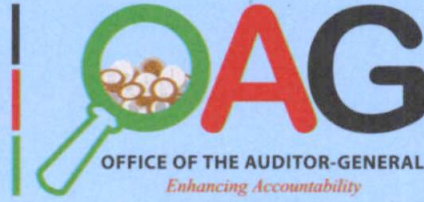


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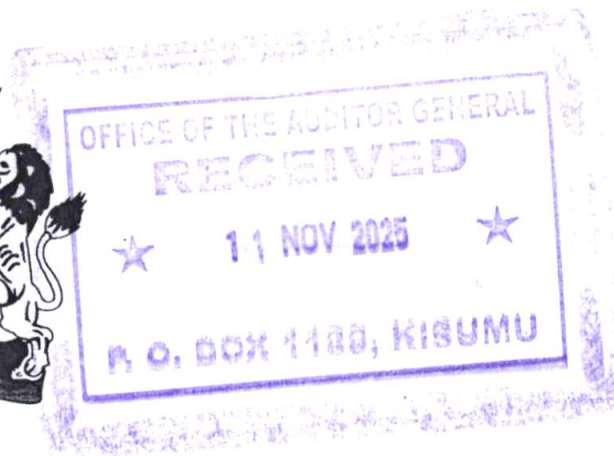
CHULAIMBO COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KISUMU

PAPERS LAID	
DATE	18/2/26
TABLED BY	Sen. (D _r) leleque
COMMITTEE	
CLERK AT THE TABLE	

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(Add your Hospital's Logo)

**Chulaimbo County Level 4 HOSPITAL
(County Government of Kisumu)**

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)

1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

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.

(This list is an indication of the common acronyms and glossary of terms; the entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

Chulaimbo County Hospital is a level 4 hospital established under gazette notice number 17 of 2021 and is domiciled in Kisumu County under the Department of Medical services, Public Health & Sanitation. The hospital is governed by a Board of Management.

(b) Principal Activities

The mission & vision of the hospital is:

Mission:

To transform the livelihood of people of Kisumu County through responsive and sustainable technologically-driven evidence-based and client centred health system for accelerated attainment of highest standards of health.

Vission:

A dynamic, excellent, and globally competitive county health services, that contribute to a healthy and productive population

(c) Key Management

No.	Directors	Role
1.	Elly Nyambok	Chairman of the Board
2.	Carolyne Onyango	Member of the Board
3.	Walter Okeyo	Member of the Board
4.	Dr. Willis Achola	Member of the Board
5.	David Okeyo	Member of the Board
6.	Dr. Sammerion Nyawara	Secretary (Medical Superintendent)

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

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

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Sammerion Nyawara
2.	Health Administrative Officer	Joyce Odhiambo
3.	Nursing Director	Julius Sako
4.	Lab Manager	John Oyugi
5.	Pharmaceutical technologist	Hannington Onyango

(e) Fiduciary Oversight Arrangements

Audit committee; this consist of internal auditors attached to the department of health who reviews the financial documents and give the reports thereon.

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

(f) Entity Headquarters

Chulaimbo Headquaters
P.O. Box 5-40105, Maseno.
Kisumu -Busia Highway
Kisumu, KENYA

(g) Entity Contacts

Telephone: (+254) 0101596022
E-mail: info@chulaimbohospital.co.ke

(h) Entity Bankers

Kenya Commercial Bank

Co-operative Bank of Kenya

(i) Independent Auditors

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



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


(j) Principal Legal Adviser

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


(k) County Attorney
County Government of Kisumu
P.O. Box.2738-40100
Kisumu, Kenya

3. The Board of Management



Ref	Directors	Details
1.	<p>Elly Nyambok</p> 	<p>Board Chair AGE: 64 YEARS ACADEMIC QUALIFICATION 1980: Kenya Certificate of Secondary Education, Cherengani High School 1976: Kenya Certificate of Primary Education, Maji Mazuri Primary School PROFESSIONAL QUALIFICATION 1994: National Higher Diploma in Food Science and Inspection, KMTC 1991: Diploma in Environmental Health Sciences, KMTC 1984: Certificate in Public Vaccination, KEPI 1983: Certificate in Environmental Health Sciences, KMTC</p>
2.	<p>Walter Okeyo</p> 	<p>AGE; 77 YEARS ACADEMIC QUALIFICATION 1997- Obtained East African Advanced Certificate of Education (EAACE) 1971-Obtained East African Certificate of Education (Private Candidate) 1963-1964; Kenya Certificate of Secondary Education, Kisumu Day High School 1962-; Kenya Certificate of Primary Education, Maseno Mixed Primary School</p>

		<p>PROFESSIONAL QUALIFICATION</p> <p>1998: Promoted to Education Officer 1(JGL)</p> <p>1995: Promoted to Education Officer 11(JGK)</p> <p>1987: Appointed as National Tutor by Kenya Education Staff Institute</p> <p>1986: Appointed Examiner by KNEC</p> <p>1982: Promoted to SI Teacher Status</p> <p>1981: Appointed Head teacher</p>
3.	<p>Dr. Willis Acholla Ogadho</p> 	<p>AGE;70years</p> <p>ACADEMIC QUALIFICATION</p> <p>East African Advanced Certificate of Education (EAACE)- A Levels, Agoro Sare High School.</p> <p>2. East African Certificate of Education (EACE)- O Levels, Makupa High School</p> <p>3. Kenya Certificate of Primary Education, Ojolla Primary School</p> <p>PROFFESIONAL QUALIFICATION</p> <p>1. PhD; Jaramogi Oginga Odinga University of Science and Technology</p> <p>2. Master's in education (MEd); Maseno University</p> <p>3. Bachelor's degree in education (BEd), Kenyatta University</p> <p>4. Diploma in Education, Kenya Institute of Special Education (KISE)</p> <p>5. P1, Machakos Teachers Training College</p> <p>WORK EXPERIENCE</p>

