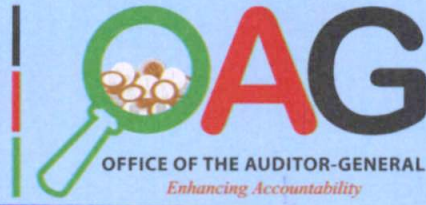


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REPORT

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THE AUDITOR-GENERAL

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YALA SUB - COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNMENT OF SIAYA

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OFFICE OF THE AUDITOR GENERAL
RECEIVED
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YALA LEVEL 4 HOSPITAL
(Siaya County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
OPD	Out Patient Department
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
MEDs	Mission for Essential Drugs Supplies
ICPAK	Institute of Certified Public Accountants of Kenya
SAGA	Semi-Autonomous Government Agency
WIBA	Work Injury Benefit Act
JICA	Japanese International Corporation Agency
HIV	Human Immunodeficiency Virus
TB	Tuberculosis
NGO	Non-Governmental Organisation
DANIDA	Danish International Development Agency
KEMSA	Kenya Medical Supplies Authority
Fiduciary Management entity	Key management personnel who have financial responsibility in the

2. Key Entity Information and Management

(a) Background information

Yala Sub County Hospital is a level (4) hospital established under gazette notice number 87 and is domiciled in Siaya County under the Health Services Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide quality health care

(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. Allan Chawiyah
2.	Head of finance	CPA John O. Komira
3.	Head of supply chain officer	Eunice A. Ombogo
4.	Hospital Administrative officer	Bernard Omondi
5.	Pharmacy In charge	Dr. Reuben Owino
6.	Nursing Services Manager	Lydia Mbeche
7.	Laboratory in charge	Kennedy Ongoro
8.	Clinical Officer in charge	Jacklyne Kerubo
9.	Head of Health Records	Nebert Oyando

(e) Fiduciary Oversight Arrangements

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

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 803-40600
Siaya.

(g) Entity Contacts

Telephone: (+254) 759168690
E-mail: yalaleveliv@gmail.com
Website: www.yalaleveliv.go.ke

(h) Entity Bankers

Co Operative Bank of Kenya (Yala Branch)

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. 803-40600
Siaya, Kenya

3. The Board of Management

During the period under review the Facility did not have a Board of Management. A new board has been gazetted and only awaiting inauguration.

4. Key Management Team

Management	Details
 <p>Dr. Allan Chawiyah Rapur Medical Specialist MBChB, M MED alchawi870@gmail.com; Phone: 0716313086</p>	<p>Medical Superintendent</p>
 <p>Lydia Mbeche Diploma in Nursing (Egerton University) rachaelakumu@yahoo.com ;Phone 072033361</p>	<p>Nursing Services Manager</p>
 <p>Bernard J. Omondi BCom (Human Resource Management) bernard.omondi@yahoo.com, Phone: 0720641550</p>	<p>Hospital Administrative Officer</p>

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

 <p>CPA John Onyango Komira. BCom (Finance); CPA-K komira20151@gmail.com, Phone: 0722348145</p>	Head of Finance
 <p>Kennedy Ongoro BSc Medical Laboratory Sciences kenongoro2@gmail.com, Phone: 0716364929</p>	Laboratory Manager
 <p>Dr. Reuben Awange Owino Bachelor of Pharmacy (B.Pharm.) Reuben.awange@gmail.com, Phone: 0710661468</p>	Pharmacy Manager

 <p>Eunice Aoko Ombogo Diploma in Supply Chain management Euniceombogo8@gmail.com, Phone: 0723427304</p>	Supply Chain Management officer
 <p>Nebert Oyando Diploma in Health Records and Information Science (KMTC) nsoyando@gmail.com, Phone: 0735488136</p>	Health Records in charge
 <p>Jacklyne Kerubo Kebati Diploma in Clinical medicine and surgery (KMTC) Kerubojacky75@yahoo.com, Phone: 0728475650</p>	Clinical officer In charge

5. **Chairman's Statement**

During the period under review the facility did not have a Board of Management in place. The Board has been gazetted and only awaiting inauguration.

6. Report of The Medical Superintendent

I am pleased to present a summary of Yala Level 4 Hospital's financial and operational performances for the financial year 2024/25.

Operational Performance.

Yala Level Hospital proudly provides a variety of specialized medical and surgical services ranging from maternal & child health, paediatrics, minor surgical services, medical services, gynaecological and rehabilitation amongst others. With our dedicated team of healthcare personnel, we offer safe, timely, efficient and effective medical services that are patient-centred to the population we serve, making us the facility of choice to our patients. The Hospital has a bed capacity of 62 beds and the bed occupancy rate stood at 30.6%. During the year under review year the facility attended to 62,963 patients in total with 83% of them being out-patients. The hospital conducted specialised clinics which were attended by 11,579 patients. The average length of stay for inpatient clients was 4 days. The mortality rate at the Hospital stood at 3%. The number of operations conducted in the Hospital during the period under review stood at 327.

Yala Level 4 Hospital was established as a centre of excellence in TB, HIV and Nursing training and services delivery. The facility boasts as the best in TB diagnosis, treatment and follow-up in the region having been one of the 9 facilities in the country to be stationed with the portable Chest X-ray machines. This has greatly improved the prognosis of patients with regards to the fight against chronic illnesses. Being a one-stop centre for provision of most, if not all, medical services has led to better prognosis and outcomes in the patients we serve.

The Ministry of Health has partnered with the County Government of Siaya and the Centre for Disease Control (CDC) to implement Kenya EMR to digitize patient management process and also enhance revenue collection at the facility.

We are also grateful and forever indebted to the hospital's sponsors, stakeholders and Siaya county government for their support, contributions, dedication and kindness in ensuring Yala Level 4 Hospital operates smoothly.

Financial Performance.

