In the circumstances, the accuracy and completeness of employee costs of Kshs.4,289,400 could not be confirmed.

2. Unsupported Rendering of Services – Medical Service Income

The statement of financial performance reflects revenue from exchange transactions - medical services income of Kshs.156,546,399 as disclosed in Note 11 to the financial statements generated from various revenue streams. However, the revenue was not supported by system generated schedules indicating income per revenue stream, dates, nature of services and patient names.

In the circumstances, accuracy and completeness of rendering of services income - medical income of Kshs.156,546,399 could not be confirmed.

3. Inaccurate Trade and Other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.66,445,604 as disclosed in Note 36 to the financial statements. However, recalculation of the balance yielded a closing balance of Kshs.71,491,879, resulting in an unexplained variance of Kshs.5,046,275. Further, the aging analysis was not included as part of the disclosure note, contrary to the requirement of the Annual Financial Reporting Template.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.66,445,604 could not be confirmed.

4. Understatement of Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.40,887,248 as disclosed in Note 29 to the financial statements. However, recalculation of the balance resulted in a closing balance of Kshs.52,944,371 leading to an unexplained variance of Kshs.12,057,123.

In the circumstances, the accuracy of receivables from exchange transactions of Kshs.40,887,248 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.137,891,854 and Kshs.115,073,848 respectively, resulting in under funding of Kshs.22,818,006 or 17% of the budget. Similarly, the Hospital spent Kshs.103,669,535 against actual revenue of Kshs.115,073,848, resulting in under absorption of Kshs.11,404,313 or 10% of actual revenue.

The underfunding and under absorption affected implementation of planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Prior Year Audit Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources.

Review of the status during audit of the Hospital in 2024/2025 revealed that the following ten (10) issues remained unresolved:

No.	Audit Issue
1	Unexplained variances between the financial statements
2	Unsupported revenue
3	Undisclosed and unsupported receivables
4	Undisclosed liabilities
5	Unsupported receipts and cash and cash equivalents
6	Undisclosed Property, plant and equipment
7	Unsupported inventory
8	Unconfirmed brought forward balances
9	Presentation and disclosures in the financial statements
10	Inadequacies in universal health coverage

In addition, the prior year matters and the status on implementation of prior year audit recommendations were not disclosed in the financial statements, contrary to the requirements of the Annual Financial Reporting Template.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Anomalies in Presentation and Disclosures in the Financial Statements

The financial statements submitted for audit had several presentation and disclosure issues, contrary to the format prescribed by the Public Sector Accounting Standards Board (PSASB) as follows:

- i. The corporate governance statement as it does not confirm existence of board charter, induction and training, board members performance, dates of appointments and terms of the board;
- ii. The statement of performance against predetermined objectives did not include specific performance indicators, baseline targets, or comparative analysis of planned versus actual achievements, thus hindering the full assessment of the progress on the attainment of the Hospital's strategic development objectives.

In the circumstances, the presentation and disclosures of non-financial information is not compliant with the presentation format prescribed by PSASB.

2. Engagement of Casual Employees beyond Stipulated Period

The statement of financial performance and Note 16 to the financial statements reflect employee costs Kshs.4,289,400. Review of the master payroll revealed that some employees served for periods exceeding three (3) months without written contracts. This was contrary to Section 37(1)(b) of the Employment Act, 2007 which provides that where a casual employee performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and Section 35(1)(c) shall apply to that contract of service.

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

3. Deficiencies in Facilities Required under Kenya Medical Practitioners and Dentists Council Standards

Inspection of the Hospital revealed significant non-compliance with Kenya Medical Practitioners and Dentists Council (KMPDC) standards for Level 4 facilities as summarized below:

Mandatory Requirement	KMPDC Marks Rating	Condition/ Deficiency	Partial Marks
Out/in Patient Pharmacy	2 Marks	One pharmacy in place used for both	1 Mark
Pathology Services	2 marks	None in place	0 Mark
Minor theatre	2 Marks	None in place	0 Mark
Intensive Care Unit	2 Marks	None in Place	0 Mark
High Dependency Unit with twelve (12) beds (Adult, Paediatrics and Neonatal)	2 marks	None in Place	0 Mark
Waste Management, system/proof of contract with a licensed waste disposal company (NEMA approved)/fenced incinerator (NEMA approved)	2 Marks	Service Not Contracted	1 Mark
Utility Vehicle	2 Marks	Designated for blood bank but also used as utility	1 Mark
Security system: CCTV with back-up system, secure fence and gate and Alarm system	2 Marks	Alarm systems not in place	1 Mark
Psychiatry Personnel	2 Marks	None in Place	0 Mark
Pathologist	2 Marks	None in Place	0 Mark
Speech Therapist	2 Marks	None in Place	0 Mark
Compliance with Data Protection-Data protection Officer	2 Marks	None in Place	0 Mark

In the circumstances, the Hospital may not be able to effectively deliver on its mandate.