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

		<p>1.Jaramogi Oginga Odinga University of Science and Technology; Dean of Students/Lecturer</p> <p>2. Maseno University; Part time Lecturer</p> <p>3.African Nazarene University; Part time Lecturer</p> <p>4. Bondo Teachers Training College; Part time Lecturer</p> <p>5. Kotieno Special School, Teacher</p>
4.	<p>David Okeyo</p> 	<p>AGE:79 YEARS</p> <p>ACADEMIC QUALIFICATION Kenya Certificate of Secondary Education (O Levels)</p> <p>PROFESSIONAL QUALIFICATION Higher National Diploma in Management and Administration Diploma in Public Relations IAAF Diploma in Sports Administration IAAF Diploma in Coaching</p> <p>WORK EXPERIENCE</p>
5.	<p>Caroline Onyango</p>	<p>AGE: 58 YEARS</p> <p>ACADEMIC QUALIFICATION 1978-1981: Kenya Certificate of Secondary Education, Pangani Girls High School 1971-1977: Kenya Certificate of Primary Education (KCPE), Makongeni Primary</p>

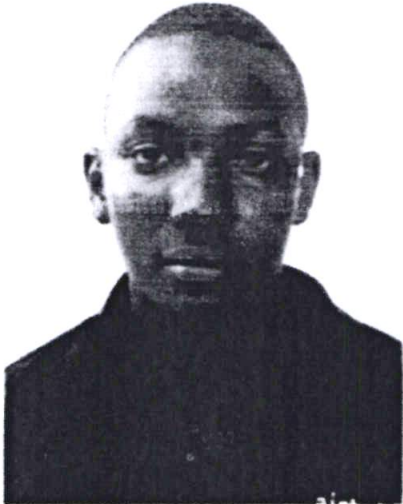
*Chulaimbo Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*


		<p>School, Nairobi</p> <p>WORKING EXPERIENCE</p>
<p>6.</p>	<p>Dr. Sammerion Nyawara (Entity</p>  <p>Secretary)</p>	<p>Medical Superintendent</p> <p>AGE:32 YEARS</p> <p>ACADEMIC QUALIFICATION</p> <p>2008-2011; Maranda High School</p> <p>PROFESSIONAL QUALIFICATION</p> <p>2012-2019; Bachelor's degree in Pharmacy, Kenyatta University</p> <p>WORK EXPERIENCE</p> <p>2025-To Date: Medical Superintendent, Chulaimbo County Hospital</p> <p>2022 to 2024: Pharmacist In -charge Chulaimbo County Hospital</p> <p>2021-2024: Health Start Lead, Vitehealth Consult</p> <p>2021: Pharmacist In-Charge, Arise Hospital</p> <p>2021: Medical Research Assistant, Washington State</p>

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


		University GH-Kenya, KEMRI 2019: Industrial Pharmacist, Biopharma Limited
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4. Key Management Team


Ref	Management	Details
1.	<p>Dr. Sammerion Nyawara</p>  <p>ACADEMIC QUALIFICATION 2008-2011; Maranda High School</p> <p>PROFESSIONAL QUALIFICATION 2012-2019; Bachelor's degree in Pharmacy, Kenyatta University</p> <p>WORK EXPERIENCE 2024 to Date: Medical Superintendent, Chulaimbo County Hospital 2022 to Date: Pharmacist In -charge Chulaimbo County Hospital 2021-2024: Health Start Lead, Vitehealth Consult 2021: Pharmacist In-Charge, Arise Hospital 2021: Medical Research Assistant, Washington State University GH-Kenya, KEMRI 2019: Industrial Pharmacist, Biopharma Limited</p>	<p>Medical Superintendent</p>

2.	<p>Joyce Monyenche Ondari</p>  <p>ACADEMIC QUALIFICATION 1982: Kenya Certificate of Education (KCE), Our Lady of Mercy Nyabururu Secondary School</p> <p>PROFESSIONAL QUALIFICATION 2015: Records Management, Kenya School of Government 1991-1992: Certificate in Youth work and Development 1986: Secretarial Course (Typewriting), Blanes Secretarial College</p> <p>WORK EXPERIENCE 2021 Dec to Date: Health Administrative Officer, Chulaimbo County Hospital 2015-2021; Health Administrative Officer, Rabuor</p>	Administrator

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

	<p>Sub-District Hospital</p> <p>2012-2014: Worked in Registry, Drug Stores, Ratio Stores and Billing Section, Kisumu District Hospital</p> <p>2010-2011: Clerical Officer, Chulaimbo Sub- District Hospital</p> <p>2008-2009: Health Administrative Officer, Masogo Sub- District Hospital</p> <p>2002-2007: Senior Clerical Officer-Micro Small& Enterprise Department, Ministry of Labour</p> <p>1991-2002: Clerical Officer, Ministry of Research, Technical Training and Applied Technology</p> <p>1985-1990: Clerical Officer, Ministry of Social Services</p>	
3.	<p>Julius Ouma Sako</p> 	<p>Nursing Officer In-charge</p>

	<p>ACADEMIC QUALIFICATION</p> <p>1987: Kenya Advanced Certificate of Education (KACE), St. Mary’s School, Yala</p> <p>1985: Kenya Certificate of Secondary Education (KCSE), Agoro Sare High School</p> <p>PROFESSIONAL QUALIFICATION</p> <p>2008: Higher Diploma in Community Health and HIV/AIDS Care, Kenya Medical Training College</p> <p>1992: Diploma in Kenya Registered Community Health Nurse, Kenya Medical Training College</p> <p>WORK EXPERIENCE</p> <p>2022 to Date: Nursing Director, Chulaimbo County Hospital</p> <p>2012-2022: Nursing Officer Incharge, Nyakach County Hospital</p> <p>2004-2012: Deputy Nursing Officer Incharge, Kisumu County Hospital</p> <p>2002-2004: Deputy District Public Health Nurse, Kisumu District Hospital</p> <p>1997-2001: Nursing Officer Incharge ,Rabuor Dispensary and Kadibo Division</p> <p>1996-1997: Nursing Officer Incharge, Kombewa Division</p> <p>1992-1995: Unit Incharge & Acting Nursing Officer, Mandera District Hospital</p>	
4.	John Oyugi Otieno	Laboratory Manager