During the period under review the Hospital earned a total of Kshs. 193,239,588 broken down as: -

In kind from the County Government	Kshs.	95,112,846
Grants from Partners and donations	Kshs.	26,235,649
Rendering medical services	Kshs.	71,889,693
Revenue from rent of facilities	Kshs.	1,400

The funds were utilised as follows:

Medical and clinical costs	Kshs.	47,121,231
Employee costs	Kshs.	98,988,552
Depreciation	Kshs.	2,522,092
Repairs and Maintenance	Kshs.	4,288,710
Grants and subsidies amounted to	Kshs.	1,756,782
General Expenses amounted to	Kshs.	13,354,692

A surplus of Ksh 25,207,439 was reported for the period under review.

7. Statement of Performance Against Predetermined Objectives

Yala Sub-County Hospital has six strategic pillars/themes/issues and objectives within the current strategic plan for the F/Y 2024/2025. These strategic pillars/ themes/issues are as follows:

- Pillar/theme/Issue 1. Leadership and governance
- Pillar/theme/Issue 2. Service delivery
- Pillar/theme/Issue 3. Health System Financing
- Pillar/theme/Issue 4. Health workforce
- Pillar/theme/Issue 5. Medical products, vaccines and technologies
- Pillar/theme/Issue 6. Health Information System

Yala Sub-County 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 ***Yala Sub-County Hospital*** achieve **90%** of 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
Leadership & Governance	Ensure effective hospital management & compliance with standards	1. 100% of Monthly HMT meetings held 2. >90% Staff trained on facility charter 3. >90% Timely incident reporting compliance	1. Monthly performance reviews with departments 2. Implement facility quality committees 3. Display service charters & feedback mechanisms	1. Functional Health Facility Management Team (HMT) 2. 100% display of patients' rights 3. Established facility quality committees
Service Delivery	Provide safe, quality clinical services	1. Average waiting time (OPD) 2. Surgical site infection rate 3. Bed occupancy rate 4. Maternal mortality ratio (facility)	1. Implement standard treatment protocols 2. Establish infection prevention committees 3. Conduct monthly	1. 100% Functional triage systems 2. Established infection prevention committees 3. Newborn resuscitation corners

			clinical audits	
Health System Financing	Optimize resource use & revenue retention	<ol style="list-style-type: none"> 1. 100% revenue collected vs. billed 2. Days of cash buffer 3. SHA claim rejection rate 4. Wastage reduction (%) 	<ol style="list-style-type: none"> 1. Implement revenue tracking dashboards 2. Train cashiers on SHA billing 3. Conduct quarterly expenditure reviews 	<ol style="list-style-type: none"> 1. 100% use of revenue automation systems 2. 25% reduction in SHA claim rejections 3. User fee exemptions for vulnerable groups
Health Workforce	Maintain adequate skilled staff & performance	<ol style="list-style-type: none"> 1. Staff absenteeism rate 2. 100% medical/clinical staffs with current licensure 3. Training hours/staff/year 4. Turnover rate 	<ol style="list-style-type: none"> 1. Implement electronic staff attendance 2. Conduct skills gap analysis annually 3. Establish clinical mentorship programs 	<ol style="list-style-type: none"> 1. 100% duty rosters for each department 2. >80% staff with updated competency certificates 3. Functional staff wellness programs
Medical Products & Technologies	Ensure uninterrupted supply of essentials	<ol style="list-style-type: none"> 1. Essential medicine stockout days/month 2. Equipment downtime rate 3. % vaccines stored at correct temperature 	<ol style="list-style-type: none"> 1. Daily essential drug tracking 2. Implement equipment maintenance logs 3. Train stores staff on eLMIS 	<ol style="list-style-type: none"> 1. ≤3 medicine stockout days/month 2. Have a functional oxygen plant 3. Acquire Solar-powered vaccine fridges
Health Information Systems	Ensure accurate real-time data for decision-making	<ol style="list-style-type: none"> 1. 100% service delivery points with EMR access 2. Data completeness rate (KHIS) 3. Days to generate performance reports 	<ol style="list-style-type: none"> 1. Daily data quality checks 2. Train staff on EMR/KHIS 3. Install integrated dashboards in departments 	<ol style="list-style-type: none"> 1. 100% reports upload to KHIS 2. 100% service delivery points with EMR 3. Real-time Inpatient Daily Bed Return monitoring

8. Corporate Governance Statement

During the period under review the facility did not have a Board of Management in place. A new board has been gazetted and is only awaiting inauguration.

9. Management Discussion and Analysis

Clinical/operational performance

Yala Level Hospital proudly provides a variety of specialized medical and surgical services ranging from maternal & child health, paediatrics, minor surgical services, medical services, gynaecological and rehabilitation amongst others. With our dedicated team of healthcare personnel, we offer safe, timely, efficient and effective medical services that are patient-centred to the population we serve, making us the facility of choice to our patients. The Hospital has a bed capacity of 62 beds and the bed occupancy rate stood at 30.6%. During the year under review year the facility attended to 62,963 patients in total with 83% of them being out-patients. The hospital conducted specialised clinics which were attended by 11,579 patients. The average length of stay for inpatient clients was 4 days. The mortality rate at the Hospital stood at 3%. The number of operations conducted in the Hospital during the period under review stood at 327.

Yala Level 4 Hospital was established as a centre of excellence in TB, HIV and Nursing training and services delivery. The facility boasts as the best in TB diagnosis, treatment and follow-up in the region having been one of the 9 facilities in the country to be stationed with the portable Chest X-ray machines. This has greatly improved the prognosis of patients with regards to the fight against chronic illnesses. Being a one-stop centre for provision of most, if not all, medical services has led to better prognosis and outcomes in the patients we serve.

We are also grateful and forever indebted to the hospital's sponsors, stakeholders and Siaya county government for their support, contributions, dedication and kindness in ensuring Yala Level 4 Hospital operates smoothly.

The facility is currently constructing a modern theatre and maternity wing with the support of the County Department of Health at cost of Ksh 86 million. When complete the Hospital's bed capacity will increase significantly from the current 62. The project is currently at 75% level of completion.