4. Failure to Prepare Quarterly Reports

The audit established that Management did not prepare quarterly financial reports during the year under review. This was contrary to the prescribed reporting requirements by the Public Sector Accounting Standards Board as stipulated under Section 64(1) and (4) of the Public Finance Management (County Governments) Regulations, 2015, which provides that the Accounting Officer or receiver of revenue or collector of revenue shall prepare a quarterly report not later than the 15th day after the end of the quarter and submit the report to the County Treasury, with a copy to the Auditor-General.

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

5. Non-Compliance with the Data Protection Act on Registration as a Data Controller or Processor

The Hospital processes and stores sensitive personal information for both patients and staff, including names, phone numbers, addresses, and other confidential details. Despite handling such data, the Hospital was not registered with the Office of the Data Protection Commissioner as either a data controller or data processor. This was contrary to Section 18(1) of the Data Protection Act, 2019 which requires that, subject to subsection (2) no

person shall act as data controller or data processor unless registered with the Data Commissioner.

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

6. Non-Compliance with Facilities Improvement Financing Act, 2023

Review of revenue records revealed that the Hospital collected an amount of Kshs.46,206,862 in respect of Facilities Improvement Fund and the entire amount was transferred to the County Revenue Fund. However, the amount reimbursed to the Hospital was Kshs.34,350,016, resulting in a deficit of Kshs.11,856,846. This was contrary to Section 5(1) the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities to be retained in the Hospital Facilities Improvement Financing account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December, 2025

Moi (Voi) County Referral Hospital (Taita Taveta 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	-	500,000
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	51,724	268,000
		51,724	768,000
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	156,546,399	123,246,244
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		156,546,399	123,246,244
Total revenue		156,598,123	124,014,244
Expenses			
Medical/Clinical costs	15	84,255,676	63,039,958
Employee costs	16	4,289,400	3,967,500
Board of Management Expenses	17	178,000	-
Depreciation and amortization expense	18	1,698,883	876,152
Repairs and maintenance	19	13,101,049	10,282,502
Contribution to CHMT	20	12,057,103	10,678,352
General expenses	21	27,014,909	22,895,890
Finance costs	22	-	-
Total expenses		142,595,020	111,740,354
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(-)	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		14,003,103	12,273,890

The Hospital's financial statements were approved by the Board on 2nd Dec 2025 and signed on its behalf by:

.....
Chairperson: Grace Kasololo
Board of Management

.....
Head of Finance: Amina Suleiman
ICPAK No: 15011

.....
Medical Superintendent: Dr. Nestor Daniel Mwasaru

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024-2025	2023-2024(Restated)
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	2,835,862	678,934
Prepayments	28	-	-
Receivables from exchange transactions	29	40,887,248	10,741,142
Receivables from non-exchange transactions	30	-	-
Inventories	31	7,010,828	-
Total Current Assets		50,733,938	11,420,076
Non-current assets			
Property, plant, and equipment	32	18,071,055	11,201,487
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		18,071,055	11,201,487
Total assets (A)		68,804,993	22,621,563
Liabilities			
Current liabilities			
Trade and other payables	36	66,445,604	34,265,277
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		66,445,604	34,265,277
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-

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Description	Note	2024-2025	2023-2024(Restated)
		Kshs	Kshs
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		66,445,604	34,265,277
Net assets (A-B)		2,359,389	(11,643,714)
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		2,359,389	(11,643,714)
Capital Fund		-	-
Net Assets		2,359,389	(11,643,714)

The Hospital's financial statements were approved by the Board on 2nd Dec 2025 and signed on its behalf by:



Chairperson: Grace Kasololo
Board of Management



Head of Finance: Amina Suleiman
ICPAK No: 15011



Medical Superintendent: Dr. Nestor Daniel Mwasaru

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus/deficit	Total
As at July 1, 2023	-	-	-	
Surplus/(deficit) for the year	-	-	10,347,674	10,347,674
Capital/Development grants	-	-	12,273,889	12,273,889
Prior Year Adjustments			(34,265,277)	(34,265,277)
Balance as at June 30, 2024	-	-	(11,643,714)	(11,643,714)
At July 1, 2024	-	-	(11,643,714)	(11,643,714)
Surplus/(deficit) for the year	-	-	14,003,103	14,003,103
Capital/Development grants	-	-	-	-
At June 30, 2025	-	-	2,359,389	2,359,389

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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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		-	500,000
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		51,724	268,000
Rendering of services- Medical Service Income		114,343,190	113,455,612
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts		-	-
Total Receipts		114,394,914	114,223,612
Payments			
Medical/Clinical costs		(70,859,628)	(63,039,958)
Employee costs		(4,289,400)	(3,967,500)
Board of Management Expenses		(178,000)	-
Repairs and maintenance		(9,740,006)	(10,282,502)
Grants and subsidies		-	-
General expenses		(18,602,501)	(22,895,890)
Finance costs		-	-
Contribution to CHMT		-	(10,678,352)
Total Payments		(103,669,535)	(111,814,712)
Net cash flows from operating activities	43	10,725,379	2,408,899
Cash flows from investing activities			
Purchase of property, plant, equipment		(8,568,451)	(12,077,639)
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		(8,568,451)	(12,077,639)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		2,156,928	(9,668,740)
Cash and cash equivalents as at 1 July 2024	27	678,934	10,347,674
Cash and cash equivalents as at 30 June 2025	27	2,835,862	678,934

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	-	678,934	678,934	678,934	-	100%
Receipts						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	51,724	-	51,724	51,724	-	100%
Rendering of services- Medical Service Income	137,161,196	-	137,161,196	114,343,190	22,818,006	83.4%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts	-	-	-	-	-	%
Total receipts	137,212,920	678,934	137,891,854	115,073,848	22,818,006	83.5%
Payments						
Medical/Clinical costs	85,750,000	-	85,750,000	70,859,628	14,890,628	82.6%
Employee costs	4,289,400	-	4,289,400	4,289,400	-	%
Remuneration of board members	178,000	-	178,000	178,000	-	%
Repairs and maintenance	13,321,775	-	13,321,775	9,740,006	3,581,769	73.1%
Grants and subsidies	-	-	-	-	-	%
General expenses	21,616,642	-	21,616,642	18,602,501	3,014,141	86.1%
Finance costs	-	-	-	-	-	%
Other Transfers	12,057,103	-	12,057,103	-	12,057,103	%
Total Operational Expenditure paid	137,212,920	-	137,212,920	103,669,535	33,543,385	75.6%
Capital Expenditure paid	-	-	-	8,568,451	8,568,451	%
Surplus	-	-	678,934	2,835,862	2,835,862	%

Budget Reconciliation

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

19. Notes to the Financial Statements

1. General Information

Moi Voi County Referral Hospital is established by and derives its authority and accountability from county government of Taita Taveta through the department of health. The entity is wholly owned by the Taita Taveta County Government and is domiciled in Kenya. The entity's principal activity is to offer medical services to the citizens of Taita Taveta county and neighbouring counties.

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 accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the facility. The financial statements have been prepared in accordance with the PFM Act 2012, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied in the financial year 2024/2025.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 47- Revenue	Applicable 1st January 2026 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.
IPSAS 48- Transfer Expenses	Applicable 1st January 2026 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	Applicable 1st January 2026 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.

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Standard	Effective date and impact:
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: 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

Moi Voi County Referral Hospital did not adopt any amended standards in the financial year 2024/2025.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

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

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

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. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

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

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 hospital. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The hospital also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the facility. 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 hospital recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the 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 hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the facility 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.

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

Subsequent measurement

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

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

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

o. Contingent assets

The hospital does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 hospital creates and maintains reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

The hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which 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 hospital 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 facility, or vice versa. Members of key management are regarded as related parties and comprise of the hospital board members, the medical superintendent and heads of departments within the hospital.

