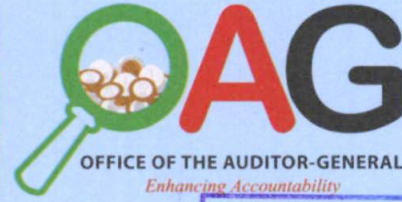


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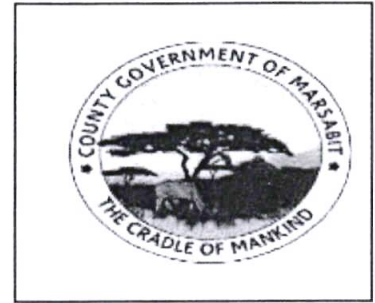
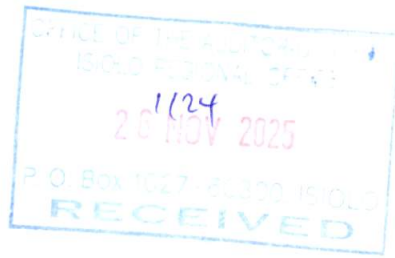
MOYALE SUB-COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF MARSABIT

PAPERS LAID	
DATE	18 th /02/2026
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COMMITTEE	_____
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Moyale Sub-County Level 4 HOSPITAL (Marsabit 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)

Moyale sub-county Level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management	iii
3. The Board of Management	vi
4. Key Management Team	vii
5. Chairman’s Statement	ix
6. Report of The Chief Executive Officer	x
7. Statement of Performance Against Predetermined Objectives	xii
8. Corporate Governance Statement	xv
9. Management Discussion and Analysis	xvi
10. Environmental And Sustainability Reporting	xvii
11. Report of The Board of Management	xix
12. Statement of Board of Management’s Responsibilities	xx
13. Report of the Independent Auditor on Moyale Sub-County Level 4 Hospital	xxi
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position As At 30 th June 2025	3
16. Statement of Changes in Net Assets for The Year Ended 30 June 2025	5
17. Statement of Cash Flows for The Year Ended 30 June 2025	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025	8
19. Notes to the Financial Statements	10
20. Appendices	55

1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
CEO	Chief Executive Officer
CME	Continuous Medical Education
N.H.I.F	National Health Insurance Fund
MUCA	Moyale United Community Alliance
ICPAK	Institute of Certified Public Accountants of Kenya.
SHA	Social Health Authority
SHIF	Social Health Insurance Fund

2. Key Entity Information and Management

(a) Background information

Moyale Level IV Hospital is a level 4 hospital established under a gazette notice and is domiciled in Marsabit County under the Health Department. The hospital is governed by County Health Management Committee.

The hospital was a level 3 hospital until 7th July 1995 when it became a full sub county. The land size of the facility is 26.645 Hectares and has a bed capacity of 120 beds. Occasionally the hospital receives referrals from Ethiopia, rural facilities within the sub county and other neighbouring counties like Wajir and Mandera.

(b) Principal Activities

Moyale Level IV Hospital is the focal point for curative services, focusing on acute and chronic health conditions through medical interventions, patient care, diagnosing and treating diseases, medical education and training, research, disease prevention and health education.

Vision:

An efficient and high-quality health care system that is accessible, acceptable and affordable for Moyale sub-county and its environs.

Mission:

To promote and participate in the provision of integrated and high quality promotive, preventive, curative, and rehabilitative health care services to all Moyale sub-county population and its environs.

Core values

- ✓ Professionalism
- ✓ Ethics
- ✓ Integrity
- ✓ Confidentiality
- ✓ Accountability
- ✓ Partnership and collaboration
- ✓ Patient/ client centered.

Objective

To transform Moyale Hospital into a center of excellence, providing high-quality healthcare services and achieving improved health outcomes for the region

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management
- Others (specify)

(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.	Chief Executive Officer	Mr. Abshiro M. Hapicha
2.	Medical Superintendent	Dr. Bill Khalumi
3.	Nursing Officer In Charge	Mr. Chris Galgithele
4.	Head of Finance	CPA Ibrahim Hassan
5.		

(e) Fiduciary Oversight Arrangements

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

(f) Moyale Level IV Hospital

P.O. Box 57-60700
Moyale, KENYA

(g) Entity Contacts

Telephone: (+254) 705600674
E-mail: moyaledistricthospital@gmail.com

(h) Entity Bankers

Kenya Commercial Bank - Moyale Branch

(i) Independent Auditors

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

Key Entity Information and Management (continued)

(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. 5-60500
Moyale, Kenya




3. The Board of Management

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

NOTE;

Moyale level IV Hospital does not have a management board.