Financial Performance

During the period under review the Hospital earned a total of Kshs. 193,239,588 broken down as:

In kind from the County Government	Kshs. 95,112,846
Grants from Partners and donations	Kshs. 26,235,649
Rendering medical services	Kshs. 71,889,693
Revenue from rent of facilities	Kshs. 1,400

The funds were utilised as follows:

Medical and clinical costs	Kshs. 47,121,231
Employee costs	Kshs. 98,988,552
Depreciation	Kshs. 2,522,092
Repairs and Maintenance	Kshs. 4,288,710
Grants and subsidies amounted to	Kshs. 1,756,782
General Expenses amounted to	Kshs. 13,354,692

A surplus of Ksh 25,207,439 was reported for the period under review.

Liquidity Risk

The hospital is exposed to liquidity risk since it only has one major debtor, Social Health Authority (SHA). The reimbursements for claims submitted to SHA remain very low and as such the facility is not able to meet its financial obligations as and when they fall due.

Credit Risk

The Facility is exposed credit risk when its main vendors and suppliers of essential commodities fail to honour local purchase supplier orders (LPOs) due to delayed payments for earlier supplies received.



.....
Name *DR MELAN CHAWIYATH*

Medical Superintendent

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Yala Level 4 hospital exists to transform lives. It is what guides the facility to deliver on its strategic mandate by putting the client/Citizen first while providing quality health services, and improving on operational efficiency. Below is an outline of the of the Facility's policies and activities that promote sustainability.

Sustainability strategy and profile

Yala Level 4 hospital has identified the following sustainability priorities: -

- Improving the Hospital infrastructure
- Increasing the Hospital bed capacity
- Improving on collections from facility improvement fund (FIF)
- Bringing on board development partners to support the Hospital
- Enhancing working relations with the Social Health Authority (SHA).

ii) Environmental performance

Yala level 4 hospital is yet to develop its own environmental policy. However, the Hospital endeavours to continue adopting and adhering to the National policies and regulations that guide compliance with the existing environmental management laws.

The Hospital has greatly improved on disposal of its' biomedical waste despite through the use of an incinerator at the facility.

iii) Employee welfare

The Facility endeavours to continuously comply with Occupational Safety and Health Act ,2007 (OSHA) by providing adequate office space that is regularly cleaned; providing sanitation facilities; regular training on drug and substance abuse and providing adequate personal protective equipment (PPEs) for frontline healthcare workers.

iv) Market place practices-

a) Responsible competition practice.

The Facility as an appendage of the County Government was declared a corruption free zone after engagement with the officers from the Ethics and Anticorruption Commission. The Facility advocates for fairness in the provision of its services to the public.



b) Responsible Supply chain and supplier relations

The Facility treats its own suppliers responsibly by honouring contracts and endeavouring to pay for goods and services received on time and clear its pending debts owed to suppliers in a timely manner.

c) Responsible marketing and advertisement

All advertisements of tenders for supply of goods and services for the Hospital are openly displayed in public. Similarly, advertisements for employment vacancies are publicly displayed.

d) Product stewardship

The Hospital has put in place a digitized cash less system for revenue collection to improve efficiency in revenue generation

v) Corporate Social Responsibility / Community Engagements

The Hospital partners with players mainly NGOs in the health sector to carry out various outreach services. The facility partners with NGOs to provide medical camps for screening of patients. The Facility also supports regular clinics for mothers and Children under five years.

11. Report of The Board of Management

During the period under review the facility did not have a Board Management in place. The new Board has been gazetted and is only awaiting inauguration.

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 and Health Act requires the Board of Management to prepare financial statements in respect of Yala Level 4 Hospital (Facility) which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the Facility for that year/period. The Board of Management is also required to ensure Facility keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The Board of Management is responsible for the preparation and presentation of Facility's financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


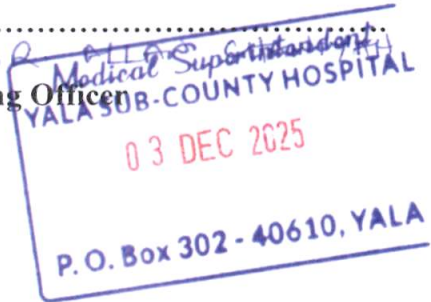
The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the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

Nothing has come to the attention of the Board of management to indicate that Facility 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 27/08/25 and signed on its behalf by:

.....
Name:
Chairperson
Board of Management

.....
Name: 
Accounting Officer


REPUBLIC OF KENYA

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



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

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

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 Yala Sub - County Level 4 Hospital – County Government of Siaya set out on pages 1 to 61, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Yala Sub County Level 4 Hospital – County Government of Siaya as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 29 to the financial statements reflects an amount of Kshs.36,908,102 in respect of receivables from exchange transactions comprising of NHIF and SHIF amounting to Kshs.17,362,855 and Kshs.19,545,247 respectively. However, review of the ageing analysis of these receivables balances indicates that Kshs.17,362,855 or 47% has been outstanding for more than one (1) year which may adversely affect the entity's liquidity and raise concerns regarding the effectiveness of debt collection and the recoverability of long-outstanding amounts.

In the circumstances, the recoverability of the long outstanding receivables amounting to Kshs.17,362,855 could not be confirmed.

2. Inaccuracies in the Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.6,301,008 as disclosed in Note 32 to the financial statements. However, the parcel of land on which the Hospital occupy have not been surveyed and ownership documents for the land have not been obtained. Further, the property, plant and equipment balance of Kshs.6,301,008 excludes Hospital's furniture, fittings and office equipment and motor vehicles. In addition, the Hospital have not put place a depreciation policy for depreciation of its' assets.

In the circumstances, the ownership, valuation, accuracy and completeness of the property, plant and equipment balance of Kshs.6,301,008 could not be confirmed.

3. Inaccuracies in Disclosure of FIF and SHA/NHIF

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect an amount of Kshs.71,889,693 in respect of rendering of services – medical service income, which differs with the amount of Kshs.48,056,961 declared and disclosed by the County's Receiver of Revenue resulting to unreconciled variance of Kshs.23,832,732. The amount was further detailed as follows;

- i. As disclosed in the Notes, the amount includes Kshs.25,431,750 net of NHIF/SHA funds in respect of Facility Improvement Funds. However, the Receiver of Revenue revealed that the Hospital reported FIF amount of Kshs.25,457,573 in respect of own source revenue generated from facility improvement fund resulting to unexplained and undisclosed variance of Kshs.25,823.
- ii. Further, Note 11 to the financial statements reflect an amount of Kshs.46,457,943 in respect of NHIF and SHA, where an amount of Kshs.24,855,212 was attributed to accrued amount, while the amount of Kshs.21,602,731 related to amounts received during the year. However, the Receiver of Revenue revealed that the Hospital reported an amount of Kshs.22,599,110 in respect of own source revenue generated from NHIF and SHA resulting to unexplained and undisclosed variance of Kshs.23,858,833.

