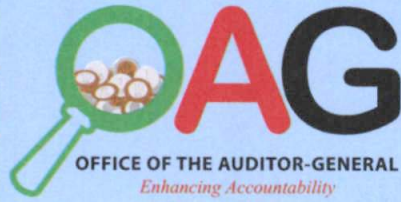


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REPORT

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EKERENYO LEVEL 4 HOSPITAL *Abch...*

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF NYAMIRA

23



EKERENYO Level 4 HOSPITAL (Nyamira County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OPD	Outpatient Department
PFMA	Public Financial Management Act
MED SUPT	Medical Superintendent
HAO	Health Administrative Officer
HMT	Health Management Team
HMB	Hospital Management Board
TAT	Turnaround Time
FY	Financial Year
RCO	Registered Clinical Officer
SHIF	Social Health Insurance Fund
IPSAS	International Public Sector Accounting Standards
SCMOH	Sub-county medical officer of health
CHMT	County health management team
MOH	Ministry of health
Fiduciary Management entity	Key management personnel who have financial responsibility in the

2. Key Hospital Information and Management

(a) Background information

Ekerenyo Level 4 Hospital is a ministry of Health primary care hospital located in Ekerenyo, Nyamira North in Nyamira county under the health department. The facility is fully operational with a capacity of 29 beds. It is regulated by the Ministry of Health under registration number 13540. The hospital is governed by the Board of Management.

(b) Principal Activities

The principal activity of the hospital is provision of health care services that include:

- **Vaccination services given to travellers**
- **TT toxoid for Pregnant Women**
- **Postnatal care services**
- **Medical Outpatient Curative Services Clinic**
- **Integrated Management of Childhood Illnesses**
- **Integrated Child Immunization**
- **Hospital – Retail services**
- **Comprehensive Maternity Obstetric Care (CeMOC)**
- **Basic Physiotherapy**
- **Basic Occupational Therapy**
- **Basic Obstetric Care (BMOC)**
- **Basic Mental Health Services**
- **Short Term Family Planning Services**
- **EMTCT-Elimination of Mother to Child Transmission of HIV**
- **Permanent Care And Treatment Services**
- **Outpatient Curative Services**
- **Long Term Family Planning Services**
- **Inpatient**
- **Infection Prevention and control to mitigate HIV infection in the work place**
- **HIV treatment and care**
- **HIV Testing Services**
- **HIV risk reduction services for priority populations and geographies**
- **HIV risk reduction for Key populations**
- **Focused Antenatal Care**
- **Condom Distribution & STI Prevention**
- **Basic Emergency Preparedness**

(c) Key Management

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

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

- Hospital 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. Samuel Gitau
2.	Head of Accounting Services	CPA Jemimah Bochareri Abuga
3.	Head of Supply Chain Management	Ms. Peres Nyakerario Mose
4.	Accounting Officer-Department of Health Services (Medical Services)	Mr. Andrew Ongere Nyakundi
5.	Director Internal Audit	CPA Ann Nyanchama Ongera
6.	Treasury Accountant	Mr. Peter Nyanumba Kirioba
7.	Health Administrative Officer	Mr. Antony Jospeter Ngare
8.	Accountant	Mr. Zablon Atuta

(e) Fiduciary Oversight Arrangements

The fiduciary oversight of the county is done by:

i) The County Assembly

The County assembly, pursuant to the constitution of Kenya, 2010 and the County Government Act, 2012 under Article 8(1) has fiduciary oversight role over the execution of the functions of the County Government., it approves the budget and expenditure of the County Government in accordance with article 207of the constitution of Kenya. It also approves the borrowings of the County Government in accordance of the constitution 212 of the Constitution of Kenya 2010.

ii) The Controller of budget

The controller of budget has fiduciary oversight role of the County Government under article 22(5) of the Constitution of Kenya, 2010 by approving withdrawal from the public funds only when satisfied that the is authorized by law.

iii) County Executive Committee

The County Executive Committee exercise executive authority in accordance with the constitution and county legislation.

iv) Internal Audit Department

The internal Audit Department of the County Government of Nyamira ensures that the internal controls exist and are adhered to. The internal Audit reports to the county Audit Committee.

Key Hospital Information and Management (continued)

(f) Ekerenyo Level (IV) Hospital Headquarters

P.O. Box 434-40500
Nyamira Building Plaza
Kisii- Kericho Road
Nyamira, Kenya

(g) Ekerenyo Level (IV) Hospital Contacts

Telephone: (+254) 738727272, 735232323
E-mail: info@nyamira.go.ke
Website: www.nyamira.go.ke

(h) Ekerenyo Level (IV) Hospital Bankers

Kenya Commercial Bank – Nyamira Branch
BOX 403-40500
Nyamira, Kenya.

(i) Independent Auditors

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



(j) Principal Legal Adviser

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



(k) County Attorney




The County Attorney
Office of the County Attorney
County Government of Nyamira
P.O. Box. 434-40500
Nyamira, Kenya


3. The Board of Management

Ref	Directors	Details
1.	 <p>MR. JONES MOKO OMWENGA EXECUTIVE COMMITTEE MEMBER: FOR FINANCE, ICT AND ECONOMIC PLANNING</p>	<p><i>Academic Qualifications</i></p> <p>He has a Master of Business Administration (Finance) from Jomo Kenyatta University of Agriculture & Technology and a Bachelor of Education degree from Kenyatta University.</p> <p><i>Professional Experience</i></p> <p>Prior to his appointment he has served as the County Executive Committee member for Education & Vocational Training, Trade, Tourism, Industrialization & Cooperatives and Finance & Economic Planning departments respectively in the County Government of Nyamira and Banking sector</p> <p>He hails from Itibo ward, Nyamira county.</p>
2.	 <p>DR. DONALD MOGOI EXECUTIVE COMMITTEE MEMBER FOR HEALTH SERVICES</p>	<p><i>Academic Qualifications</i></p> <p>Dr. Donald Mogoi holds a Master of Science in epidemiology, a post graduate Diploma in Project Management & Bachelors in Medicine & Surgery.</p> <p><i>Professional experience</i></p> <p>He has 19 years' experience in the public health sector, raising from a medical officer to a district medical officer, a county director health and chief officer health services..</p>




Ekerenyo Level 4 Hospital (Nyamira County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

<p>3.</p>	 <p>Ms. Rachael Asumari Chairperson, Hospital Management Board</p>	<p>Academic Qualifications: She holds a Certificate and a Diploma in Community Development from the Elgon View College</p> <p>Professional Experience Served as a special elect Member of the County Assembly of Nyamira from 2013-2017 Has also served as a board member of the Constituency Development Fund-North Mugirango from 2017-2022</p>
<p>4.</p>	 <p>Dr. Samuel Gitau Medical Superintendent Secretary, Hospital Management Board</p>	<p>Academic Qualifications: He holds a Master of pharmacy degree, University of Nairobi (UON), Bachelor's Degree in Pharmacy, UON.</p> <p>Professional Experience: Worked as a sub county pharmacist for Borabu sub county, Deputy head Health products and Technologies unit (HPTU), Nyamira county, currently is the Nyamira county Pharmacovigilance focal person and the medical Superintendent for Ekerenyo Sub County Hospital as the Sub County Medical officer of Health for Nyamira North Sub County.</p>




5.	 <p>Ms. Hyline Nyanchama Ateya Hospital Management Board -Member</p>	<p>Academic Qualifications: She holds a Diploma in Secretarial Studies from Highlands College</p> <p>Professional Experience: Has served in the private sector in various capacities and is also a businesswoman.</p>
6.	 <p>Mr. David Nyakangi Hospital Management Board -Member</p>	<p>Academic Qualifications: He is a professional P1 teacher having gone through Thogoto TTC and also holds a Diploma in Management from KEMI</p> <p>Professional Experience: Has a vast experience in public service having served as an assistant teacher from 1997, thereafter promoted to deputy head teacher, later as head teacher and now a retiree.</p>
7.	 <p>Mr. Justus Ondieki Tinaga Hospital Management Board -Member</p>	<p>Academic Qualifications: Attended Moi University and studied Social Science (Community Development)</p> <p>Professional Experience: Has a vast experience in public service having served in the government as a hospital administrator for over 30 years and has also served in Word Vision (NGO) as a children's officer.</p>