	 <p>ACADEMIC QUALIFICATION 2004-2006: Medical Laboratory Sciences, Kenya Medical Training College 1987-1990: Kenya Certificate of Secondary School, Maliera High School 1986: Kenya Certificate of Primary Education,</p> <p>PROFESSIONAL QUALIFICATION 2010 to Date: Appointed as Laboratory Manager at Chulaimbo County Hospital 2009: Posted to Chulaimbo County, assistant Laboratory Manager 2007-2009; Laboratory Manager, Kisumu County Referral Hospital 1993; Employed by Ministry of Health and posted to Lamu Island Hospital</p>	
5.	<p>Hannington Onyango</p> <p>ACADEMIC QUALIFICATION 2002-2005: Diploma in Pharmacy, Kabete National Polytechnic</p>	Pharmacist In-charge

5. Chairman's Statement

Chulaimbo Rural, Health Training Centre now upgraded to Chulaimbo County Hospital was set up in mid-1970's. Situated in North West Ward, Kisumu West Sub-County, off Kisumu-Maseno road.

The facility serves as a hub for Health Centers and Dispensaries in North West Ward, West Kisumu Ward and neighbouring villages of Vihiga County catchment areas. It's the designate Kisumu West Sub County (County Hospital).

It is during this period that the board was also formally inducted on roles and responsibilities as required by law.

It is my pleasure to present the Hospital 2024/2025 annual report and financial statements. The Board has largely been reviewing expenditure proposals suggested by the Hospital department.

The period saw the initiation of SHA into the health system and full integration of services. Collection from SHA was 6,755,855.85 and cash realized 3,576,878 totalling to 10,321,783.85 Kenya shillings. This was approved by the board and put into use.

The board also recognizes in kind grant totalling to Ksh 29,780,563. In addition Green zone gave grants amounting to Ksh 135,000 during the financial period that was used to cater for electricity in the facility, however receivables from NHIF amounting to KSH 3,240,850 has not yet been reimbursed to the facility.

Staffing in the facility is still low with only one medical officer and one pharmacist who is also the medical superintendent, 17 nurses and 9 registered clinical officers. 4 laboratory personnel against a heavy workload of about 3000 patients monthly.

Cashless collection was also enhanced and own revenue collection increased by 60% from the previous financial year.

The Board strengthens the primary mandate of the hospital and focuses on making it a center of excellence.

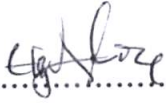
Challenges

Physical structure

- a) Theater and ward not fully functional, awaiting equipment and staff.
- b) Sanitary accommodation:
 - i) Pit latrines were emptied and are currently in use.
 - ii) Water borne system –vandalized manhole covers were replaced with concrete covers.
 - iii) Fitments (sinks, wash hand basins, shower, sluise sink and Wcs) all show a level of deterioration.
 - iv) Gutters in the office building were replaced.
- c) Field or open drains- still functional with a bit of side paving slipping out.
- d) Water well
 - i) The well is high yielding and is artisan in nature. The pumping area is worn out.
 - ii) Storage tanks of 20,000 litres in sound condition and a 20,000 liter tank was procured and others repaired.
- e) Power source
 - i)Electricity from KPLC, this source attracts very high Bill of between 40,000- 60,000 per month. Solar panels were also purchased and installed and are already in use.
 - ii) A new generator was installed and not commissioned yet.
 - iii) Wood fuel- in current use in Chulaimbo Kitchen.

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

	<p>1995-1998:Kenya Certificate in Secondary Education, Kagonya Secondary School</p> <p>1986-1994:Ogeya Primary Primary School</p> <p>WORK EXPERIENCE</p> <p>2022- TO DATE: Posted at Chulaimbo County Hospital as Senior Pharmaceutical Technologist.</p> <p>2015-2022:Pharmaceutical Technologist, Kombewa County Hospital</p> <p>2013-2015: Pharmacist Incharge, Miranga Sub-District Hospital</p> <p>2012-2013: Pharmacist Incharge, Ogongo Sub-District, Homabay</p> <p>2010-2012: Pharmacist Incharge, Awendo Sub-District Hospital</p> <p>2009-2010: Posted at Rongo Sub-District Hospital</p> <p>2008: Internship at Mbagathi District Hospital,Nairobi</p>	
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.....
Name

Chairman to the Board

- iv) Gas- In limited use for vaccine fridges and a bit in kitchen
- f) Fencing- Around 50 meters of fencing was done, but the entire fence is still dilapidated and needs to be worked on again.
- g) Parking areas- One face is paved, and about 100m murramed from the gate to water tower.
- h) Staff Quarter- Over 8 units were put up in the 70s and have deteriorated structurally. The roof needs replacement and removal of asbestos.
- i) Morgue- Has not been put up
- j) Solid waste management unit- incinerator (burning chamber available)
- k) Placenta pit- Defective and full.

Service Delivery outlets

- i) OPD with records, Fitters, MCH, special clinics and Comprehensive Care Centre
- ii) Laboratory that run most basic Test
- iii) Pharmacy and pharmacy store
- iv) Rehabilitation services – Physiotherapy, Occupational Therapy
- v) Inpatient Department- All housed in Maternity ward
- vi) Radiology unit- that is not functional due to lack of staff and Defective equipment
- vii) Public Health or Community Health services for community linkage and teaching.
- viii) Training facilities for students
- ix) Dental Unit- well equipped
- x) Administrative unit and governance
- xi) Medical engineering unit
- xii) Transport Referral services
- xiii) Kitchen services

Discrepancies

Radiological or imaging personnel are lacking save for a visiting sonographer- twice a week with top gears toward opening of theatre corresponding Technical personnel is inevitable
The consultant clinics- MOPC Obs Gynea, Surgical, mental, paediatric are all burdened on one Medical Officer and additional Medical Officers and Consultants.