In the circumstances, the accuracy and completeness of own source revenue from FIF and SHA/NHIF could not be confirmed.

4. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 36 to the financial statements reflects a balance of Kshs.13,945,861 in respect of trade and other payables. Review of the schedule provided for the audit revealed that trade and other payables amounting to Kshs.8,100,282 have been outstanding for more than two (2) years contrary to the Paragraph 22 of the Treasury circular No.7/2021 which requires accounting officers to ensure that all payments emanating from the previous periods are treated as the first charge against the current financial year budgetary allocation before entering into new commitments.

In the circumstances, the obligation to pay the long outstanding payables balance of Kshs.8,100,282 could not be confirmed.

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

Emphasis of Matter

Budget Control and performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.72,000,000 and actual revenue of Kshs.51,043,047 resulting to under collection of Kshs.20,956,953 or 29% of the budget. Further, the Hospital spent Kshs.47,131,166 against actual expenditure budget of Kshs.65,130,000, resulting to under expenditure of Kshs.17,998,834 or 27.6% of the actual expenditure budget. The significant under-funding and under-expenditure adversely affected the implementation of planned activities and may have negatively impacted the quality and timeliness of service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Yala Sub-County Level 4 Hospital in 2024/2025 revealed that the following nine (9) matters remained unresolved:

	Financial Year	Audit Issue
1	2023/2024	Unsupported Receivables from Exchange Transactions
2	2023/2024	Unconfirmed Value and Ownership of Land
3	2023/2024	Budgetary Control and Performance
4	2023/2024	Unresolved Prior Year Audit Matters
5	2023/2024	Late Submission of Financial Statements
6	2023/2024	Irregular Procurement of Fuel, Oil and Lubricants
7	2023/2024	Deficiencies in Implementation of Universal Health Coverage (UHC)
8	2023/2024	Failure to Maintain Fixed Asset Register
9	2023/2024	Lack of Hospital Management Board

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Transfer Grants

The statement of cash flows reflects actual receipts from rendering of services – medical service income amounting to Kshs.47,034,481. However, Management transferred grants & subsidies amounting to Kshs.1,756,782 or 4% to satellite dispensaries instead of Kshs.11,758,970 or 25% of total receipts contrary to Section 41(2) of the Siaya County Health Services Act, 2018, which requires that, for revenue collected by a health facility (75%) seventy five percent of the monies received under subsection (41)(1) (b) shall be retained by the collecting facility and twenty five percent be distributed to satellite facilities.

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

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

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 57.4% of the authorized establishment.

Staff Requirements

Staffing Requirement	Level 4 Requirement	In Post	Variance	Percentage %
Medical Officers	16	3	13	81.3
Anesthesiologists	2	0	2	100
General Surgeons	2	1	1	50
Gynecologists	2	1	1	50
Pediatricians	2	0	2	100
Registered Community Health Nurses	75	36	39	52
Total	101	28	41	57.4

In addition, the Hospital did not provide required services and lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below;

Service Provision Requirements

Equipment and Machines	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Bed Capacity	150	62	88	58.7
Incubators (Newborn)	5	2	3	60
Cots	5	2	3	60
Resuscitative in Theatre	1	2	-1	-100
Resuscitative in Labour Ward	2	2	0	0
Functional ICU Beds	6	0	6	100
HDU Beds	6	1	5	83.3
Renal Unit with Dialysis Machines	5	0	5	100
Functional Operating Theatres Maternity and General	2	1	1	50
Services Offered	Level 4 Hospital Standard			
Surgical Services	Available			
Gynecology Services	Available on call			
Renal Services	Available			
Comprehensive emergency Obstetric Unit	Available			

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Hospital Board of Management

During the year under review, the Hospital did not have a duly constituted and gazetted Board of Management as required under Section 9 (j) of the Facilities Improvement Financing Act, 2023 which states that the County Executive Committee Member to appoint and gazette Hospital Boards of Management. Consequently, the Hospital lacked an appropriate governance and oversight structure to provide strategic direction and accountability in its operations.

In the circumstance, the effectiveness of governance structure in the Hospital could not be confirmed.

2. Weakness in Risk Management and ICT Governance Framework

Review of the internal governance documents for the Hospital revealed that the Hospital lack a risk management policy, disaster recovery plan, Information Technology (IT) Strategic plan and IT continuity plan. The absence of these policies exposes the Hospital to operational, technological and continuity risks which may result in financial loss and non-compliance with good governance practices.

In the circumstances, in absence of policy documents, good governance practices, risk management and effective internal controls systems could not be confirmed.

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

Responsibilities of the Management and the Hospital Management Board

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the Hospitals 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

05 December, 2025

Yala Level 4 Hospital (Siaya County Government)

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

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


Description	Note	FY 2024/2025	FY2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		
In-kind contributions from the County Government	7	95,112,846	94,966,562
Grants from donors and development partners	8	26,235,649	21,816,406
Transfers from other Government entities	9		-
Public contributions and donations	10		-
		121,348,495	116,782,968
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	71,889,693	38,771,403
Revenue from rent of facilities	12	1,400	37,300
Finance /Interest Income	13		-
Miscellaneous Income	14		-
Revenue from exchange transactions		71,891,093	38,808,703
Total revenue		193,239,588	155,591,671
Expenses			
Medical/Clinical costs	15	47,121,321	41,385,315
Employee costs	16	98,988,552	94,734,672
Board of Management Expenses	17	-	-
Depreciation and amortization expense	18	2,522,092	-
Repairs and maintenance	19	4,288,710	3,220,690
Grants and subsidies	20	1,756,782	2,363,843
General expenses	21	13,354,692	13,606,593
Finance costs	22	-	-
Total expenses		168,032,149	155,311,113
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23		
Unrealized gain on fair value of investments	24		
Medical services contracts Gains/Losses	25		
Impairment loss	26		
Gain on foreign exchange transactions			
Total other gains/(losses)			
Net Surplus / (Deficit) for the year		25,207,439	280,558