4. Key Management Team

Ref	Management	Details
1.	 <p>ABSHIRO MOHAMED HAPICHA <i>Bachelor Of Arts Phycology Higher National Diploma Clinical Medicine And Surgery(Anessthesia) Higher National Diploma Health System Mgt Dipoma In Clinical Medicine And Surgery</i></p>	CHIEF EXECUTIVE OFFICER
2.	 <p>DR. BILL KHALUMI M.Med Obs/Gyn</p>	MEDICAL SUPERINTENDENT
3.	 <p>MR. CHRIS GALGITHELE BACHELOR OF SCIENCE IN NURSING(BScN)</p>	NURSING SERVICES MANAGER.

Moyale Sub-County Level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

4	 <p>MR. IBRAHIM M. HASSAN BCOM, CPA(K)</p>	SENIOR ACCOUNTANT
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5. Chairman’s Statement

NOTE;

Moyale level IV Hospital does not have a management board.

.....

Name

Chairman to the Board

6. Report of The Chief Executive Officer

The CEO takes overall responsibility for the day-to-day running of the Hospital on behalf of the Board of Management. The CEO is charged with the following key responsibilities;

Ensure the Hospital mandate and policies are implemented fully and effectively in line with the strategic plan

Formulate strategies, business plans, and leading teams for high performance and innovation

Ensure prudent management of resources for the achievement of the Hospital's mandate and strategic objectives.

Overseeing and directing the development and implementation of the Hospital's strategic initiatives and capacity building in line with the goals and aspirations of Kenya's Vision 2030 and the National Health Sector Strategic Plans and ensuring they are implemented on time.

Initiate, establish, strengthen, and oversee inter-institutional collaborations and strategic partnerships for the realization of the Hospital's mandate and strategic objectives.

Ensure the Hospital employees remain motivated to discharge their responsibilities effectively and efficiently, and in compliance with human resource management policies and practices.

Establish and sustain effective relationships with the Board of Management, the Government, the parent ministry, and other stakeholders.

As we reflect on the past year at Moyale Sub-County Referral Hospital, we reaffirm our commitment to delivering equitable and high-quality healthcare services, as guaranteed under the Constitution of Kenya. The past year has seen an increased demand for our services, particularly from both Kenyan and Ethiopian communities along the Kenya-Ethiopia border. This rise in patient visits highlights the trust our community places in us, and we take pride in being a key healthcare provider in this diverse region. Our hospital, strategically located along the Kenya-Ethiopia border, serves not only the residents of Moyale but also the surrounding regions, including Mandera and Wajir. This unique position highlights our role as a vital healthcare provider in a diverse and dynamic context, where our services are essential for both Kenyan and Ethiopian communities.

Financially, the year brought both growth and challenges. While we saw an increase in funding, driven by support from the County Government and NHIF reimbursements, we still faced significant shortfalls compared to our budgeted targets. Our ability to fully utilize available funds was affected by delays in key payments particularly by Social Health Authority and NHIF, which impacted our cash flow and put pressure on our operations. However, despite these financial constraints, we have managed to optimize resources effectively, reducing our net cash outflow compared to the previous year.

Notably, we have witnessed a significant increase in patient visits, with outpatient visits rising from 35,099 in 2024 to 39,899 in 2025, showcasing the growing trust our community places in our services. Despite these achievements, we continue to face challenges, particularly with delays in NHIF, Linda Mama and SHA payments, which directly impact our financial sustainability and our ability to deliver consistent patient care.

Our expenses, particularly in medical services and employee costs, grew in line with the increased patient load and the rising cost of healthcare. We were also able to keep employee costs and general expenses within reasonable limits, though some areas, such as repairs and maintenance, remain underutilized due to budget constraints. This highlights the need for recalibrated financial planning to ensure we can continue delivering services efficiently.

During this period, our partners have shown tremendous support to Moyale Sub-County Referral Hospital, significantly enhancing our service delivery. Fred Hollows Foundation played a key role by

Moyale Sub-County Level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

organizing a free eye camp that successfully conducted 657 surgeries and provided eye care to over 1,000 individuals. Malteser International, through PACIDA, continued its vital support by supplying pharmaceuticals, non-pharmaceuticals, and dust coats for the entire hospital team. Additionally, there was a notable increase in community engagement, especially through the Moyale United Community Alliance (MUCA), a consortium of Community-Based Organizations. MUCA leading blood donation campaign ensured the hospital maintained adequate blood supplies and facilitated valuable partnerships with schools and other community sectors for continued blood donations.

Looking ahead, we are focused on transforming Moyale Hospital into a centre of excellence. We have a strategic plan in place to address barriers to healthcare delivery, foster collaborations, and continue upgrading our facilities. With the support of the County Government, our partners, and our community, we are confident that we can navigate the challenges ahead and improve health outcomes for all.