LOOKING FORWARD

1. Chulaimbo requires that theatre is furnished with equipment and open for use.
2. X-ray and other other Radiological equipment are procured, fixed and made ready for use.
3. The other alternative source of power be commissioned and used immediately.
4. That the security of the facility is enhanced by fencing the entire perimeter of the compound.
6. That Human Resource for the various newly proposed units together with the consultant to run specialized clinics to be considered.
7. That cold room for morgue to be part of Government plans for Chulaimbo.

APPRECIATION

On behalf of the Board, I would like to thank all the stakeholders especially the County Government of Health, Development Partners for the support they continue to accord the Hospital without which our achievements would not have been realized .As we move in to the new Financial Year, I would like to express my gratitude to all staff who have integrated all services, specialist' team leader and Board who take such pride in their work, and who exemplify our hospital's mission and values each day.

6. Report of The Medical Superintendent

BACKGROUND

Chulaimbo County Hospital is a level 4 County hospital as per County standards to improve its services to the community of Kisumu West and the regions around it. The facility is gazetted as a level 3B under KMPDC guidelines.

Chulaimbo County hospital serves a population of 25,609 with two community units attached to it Marera and East Karateng'. It is also the hub of Kisumu West Sub- county.

Chulaimbo County hospital offers both in-patient and out-patient services with a bed capacity of 26 spread: male, female paediatrics and maternity.

We offer both preventive, curative and promotive services which include:

1. Screening for cancer
2. Immunization
3. Family planning
4. Ante-natal
5. Pharmacy
6. Laboratory
7. Rehabilitation; occupational therapy/Physiotherapy
8. HIV Care and Treatment
9. Nutrition
10. Public health services
11. Research hub
12. Rural Health Training Centre
13. In-patient; labour and delivery, medical and paediatric wards

We look forward to offering radiology and theatre services.

In health, we work with various partners to achieve quality service delivery, in Chulaimbo we work with USAID 4 the Child, Nuru ya Mtoto, KNH and Kemri who offer different kind of service all geared towards a healthy population.

REVENUE

In terms of revenue, the hospital management team and board realized an improvement in terms of collection for FY 2023/24 compared to 2022/23. These funds are majorly facility improvements funds (FIF) and monies received in the form of recurrent from County treasury.

Looking Forward

To operationalize theatre

Power back up; solar and generator

Fully digitize the hospital such that key operations are via hospital information Management System; currently it's only the in-patient department that has not been digitize.

APPRECIATION

I take this opportunity to express my gratitude and appreciation to the Ministry of Health, County Government of Kisumu through its able leadership, development partners and stakeholders for their support.

I acknowledge the contribution of the entire staff, board and management of Chulaimbo County Hospital towards the improved performance of the hospital.

We look forward to continuing good working relationship during this audit process



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Dr. Sammerion Nyawara

Secretary to the Board

Statement of Performance Against Predetermined Objectives

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

Chulaimbo Level 4 Hospital has 5 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY2024/2025. These strategic pillars/ themes/ issues are as follows:

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development

Chulaimbo Level 4 Hospital Develops its annual work plans based on the above 5 pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *hospital* achieved its performance targets set for the FY 2024/2025 period for its 5 strategic pillars, as indicated in the diagram below:

1.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery and products.	To Establish and enhance good clinical governance	Hospital Drug formulary in place • No .of stock-out tracer drugs • No. of prescription reviewed • Updated	Rational use of Medications • Rational use of blood and blood products • Provision of Health products • Monthly	Hospital Drugs formulary in place. • % reduction in morbidity and mortality

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

		SOPs	Clinical Audits and mortality Meetings	
Healthcare Financing and Sustainability	To increase revenue Generation	Revenue Reports • % increase in revenue Daily revenue reconciliation	Diversify Revenue Streams • Review User Fee Charges • Increased Customer Base • Develop Concept papers and proposals to develop partners	Revenue improved compared to previous year • Review of user fees Continuous and on progress
Human resource development	To lobby for more staffs from the public service board To adequately engage the staffs currently deployed at the facility	Staff establishment monthly report Work load reports in various departments monthly. Assess staff training needs as per facility gaps	Updating of the staff establishing and forwarding to human resource manager. Continuous assessment of targets Setting up of training	Staff establishment updated and forwarded. Continuous assessment of targets through monthly data reviews. Departmental in charges assess

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

			committee	training needs and forward to the hospital management team for approval.
Infrastructural development	To follow up on completion of theatre. To renovate male ward To lobby for power back up	Site supervision with the county and hand over to the contractors for works to start.	Continuous supervision and assessment of work by the project management committee.	The male ward has been painted and renovated awaiting furnishing for occupancy. Theatre works ongoing nearing completion. Generator house and generator installation awaiting.
Quality improvement	Continuous assessment of various departments within the facility either random or scheduled.	Weekly assessment of the progress of the IPC activities Monthly QIT meetings Departmental projects	Monthly hospital walks to assess departmental progress on their projects	Minuted hospital walk with recommendations Assessment of projects per department and their progress.

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

2. Corporate Governance Statement

Chulaimbo Level 4 Hospital Board of Management is responsible for the corporate governance of the Hospital and is accountable to Ministry of Health, County department of health Kisumu County for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

a) Board of Management

The Board of Management is composed of non-executive members elected by the governor of Kisumu County.