8.	 <p>Mr. Joshua Ngare Hospital Management Board -Member</p>	<p><i>Professional Experience:</i> Has a vast experience in public service having served in the government as an administrator and is currently the Sub County Administrator of Nyamira North Sub County.</p>
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4. Key Management Team

Ref	Management	Details
1.	 <p>Dr. Samuel Gitau Masters Degree in Pharmacy</p>	<p>Medical Superintendent</p>
2.	 <p>Mr. Antony Ngare</p>	<p>Health Administrative Officer</p>
3.	 <p>Ms. Joyce Kimoni Diploma in Nursing</p>	<p>Nursing Officer In-Charge</p>


*Ekerenyo Level 4 Hospital (Nyamira County Government)
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4.	 <p>Ms. Divinah Kerubo Diploma in Clinical Medicine</p>	<p>Clinical Officer In-Charge</p>
5.	 <p>Mr. Delvin Onchiri Diploma In Pharmacy</p>	<p>Pharmaceutical Technologist In charge</p>
6.	 <p>Mr. George Mayieka Diploma in Laboratory Sciences</p>	<p>Medical Laboratory Technologist In charge</p>

7.	 <p>Maryanne Nyasani Diploma in Health Records and Information Technology</p>	<p>Health Records and Information Officer In charge</p>
8.	 <p>Mr. Fragius Omwenga Degree in Sociology</p>	<p>Medical Social Worker In charge</p>
9.	 <p>Emmanuel Makori Public Health Officer Diploma in Public Health</p>	<p>Public Health Officer In charge</p>

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10.	 <p>Mr. Zablon Atuta Bachelor of Commerce (Accounting Option) & CPA</p>	Hospital Accountant
11.	 <p>Ms. Vellah Nyatichi Bsc Food, Nutrition and Dietetics Diploma in Community Nutrition</p>	Nutritionist In Charge
12.	 <p>Ms. Catherine Kerubo Bachelor in Radiography (Diagnostic Option) Diploma in Medical Imaging services</p>	Radiography In charge

13.	 <p>Ms. Deborah Orina Diploma in Dental Technology</p>	<p>Dental In charge</p>
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5. Chairman's Statement

Ekerenyo Level (IV) Hospital main mandate is provision of basic healthcare services, it strengthens its provision in providing curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for training of medical students and health workers.

Future plans of the hospital are to establish a 50-bed capacity and introduce; casualty and emergency department, theatre for basic surgeries among others as part of its services. It is in this regard that I have the pleasure to present the Ekerenyo Level (IV) Hospital financial statements for 2024/2025 ending 30th June 2025. The financial statements present the financial performance of the facility in relation to ensuring affordable and quality healthcare.

Operating Environment

Ekerenyo Level (IV) Hospital started the year's operations on a positive outlook with the enactment of the FIF Act, 2022 (Facility Improvement Fund) which meant that the facility would retain 85% of the revenues collected.

The Hospital Management Board and hospital management is striving to position the hospital as the lead health service provider in the region, seek increased visibility, resource mobilization and allocation in line with the status of a level 4A hospital. It will further seek to win the support of local leaders with a goal of boosting the image of the hospital and improving its relations with the political leadership and public at large.

The Hospital Board is also seeking to improve linkage with private players and other public healthcare providers in the whole region and beyond.

Strategic Direction

The overwhelming need and challenges provide opportunities for strategic thinking about the future of the hospital's brand. It shaped the change process that the Board of Management approved to upgrade the hospital to a fully-fledged 4A hospital to secure a sustainable future.

The Board made radical decisions to restructure and rationalize the hospital's core business centres to optimize their performance. It fast-tracked the Automatization process by bringing in a qualified consultant

to jumpstart the process of giving the hospital full autonomy towards its operations which is now under implementation by the Management.

Achievements

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2023/2024, infrastructural development including the completion of the New Born Unit done by the Ministry of Health in partnership with the Finnish Government.

Looking into the future

The Board is optimistic that the hospital will soon be upgraded to a level 4B hospital. Consistent with our vision, Board continues to invest in Modern Technology, infrastructural and specialized human resources to position the Ekerenyo Level (IV) Hospital as the premier healthcare facility in Nyamira County. The Board's pledge is to ensure that our systems and human resources are effectively deployed to support the transformation of the hospital into a sustainable, excellent institution.

I greatly appreciate the commitment and inclusive support of the Shareholders, Board, Management, Staff and Stakeholders to the vision and mission of Ekerenyo Level (IV) Hospital.

Ms. Rachael Asumari

Chairperson

Hospital Board of Management

6. Report of The Medical Superintendent

a) Background

Ekerenyo Level (IV) Hospital has been in existence for more than two decades, having been established in the early 1990s to cater for the health needs of the residents and workers at the then Ekerenyo Division of Nyamira District. Since then, it has grown to become a Level (IV) hospital serving the Nyamira North District, serving a population of more than 20, 000 people.

Ekerenyo Level (IV) Hospital exists and operates within a broader socioeconomic and political context. The understanding of this environment is critical in enabling the hospital to position itself to take advantage of emerging opportunities and deal with threats. Of fundamental importance in this environment is government policy. As a public hospital, Ekerenyo Level (IV) Hospital is governed by the policies and regulations set forth by both the National and County government departments responsible for health services

The hospital, having been commissioned in 1990s, has seen a lot of development by the Kenyan government providing more funds to improve the in-patient capacity and outpatient facilities to its present state. The main mandate of Ekerenyo Level (IV) Hospital is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It also serves as a centre for training for medical students and health workers.

b) Finance

i) Revenue

The hospital's revenue is derived from Facility improvement funds (FIF), County grants, and donors. During this financial year the hospital has realized great improvement of revenue compared to the last financial 2023/2024.

The key drivers of our revenue included Pharmacy, Laboratory, Maternity, Bed fees, Medical Records and Consultation Fees, which contributed to the total revenue.

ii) Expenditure

The total expenditures during the period amounted to Kshs. 98,507,166. Top drivers of the budget were Medical drugs, Staff remunerations, non-pharmaceuticals, patient's food, Laboratory, Contracted Services among others. High Utilization rate was realized.

c) Strategy

This plan intends to sustain a competitive business-like orientation to achieve improved client satisfaction, financial sustainability, and infrastructure development that reflects modern standards in medical practice.

The strategy is characterized by both Growth and social responsibility and transformative initiatives that will see the hospital grow to become the best Level (IV) hospital in Nyamira County.

d) Achievements

The Hospital Management Board and the hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2023/2024, infrastructural development such as the new OPD block financed by the County government of Nyamira has also taken shape.

e) Challenges

Ekerenyo Level (IV) Hospital based on the population that it serves is faced with a lot of challenges ranging from Global issues, financial constraints, inadequate human resource, environmental challenges, infrastructural i.e. dilapidated buildings, and technological growth that the hospital have to adopt in order to succeed in the healthcare service delivery.

f) Looking Forward

Modern Technology transformation is one of the pillars of the Strategic Plan. The hospital has embarked on this journey to increase operational efficiencies, enhance customer experience through consistent and patient-focused service delivery and informed decision-making aided by business intelligence. Crucial to this will be the implementation of the key operational systems, the Hospital Information Management System (HMIS)).

g) Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the Ministry of health, County government of Nyamira, development partners, stakeholders, management and staff for their continued support, which made us, achieves these results.

I look forward to your continued support in the financial year 2025/2026.