I extend my sincere gratitude to the County Government for its ongoing financial support, provision of human resources, and facilitation of partnerships. I also want to thank our staff for their unwavering dedication and commitment. Together, we will continue to build a healthier and brighter future for our communities.

.....
Name *Abdirahman Mohamed Halicera*
Chief Executive Officer



7. Statement of Performance Against Predetermined Objectives

Moyale Subcounty Referral Hospital has three strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: infrastructure development and rehabilitation

Pillar/theme/issue 2: pharmaceuticals and non-pharmaceutical supplies

Pillar/theme/issue 3: Blood and storage tissue capacity.

Moyale sub-county Referral Hospital develops its annual work plans based on the above three pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Moyale Sub- County Referral Hospital achieved its performance targets set for the FY 2024/2025 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/theme/issue 1:Infrastructure development and rehabilitation	To improve the hospital's infrastructure to meet the growing healthcare needs of the community	Number of structures rehabilitated. Increase in service capacity, patient satisfaction surveys	Rehabilitate existing and aging structures facilities to enhance patient safety and comfort. Expand and equip key departments such as maternity, laboratory, and outpatient clinics to improve service delivery	Painting and labelling of the structures in the in-patient and outpatients department. New patient beds and mattresses for in-patients. Construction of in-patient pit latrine

Moyale Sub-County Level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

<p>Pillar/ theme/ issue 2: Pharmaceutical and NonPharmaceutical Supplies</p>	<p>To ensure the availability of essential medicines and supplies for effective patient care</p>	<p>Availability of both pharmaceuticals and non-pharmaceuticals- 24/7. inventory management system reports, stock audits Stock-out reports, resource allocation reviews</p>	<p>implement robust inventory management systems to monitor and restock pharmaceutical and non-pharmaceutical supplies</p>	<p>Pharmacy store was fairly stocked all through the financial year. Non-pharmaceuticals are always available to enhance the smooth delivery of services in our various departments. There was no single day when patient was turned away in operating theater or any other critical department for lack of supplies.</p>
<p>Pillar/theme/issue 3: Blood and Tissue Storage Capacity</p>	<p>To enhance the hospital's capacity for storing and managing blood and tissue</p>	<p>Inventory audits, storage facility inspections. Transport logs, delivery records</p>	<p>Increase the storage capacity for blood and tissue to meet the demand for transfusions and medical procedures</p>	<p>The hospital conducting four successful blood campaigns in the year 2024/2025 in order to respond to the dire need of this</p>

Moyale Sub-County Level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

	supplies efficiently		<p>Improve transportation logistics to ensure timely delivery of blood and tissue samples.</p>	<p>rare life-saving commodity and thus controlling the maternal mortalities associated with haemorrhage and anaemia. The laboratory ISO certification has greatly and positively impacted on the quality of blood and blood products storage in the department.</p>
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8. Corporate Governance Statement

The Hospital has no established Board in place. Plan are underway to gazette the Board members. Already Names have been forward by CECM Health to the H.E the Governor.

9. Management Discussion and Analysis

The operational performance of Moyale Subcounty Referral Hospital was all a smooth sail throughout the financial year of 2024/2025 albeit hurdled by the industrial unrests of doctors and the protracted clinical officers strike which consequently impacted service delivery and revenue collection on a downward spiral. The huge and recurring debts stand the path of the institutions operation and are becoming a hard nut to crack. The Moyale Subcounty Referral Hospital performance report can be broadly categorised as:

1. Clinical /operational performance.
2. Financial performance.

Clinical/operational performance

Bed capacity of the hospital.

Moyale Sub-county Referral Hospital sits on a land area which is estimated to extend to 9.646 Ha, boasts a bed capacity of 120, with three main wards dedicated to male medical and surgical, maternity, and female/Pediatrics patients. Offering inpatient and outpatient services. The hospital houses state-of-the-art facilities, including the largest laboratory in the region which was recently ISO certified

Overall patient attendance during the year for both inpatient and outpatient.

The inpatient department includes the maternity/NBU wards, the male wards, the female wards, the paediatric wards and the isolation ward. In the financial year 2023/2024 the maternity unit was able to admit and discharge 1884 mothers with 2 maternal mortalities notified and audited in the last half of the financial year. The rest of the wards were able to admit a total of 1816 patients in total.

In the outpatient department which forms the entry point of all our patients we were able to see 37,132 patients in the financial year 2024/2024- Accident and emergency attendance inclusive.

Average length of stay for in patient.

The in-patient wards which mostly comprise of the male ward(medical-surgical wings), Maternity unit/NBU and female wards(medical-surgical wings)/paediatric wards are always occupied all year round. The average length of stay for patients admitted to our wards stands at seven days.