The appointment Board of Management members are to be held accountable and responsible for the efficient and effective governance of the Hospital. Board Members have a range of skills and experience and each brings an independent judgement and considerable knowledge to the Board's discussions. The board term is 3 years renewable subject to performance contract.

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

- Approved and adopt strategic plans and annual budgets, set objectives and review key risks and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital management of risk and internal contracts; and
- Review at regular meetings management's performance against approved budget.

The full Board meets at least 4 times a year and Chairperson has bi-weekly meetings/Consultations with the Medical Superintendent. The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Medical Superintendent. The Board nonetheless

retains responsibility for establishing and maintaining the Hospital's overall internal control, financial, operational and compliance framework.

b) Board Meetings

The Board as per the Annual Work Plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within stipulated timelines. The main Board held 6 meetings attended by the selected members.

3. Management Discussion and Analysis

The hospital receives funds from the County Government, categorized as revenue from non-exchange transactions. The hospital also receives funds from clients in exchange for services offered, which is categorized as revenue from exchange transactions. Other sources of funds include grants from private donors, in-kind contribution of supplies from the county and other public institutions.

The funds realized are utilized under the various expense categories such as medical/clinical costs, employee costs, board of management expenses, repairs and maintenance and general expenses.

Clinical/operational performance

- *Bed capacity of the hospital 26*
- *Overall patient attendance during the year for both inpatient and outpatient 10,065*
- *Accident and Emergency attendance*
- *Specialised clinic attendance 49,509*
- *Average length of stay for in patient 3 days*
- *Bed occupancy rate 80%*
- *Mortality rate 0*
- *Surgical theatre utilisation (number of operations over a period of time)*
- *Sponsorships and partnerships*

Financial performance that includes: -

- *Revenue sources,*
- *Utilisation of funds etc*

(The management discussion and analysis should be signed by the Chief Executive Officer/Medical Superintendent)

4.Environmental And Sustainability Reporting

Environmental performance

Chulaimbo Level 4 Hospital is using the National Health Care Waste Management policy guideline which is guiding us in management of the waste that has generated in the organization and we have a copy of the policy. Successes,

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

Employee Welfare

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

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

5. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to first to offer quality health care to the community of Chulaimbo and neighboring counties such as Vihiga and Seme subcounty.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1to 68

Board of Management

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

The members of the Board who served during the year are shown on page vi to x .

Auditors

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

By Order of the Board



.....
Name

Secretary to the Board

6. Statement of Board of Management's Responsibilities

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

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

The Board of Management accepts responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*– entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 20xx, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*) OR

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

Approval of the financial statements The Hospital's financial statements were approved by the Board on 08/07/2025 and signed on its behalf by

.....
Name:

Chairperson
Board of Management

.....
Name:
Accounting Officer

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Adverse Opinion

I have audited the accompanying financial statements of Chulaimbo County Level 4 Hospital – County Government of Kisumu set out on pages 31 to 95, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Chulaimbo County Level 4 Hospital – County Government of Kisumu as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, County Governments Act, 2012 and Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Variances in the Financial Statements

Review of the financial statements submitted for audit revealed various variances with the ledger as detailed below;

- i. The statement of financial performance and as disclosed in Note 11 to the financial statements reflects rendering of services-medical services income of Kshs.3,565,828 while the supporting schedules reflect Kshs.3,158,908 resulting to an unreconciled variance of Kshs.418,920. Further, M-Pesa statements in support of these collections were not provided for audit review.
- ii. Further, the statement of financial performance and as disclosed in Note 21 to the financial statements reflects general expenses of Kshs.2,113,134 which includes bank charges of Kshs.42,424. However, the supporting schedule and relevant bank statements were not provided for review.
- iii. In addition, the statement of financial position and Note 28 to the financial statements reflects receivables from exchange transactions balance of Kshs.1,707,599 against the ledger balance of Kshs.3,824,138 resulting to unexplained variance of Kshs.2,116,539.
- iv. The statement of financial position reflects inventories balance of Kshs.2,650,216. However, supporting schedule reflected a balance of Kshs.3,455,376 resulting to a variance of Kshs.805,160.
- v. The statement of financial position and Note 32 to the financial statements reflect net book value of Kshs.4,854,462 which differs with recomputed balance of Kshs.4,722,763 resulting into a variance of Kshs.131,700. Further, the fixed assets register provided for audit review reflects plant, property and equipment net book value of Kshs.4,629,463 which results to a variance of Kshs.224,999.
- vi. The statement of financial position and Note 33 to the financial statements reflects intangible assets balance of Kshs.180,000 which is at variance with the assets register balance of Kshs.225,000 resulting to an unreconciled variance of Kshs.45,000.

In the circumstances, accuracy and completeness of the financial statements could not be confirmed.

2. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies;

- i. The statement of financial performance reflects Nil transfers from other government entities. However, the explanatory Note 9 reflects Kshs.3,941,130 resulting to an unexplained variance of Kshs.3,941,130. Similarly, the statement reflects Nil opening balance which is at variance with Kshs.1,531,800 reflected under explanatory Note 9.
- ii. The statement of financial performance reflects in-kind contributions from the County Government of Kshs.29,780,563 and as disclosed in Note 7 to the financial statements. However, the explanatory note reflects Kshs.29,780,563 resulting to an unexplained variance of Kshs.13,134.
- iii. Note 10 reflects Nil public contribution and donations while the prior year audited financial statements reflects Kshs.55,575 resulting to an unreconciled variance of Kshs.55,575.
- iv. The statement of financial position reflects intangible assets net book value of Kshs.180,000 as disclosed in Note 33 to the financial statements. The supporting schedule reflected opening cost at the beginning of the year of Kshs.240,000. However, the comparative year reflect closing cost at the end of the year of Kshs.300,000 resulting to a variance of Kshs.60,000. Further, the net book value of Kshs.180,000 as reflected in the note is at variance with the re-casted balance of Kshs.239,400.
- v. The statement of financial position reflects Nil balance in respect of receivables from nonexchange transactions. However, the explanatory Note 30 reflects Kshs.3,941,130 resulting to an unexplained variance of Kshs.3,941,130.
- vi. The statement of financial position reflects total current assets of Kshs.7,306,796 which was at variance with the recasted balance of Kshs.7,038,707 resulting to an unreconciled variance of Kshs.268,089. Similarly, the statement of financial performance reflects surplus for the year of Kshs.23,241,684 which differed with the recasted balance of Kshs.23,228,550 resulting to an unexplained variance of Kshs.13,134.
- vii. The statement of financial performance reflects net surplus for the year of Kshs.23,241,684 which was not disclosed in the statement of changes in net assets. Management did not provide prior year adjustments and/or restatements of corresponding notes to show how the figures were revised.