Signed:


Dr. Samuel Gitau

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Ekerenyo Level (IV) Hospital has 6(Six) strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY2021/22 to FY2025/2026. These strategic pillars are as follows;

Pillar /theme/issue 1: **Clinical Services Delivery**

Pillar/theme/issue 2: **Healthcare Financing and Sustainability**

Pillar/theme/issue 3: **Quality Improvement**

Pillar/theme/issue 4: **Human Resource Development**

Pillar/theme/issue 5: **Medical products, Vaccines and Technology**

Pillar/theme/issue 6: **Medical products, Vaccines and Technology**

Ekerenyo Level (IV) Hospital develops its annual work plans based on the above 6 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme / Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery	<ul style="list-style-type: none"> To Establish and enhance good clinical governance 	<ul style="list-style-type: none"> Hospital Drug formulary in place No of stock-out tracer drugs No of prescription reviewed Updated SOPs No of Pharma covigilance conducted 	<ul style="list-style-type: none"> Rational use of Medications Rational use of blood and blood products Provision of Health products Monthly Clinical Audits and mortality Meetings 	<ul style="list-style-type: none"> Hospital Drug formulary in place. %reduction in morbidity and mortality.
	<ul style="list-style-type: none"> To strengthen Emergency Preparedness 	<ul style="list-style-type: none"> Training reports Committee Minutes 	<ul style="list-style-type: none"> Train staff on Emergency preparedness. Form Emergency Preparedness Committee Conduct Annual Emergency Drill 	<ul style="list-style-type: none"> Staff Trained Committee is in existence. One Emergency drills conducted.
	<ul style="list-style-type: none"> To ensure Quality Diagnostic Services 	<ul style="list-style-type: none"> Registers Survey reports Client satisfaction report EMR 	<ul style="list-style-type: none"> Expand the scope of 24 hours specialized services Introduce new specialized Services Adhere to Quality Standards 	<ul style="list-style-type: none"> UECs Culture sensitivity etc done 24 hours

Ekerenyo Level 4 Hospital (Nyamira County Government)
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	<ul style="list-style-type: none"> To Enhance Effective Internal and External Referral Systems 	<ul style="list-style-type: none"> Survey Reports Meeting Minutes EMR Client Satisfaction report 	<ul style="list-style-type: none"> Implement referral guidelines Review and implement internal and external referral protocols 	<ul style="list-style-type: none"> Referral guidelines implemented 99% Three external Meetings with the county referral facility and Nyamira county department of health.
Healthcare Financing and Sustainability	<ul style="list-style-type: none"> To increase revenue Generation 	<ul style="list-style-type: none"> Revenue Reports %increase in revenue 	<ul style="list-style-type: none"> Diversify Revenue Streams Review User Fee Charges Increase Customer Base Develop Concept papers and proposals to development partners 	<ul style="list-style-type: none"> Revenue improved compared to previous year Review of user fees continuous and on progress New institutions brought on board for MOUs Signed with other institutions to boost revenue collection. New services introduced, such as blood transfusion services. More patients have been enrolled to SHIF

	<ul style="list-style-type: none"> Facilitate prudent Financial Management 	<ul style="list-style-type: none"> Financial Reports % increase in Resource allocation to departments 	<ul style="list-style-type: none"> Provide E and M-Payment Strengthen use of financial and procurement policies and guidelines 	<ul style="list-style-type: none"> M-payment at the Linkage Stage Financial and procurement policies and guidelines in place
Quality Improvement	<ul style="list-style-type: none"> Enhance Continuous Quality Improvement Enhance customer care services 	<ul style="list-style-type: none"> Training Reports Customer care desks Minutes of the change Agents 	<ul style="list-style-type: none"> Training of staff on key issues affecting the current Healthcare Environment Customer care desks Minutes of the change Agents 	<ul style="list-style-type: none"> Staff trained and its continuous Customer desks introduced at outpatient and at the hospital entrance Monthly meeting for change Agents <p>Achieved.</p>
Human Resource Development	<ul style="list-style-type: none"> Improved performance management 	<ul style="list-style-type: none"> Human Resource Department established and functional Human Resource Reports Staff Appraisal Reports 	<ul style="list-style-type: none"> Establish Human Resource Department Conduct Quarterly and Annual Staff Appraisal 	<ul style="list-style-type: none"> Human Resource Department functional Staff Appraisals Done
	<ul style="list-style-type: none"> Staff Motivation 	<ul style="list-style-type: none"> Staff Satisfaction Report Client Satisfaction Minutes 	<ul style="list-style-type: none"> Staff Recognition, rewards and Sactions Annual Staff Party Improving The staff Levels Staff involvement on decision making 	<ul style="list-style-type: none"> All staffs awarded at an annual staff party Annual staff party was done successfully All Staffs are involved in decision making through

			<ul style="list-style-type: none"> • Remuneration 	<p>various committees, HMT, Departmental meeting and staff meeting days.</p>
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<p>Medical products, Vaccines and Technology</p>	<ul style="list-style-type: none"> • Strengthen coordinate and manage medical products supply chain • Enhance ethical research activities 	<ul style="list-style-type: none"> • % reduction on stock outs • Bin cards • Complete registers • Sops in place. 	<ul style="list-style-type: none"> • Annual Forecasting • Prepare monthly and Annual Report • Develop SOPs for inventory management • Prepare documentation of services provided 	<ul style="list-style-type: none"> • Forecasting done • Annual and monthly reports done • Stock outs reduced by 20% <p>SOPs already developed and functional</p>
	<ul style="list-style-type: none"> • Timely provision of health products 	<ul style="list-style-type: none"> • Client Satisfaction • Availability of Products • % of reduction in stock-out 	<ul style="list-style-type: none"> • Strengthening of procurement process • Implementation of procurement plan • Strengthen Commodity Management cycle 	<ul style="list-style-type: none"> • Procurement plan in place and functioning • Reduction in stock out by approximately 20%

8. Corporate Governance Statement

Ekerenyo Sub- County Hospital Board of Management is responsible for the corporate governance of the Hospital and is accountable to the Department of Health Services, County Government of Nyamira for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

a) Board of Management

The Board of Management is composed of non-executive members elected by the governor of Nyamira County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience and each brings an independent judgment and considerable knowledge to the Board's discussions. The board term is three years renewal subject to performance.

Summarized below are the key roles and responsibilities of the Board:

- Approve and adopt strategic plans and annual budgets, set objectives and review key risk and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital's management of risk and internal contracts; and
- Review at regular meetings Management's performance against approved budget. The full Board meets at least 4 times a year and the Chairperson has bi-weekly meetings/Consultations with the Medical Superintendent. The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Medical Superintendent. The Board nonetheless retains responsibility for establishing and maintaining the Hospital's overall internal control, financial, operational and compliance framework.

b) Board Meetings

The Board as per the Annual work plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within stipulated timelines. The Main Board held 4 meetings attended by selected members.

c) Board Remuneration

Non-Executive Members provide services to the hospital to which they are entitled to an allowances the allowance is paid as per the government of Kenya allowance circulars.

9. Management Discussion and Analysis

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization.

The overall leadership and governance of Ekerenyo Level (IV) Hospital will be vested in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Nyamira. The day-to-day management of the hospital is vested on the Medical Superintendent.

The Medical Superintendent will be assisted in performing the functions of his or her position by the Hospital Management Team (HMT). The HMT is made up of the divisional heads and heads of departments. Ekerenyo Level (IV) Hospital has developed a governance framework defining the respective roles of the HMT members and Management.