Bed occupancy rate

The total patient discharged in inpatient department in the financial year 2024/ 2025 were 3700 in total. With bed capacity of 120, the hospital bed occupancy rate stood at 59.13% that year.

Surgical theatre utilisation (number of operations over a period of time)

Moyale Sub-county Referral Hospital theatre has been turned to a bee-hive of activities since the ENT specialist; general surgeon and obstetric/gyn surgeon were deployed. This made the number of operations to increase drastically as compared to the past years. In the financial year 2023/2024 we registered 850 successful surgeries.

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Moyale Subcounty Referral Hospital is mandated and purposed to promote and participate in the provision of integrated and high quality promotive, preventive, curative, and rehabilitative health care services to all Moyale sub-county population and its environs as enshrined in its noble mission. In a bid to broaden its revenue collection base and enhance sustainability, the hospital continues to diversify its revenue streams by improving current avenues, such as providing M-Pesa transactions for payment of services. This initiative has led to an exponential increase in the hospital's income by 67%. Additionally, efforts to encourage Patients to register for SHA among community members, along with addressing any challenges they may face, have resulted in a 68% increase in revenue through NHIF. The enhanced financial stability has not only increased the county's own-source revenue but also provided an opportunity to further leverage it for improving infrastructure and service delivery.

Moyale Subcounty Referral Hospital is endowed with specialists with significant increase of those seeking specialised and general health care services being reported in the recent past. This coupled with the presence and prevalence of other attractive medical insurance covers in the region, makes Moyale Subcounty Referral a facility that will accept all medical cards going into the future. This would not only enhance accessibility to healthcare but also increase the hospital's revenue, which can subsequently be reinvested to enhance its services and facilities.

ii) Environmental performance

At the epicentre of environmental management and performance lies the IPC. Infection Prevention and Control is a Quality Standard and is crucial in Moyale Sub-county Referral Hospital and is critical for a well-functioning health system. In order to ensure compliance with IPC practices the Moyale Sub-county IPC committee conducted a baseline assessment in the month of June, on the status of IPC in the clinical areas and the findings consequently informed the tremendous improvement that was registered with regard to IPC. Implementation of IPC guidelines is essential in all health care facilities for the wellbeing and safety of patients, staff, visitors and all who come within the scope of patient care activities.

In addition, Moyale Sub-county Referral Hospital flowers are blossoming and cleanliness is generally up scaled attracting compliments from most of our patients, clients and visitors. The eye-catching and beautiful flowers form one of the humongous environmental face-lift-clean and beautiful, in the annals of the facility. This is also in tandem with Florence Nightingale, the founder of nursing, environmental theory- which states that a healthy environment is fundamental for healing.

iii) Employee welfare

Medical field is a dynamic profession and updates on patients care and standard operating procedures keep on metamorphosing every other day, and in order to improve skills and keeping members a breast on this unfolding the Moyale Sub-county Referral Hospital conducts CMEs on every Thursdays of the week. During the CME sessions staffs are served with breakfast and snacks.

In the same breath, the professional development and career progression is something closer to the heart of Moyale HMT. The academic committee which is under the umbrella of HMT is always ready to sit whenever any staff plans to further his/her studies, prepare minutes and forward to the county executive-Health department for advice and action

In a bid to boost the staff morale, the hospital also ensures that tea and snacks are served to those who are on duty. In addition, some departments such as operating theatre are blessed to enjoy lunch plus tea and snacks whenever they have operations.

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of the *hospital's* affairs.

NOTE;

Moyale level IV Hospital does not have a management board. However, plans are underway to constitute the board and have it in place in the next financial year.

.....
Name *Abdirahman Mohamed*
Secretary to the Board



REPUBLIC OF KENYA

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Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the 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 the Lawfulness and Effectiveness in 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 the 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 Moyale Sub-County Level 4 Hospital set out on pages 1 to 55, 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 the 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 Moyale Sub-County Level 4 Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Marsabit County Health Services Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Undisclosed Property, Plant and Equipment

The statement of financial position and Note 32 to the financial statements reflect property, plant and equipment nil balance. However, review of documents and audit inspection revealed that the Hospital was in possession of land, buildings, furniture and fittings, motor vehicles and plant and medical equipment's which were not included in property, plant and equipment. No explanation was provided for the non-disclosure of the values of the assets in the financial statements.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment reflected as nil balance could not be confirmed.


2. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 29 to the financial statements reflect receivables from exchange transactions – medical services balance of Kshs.7,334,565. However, Management did not provide the supporting schedule to confirm the balance. Further, Management had not done the ageing analysis for the receivables and it could not be ascertained for how long the receivables had been outstanding.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.7,334,565 could not be confirmed.