In the circumstances, accuracy and completeness of the financial statements could not be confirmed.

3. Omitted Property, Plant and Equipment

The statement of financial position reflects property, plant, and equipment net book value of Kshs.4,588,683 as disclosed in Note 32 to the financial statements. However, review of asset register records provided for audit revealed that Management failed to disclose a motor vehicle valued at Kshs.2,411,625. Failure to disclose the assets additions is contrary to IPSAS 45 (6) which states that an item of property, plant, and equipment shall be recognized if, and only if it is probable that future economic benefits

or service potential associated with the item will flow to the entity; and the item can be measured reliably.

In the circumstances, the completeness and accuracy of property, plant and equipment balance reflected in the financial statements could not be confirmed.

4. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 29 to the financial statements, reflects receivables from exchange transactions balance of Kshs.1,707,599, which includes medical services receivables of Kshs.1,689,599. This balance which is 84% of total receivables which has been outstanding for two (2) years. Further, Management did not provide ledgers or detailed schedules in support of the receivables from exchange transactions. In addition, the system-generated summary statement from the Social Health Authority (SHA) portal for the period ended 30 June, 2025 reflected claims paid amounting to Kshs.3,941,130 which was at variance with Kshs.6,755,855 reflected in the bank statements, resulting in an unreconciled variance of Kshs.2,814,725.

In the circumstances, the recoverability and accuracy of receivables from exchange transactions could not be confirmed.

5. Weaknesses in Cash and Bank Management

The statement of financial position and Note 27 to the financial statements reflect cash and cash equivalents balance of Kshs.2,680,892. However, review of records provided for audit revealed the following anomalies;

- i. The KCB bank reconciliation statement revealed unrepresented cheques of Kshs.2,816,250 which were stale and had not been reversed or replaced hence understating the bank balance. In addition, the bank reconciliation statement for the month of June, 2025 reflects payments in bank statements of Kshs.1,780 not recorded in the cash book. Further, the Management did not provide the certificate of balance for audit review.
- ii. Review of the cashbook and bank reconciliation statements in respect Cooperative Bank account revealed that the cashbook reflected an overdrawn balance of Kshs.1,867,962.25 as at 30 June, 2025. This was contrary to Regulation 82(6) of the Public Finance Management (County Governments) Regulations, 2015.
- iii. Management did not prepare bank reconciliation statements on a monthly basis as prescribed by Section 90 of the Public Finance Management (County Government) Regulations, 2015. The reconciliation for the KCB account as at 30 June, 2025 was not checked and approved the accounting officer.
- iv. The cashbooks maintained by the Hospital were not regularly checked, verified, or countersigned by a senior officer.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2,680,892 could not be confirmed.

6. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.3,925,472 as disclosed in Note 36 to the financial statements. However, the balance was not supported with detailed schedule and an ageing analysis per category

showing the opening balance, additions and payments in the year to arrive at the closing balance.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.3,925,472 could not be confirmed.

7. Failure to Recognize and Disclose of FIF and SHIF Funds

The statement of financial performance and as disclosed in Note 11 to the financial statements discloses an amount of Kshs.3,565,828 in respect of rendering of services – medical service income, which differs with the amount of Kshs.10,552,021 reported by the Receiver of Revenue, by an amount of Kshs.6,986,193. The Hospital operates a Collections Account for all amounts received from rendering of services, and any withdrawal from the Account has to be authorized by the Chief Officer Health. It is therefore not clear, and Management has not disclosed why the Hospital disclosed more than it received. Alternatively, the Hospital may have failed to account for all monies collected.

In the circumstances, the completeness and accuracy of the disclosed revenue from rendering services could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chulaimbo County Level 4 Hospital – County Government of Kisumu Management 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 adverse opinion.

Emphasis of Matter

Lack of an Approved Budget

The statement of comparison of budget and actual amounts reflects a Nil revenue budget. Further, the Hospital spent Kshs.10,264,841 against a final budget of Kshs.11,313,000 resulting to an under expenditure of Kshs.1,048,159. The Management did not provide the annual approved budget for audit. This was contrary to Regulation 29(1) of the Public Finance Management (County Government) Regulations, 2015 which states that the accounting officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations.

The under-performance 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 Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Hospital in 2024/2025 revealed that the following thirteen (13) issues remained unresolved:

No.	Financial Year	Audit Issue
1.	2023-2024	Receivables from Exchange Transactions
2.	2023-2024	Inaccurate Disclosures of Prior Year Employees Dues
3.	2023-2024	Poor Inventory Management
4.	2023-2024	Intangible Assets Balance
5.	2023-2024	Failure to Maintain Fixed Assets Register
6.	2023-2024	Budgetary Control and Performance
7.	2023-2024	Irregularities in Procurement of Goods and Services
8.	2023-2024	Deficiencies in Implementation of Universal Health Coverage (UHC)
9.	2023-2024	Non-Compliance with Financial Management Regulations
10.	2023-2024	Lack of Revenue Quarterly Reports
11.	2023-2024	Lack of Policy Manual on Recruitment
12.	2023-2024	Late Payment of Casual Wages
13.	2023-2024	Failure to Carry Out Creditors Ageing Analysis

Other Information

The Management responsible for the Other Information set out on page 3 to 29 which comprise of Key Entity Information and Management, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management, Statement of Management 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Report SHA and NSSF Deductions

The statement of financial performance reflects other employee costs of Kshs.1,623,900 as disclosed in Note 16 to the financial statement. Review of the casual wages' payrolls provided for audit revealed that management incurred an expenditure of Kshs.126,110 in respect of SHA and NSSF whose details were omitted in the financial statements. Failure to disclose this expenditure is contrary to National Treasury circular on guidelines on the year end closing procedures for financial year 2024/2025 Ref No. AG.3/88/Vol. VII (43) dated 13 May, 2025 that require the accounting officer to ensure complete and accurate financial statements.