Clinical/operational performance

The following key areas are highlighted in showing the above:

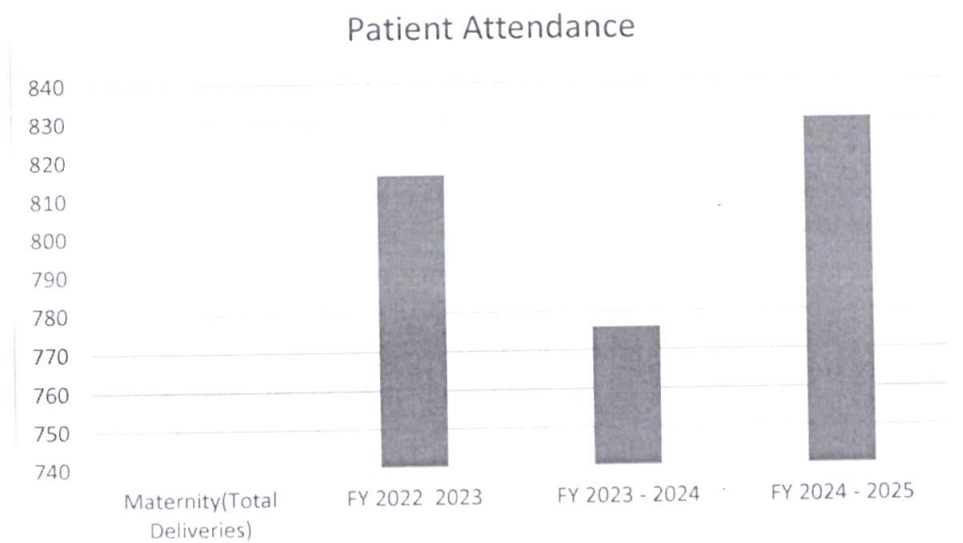
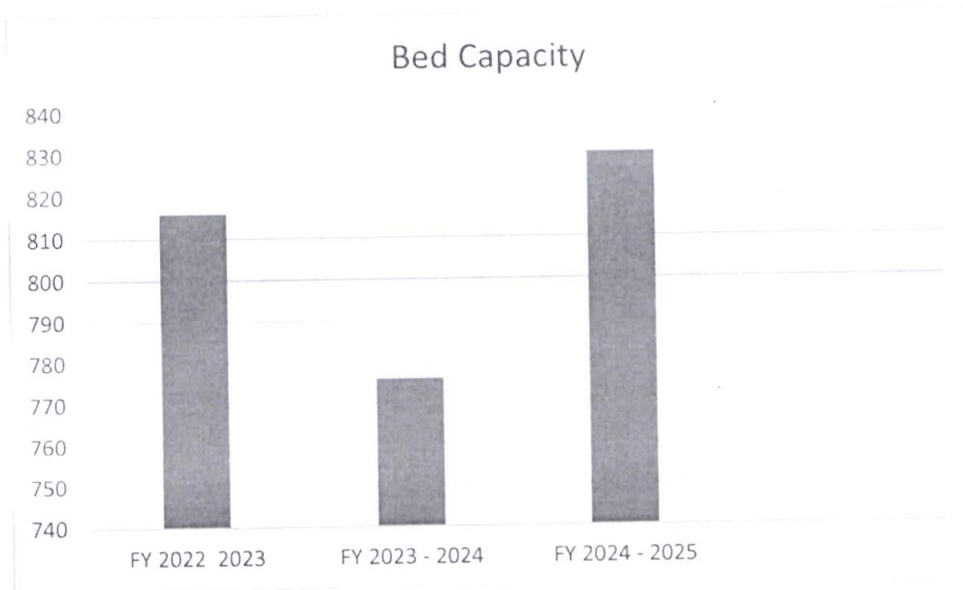
- Bed capacity of the hospital.
- Overall patient attendance during the year for both inpatient and outpatient.
- Specialised clinic attendance
- Average length of stay for in patient
- Bed occupancy rate
- Mortality rate
- Sponsorships and partnerships

The overall annual performance is as illustrated below:

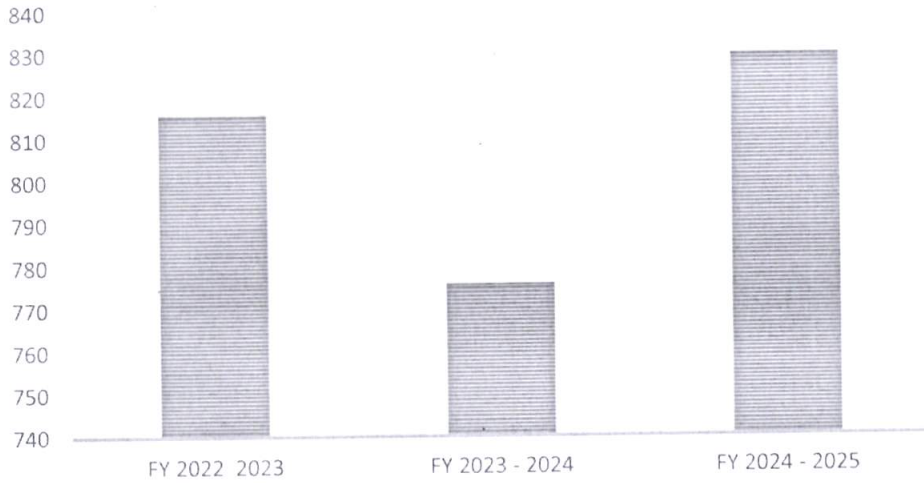
		FY 2022-2023	FY 2023-2024	FY 2024-2025
Bed capacity		27	27	29
Patient Attendance: Inpatient and Out- patient	OPD Visits	15,207	15,930	31,746
	IPD	1,234	1,151	1,153
	Accidents and emergency			283
Specialized Clinics attendance		16,331	17,017	8,466
Average Length of Stay (In-patients) in Days		12.3 Days	10.3 Days	4 Days
Bed Occupancy rate		13.5%	11.6%	13%
Surgical utilization				21

*Ekerenyo Level 4 Hospital (Nyamira County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

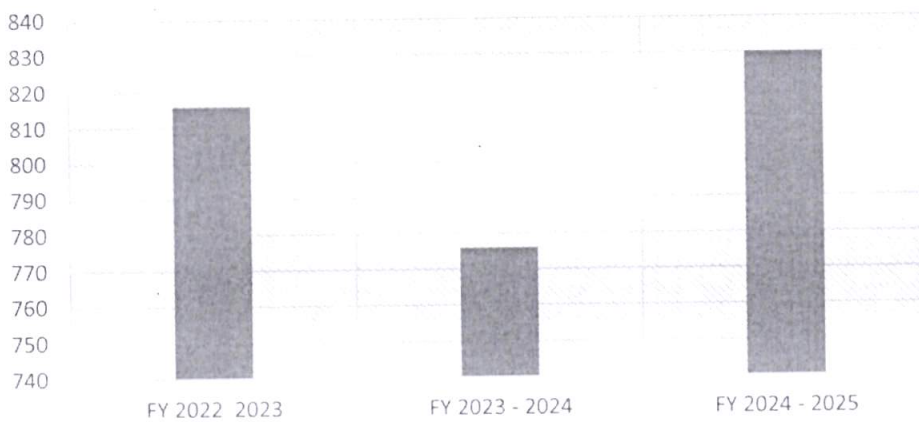
Mortality rate	0.009%	0.7%	0%
Maternity (Total Deliveries)	816	776	830