3. Long Outstanding Payables

The statement of financial position and Note 36 to the financial statements reflect trade and other payables balance of Kshs.10,838,000, out of which Kshs.4,338,000 had been outstanding for more than one year. No explanation was provided as to why they had not been settled as a first charge. This was contrary to Regulation 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer



shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.10,838,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Moyale 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.90,000,000 and Kshs.57,043,668 respectively, resulting to a shortfall of Kshs.32,956,332, or 37% of the budget. Further, the Hospital spent a balance of Kshs.54,591,421 against actual receipts of Kshs.57,043,668, resulting to an under-absorption of Kshs.2,452,247, or 4% of the actual receipts.

The shortfall in receipts and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year's Audit Matters

The following issues raised on the Hospital in the previous year's audit report remain unresolved. The matters include;

1. Inaccuracy of the Financial Statements
2. Long Outstanding Payables
3. Presentation and Disclosure of Financial Statements
4. Undisclosed Non-Compliance with IPSAS Requirements
5. Irregular Procurement and Supply Non-Pharmaceuticals

6. Lack of Internal Audit Arrangements
7. Failure to Establish Hospital's Board of Management
8. Lack of Land Ownership Deed
9. Failure to Prepare a Procurement Plan and List of Prequalified Suppliers
10. Lack of Policies and Procedures to Guide Hospital Operations

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Casuals Engaged for More than Three Months Continuously

The statement of financial performance and Note 16 to the financial statements reflect employees' costs of Kshs.5,757,378. Included in the balance is Kshs.1,175,000 in respect of expenditure on seven (7) casual workers engaged by the Hospital. However, the casuals engagement was not supported with approval by the County Public Service

Board, letters of temporary employment and pertinent information such as date of hire, period served, duties performed and qualifications of the casuals was not provided for audit.

In addition, during the year under review, the casuals were engaged for twelve (12) months continuously which was more than three (3) months, contrary to Section 37(1)(b) of the Employment Act, 2007 which states that where a casual employee performs work for more than three months, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and Section 35(1)(c) shall apply to that contract of service. This exposes the Hospital to litigation for unlawful terms of employment.

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

2. Non-Compliance with Universal Health Coverage Requirements

As previously reported, verification of services offered, equipment used and number of members of staff at the Hospital revealed that, the Hospital operated with inadequate staff and equipment as detailed below:

Personnel	Level 4 Hospital Requirements	Available	Shortfall
Medical Officers	16	5	11
Anesthesiologists	2	0	2
Gynecologists	2	1	1
Pediatrics	2	0	2
Pharmacist	4	2	2
Equipment			
Functional ICU Beds	6	5	1
Functional HDU Beds	6	0	6
Functional theatres - Maternity, general, orthopedic, pediatrics, ENT, dental and ophthalmology	7	1	6
Maternity department ward for six delivery coaches	6	5	1
New Born Unit with five (5) HDU cots	5	1	4

In the circumstances, service delivery may have been affected due to failure to meet the requirements of Kenya Quality Model for Health Policy Guidelines.

3. Failure to Establish the Hospital's Board of Management

As previously reported, the Hospital Board of Management had not been established, contrary to Section 6 of the Marsabit County Health Services Act, 2016 which provides for the establishment and composition of the Sub-County Hospital Management Board which is to be constituted and gazetted by the County Executive Member for Health in consultation with the Governor and other stakeholders.

In addition, Management did not prepare the Chairman's statement and corporate governance statement in the annual report and financial statements due to lack of established Board of Management. Further, the financial statements were to be signed by the CECM for Health Services on behalf of the Chairman of the Board, were not signed, contrary to the requirements of the Public Sector Accounting Standards Board (PSASB) reporting template.

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

4. Non-Compliance with Data Protection Requirements

Audit review established that the Hospital had not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor, despite actively collecting, processing, and storing personal data of staff, service providers and patients during the year under review. This is contrary to Section 18(1) of the Data Protection Act, 2019 requiring that data controllers and data processors who process personal data must register with the Office of the Data Protection Commissioner (ODPC).

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

5. Failure to Conduct Quarterly and Annual Stock Take

The statement of financial position and Note 31 to the financial statements reflect inventories balance of Kshs.3,594,026. However, the balance was not supported with a Board of Survey Report as no stock take was conducted for the year under review. This is contrary to Section 162(2) of the Public Procurement and Disposal Act, 2015, which requires Head of Procurement to arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory stock take.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Audit Committee

As at 30 June, 2025, the Hospital had not established an Audit Committee, contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that subject to paragraph (2) of this regulation, each County Government entity shall establish an Audit Committee.

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

2. Lack of Risk Management Policy

Management did not provide evidence of the existence of a Risk Management Policy to guide its Management on risk management assessment and formulation of risk mitigation strategies in the year under review. This was contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.