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

2. Non-Provision of Procurement Documents

Review of sampled payment and procurement records provided revealed that Management procured medical drugs and carried out repairs and maintenance of plant machinery and building totalling Kshs.1,621,469. However, the documents to support the procurement process were provided for audit review. This was contrary to Public Audit Act, 2015 Section 9(1e) which states that without prejudice to the powers given under the Constitution and this Act and for the purposes of carrying out his or her duties effectively, the Auditor-General, or an officer authorized for the purpose of this Act, shall have powers of unrestricted access to all books, records, returns, reports, electronic or otherwise and other documents of entities listed under Article 229(4) of the Constitution.

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

3. Non-Compliance with Laws and Effectiveness of Upgrade of Hospitals

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 89% of the authorized establishment.

Staffing Requirement	Level 4 Requirement	In Post	Variance	Percentage %
Medical Officers	16	1	15	94
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatricians	2	1	1	50
Radiologists	2	1	1	50
Registered Community Health Nurses	75	25	50	67
Total	101	28	73	72

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

Equipment and Machines	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Bed Capacity	150	25	125	83
Incubators (Newborn)	5	2	3	60
Cots	5	2	3	60
Resuscitative in Theatre	1	1	0	0
Resuscitative in Labour Ward	2	1	1	50
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Equipment and Machines	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Renal Unit with Dialysis Machines	5	0	5	100
Functional Operating Theatres Maternity and General	2	0	2	100
Services Offered	Level 4 Hospital Standard			
Surgical Services	Not Available			
Gynecology Services	Not Available			
Renal Services	Not Available			
Comprehensive emergency Obstetric Unit	Not Available			

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

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

4. Engagement of Casuals Beyond the Stipulated Period

Review of the Hospital's personnel records relating to casuals for the month of February, 2025 revealed that fourteen (14) casuals were engaged at various times during the year under review. However, review of the payroll and appointment letters revealed that the engaged casuals had worked continuously for a period of more than three (3) months with some being engaged for a period of over four (4) years. This was contrary to Section 37(b) of the Employment Act, 2007 which states that notwithstanding any provisions of this Act, where a casual employee performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service.

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Inventories Management

The statement of financial position and as disclosed in Note 31 to the financial statements, reflects inventories balance of Kshs.2,650,216. However, review of schedules and supporting documentation provided for audit revealed the following anomalies:

- i. Management did not conduct end-year stock take required by Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an annual inventory and stock taking in order to ensure compliance with all respective governing laws.
- ii. A sampled review of inventory items from the schedule provided for lab reagents revealed variances between the stores ledger records and the general ledger, resulting in an unexplained and unreconciled variance of Kshs.1,325,195, as detailed below:

Item	Quantity Per Stores Ledger	Quantity Per General Ledger	Variance In Units	Price	Variance in Amount
Edta Tubes 4ml	4	2	3	1,650	3,300
Stool Containers	600	200	400	15	6,000
Trinscreen	9.7	9	(0.7)	11,993.58	8,395
TB Gene Exprt Cart.	25	5	20	62,375	1,247,500
SAT	90	75	15	4,000	60,000
Total					1,325,195

- iii. Physical verification conducted in November, 2025 in the pharmaceutical stores revealed that Mirena (ICUD Hormone), Inj Magnesium Sulphate 50% and Inj Hydralazine 20mg had already expired as at June, 2025. Although these items had been quarantined, they were yet to be disposed of at the time of verification. This was contrary to Section 5.9 of Pharmacy and Poisons Board Guidelines for Good Distribution Practices for Pharmaceuticals which states that where inevitably, stocks held expire or are very close to their expiry, such goods must be withdrawn from sale and quarantined pending disposal in accordance with agreement between the supplier and the wholesaler.

In the circumstances, the internal controls on management of inventory could not be confirmed.

2. Weaknesses in Stores Management

Review of records revealed that the Hospital procured, received pharmaceuticals products and recorded them on the stock control cards. However, variances with the delivery notes were noted as detailed below;

Date of Delivery	Details	Delivery Note No.	Amount per Ledger	Amount per delivery Note	Variance
29/11/2024	KEMSA	KSM-2-014105	4,321,418	4,325,552	4,134
05/06/2025	KEMSA-Global FUND HIV	KSM-2-029827	689,522	698,522	9,000
21/10/2024	KEMSA	KSM-2-009696	1,438,087	-	1,438,087
30/08/2024	KEMSA	KSM-2-007100	562,431	-	562,431
19/08/2024	KEMSA GoK Counterpart Funds	KSM-2-005274	529,975	-	529,975
05/06/2025	KEMSA	KSM-2-029417	286,813	-	286,813
Total			7,828,246	5,024,074	2,830,440

In the circumstances, the effectiveness of internal controls on stock management could not be confirmed.