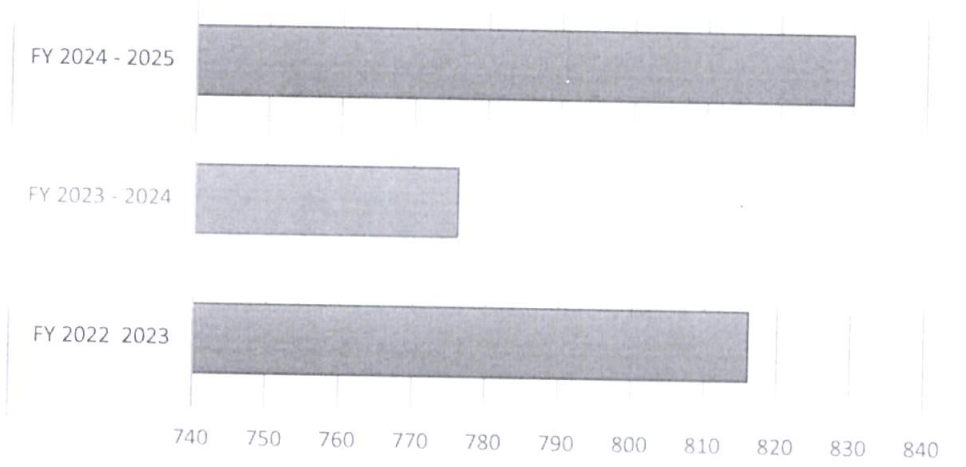
SPECIALIZED CLINICS ATTENDANCE



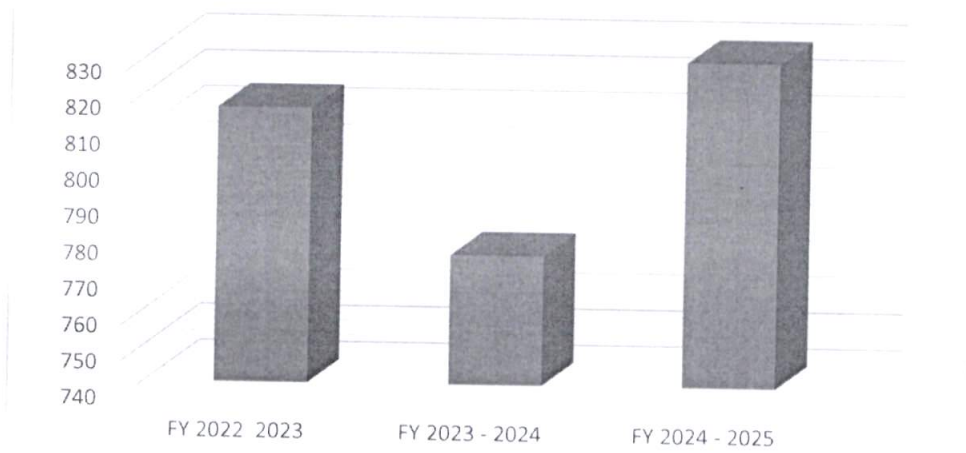
Average Length of Stay(In-patients) In Days



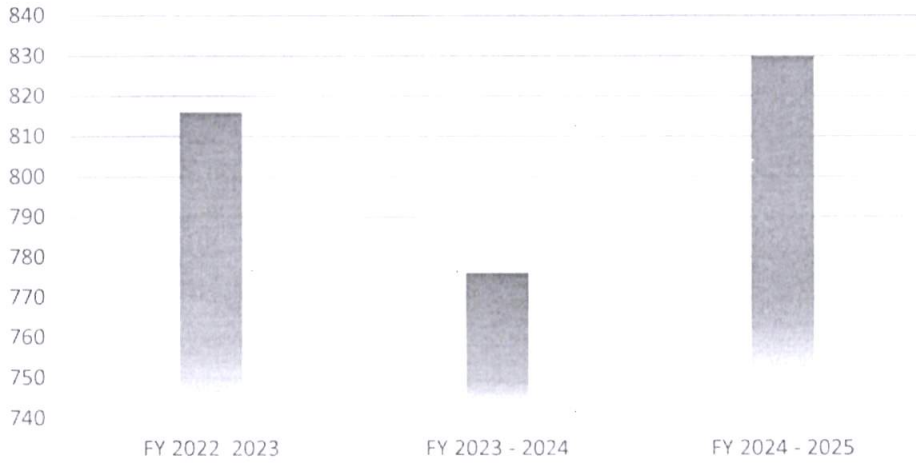
Bed Occupancy Rate



Mortality Rate



MATERNITY (TOTAL DELIVERIES)



10. Environmental And Sustainability Reporting

Ekerenyo Level (IV) Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

i) Sustainability strategy and profile

Ekerenyo Level (IV) Hospital and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that Ekerenyo Level (IV) Hospital going concern is secured. The hospital has conducted a basic assessment of available options for feasible financing tools that would assure the hospital of its long-term sustainability. The hospital has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options, which include:

- Introduction of new specialized services such as surgery services
- Public Private Partnership
- Upgrading the hospital to national referral to get more funding
- Enhancing Client satisfaction through quality service care
- Bringing on board more financial institutions i.e., lobbying for more engagement with other insurance firms

ii) Environmental performance

Ekerenyo Level (IV) Hospital is using the National Health Care Waste Management policy guideline which is guiding us in the management of the waste that we generate in the organization and we have a copy of the policy.

Successes

- We are having color-coded bins [receptacles] at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of waste.
- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose of non-contaminated waste to the dumping site.

- The general cleanliness of the organization is well maintained both indoors and grounds.

Challenges

- Frequent breakdown of the equipment and the cost of repair.
- High-cost electricity bill.
- Shortage of staffs.
- Delay of funds disbursement.

Efforts to Reduce Environmental Impact of Waste Products

The waste passes through a microwave during treatment process, which renders it harmless before they are taken to the dumpsite.

The incinerator burns the waste at a very high temperature and the products is harmless.

iii) Employee welfare

Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board reference made from the Public Service Commission Human Resource Manual and procedures May 2016, mentioned in section B which provides the rules governing recruitment and appointment of new officers.

Improvement of employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend short courses offered by the government institutions.

Training programs are based on the identified needs from the training needs assessments and are emphasized for performance improvement addressing both individual and organizational goals.

Performance management system is a process conducted by the employer to identify areas of weakness and support the individuals in order to get better results. It's an annual exercise intended to provide employees with clear understanding of job expectations, regular feedback on performance, advice and steps for improving performance, rewards for good performance and actions for poor performance. It helps to measure performance and ultimately the achievement of intended results for the organization.

The Human Resource Manual procedures also provides for guidelines and standards for the prevention and protection of officer against accidents and occupational hazards arising at the work place. It provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents contracted while and in the course of employment.

iv) Market place practices-

a) Responsible competition practice.

This is effectively done through proper use of the available county website for advertisement purposes as well as making good use of the instituted internal committees to help minimize corruption.

b) Responsible Supply chain and supplier relations

The hospital ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time as well as prompt payment for the goods and services rendered.

c) Responsible marketing and advertisement

The hospital strives to Effectively to market and advertise its services and events through the use of the county website and daily newspapers.

d) Product stewardship

The hospital in strives to adhere to best market practices in rendering its services and its products are highly standardised and adhere to KEBS standards and or the Pharmacy and Poisons Board standards to ensure safety to the consumers.

v) Corporate Social Responsibility / Community Engagements

Ekerenyo Level (IV) Hospital seeks to impact people's lives through its Corporate Social Responsibility (CSR) initiatives. The initiatives are aimed at improving lives and enhance engagement with the public. Central to this philosophy is the commitment to enhance the quality of life of people from marginalised and vulnerable communities, by empowering them and catalysing change through creating awareness on diseases and available interventions.

Our CSR initiatives are guided by three core principles Transparent, Accountability and Sustainability. Through the initiatives mentioned above, Ekerenyo Sub County Hospital has achieved the following results in FY 2024/2025.

11. Report of The Board of Management

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

Principal activities

The principal activities of the hospital is provision of health care services to the general public.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 34

Board of Management

The members of the Board who served during the year are shown on page(vi)-(ix).