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

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 facility 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. 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	-	500,000
	-	500,000
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	-	500,000

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
Taita Taveta County Government	-	-	-	-	500,000
Total	-	-	-	-	500,000

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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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	-	-
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	2023-2024
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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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
Global Fund Malaria	51,724	-
Bluecross	-	268,000
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	51,724	268,000

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	-	-

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Pharmaceuticals	6,105,731	8,778,655
Non-Pharmaceuticals	-	576,738
Laboratory	7,107,600	9,711,040
Radiology	-	9,141,300
Orthopedic and Trauma Technology	376,110	1,620,033
Theatre	2,370,150	3,116,690
Accident and Emergency Service	-	739,850
Anesthesia Service	-	-
Ear Nose and Throat service	-	795,000
Nutrition service	164,950	301,700
Cancer centre service	-	225,500
Dental services	776,400	736,800
Reproductive health	151,050	228,450
Paediatrics services	259,650	551,700
Farewell home services	7,046,400	6,384,500
Ambulance services	1,562,000	1,460,000
Other medical services income	52,666,477	9,415,666
Nhif/Sha Reimbursements	77,959,881	64,442,592
NHIF claims	-	5,020,030
Total revenue from the rendering of services	156,546,399	123,246,244

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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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	-	-
Others	-	-
Total Miscellaneous income	-	-

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	11,995,524	5,398,088
Public health activities	-	-
Food and Ration	19,810,313	6,746,280
Uniform, clothing, and linen	823,170	219,400
Dressing and Non-Pharmaceuticals	22,238,474	24,725,565
Pharmaceutical supplies	14,312,171	11,976,407
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	3,119,325	2,323,723
Purchase of Medical gases	5,383,474	6,385,924
X-Ray/Radiology supplies	6,573,225	5,241,041
Other medical related clinical costs	-	23,530
Total medical/ clinical costs	84,255,676	63,039,958

16. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries, wages, and allowances	4,289,400	3,967,500
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	-	-
Employee costs	4,289,400	3,967,500

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	178,000	-

18. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	1,698,883	876,152
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	1,698,883	876,152

19. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property- Buildings	4,017,270	5,827,603
Maintenance of plants, machinery and Equipment	6,175,367	2,809,615
Office equipment	-	-
Furniture and fittings	92,500	62,000
Computers and accessories	-	533,600
Motor vehicle expenses	2,544,412	882,884
Maintenance of civil works	271,500	146,800
Total repairs and maintenance	13,101,049	10,282,502

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Notes to the Financial Statements (Continued)

20. Contribution to County Health Management Team

Description	2024-2025	2023-2024
	Kshs	Kshs
Contribution to CHMT	12,057,103	10,678,352
Total	12,057,103	10,678,352

21. General Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Advertising and publicity expenses	133,400	-
Catering expenses	342,339	4,386,028
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	107,330	107,443
Conferences and delegations	-	149,200
Consultancy fees	-	-
Computer accessories	985,859	-
Electricity expenses	-	4,025
Fuel and Lubricants	7,408,819	6,712,172
Insurance	8,000	7,500
Research and development expenses	-	-
Travel and accommodation allowance	1,033,440	1,685,363
Legal expenses	-	-
Licenses and permits	-	546,763
Courier and postal services	45,123	61,705
Printing and stationery	8,541,619	7,234,910
Hire charges	-	-
Gas expenses	821,250	664,100
Water and sewerage costs	6,447,320	655,300
Skills development levies	-	-
Telephone and mobile phone services	555,929	367,076
Internet expenses	550,881	239,325
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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Description	2024-2025	2023-2024
	Kshs	Kshs
Library books/Materials	-	-
Purchase of tree seed and seedlings	33,600	74,980
Total General Expenses	27,014,909	22,895,890

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	-	-
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	-	-
Total Gain/Loss	-	-

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	2,236,585	678,934
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others- Mobile money	599,277	-
Total cash and cash equivalents	2,835,862	678,934

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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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	1273743377	2,204,258	652,099
Kenya Commercial Bank	1145667961	32,326	26,835
Sub- total		2,236,584	678,934
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Paybill	593856	599,277	-
Sub- total		599,277	-
Grand total		2,835,861	678,934

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
Facility Improvement Fund	3,971,068	4,770,602
County Revenue Fund	950,510	950,510
NHIF Claims	5,020,030	5,020,030
SHA Claims	30,945,640	-
Total receivables	40,887,248	10,741,142