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

(The notes set out on pages 10 to 58 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 27/8/25 and signed on its behalf by:

.....
Chairman
Board of Management


.....
Head of Finance
ICPAK No: 8184


.....
Medical Superintendent
Medical Superintendent
YALA COUNTY HOSPITAL
03 DEC 2025
P.O. Box 302 - 40610, YALA

Yala Level 4 Hospital (Siaya 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	FY 2024/2025	FY2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	3,911,881	4,007,166
Prepayments	28	-	-
Receivables from exchange transactions	29	36,908,102	12,052,890
Receivables from non-exchange transactions	30	-	-
Inventories	31	11,982,493	6,831,968
Total Current Assets		52,802,476	22,892,024
Non-current assets			
Property, plant, and equipment	32	6,301,008	2,678,000
Intangible assets	33		-
Investment property	34		-
Biological Assets	35		-
Total Non-current Assets		6,301,008	2,678,000
Total assets (A)		59,103,484	25,570,024
Liabilities			
Current liabilities			
Trade and other payables	36	13,945,861	12,442,940
Refundable deposits from Patients/Prepayments	37		
Provisions	38		
Finance lease obligation	39		
Current portion of deferred income	40		
Current portion of borrowings	41		
Total Current Liabilities		13,945,861	12,442,940
Non-current liabilities			
Provisions	38		
Non-Current Finance lease obligation	39		
Non-Current portion of deferred income	40		
Non - Current portion of borrowings	41		
Service concession Arrangements	42		
Total non-current liabilities			-


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


Total Liabilities (B)		13,945,861	12,442,940
Net assets (A-B)		45,157,623	13,127,084
Represented by:			
Revaluation reserve			
Accumulated surplus/Deficit		38,334,523	13,127,084
Capital Fund		6,823,100	-
Net Assets		45,157,623	13,127,084

(The notes on pages 10 to 58 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 27/8/25 and signed on its behalf by:

.....
Chairman
Board of Management


Head of Finance
ICPAK No: 8184


Medical Superintendent
YALA SUB-COUNTY HOSPITAL
 03 DEC 2025
P. O. Box 302 - 40610, YALA

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)		12,846,526		12,846,526
Revaluation gain				
Surplus/(deficit) for the year		280,558		280,558
Capital/Development grants				
As at June 30, 2024 (previous year)		13,127,084		13,127,084
At July 1, 2024 (current year)		13,127,084		13,127,084
Revaluation gain		-		-
Surplus/(deficit) for the year		25,207,439		25,207,439
Capital/Development grants			6,823,100	6,823,100
At June 30, 2025 (current year)		38,334,523	6,823,100	45,157,623

(Note:

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

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

Description	Note	FY2024-2025	FY2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government			
Grants from donors and development partners			
Transfers from other Government entities			
Public contributions and donations			
Rendering of services- Medical Service Income		47,034,481	33,295,128
Revenue from rent of facilities		1,400	37,300
Finance / interest income			
Miscellaneous receipts(<i>specify</i>)			
Total Receipts		47,035,881	33,332,428
Payments			
Medical/Clinical costs		19,756,476	15,782,465
Employee costs		8,652,506	4,233,392
Board of Management Expenses		-	
Repairs and maintenance		3,610,710	3,220,690
Grants and subsidies		1,756,782	2,363,843
General expenses		13,354,692	9,263,935
Finance costs		-	
Refunds paid out		-	
Total Payments		47,131,166	34,864,325
Net cash flows from operating activities	43	(95,285)	(1,531,897)
Cash flows from investing activities			
Purchase of property, plant, equipment		0	2,678,000
Purchase of intangible assets			
Proceeds from the sale of PPE			

Yala Level 4 Hospital (Siaya County Government)
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Acquisition of investments			
Net cash flows used in investing activities		0	(2,678,000)
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Capital grants received			
Net cash flows used in financing activities			-
Net increase/(decrease) in cash and cash equivalents		(95,285)	(4,209,897)
Cash and cash equivalents as at 1 July	27	4,007,166	8,217,063
Cash and cash equivalents as at 30 June	27	3,911,881	4,007,166

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

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 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				4,007,166		
Receipts						
Transfers from the County Government						
Grants from donors and development partners						
Transfers from other Government entities						
Public contributions and donations						
Rendering of services- Medical Service Income	72,000,000		72,000,000	47,034,481	24,965,519	65
Revenue from rent of facilities				1,400	(1,400)	
Finance / interest income					-	
Miscellaneous receipts (<i>specify</i>)					-	
Total receipts	72,000,000		72,000,000	51,043,047	20,956,953	71
Payments					-	
Medical/Clinical costs	26,760,000		26,760,000	19,756,476	7,003,524	74
Employee costs	15,600,000		15,600,000	8,652,506	6,947,494	55
Remuneration of directors				0	-	
Repairs and maintenance	4,450,000		4,450,000	3,610,710	839,290	81
Grants and subsidies				1,756,782	(1,756,782)	

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

General expenses	18,320,000		18,320,000	13,354,692	4,965,308	73
Finance costs				0	-	
Refunds				0	-	
Total Operational Expenditure paid	65,130,000		65,130,000	47,131,166	17,998,834	72
Capital Expenditure paid	4,000,000		4,000,000	0	4,000,000	0
Surplus	6,870,000		6,870,000	3,911,881	2,958,119	57

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

Budget notes

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

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	3,911,881
1 Reason for differences	
2 Reason for differences	
3 Reason for differences	
4 Reason for differences	
Closing Cash and Cash Equivalent as per the statement of Cash flows	3,911,881

19. Notes to the Financial Statements

1. General Information

Yala Level 4 Hospital is established by and derives its authority and accountability from Health Act. The entity is wholly owned by the Siaya County Government and is domiciled in Siaya County in Kenya. The entity's principal activity is to provide curative and preventive medical services.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
	<p>infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard</p>

Standard	Effective date and impact:
	<p>for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <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. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **01/07/2024**. 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 *entity* recorded additional appropriations of **zero amount** on the FY 2024/2025 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value

through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Unconditional grants		
Operational grant		
Level 4/5 grants		
Unconditional development grants		
Other grants (<i>specify</i>)		
Conditional grants		
User fee forgone		
Transforming health services for Universal care project (THUCP)		
DANIDA		
Wards Development grant		
Paediatric block grant		
Administration block grant		
Laboratory grant		
Total government grants and subsidies	0	0

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Siaya County Government	0	0	0	0	0
Total	0	0	0	0	0

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government.