Auditors

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

By Order of the Board



Dr. Samuel Gitau

Secretary, Hospital Management Board

Ekerenyo Sub- County 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 Ekerenyo Level (IV) 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 hospital for that year/period. 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 hospital. 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's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 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 hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the hospital ; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2024, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on **27th August 2025** and signed on its behalf by:


.....
Rachael Asumari
Chairperson
Board of Management


.....
Dr. Samuel Gitau
Medical Superintendent

REPUBLIC OF KENYA

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

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

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 Ekerenyo Level 4 Hospital - Nyamira County set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

Report of the Auditor-General on Ekerenyo Level 4 Hospital for the year ended 30 June, 2025 – County Government of Nyamira

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 effects 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 Ekerenyo Level 4 Hospital - Nyamira County 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 Public Finance Management Act, 2012, the County Government Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Unsupported Property, Plant, and Equipment Balance

The statement of financial position and Note 18 to the financial statements reflects property, plant, and equipment balance of Kshs.26,499,555. However, the Hospital's assets including land and buildings, motor vehicles, furniture and equipment were not supported by valuation reports. Further, the ownership documents for the land, buildings and motor vehicles were not provided for audit review.

In addition, the Management did not maintain an asset register detailing the dates of acquisition, cost, supplier, location, depreciation, unique identification number, disposal and other details for the assets control measures.

In the circumstances, the existence, accuracy and completeness of plant, property and equipment balance of Kshs.26,499,555 could not be confirmed.

2. Misstatement of Contracted Services Amount

The statement of financial performance reflects general expenses amount of Kshs.8,987,810 which includes Kshs.408,000 for contracted services. The amount is net of Kshs.1,187,840 adjustment done for the expenditure of Kshs.1,595,840 reported in the initial financial statements. However, the adjustment was not supported by journal voucher and ledger.

In the circumstances, the propriety and accuracy of the expenditure could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ekerenyo Level 4 Hospital - Nyamira County 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 Hospital expended Kshs.96,260,847 against actual receipts of Kshs.108,001,280 resulting to under-absorption of Kshs.11,740,433.00 or 11% of the actual receipts.

The under-absorption affected the implementation of planned activities and programs and may have impacted negatively on service delivery.

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, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which requires the Accounting Officers designated to try to resolve any issues resulting from an audit that remain outstanding.

The issues are in Appendix 1

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the 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. Unlawful Transfer of Facility Improvement Funds

The statement of financial performance reflects general expenses amount of Kshs8,987,810, which includes transfers to primary health care support and CHMT support amounts of Kshs.580,445 and Kshs.145,111, respectively, all totalling Kshs.725,556. The transfers contravened section 5(1) of the Facility Improvement Financing Act No. 14 of 2023, which requires Level 1 to 5 facilities to retain all monies raised or received.

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

2. Irregular Operation of Facility Improvement Fund (FIF) Revenue Account

Review of the bank records revealed that the County Chief Officer (Medical Services) was appointed as the only mandatory signatory to the FIF revenue account, vide letter Ref. No. NCG/F&P/CECM/BANKVOL.IV(19) dated, 24th October, 2024. The Chief Officer Finance and the Head of Accounting Services were included as other signatories to the account. This is contrary to the provisions of section 20(2) of the FIF Act, 2023 which requires that the Medical Superintendent and the Hospital Administrator be the mandatory signatories to the FIF revenue account.

In the circumstance, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Information Technology Internal Control Environment

Review of the Information Technology internal controls revealed that Management had not developed an IT continuity and disaster recovery plan and this could resort to disruption of services. Further, an IT strategic committee for the oversight function and formulation of policies to ensure that the IT investments and functions are directed towards the achievement of the mandate of the Hospital was not formed.

In the circumstances, the reliability and effectiveness of the Hospital Information Technology internal controls could not be confirmed.

2. Poor Implementation of Universal Health Cover

Review of Hospital records and interviews conducted, about the services offered, equipment available and medical specialists in the Hospital revealed deficiencies noted below.

i. Staffing

The Hospital had actual establishment of 24 medical staff against the approved establishment of 91 in the various cadres as required by the Kenya Quality Model for Health Policy Guidelines resulting to a deficit of 67 or 74% of the authorized establishment.

ii. Inadequate Infrastructure

The Hospital lacked key infrastructure including a radiology services unit, a Mortuary/cold room, an advanced life support and Staff quarters for at least four (4) persons on duty and therefore failed to offer critical services.

iii. Bed Capacity

The hospital has a twenty (29) bed capacity against the required one hundred and fifty (150) limiting the in-patient capacity.

The deficiencies imply failure to meet the First Schedule of the Health Act, 2017 requirements, thus making accessibility to the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 not achievable.

2. Failure to Implement Electronic Bookkeeping System

Review of records revealed that the management maintained its financial and operations records including payroll, cash book and ledgers in manual form which do not have the necessary backups. The Hospital's information is exposed to risks of inaccuracy, inefficiencies, manipulations and possible loss. The management, lack a system for processing and maintaining financial transactions.

In the circumstances, the effectiveness of internal controls over recording and processing transactions manually could not be confirmed.

4. Management of Pharmaceuticals

Physical verification of the Hospital's drug storage facilities revealed inadequate storage space, which compromises the ability to maintain the required quality and safety of drugs. This contravenes Section 2.4.2 of the Pharmacy and Poisons Board (PPB) Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya. The guidelines requires that storage areas have sufficient capacity to allow orderly storage of various categories of health products and technologies, including usable, quarantined, rejected, returned, or recalled items. The inadequate storage space is non-compliance with the guidelines and poses a risk to the proper handling and preservation of pharmaceutical products.

In the circumstances, the inadequate drug storage space is non-compliance with PPB Guidelines and poses a risk to the proper handling, safety and preservation of pharmaceutical products.

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 those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


11 December, 2025

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			
In-kind contributions from the County Government	6	55,464,217	58,029,431
In-kind contributions from the Ministry	7	7,840,300	519,546
		63,304,517	58,548,977
Revenue from exchange transactions			
Rendering of services- Medical Service Income	8	44,696,763	15,110,939
Revenue from exchange transactions		44,696,763	15,110,939
Total revenue		108,001,280	73,659,916
Expenses			
Medical/Clinical costs	9	29,776,013	11,082,163
Employee costs	10	54,220,324	55,388,760
Board of Management Expenses	11	131,500	105,000
Depreciation and amortization expense	12	2,246,319	2,779,125
Repairs and maintenance	13	3,145,200	706,703
General expenses	14	8,987,810	6,339,601
Total expenses		98,507,166	76,401,352
Net Surplus / (Deficit) for the year		9,494,114	(2,741,436)

The notes set out on pages 6 to 32 form an integral part of the Annual Financial Statements.

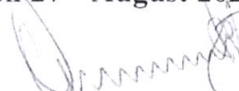
The Hospital's financial statements were approved by the Board on **27th August 2025** and signed on its behalf by:

.....


Rachael Asumari
Chairperson
Board of Management

.....


CPA Jemimah B Abuga
Head of Finance
ICPAK No:12842

.....


Dr. Samuel Gitau
Medical Superintendent

Ekerenyo Level 4 Hospital (Nyamira 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
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	745,842	2,536,517
Receivables from exchange transactions	16	15,117,884	5,521,800
Inventories	17	2,164,013	272,310
Total Current Assets		18,027,739	8,330,627
Non-current assets			
Property, plant, and equipment	18	26,499,555	28,745,875
Total Non-current Assets		26,499,555	28,745,875
Total assets (A)		44,527,294	37,076,502
Liabilities			
Current liabilities			
Trade and other payables	19	2,774,616	4,817,938
Total Current Liabilities		2,774,616	4,817,938
Non-current liabilities			
Total non-current liabilities		0	0
Total Liabilities (B)		2,774,616	4,817,938
Net assets (A-B)		41,752,678	32,258,564
Represented by:			
Accumulated surplus/Deficit		6,276,695	(3,217,419)
Capital Fund		35,475,983	35,475,983
Net Assets		41,752,678	32,258,564

The notes set out on pages 6 to 34 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on **27th August 2025** and signed on its behalf by:

.....
Rachael Asumari
Chairperson

.....
CPA Jemimah B Abuga
Head of Finance
ICPAK No:12842

.....
Dr. Samuel Gitau
Medical Superintendent

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	0	(475,983)	35,475,983	35,000,000
Revaluation gain	0	-	-	-
Surplus/(deficit) for the year	-	(2,741,436)	-	(2,741,436)
Capital/Development grants	-	-	0	0
As at June 30, 2024 (previous year)	0	(3,217,419)	35,475,983	32,258,564
At July 1, 2024 (current year)	0	(3,217,419)	35,475,983	32,258,564
Revaluation gain	0	-	-	-
Surplus/(deficit) for the year	-	9,494,114	-	9,494,114
Capital/Development grants	-	-	0	0
At June 30, 2025 (current year)	0	6,276,695	35,475,983	41,752,678

Ekerenyo Level 4 Hospital (Nyamira County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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			555,000
Rendering of services- Medical Service Income		29,578,879	9,589,139
Total Receipts		29,578,879	10,144,139
Payments			
Medical/Clinical costs		17,328,820	2,941,449
Employee costs		1,776,224	2,235,000
Board of Management Expenses		131,500	105,000
Repairs and maintenance		3,145,200	606,753
General expenses		8,987,810	4,922,110
Total Payments		31,369,554	10,810,312
Net cash flows from operating activities		(1,790,675)	(666,173)
Net increase/decrease in cash and cash equivalents			
Cash and cash equivalents as at 1 July 2024	15	2,536,517	2,536,517
Cash and cash equivalents as at 30 June 2025	15	745,842	1,870,344

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	0	0	0	0	0	%
Receipts						
Transfers from the County Government	55,464,217	0	55,464,217	55,464,217	0	100%
Transfers from other Government entities	7,840,300	0	7,840,300	7,840,300	0	100%
Rendering of services- Medical Service Income	16,370,210	28,915,849	45,286,059	44,696,763	589,296	99%
Total receipts	79,674,727	28,915,849	108,590,576	108,001,280	589,296	%
Payments						
Medical/Clinical costs	22,700,320	10,709,899	33,410,219	29,776,013	3,634,206	89%
Employee costs	50,000,324	9,428,440	59,428,764	54,220,324	5,208,440	91%
Remuneration of directors	146,000	0	146,000	131,500	14,500	90%
Repairs and maintenance	2,000,000	1,933,360	3,933,360	3,145,200	788,160	79%
General expenses	4,828,083	6,844,150	11,672,233	8,987,810	2,684,423	77%
Total Operational Expenditure paid	79,674,727	28,915,849	108,590,576	96,260,847	12,329,729	

19. Notes to the Financial Statements

1. General Information

Ekerenyo Sub County Hospital is established by and derives its authority and accountability from PFM Act. The hospital is wholly owned by the Government of Kenya and is domiciled in Kenya. The hospital's principal activity is provision of primary healthcare services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the hospital's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples.</p> <p>The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46	<p><i>Applicable 1st January 2025</i></p>

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Standard	Effective date and impact:
Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

Standard	Effective date and impact:
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The hospital did not early – adopt any new or amended standards in the financial year.

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

Sale of goods

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

Interest income

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

Rental income

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

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **June 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *hospital* recorded additional appropriations on the FY 2024/2025 budget following the Board's approval. 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.

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

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of

the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The hospital adopted straight line method of depreciation with the following rates under different categories:

- i. Land – 0%
- ii. Building and civil works – 4%
- iii. Motor vehicle – 25%
- iv. Furniture, fittings and office equipments – 12.5%
- v. ICT equipments – 30%
- vi. Plant and medical equipments – 12.5%

f. Leases

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

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

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

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

g. Intangible assets

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

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

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

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 *hospital* or vice versa.

Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the hospital's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts

of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	52,440,324	53,708,760
Medical supplies-Drawings Rights (KEMSA)	3,023,893	4,320,671
Total grants in kind	55,464,217	58,029,431
Cashflow adjustments:		
In-kind contributions-Salaries County government	(52,440,324)	(53,153,760)
Medical Supplies	(3,023,893)	(4,320,671)
Cashflow in-kind contributions from county government	0	555,000

7. In kind contributions From the Ministry

Description	2024/2025	2023/2024
	KShs	KShs
In kind transfers from National Government (Ministry of Health)	7,840,300	519,546
Total Transfers	7,840,300	519,546

8. Rendering of Services-Medical Service Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	331,780	422,223
Non-Pharmaceuticals	0	21,630
Laboratory	423,136	537,270
Radiology	69,700	81,600
Inpatient services	266,030	305,260
Consultation	0	265,650
Medical reports	0	60,600
Physiotherapy	0	7,600
Dental services	6,350	8,050
Outpatient services	362,275	278,840
Reimbursements from Insurance	28,119,608	7,600,416
Receivables from insurance	15,117,884	5,521,800
Total revenue from the rendering of services	44,696,763	15,110,939
Cashflow adjustments:		
Receivables from Insurance	(15,117,884)	(5,521,800)
Total cashflow revenue from rendering of services	29,578,879	9,589,139

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Notes to the Financial Statements (Continued)

9. Medical/ Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Medical and Dental costs/ materials	1,057,865	30,000
Laboratory chemicals and reagents	2,171,640	1,405,627
Food and Ration	2,257,372	1,537,690
Uniform, clothing, and linen	400,000	198,000
Dressing and non-pharmaceuticals	4,223,219	2,623,473
Pharmaceutical supplies	17,382,217	4,574,773
Health information stationery	1,220,500	490,000
Sanitary and cleansing Materials	611,200	133,600
Purchase of Medical gases	160,000	0
X-Ray/Radiology supplies	292,000	89,000
Total medical/ clinical costs	29,776,013	11,082,163
Cashflow Adjustments:		0
In-kind transfers from county Government	(3,023,893)	(4,320,671)
In-kind transfers from GOK	(7,840,300)	(519,546)
Trade payables	(1,583,000)	(3,300,497)
Cashflow Medical/Clinical costs	17,328,820	2,941,449

10. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	52,440,324	53,153,760
Casual Wages	1,780,000	2,235,000
Employee costs	54,220,324	55,388,760
Cashflow adjustments:		
In-kind salaries, wages and allowances (County Government)	52,440,324	(53,153,760)
Unpaid SHA deductions	3,776	
Cashflow employee cost	1,776,224	2,235,000

11. Board of Management Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Sitting allowance	131,500	105,000
Total	131,500	105,000

12. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	2,246,319	2,779,125
Total depreciation and amortization	2,246,319	2,779,125

13. Repairs And Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	1,636,820	180,000
Medical equipment	150,000	45,000
Maintenance of electrical appliances	0	49,000
Furniture and fittings	404,930	61,203
Computers and accessories	300,000	71,000
Motor vehicle expenses	323,500	60,000
Maintenance of plant and machinery	329,950	170,500
Printers and computers	0	70,000
Total repairs and maintenance	3,145,200	706,703
Cashflow adjustments:		
Trade payables	0	(99,950)
Cashflow repairs and maintenance	3,145,200	606,753

14. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Catering expenses	124,485	0
Bank charges	26,804	39,156
Daily Subsistence allowance	0	712,000
Contracted services	408,000	1,475,840
Electricity expenses	1,055,579	799,830
Fuel and Lubricants	2,418,500	920,000
Travel and accommodation allowance	2,587,386	400,000
Courier and postal services	15,000	0
Printing and stationery	767,500	396,000
Water and sewerage costs	85,000	48,000
Telephone and mobile phone services	194,000	109,000
Primary health care support	580,445	1,151,820
Other fuel	410,000	0

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Description	2024/2025	2023/2024
	Kshs	Kshs
CHMT Support	145,111	287,955
Household appliances	170,000	0
Total General Expenses	8,987,810	6,339,601
Cashflow adjustments:		
Accounts payable-contracted services	0	(1,417,491)
Cashflow general expenses	8,987,810	4,922,110

15. Cash And Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	745,842	2,536,517
Total cash and cash equivalents	745,842	2,536,517