In the circumstances, the effectiveness of the internal controls on the financial and operational system 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 Management and the Board of Management

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue to as a going concern, disclosing, as applicable, matters related to going concern and 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

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

comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 December, 2025

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

Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	3,600,000
In-kind contributions from the County Government	7	17,845,461	21,870,876
Grants from donors and development partners	8	-	-
Transfers from other Government entities (NHIF/SHA)	9	35,482,835	29,717,882
Public contributions and donations	10	-	-
		53,328,296	55,188,758
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	3,715,372	10,558,734
Revenue from rent of facilities	12	-	10,000
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		3,715,372	10,568,734
Total revenue		57,043,668	65,757,496
Expenses			
Medical/Clinical costs	15	27,696,803	42,872,159
Employee costs	16	5,757,378	1,875,000
Board of Management Expenses	17	-	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	-	500,000
Grants and subsidies	20	-	-
General expenses	21	21,137,240	23,305,179
Finance costs	22	-	-
Total expenses		54,591,421	68,552,338
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-

Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		2,452,247	(2,794,842)

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



CEC HEALTH SERVICES

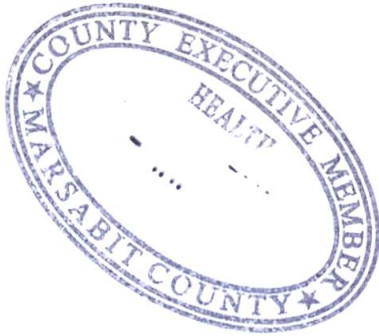


Hospital Accountant

ICPAK No: 34716



CEO MOYALE LEVEL 4 HOSPITAL



Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	949,778	146,142
Prepayments	28	-	-
Receivables from exchange transactions	29	7,334,565	3,868,737
Receivables from non-exchange transactions	30	-	-
Inventories	31	3,594,026	-
Total Current Assets		11,878,369	4,014,878
Non-current assets			
Property, plant, and equipment	32	-	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		-	-
Total assets (A)		11,878,369	4,014,878
Liabilities			
Current liabilities			
Trade and other payables	36	10,838,000	11,307,773
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		10,838,000	11,307,773
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-

Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		10,838,000	11,307,773
Net assets (A-B)		1,040,369	(7,292,894)
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		(342,595)	(8,675,858)
Capital Fund		1,382,964	1,382,964
Net Assets		1,040,369	(7,292,894)

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



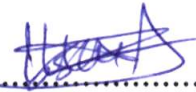
CEC HEALTH

SERVICES




Hospital Accountant

ICPAK No: 34716



CEO MOYALE SUB-COUNTY LEVEL 4 HOSPITAL



Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	-	(5,881,016)	1,382,964	(4,498,052)
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(2,794,842)	-	(2,794,842)
Capital/Development grants	-	-		
As at June 30, 2024	-	(8,675,858)	1,382,964	(7,292,894)
At July 1, 2024	-	(8,675,858)	1,382,964	(7,292,894)
Prior Year Adjustments		5,881,015		5,881,015
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	2,452,247	-	2,452,247
Capital/Development grants	-	-		
At June 30, 2025	-	(342,596)	1,382,964	1,040,368

Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	3,600,000
Grants from donors and development partners		-	-
Transfers from other Government entities		35,482,835	21,606,155
Public contributions and donations		-	-
Rendering of services- Medical Service Income		3,715,372	8,801,207
Revenue from rent of facilities		-	10,000
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		39,198,207	34,017,362
Payments			
Medical/Clinical costs		26,672,854	18,284,000
Employee costs		1,175,000	1,875,000
Board of Management Expenses		-	-
Repairs and maintenance		-	500,000
Grants and subsidies		-	-
General expenses		10,546,717	14,714,689
Finance costs		-	-
Refunds paid out		-	-
Total Payments		38,394,571	35,373,689
Net cash flows from operating activities	43	803,636	(1,356,327)
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-

Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		803,636	(1,356,327)
Cash and cash equivalents as at 1 July	27	146,142	1,502,469
Cash and cash equivalents as at 30 June	27	949,778	146,142