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

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Salaries and wages	5,997,471	6,162,705
County Government staff salaries	84,338,575	84,338,575
Medical supplies-Drawings Rights (KEMSA)	4,776,800	4,135,557
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	
Utility bills	-	329,725
Total grants in kind	95,112,846	94,966,562

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

8. Grants From Donors and Development Partners

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Global Development Fund(KEMSA)	13,375,962	17,097,837
USAID -MEDS	12,859,687	4,718,569
Other grants (<i>specify</i>)	-	-
Total grants from development partners	26,235,649	21,816,406

Donations are in the form of program commodities i.e TB drugs, treated mosquito nets, ARVs

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

Notes to Financial Statements Continued

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
GLOBAL FUND	13,375,962	0	0	0	17,097,837
USAID	12,859,687	0	0	0	4,718,569
World Bank	-	0	0	0	-
Total	26,235,649	0	0	0	21,816,406

9. Transfers From Other Government Entities

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Transfer from National Government (Ministry of Health)		
Transfer from xxx National Hospital		
Transfer from xxx Institute		
Total Transfers	0	0

10. Public Contributions and Donations

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Public donations		
Donations from local leadership		
Donations from religious institutions		
Donations from other international organisations and individuals		
Other donations(<i>specify</i>)		
Donations in kind-amortised		
Total donations and sponsorships	0	0

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Balance unspent at beginning of year		
Current year receipts		
Amortised and transferred to revenue		
Conditions to be met – remain liabilities	0	0

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Pharmaceuticals	3,518,228	3,563,124
Non-Pharmaceuticals	1,447,500	1,376,264
Laboratory	4,960,134	4,627,270
Radiology	2,870,710	2,330,906
Orthopedic and Trauma Technology	331,740	362,200
Theatre	946,130	802,450
NHIF/SHA Rebates	21,602,731	10,328,669
Attachment fees	328,000	191,000
Medical records	1,384,371	1,056,330
Occupational Therapy	66,770	140,050
Physiotherapy	217,630	45,500
Dental services	657,800	627,210
Disability Assessment	-	4,000
OPD	587,260	573,300
Farewell home services	4,872,207	4,576,350
Inpatient	2,518,075	2,325,890
Medical Examinations	-	48,600
Eye Clinic	-	79,090
Ambulance services	630,500	144,000
SHA/NHIF Accrued	24,855,212	5,476,000
Clinics	94,695	93,200
Total revenue from the rendering of services	71,889,693	38,771,403

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

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Residential property	1,400	37,300
Commercial property		
Total Revenue from rent of facilities	1,400	37,300

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Interest income from Cash investments and fixed deposits		
Interest income from short- term/ current deposits		
Interest income from Treasury Bills		
Interest income from Treasury Bonds		
Interest from outstanding debtors		
Total finance income		

(Provide brief explanation for this revenue)

14. Miscellaneous Income

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Insurance recoveries		
Income from sale of tender		
Services concession income		
Sale of goods (water, publications, containers etc)		
Write backs (Deposits, payments in advance etc)		
Bad debts recovered		
<i>Others (Specify)</i>		
Total Miscellaneous income	0	0

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY2024-2025	FY2023-2024
	Kshs	
Dental costs/ materials	129,900	85,700
Laboratory chemicals and reagents	1,858,050	2,051,590
Nutrition Commodities	16,350	160,937
Food and Ration	8,204,820	5,561,534
Uniform, clothing, and linen	202,950	83,500
Dressing and Non-Pharmaceuticals	2,071,295	2,370,924
Pharmaceutical supplies	4,954,503	1,565,930
Donations & Grants	21,085,124	21,467,293
Health information stationery	831,000	784,900
Drawing rights	4,776,800	4,135,557
Eye clinic	-	5,000
Rehabilitation material	-	196,300
Sanitary and cleansing Materials	1,885,679	1,846,050
Purchase of Medical gases	350,700	355,100
X-Ray/Radiology supplies	692,900	677,500
Orthopedic materials	20,000	15,000
Other medical related clinical costs (sickle cell day)	-	22,500
Medical refunds	41,250	-
Total medical/ clinical costs	47,121,321	41,385,315

Increase in inventory of Ksh 5,150,525 been adjusted against grants and donations, and while increase in payables (accrued charges) of Ksh 1,5021,921 has adjusted against pharmaceutical supplies in the period under review.

Grants and donations for the prior have been restated (from 21,816,406 to 21,467,293) to align balances brought forward in the statement of changes in equity, statement of financial position and the reconciliation on note 43.