15 (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	1152767976	702,920	2,536,517
Kenya Commercial bank	1331461618	42,922	0
Sub- total		745,842	2,536,517
Grand total		745,842	2,536,517

16. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	15,117,884	5,521,800
Less: impairment allowance	(0)	(0)
Total receivables	15,117,884	5,521,800

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		%	5,521,800	100%
Between 1- 2 years	15,117,884	100%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	15,117,884	100%	5,521,800	100%

17. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	1,531,848	88,662
Laboratory supplies	438,465	162,558
Food supplies	142,550	21,090
Cleaning materials supplies	20,650	0
General supplies	30,500	0
Total	2,164,013	272,310

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Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost									
At 1 July 2023	7,000,000	14,400,000	7,500,000	437,500	0	2,187,500	0	0	31,525,000
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0	0	0
At 30th Jun 2024	7,000,000	13,824,000	5,625,000	382,813	0	1,914,063	0	0	28,745,876
At 1 July 2024	7,000,000	13,824,000	5,625,000	382,813	0	1,914,063	0	0	28,745,876
Additions	0	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments	0	0	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0	0	0
At 30th Jun 2025	7,000,000	13,271,040	4,218,750	334,961	0	1,674,804	0	0	26,499,555
Depreciation and impairment									
At 1 July 2023)	0%	4%	25%	12.5%	30%	12.5%			
At 1 July 2023)	7,000,000	14,400,000	7,500,000	437,500	0	2,187,500	0	0	31,525,000
Depreciation for the year	0	576,000	1,875,000	54,687	0	273,437	0	0	2,779,124

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
At 30 July 2024	7,000,000	13,824,000	5,625,000	382,813	0	1,914,063	0	0	28,745,876
Additions	0	0	0	0	0	0	0	0	0
Depreciation	0	552,960	1,406,250	47,852	0	239,258	0	0	2,246,319
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0	0
At 30th June 2025	7,000,000	13,271,040	4,218,750	334,961	0	1,674,804	0	0	26,499,555
Net book values									
At 30 th Jun 2024	7,000,000	13,824,000	5,625,000	382,813	0	1,914,063	0	0	28,745,876
At 30 th Jun 2025	7,000,000	13,271,040	4,218,750	334,961	0	1,674,804	0	0	26,499,555

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Notes to the Financial Statements (Continued)

19. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	2,774,616		4,817,938	
Total trade and other payables	2,774,616		4,817,938	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the total
Under one year	3,776	0.1%	3,630,098	75%
1-2 years	1,583,000	57%	1,187,840	25%
2-3 years	1,187,840	42.9%	0	%
Over 3 years	0	%	0	%
Total	2,774,616	100%	4,817,938	100%

20. Cash Generated from Operations

Description	2024/2025		2023/2024	
	KShs		KShs	
Surplus for the year before tax	9,494,114		(2,741,436)	
Adjusted for:				
Depreciation	2,246,319		2,779,125	
Working Capital adjustments				
Increase in inventory	(1,891,703)		0	
Increase in receivables	(9,596,084)		(5,521,800)	
Increase in deferred income	0		0	
Increase in payables	(2,043,321)		4,817,938	
Increase in payments received in advance	0		0	
Net cash flow from operating activities	(1,790,675)		(666,173)	

Notes to the Financial Statements (Continued)

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	5,521,800	5,521,800	0	0
Total	5,521,800	5,521,800	0	0
At 30 June 2025 (current year)				
Receivables from exchange transactions	15,117,884	15,117,884	0	0
Total	15,117,884	15,117,884	0	0

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	2,480,000	1,150,098	1,187,840	4,817,938
Total	2,480,000	1,150,098	1,187,840	4,817,938
At 30 June 2025				
Trade payables	0	3,776	2,770,840	2,774,616
Total	0	3,776	2,770,840	2,774,616

(iii) Market risk

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying

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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)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024 (previous year)			
Euro	10%	0	0
USD	10%	0	0
2025 (current year)			
Euro	10%	0	0
USD	10%	0	

b) Interest rate risk

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

Management of interest rate risk

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

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.

22. Related Party Balances

Nature of related party relationships

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

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

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

23. Events after the Reporting Period

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

24. Ultimate and Holding Entity

The hospital is a Government Agency under the Department of health. Its ultimate parent is the County Government of Nyamira.

25. 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)
1.	Unsupported property, plant and equipment	<p>Management takes note of the auditors observation on valuation of assets However, management wish to clarify that at the time of audit the Inter-governmental Relations Technical Committee (IGRTC) did not complete the process of valuing and handing over of assets to the County Government of Nyamira. Further, management wish to clarify that Ekerenyo Level 4 hospital had secured a title deed reserved for hospital utilization.</p> <p>In regard to the ownership and transfer of assets including motor vehicles by the county government to the Hospital and to the extent of the existing laws, the hospital is an entity of county government of</p>	Not resolved	

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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)
		Nyamira and does not exist as an autonomous institution. Therefore, the hospital assets are held in trust by the County Government.		
2.	Budget control and performance	The hospital management concurs with auditors' observation on underfunding which was occasioned by overall under collection of both Hospital and county own source revenue, hence resulted to under expenditure and finally affected the planned activities of the hospital and negatively impacted on service delivery. However, with the upcoming of a new inpatient complex with a variety of services, and the completion of mother child and new born unit with a theatre as an additional revenue stream will enhance its revenue performance and be able to fully finance the projected budget.	Not resolved	
3.	Long outstanding trade and other payables	Management concurs with auditors observation	Not resolved	2 years

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>on balance of trade and other payables of ksh. 4,817,938 which includes amounts from supplies and services rendered not yet paid for at the end of the financial year under review and among the balance ksh. 1,187,840 relates to security services for the previous years, however management wish to clarify that most of the trade payables were paid in the subsequent financial year and the long outstanding payables of ksh. 1,187,840 has since been forwarded to the county Government through the Department of health for verification and subsequently</p>		

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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)
		provide payment plan to settle the bill due to insufficient funds in the hospital.		
4.	Non-compliance with Kenya Quality Model for Health Policy Guidelines	The hospital management concurs with the auditor's observation about shortage of staff in comparison to the Kenya Quality Model for Health checklist designed for Level IV Hospitals. The County Government of Nyamira has however taken a proactive approach to progressively address the concerns by advertising and recruiting additional health care workers in the recent past to help bridge the gap of understaffing in the facility and improving staff capacity by sending other staffs to various institutions to undertake various specialties. Further the county Government of	Not resolved	

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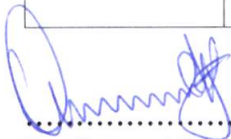
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Nyamira is on the process of completing the inpatient complex to increase hospital bed capacity with the necessary equipments to bridge the gap of bed capacity and enhance service delivery. Further the hospital in collaboration with the Ministry of health has completed maternity wards and theatre structure and subsequent equipping, this will go a long way in addressing enhanced maternity and theatre services. The county through the department of health services intends to procure additional medical equipment in the current financial year</p>		
5.	Lack of ICT and Risk Management Policy	Management concurs with the auditors observation on lack of ICT and risk management policy of the hospital. However, we wish to clarify that the hospital makes	Not resolved	6 Months

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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)
		use of the ICT and Risk Policy for the County Government of Nyamira which was developed and adopted on 6 th January 2023.		
6.	Lack of Asset Register	Management concurs with auditors' observation that at the time of audit the asset register was not updated, however we wish to clarify that it has since captured all the fixed assets owned by the hospital	Not resolved	1 Month
7.	Lack of an Audit Committee	Management takes note of the auditors' observation however, we wish to clarify that there is audit unit at the county executive level with approved work plan whereby designated auditor/or auditors review the operations of the hospital on regular basis whose report findings are tabled at County Executive Audit Committee for deliberations and recommendations are given for implementation to the hospital management	Not resolved	3 Months

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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)
		and follow-ups done by the county internal audit unit.		


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Dr. Samuel Gitau
Accounting Office