Analysis of Receivables from Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	30,945,640	%	10,741,142	%
Between 1- 2 years	9,941,608	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	40,887,248	%	10,741,142	%

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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30. Receivables from Non-Exchange Transactions

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

Analysis of Receivables from Non-Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% 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 and Non-pharmaceutical supplies	6,071,226	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	939,602	-
Less: provision for impairment of stocks	-	-
Total	7,010,828	-

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	-	-

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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Purchase of workshop tools, spares and small equipment	Purchase of Software	Purchase of Airconditioners, Fans and Heating	Purchase of Household and Institutional appliances	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Purchase of Boilers, Refrigeration and Air conditioning	Capital Work in progress	Total
	Ksh		Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost	0.125	0.125	0.125	0.30	0.125	0.30		0.125		
At 1 July 2023	-	-	-	-	-	-	-	-	-	-
Additions	-	184,440	-	304,719	909,500	2,159,980	8,519,000	-	-	12,077,639
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	184,440	-	304,719	909,500	2,159,980	8,519,000	-	-	12,077,639
At 1 July 2024	-	161,385	-	213,303	795,813	1,511,986	8,519,000	-	-	11,201,487
Additions	44,475	339,720	355,925	173,250	1,387,330	2,395,891	3,672,080	199,780	-	8,568,451
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	44,475	501,105	355,925	386,553	2,183,143	3,907,877	12,191,080	199,780	-	19,769,938

Moi (Voi) County Referral Hospital (Taita Taveta County Government)
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Description	Purchase of workshop tools, spares and small equipment	Purchase of Software	Purchase of Airconditioners, Fans and Heating	Purchase of Household and Institutional appliances	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Purchase of Boilers, Refrigeration and Air conditioning	Capital Work in progress	Total
	Ksh		Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Depreciation and impairment										
At 1 July 2023	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	23,055	-	91,416	113,688	647,994	-	-	-	876,153
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
At 30 June 2024	-	23,055	-	91,416	113,688	647,994	-	-	-	876,153
At 1 st July 2024	-	23,055	-	91,416	113,688	647,994	-	-	-	876,153
Depreciation	5,559	62,638	44,491	115,966	272,893	1,172,363	-	24,973	-	1,698,883
Disposals	-		-	-	-	-	-	-	-	-
Impairment	-		-	-	-	-	-	-	-	-
Transfer/adjustment	-		-	-	-	-	-	-		-
At 30th June 2025	5,559	85,693	44,491	207,382	386,580	1,820,357	-	24,973	-	2,575,035
Net book values										
At 30 th Jun 2024	-	161,385	-	213,303	795,813	1,511,986	8,519,000	-	-	11,201,487
At 30 th Jun 2025	38,916	438,467	311,434	270,587	1,910,250	2,735,514	12,191,080	174,807	-	18,071,055

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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	-	-
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	
Pending bills of previous FY b/f	34,265,277		3,675,000	
Pending bills of FY	32,180,327		30,590,277	
Total trade and other payables	66,445,604		34,265,277	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

Disclosure: The statement of financial position for the FY2023-2024, has been restated to include trade payables of shs 34,265,277.

37. Refundable Deposits from Customers/Patients

Description	2024-2025		2023-2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (<i>specify</i>)	-		-	
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	-	-	-	-
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	-	-

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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	14,003,103	-
Adjusted for:		
Depreciation	1,698,883	-
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	(7,010,828)	-
Increase in receivables	(30,146,106)	-
Increase in deferred income	-	-
Increase in payables	32,180,327	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	10,725,379	-

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Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

The hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the hospital's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the 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				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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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 hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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

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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 hospital's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

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

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			
Euro	10%	-	-
USD	10%	-	-
2025			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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Notes to the Financial Statements (Continued)

Sensitivity analysis

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

iv) Capital Risk Management

The objective of the hospital's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The 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/ (excess cash and cash equivalents)	-	-
Gearing	-	-

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Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

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

Taita Taveta County Government is the principal shareholder of the hospital, holding 100% of the hospital's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the 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 employees	-	
Payments for goods and services for	-	-
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

47. Contingent Liabilities

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

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

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

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51. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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

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Accounting Officer

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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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 2025					
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 (Kshs.)	Comments