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Salaries, wages, and allowances	8,652,506	4,233,392
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs <i>(In kind from County-P&P staff)</i>	84,338,575	84,338,575
Other employee costs <i>(In kind from County-Casual)</i>	5,997,471	6,162,705
Employee costs	98,988,552	94,734,672

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

17. Board of Management Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance		
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
Total	0	0

18. Depreciation and Amortization Expense

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
Property, plant and equipment	2,522,092	-
Intangible assets	-	
Investment property carried at cost	-	
Total depreciation and amortization	2,522,092	-

19. Repairs And Maintenance

Description	FY 2024/2025	FY2023/2024
	Kshs	Kshs
Property- Buildings	2,903,560	2,230,300
Medical equipment	415,000	200,000
Office equipment	45,000	-
Furniture and fittings	20,000	255,640
Computers and accessories	175,000	283,600
Motor vehicle expenses	121,150	251,150
Maintenance of plant & equipment	609,000	-
Total repairs and maintenance	4,288,710	3,220,690

20. Grants And Subsidies

Description	FY 2024/2025	FY2024/2025
	Kshs	Kshs
Community development and social work		
Education initiatives and programs		
Free/ subsidized medical camp		
Disability programs		
Free cancer screening		
Social benefit expenses		
Other grants and subsidies(25% for RHF)	1,756,782	2,363,843
Total grants and subsidies	1,756,782	2,363,843

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

Notes to the Financial Statements (Continued)

21. General Expenses

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Advertising and publicity expenses		70,000
Catering expenses		-
Waste management expenses		-
Daily subsistence Allowance		614,726
Insecticides and rodenticides		-
Audit fees		-
Bank charges	46,837	38,960
Conferences and delegations		-
Consultancy fees		-
Contracted services	270,000	-
Electricity expenses	2,394,113	2,781,925
Fuel and Lubricants	2,519,775	2,259,826
Insurance		-
Research and development expenses		-
Travel and accommodation allowance	1,759,860	50,000
Legal expenses		-
Licenses and permits		-
Courier and postal services	9,450	9,450
Printing and stationery	1,678,650	2,115,698
Other fuel (charcoal & firewood)	408,300	361,550
Computers, printers & accessories	824,400	422,600
Institutional appliances	30,000	50,000
Skills development levies		-
Telephone and mobile phone services	518,500	295,000
Internet expenses	119,000	41,500
Staff training and development	907,400	88,700
General office supplies	1,868,407	-
Accrued charges		4,342,658
Other expenses (body disposal)		64,000
Total General Expenses	13,354,692	13,606,593

Notes to the Financial Statements (Continued)

22. Finance Costs

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Borrowings (amortized cost) *		
Finance leases (amortized cost)		
Interest on Bank overdrafts/Guarantees		
Interest on loans from commercial banks		
Total finance costs	0	0

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

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

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Property, plant, and equipment		
Intangible assets		
Other assets not capitalised (<i>specify</i>)		
Total gain on sale of assets		

24. Unrealized Gain On Fair Value Investments

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Investments at fair value		
Total gain	0	0

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA		
Non- Comprehensive contracts care with NHIF/SHA		
Linda Mama Program		
Waivers and Exemptions		
Total Gain/Loss		

26. Impairment Loss

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Property, plant, and equipment		
Intangible assets		
Investments		
Total impairment loss		

27. Cash And Cash Equivalents

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Current accounts	3,911,881	4,007,166
On - call deposits		
Fixed deposits accounts		
Cash in hand		
Others(<i>specify</i>)- Mobile money		
Total cash and cash equivalents	3,911,881	4,007,166

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

Notes to the Financial Statements (Continued)

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

Description		FY2024-2025	FY2023-2024
Financial institution	Account number	KShs	KShs
a) Current account			
Cooperative bank	01141740944401	1,664,678	2,812,333
Cooperative bank	01141517779600	2,189,305	1,022,532
Cooperative bank	01141740944400	57,897	172,301
Sub- total			
b) On - call deposits			
Cooperative bank			
Cooperative bank			
Sub- total			
c) Fixed deposits account			
Cooperative bank			
Sub- total			
d) Others(specify)			
cash in hand			
Mobile money- Mpesa, Airtel money			
Sub- total			
Grand total		3,911,881	4,007,166

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

28. Prepayments

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Insurance		
Rent		
Water		
Internet		
Others specify		
Total		

29. Receivables From Exchange Transactions

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Medical services receivables	36,908,102	12,052,890
Rent receivables		
Other exchange debtors		
Less: impairment allowance		
Total receivables	36,908,102	12,052,890

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

Analysis of Receivables From Exchange Transactions

Description	FY2024/2025		FY 2023/2024	
	Kshs		Kshs	
	FY2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	19,545,247	53	5,476,275	45
Between 1- 2 years	17,362,855	47	6,576,615	55
Between 2-3 years				
Over 3 years				
Total (a+b)	36,908,102	100	12,052,890	100

30. Receivables From Non-Exchange Transactions

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Transfers from the County Government		
Undisbursed donor funds		
Other debtors (<i>non-exchange transactions</i>)		
Less: impairment allowance		
Total		

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

Analysis of Receivables From Non-Exchange Transactions

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	0	%	0	%

31. Inventories

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Pharmaceutical supplies	3,136,324	2,696,228
Laboratory Supplies	2,748,028	416,500
Food supplies	228,268	324,600
Non Pharmaceuticals	5,442,041	3,394,640
Radiology Material	381,900	-
Printing and Publishing	45,932	-
	-	
	-	
Less: provision for impairment of stocks	-	-
Total	11,982,493	6,831,968

Detailed disclosure on inventories

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Opening balance	6,831,968	4,576,725
Additional Inventory in the year	5,150,525	2,255,243
Inventory expensed in the year		
Write-downs in the year		
Others specify		
Closing balance	11,982,493	6,831,968

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Notes to the Financial Statements (Continued)*

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specifying)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost									
At 1 July 2023 (previous year)						2,000,000			2,000,000
Additions									
Disposals									
Transfers/adjustments									
Revaluation Adjustments									
At 30th Jun 2024						2,000,000			2,000,000
At 1 July 2024 (current year)						2,000,000			2,000,000
Additions					6,823,100				
Disposals									
Transfer/adjustments									
Revaluation Adjustments									

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	FY2024-2025	FY2023-2024
	KShs	KShs
Cost		
At beginning of the year		
Additions		
Additions-Internal development		
Disposal		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization for the period		
Impairment loss		
At end of the year		
NBV		

34. Investment Property

Description	FY2024-2025	FY2023-2024
	KShs	KShs
At beginning of the year		
Additions		
Disposals during the year		
Fair value gain		
Depreciation (<i>where investment property is at cost</i>)		
Impairment		
At end of the year		

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

Notes to the Financial Statements (Continued)

35. Biological Assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Trees in a plantation forest		
Animals: Dairy Cattle, Pigs, Sheep		
Others specify		
Total		

36. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	13,260,132		11,788,813	
Employee dues	685,729		654,127	
Third-party payments (<i>e.g. unremitted payroll deductions</i>)				
Audit fee				
Doctors' fee				
Total trade and other payables	13,945,861		12,442,940	
Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the total
Under one year	5,845,579	42	4,342,658	35
1-2 years				
2-3 years	8,100,282	58	8,100,282	65
Over 3 years				
Total	13,945,861	100	12,442,940	100

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37. Refundable Deposits from Customers/Patients

Description	FY2024-2025		FY2023-2024	
	KShs		KShs	
Medical fees paid in advance				
Credit facility deposit				
Rent deposits				
Others (<i>specify</i>)				
Total deposits				
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

38. Provisions

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

39. Finance Lease Obligation

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

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40. Deferred Income

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

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Balance at beginning of the period		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
Balance at end of the period		

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

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current Obligation		
Non-Current Obligation		
Total		

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

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

43. Cash Generated from Operations

Description	FY2024-2025	FY 2023-2024
	KShs	KShs
Surplus for the year before tax	25,207,439	280,558
Adjusted for:		
Depreciation	2,522,092	-
Non-cash grants received		
Impairment	678,000	
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Working Capital adjustments		
Increase in inventory	(5,150,525)	(2,255,243)
Increase in receivables	(24,855,212)	(3,899,870)
Increase in deferred income		
Increase in payables	1,502,921	4,342,658
Increase in payments received in advance		
Net cash flow from operating activities	(95,285)	(1,531,897)

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

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	12,052,890	12,052,890	-	-
Receivables from –non-exchange transactions				
Bank balances	4,007,166	4,007,166	-	-
Total	16,060,056	16,060,056	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	36,908,102	36,908,102	-	-
Receivables from –non-exchange transactions				
Bank balances	3,911,881	3,911,881	-	-
Total	40,819,983	40,819,983	-	-

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

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has no significant concentration of credit risk on amounts due from customers. 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	0		11,788,813	11,788,813
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation	654,127			654,127
Total	654,127		11,788,813	12,442,940
At 30 June 2025				
Trade payables	0		13,260,132	14,246,755
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation	685,729			685,729
Total	685,729	0	13,260,132	13,945,861

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

The entity did not have transactional currency exposures during the period under review

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

The hospital does not carry out foreign currency transactions

b) Interest rate risk

The hospital does not maintain interest earning accounts

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

iv) Capital Risk Management

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/ <i>(excess cash and cash equivalents)</i>		
Gearing		

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

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

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

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx		
Sales of services to xxx		
Total	0	0
b) Grants from the Government		
Grants from County Government		
Grants from the National Government Entities		
Donations in kind		
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees		
Payments for goods and services for xxx		
Total	0	0
d) Key management compensation		

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Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total	0	0

46. Segment Information

The Hospital has presence in only location and as such there is no segmental reporting

47. Contingent Liabilities

Contingent liabilities	FY2024-2025	FY2023-2023
	Kshs	Kshs
Court case xxx against the hospital		
Bank guarantees in favour of subsidiary		
Total	0	0

(Give details)

48. Capital Commitments

Capital Commitments	FY2024-2025	FY2024-2023
	Kshs	Kshs
Authorised For		
Authorised And Contracted For		
Total	0	0

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

The entity is a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Siaya.

51. Currency

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

*Yala Level 4 Hospital (Siaya County Government)
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20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0 Unsupported Receivables from exchange transactions	The schedules were summaries of National Health Insurance Fund batch numbers instead of providing detailed analysis of receivables per patient.	The NHIF portal was closed before the claim details were retrieved	Not Resolved	
2.0 Unconfirmed Value and Ownership of Land	The value of land was not disclosed in property plant and equipment schedule. In addition, ownership documents for land were not provided for audit review.	The Hospital management is working with County Departments of Lands and Health to fast track the processing of title for the Hospital land	Not resolved	31 st December 2025
3.0 Late Submission of Financial Statements	The financial statements for the year ended 30 June 2024 were submitted to the Auditor-General on 18 October 2024, after the statutory deadline for	Every effort will be made to ensure future reports are submitted on time.	Resolved	28.08.2025

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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)
	submission of 30 September, 2024			
4. Irregular Procurement of Fuel, Oil and Lubricants	The method of procurement and identification of the supplier could not be confirmed since the supplier was not among the list of registered suppliers and the contract agreement was not provided for audit review	It is true the vendor had not renewed his registration status at the time of audit. The vendor has since registered as one of the suppliers under the County Government of Siaya	Resolved	28.02.2025
5. Deficiencies in Implementation of Universal Health Coverage (UHC)	Audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to medical staff deficits	The Hospital management is working with County Department of health to bridge the deficiencies. A new hospital block is under construction to create room for more hospital beds. More health staff have been deployed to the facility over the last few months.	Not Resolved	
6. Failure to Maintain Fixed Asset Register	The Hospital did not maintain a fixed asset register for control of its assets. Further, no evidence was provided to prove that the hospital had valued its assets	The hospital maintains a fixed register but it is not complete because the valuation of some of the assets has not been carried out. Furthermore, the title deed for the hospital land is not yet available. The hospital management is following up with the ministry lands on the title deed for the Hospital land	Not resolved	31.12.2025

*Yala Level 4 Hospital (Siaya County Government)
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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)
7. Lack of Hospital Board of Management	The Hospital did not have a Board of Management in place	The Hospital Board has been gazetted and only awaiting inauguration	Not Resolved	31.12.2025

Guidance Notes:

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



 Accounting Officer

Medical Superintendent
YALA SUB-COUNTY HOSPITAL
03 DEC 2025
P. O. Box 302 - 40610, YALA



*Yala Level 4 Hospital (Siaya County Government)
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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Appendix III: Inter-Entity Confirmation Letter

There were no inter entity transfer of funds for either recurrent or development expenditures during the period under review.





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Appendix IV Reporting of Climate Relevant Expenditures

There were no climate relevant expenditures incurred during the period under review.

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Appendix V: Disaster Expenditure Reporting Template

There was no disaster related expenditure incurred during the period under review.