Moyale sub-county Level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 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	-	-	-	-	-	0%
Receipts						
Transfers from the County Government – In Kind Contributions	18,000,000	-	18,000,000	17845461	154,539	0%
Grants from donors and development partners	-	-	-	-		0%
Transfers from other Government entities	60,000,000	-	60,000,000	35,482,835	24,517,165	59%
Public contributions and donations	-	-	-	-		0%
Rendering of services- Medical Service Income	12,000,000	-	12,000,000	3,715,372	8,284,628	31%
Revenue from rent of facilities	-	-	-	-		
Finance / interest income	-	-	-	-		
Miscellaneous receipts (specify)	-	-	-	-		
Total receipts	90,000,000	-	90,000,000	57,043,668	32,956,332	44%
Payments						
Medical/Clinical costs	45,000,000	-	45,000,000	27,696,803	17,303,197	62%
Employee costs	6,000,000	-	6,000,000	5,757,378	242,622	96%
Remuneration of directors	-	-	-	-		
Repairs and maintenance	2,000,000	-	2,000,000	-	2,000,000	0%
Grants and subsidies	-	-	-	-		
General expenses	30,000,000	-	30,000,000	21,137,240	8,862,760	70%
Finance costs	-	-	-	-		
Refunds	-	-	-	-		
Total Operational Expenditure paid	83,000,000	-	83,000,000	54,591,421	28,408,579	66%
Capital Expenditure paid	-	-	-	-		
Surplus				2,452,247		

Moyale Sub County level 4 Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Budget Notes: the variances in the final Budget and actual Budget for transfers from County Government, Transfers from other government entities, rendering of services, Medical services income, revenue from rent facilities was due to non-funding from the county government.

The variances in the final budget and the actual budget for the following expenses; Medical Costs, employee costs, repair and maintenance, and general expenses was due to lack of funding from county government.:

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	2,452,247
Cash and cash equivalents as at 1 July	(1,502,469)
Closing Cash and Cash Equivalent as per the statement of Cash flows	949,778

19. Notes to the Financial Statements

1. General Information

Moyale level 4 Hospital is established by and derives its authority and accountability from PFM Act 2012. The entity is wholly owned by the Marsabit County Government and is domiciled in Marsabit County in Kenya. The entity's principal activity is providing quality health Care to Moyale and its surrounding environs.

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 Standard

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

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

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

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

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

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Moyale sub-county level 4 Hospital* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the 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 **20th August 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of **Budget** 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 *four* 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. *Moyale sub county level 4 hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements. (amend as appropriate).*

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants-UHC Funds	-	3,600,000
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	-	3,600,000

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
				2024/2025	
			KShs	KShs	KShs
Marsabit County Government	-	-	-	-	3,600,000
Total	-	-	--	-	3,600,000

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	4,582,378	-
Medical supplies-Drawings Rights (KEMSA)	2,672,560	14,938,159
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Electricity/Utility bills	10,590,523	3,432,717
Food and Ration	-	3,500,000
Total grants in kind	17,845,461	21,870,876

8. Grants From Donors and Development Partners

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

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year 2024/2025	2023/2024
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	2024/2025	2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital Insurance Fund	9,318,598	21,606,155
Transfer from Social Health Authority (SHA)	18,829,672	-
Total Transfers	28,148,270	21,606,155
Receivables from Exchange Transactions	7,334,565	8,111,731
Total	35,482,835	29,717,886

10. Public Contributions and Donations

Description	2024/2025	2023/2024
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations(<i>specify</i>)	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

10 (a)Reconciliations of amortised grants

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	1,307,949	1,792,807
Non-Pharmaceuticals	7,250	7,350
Laboratory	869,300	2,169,200
Radiology	14,300	2,566,900
Orthopedic and Trauma Technology	51,000	14,300
Theatre	22,000	51,000
Consultation fees	166,850	136,850
Dental Services	59,400	17,400
Dermatology	9,600	10,600
Doctors' clinic	46,010	600
In-patient services	706,373	336,500
Labour ward	22,050	22,050
Outpatient services	11,550	11,550
Physiotherapy	60,800	60,800
Records	361,300	1,581,300
Ambulance services	-	-
Other medical services income (<i>specify</i>)	-	-
Total revenue from the rendering of services	3,715,372	8,801,207
Refunds out		339,900
Services Waived		587,402
Services Exempted		830,225
Total Revenue		10,558,734

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	10,000
Total Revenue from rent of facilities	-	10,000

13. Finance /Interest Income

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

14. Miscellaneous Income

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	6,050,000	8,354,000
Public health activities	-	-
Food and Ration	-	6,216,000
Uniform, clothing, and linen, medical equipment	4,226,665	-
Dressing and non-pharmaceuticals	12,368,000	8,754,000
Pharmaceutical supplies	1,403,158	18,658,159
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	450,000	30,000
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	860,000
Maintenance of Medical Equipment	526,420	-
Total medical/ clinical costs	25,024,243	42,872,159
Medical supplies-Drawings Rights (KEMSA)	2,672,560	
Total	27,696,803	

16. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	1,175,000	1,875,000
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	-	-
Employee costs	1,175,000	1,875,000
Wages in Kind	4,582,378	
Total	5,757,378	

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

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

18. Depreciation and Amortization Expense

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

19. Repairs And Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	-	250,000
Medical equipment	-	250,000
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	-	500,000

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

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

21. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	1,310,000	784,910
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	69,090	51,779
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	2,592,627	1,584,000
Fuel and Lubricants	1,650,000	1,485,000
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	-	50,000
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	1,965,000	1,140,000
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	-	-
Skills development levies	-	-
Telephone and mobile phone services	-	-

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Internet expenses	80,000	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
General office supplies	2,880,000	9,884,000
Total General Expenses	10,546,717	14,979,689
Electricity/Utility bills	10,590,523	
Total	21,137,240	

22. Finance Costs

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

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

Description	2024/2025	2023/2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

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

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

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

27. Cash And Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	949,778	146,142
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	949,778	146,142

Notes to the Financial Statements (Continued)

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

Description		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1154715086	949,778	146,141
Equity Bank, etc		-	-
Sub- total		949,778	146,141
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		949,778	146,141

28. Prepayments

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

29. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	7,334,565	3,868,737
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	7,334,565	3,868,737

Analysis of Receivables From Exchange Transactions

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

30. Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

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

31. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	3,149,716	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	150,000	-
Cleaning materials supplies	55,000	-
General supplies	239,310	-
Less: provision for impairment of stocks	-	-
Total	3,594,026	-

Detailed disclosure on inventories

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

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

Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-	-
At 1 July 2025 (current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation and impairment									
At 1 July 2024 (previous year)	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-

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

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-	-	-	-
At July 2025 (current year)	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-	-	-	-
Net book values									
At 30 th Jun 2024 (previous)	-	-	-	-	-	-	-	-	-
At 30 th Jun 2025 (current)	-	-	-	-	-	-	-	-	-

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

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	2024/2025	2023/2024
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

34. Investment Property

Description	2024/2025	2023/2024
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation (<i>where investment property is at cost</i>)	-	-
Impairment	-	-
At end of the year	-	-

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

Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	10,526,000		11,307,773	
Employee dues	312,000		0	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	10,838,000		11,307,773	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the total
Under one year	6,500,000	60%	6,407,773	57%
1-2 years	4,338,000	40%	4,900,000	43%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	10,838,000	100%	11,307,773	100%

37. Refundable Deposits from Customers/Patients

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

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

Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

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

39. Finance Lease Obligation

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

40. Deferred Income

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

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

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

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

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

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

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

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

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

43. Cash Generated from Operations

Description	2024/2025	2023/2024
	KShs	KShs
Surplus for the year before tax	2,452,247	2,794,842
Adjusted for:		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	(1,648,611)	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	803,636	(1,356,327)

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	7,334,565	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	7,334,565	-	-	-

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from 2024. 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	-	-	11,307,773	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	11,307,773	-
At 30 June 2025				
Trade payables	-	-	10,838,000	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	10,838,000	-

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	10,838,000
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	10,838,000

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

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

Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	10,838,00
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity
	Kshs	Kshs	Kshs
2024			
Euro	10%	-	-
USD	10%	-	-
2025			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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

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	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ <i>(excess cash and cash equivalents)</i>	-	-
Gearing	-	-

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

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.

Marsabit County Government is the principal shareholder of the *Moyale Sub-county level 4 Hospital*, holding 100% of the *hospital's* equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties include:

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to Moyale sub-county referral Hospital	-	-
Sales of services to Moyale Hospital	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government – UHF Funds	-	3,600,000
Grants from the National Government Entities	-	-
Donations in kind	17,845,461	21,870,876
Total	17,845,461	25,470,876
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for Moyale Sub-county Hospital employees	-	-
Payments for goods and services for the Hospital	-	-
Total	-	-
d) Key management compensation		

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

47. Contingent Liabilities

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

(Give details)

48. Capital Commitments

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

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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

The Moyale Sub-County level 4 Hospital is a County Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Marsabit.

51. Currency

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

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

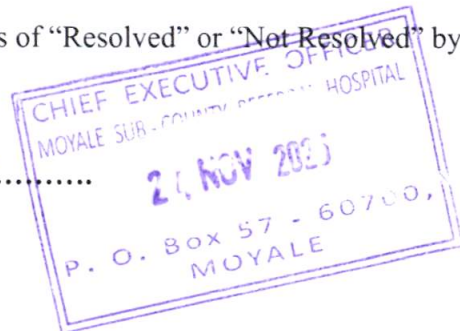
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

Guidance Notes:

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

.....
Accounting Officer



Appendix II: Projects Implemented by Moyale sub-county level 4 Hospital

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

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

Appendix IV Reporting of Climate Relevant Expenditures

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

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

Appendix V: Disaster Expenditure Reporting Template

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