3. Incomplete Fixed Assets Register

The statement of financial position and as disclosed in Note 32 to the financial statements reflect a balance of Kshs.4,854,462 in respect of property, plant and equipment. However, the asset register maintained was not prepared in a format prescribed whose minimum requirements are: Identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation, net book value and assets are tagged with identification codes. This was contrary to Section 149(2)(o) of the Public Finance Management Act, 2012 which requires the accounting officer to ensure that the respective county government entity has adequate systems and processes in place for the maintenance of an assets register that is current, relevant and available to the relevant County Treasury and Auditor-General.

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

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

Responsibilities of the Management and Hospital Management Board

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

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

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

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

The Hospital Management Board 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

04 December, 2025

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

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	0	3,652,821.00
In-kind contributions from the County Government	7	29,780,563.00	755,812.00
Grants from donors and development partners	8	135,000.00	417,500.00
Transfers from other Government entities	9	0	0
Public contributions and donations	10	0	55,575.00
		29,915,563	4,881,708.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	3,565,828.00	6,221,958.00
Revenue from rent of facilities	12	12,000.00	10,000
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		3,577,828.00	6,231,958.00
Total revenue		33,493,391.00	11,113,666.00
Expenses			
Medical/Clinical costs	15	4,814,905	4,359,963.00
Employee costs	16	1,683,900	1,390,200.00
Board of Management Expenses	17	72,000	126,000.00
Depreciation and amortization expense	18	0	1,032,992.63
Repairs and maintenance	19	1,580,902	417,139.00
Grants and subsidies	20	0	0
General expenses	21	2,113,134	2,699,964.75
Finance costs	22		0
Total expenses		10,264,841	10,080,259.38
Other gains/(losses)			

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Gain/Loss on disposal of non-Current assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Medical services contracts Gains/Losses	25	0	0
Impairment loss	26	(0)	0
Gain on foreign exchange transactions		0	0
Total other gains/(losses)		0	0
Net Surplus / (Deficit) for the year		23,241,684.00	1,033,406.62.00

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

The Hospital's financial statements were approved by the Board on 8/7/25 and signed on its behalf by:

<u>Elly Nyambak</u>	<u>Moses Okello</u>	<u>Nyawara Sammenu</u>
Chairman	Head of Finance	Medical Superintendent
Board of Management	ICPAK No:	

Comparative FY refers to the financial year preceding the current year.

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

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

Description	Code	FY 2024/2025	
		2024	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	2,680,892.10	2,192,102.50
Prepayments	28	0	0
Receivables from exchange transactions	29	1,707,599.00	3,240,850.00
Receivables from non-exchange transactions	30	0	0
Inventories	31	2,650,216.00	4,082,310.00
Total Current Assets		7,306,796.10	9,515,262.50
Non-current assets			
Property, plant, and equipment	32	4,854,462.54	3,615,691.54
Intangible assets	33	180,000	240,000.00
Investment property	34	0	0
Biological Assets	35		
Total Non-current Assets		5,034,462.54	3,855,691.54
Total assets (A)		12,341,258.64	13,370,954.04
Liabilities			
Current liabilities			
Trade and other payables	36	3,925,472.00	2,783,550.00
Refundable deposits from Patients/Prepayments	37	0	0
Provisions	38	0	0
Finance lease obligation	39	0	0
Current portion of deferred income	40	0	0
Current portion of borrowings	41	0	0
Total Current Liabilities		3,925,472.00	2,783,550.00
Non-current liabilities			

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

Description	Note	FY 2024/2025	FY 2024/2025
		Kshs	Kshs
Provisions	38	0	0
Non-Current Finance lease obligation	39	0	0
Non-Current portion of deferred income	40	0	0
Non - Current portion of borrowings	41	0	0
Service concession Arrangements	42	0	0
Total non-current liabilities		0	0
Total Liabilities (B)		3,925,472.00	2,783,550.00
Net assets (A-B)		8,415,786.64	10,587,404.04
Represented by:			
Revaluation reserve		0	0
Accumulated surplus/Deficit		23,241,684.00	1,255,013.00
Capital Fund		0	0
Net Assets		27,154,022	4,038,563.00

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

The Hospital's financial statements were approved by the Board on 8/7/25 and signed on its behalf by:

Elly Nyambok

Chairman
Board of Management

Moses Okeib

Head of Finance
ICPAK No:

Nyirora Sammenia

Medical Superintendent

Comparative FY refers to the financial year preceding the current year.

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

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	0	1,060,211.85	-	1,060,211.85
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	1,255,013.00	-	1,255,013.00
Capital/Development grants	-	0	0	0
As at June 30, 2024 (previous year)	0	1,255,013.00	0	1,255,013.00
At July 1, 2024(current year)	0	1,255,013.00	0	1,255,013.00
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	0	0
At June 30, 2025(current year)	0	23,228,550.00	0	23,241,684.00

(Note:

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

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

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

Description	No te	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		0	3,652,821
Grants from donors and development partners		135,000	417,500
Transfers from other Government entities		3,941,130	0
Public contributions and donations		0	55,575
Rendering of services- Medical Service Income		3,565,828	6,221,958
Revenue from rent of facilities		12,000	10,000
Finance / interest income		0	0
Miscellaneous receipts(<i>In-kind contributions from the County Government</i>)		0	0
Total Receipts		7,653,958.00	10,302,279.00
Payments			
Medical/Clinical costs		4,814,905.00	4,359,963.00
Employee costs		1,683,900.00	1,390,200.00
Board of Management Expenses		72,000.00	126,000.00
Repairs and maintenance		1,580,902.00	471,139.00
Grants and subsidies		0	0
General expenses		2,113,134.00	2,699,964.00
Finance costs		0	0
Refunds paid out		0	0
Total Payments		10,264,841	9,047,266.00
Net cash flows from operating activities	43	(2,610,883)	1,255,013.00
Cash flows from investing activities			
Purchase of property, plant, equipment		4,854,462	4,588,684.17
Purchase of intangible assets		(180,000)	240,000.00
Proceeds from the sale of PPE		0	0
Acquisition of investments		0	0
Net cash flows used in investing activities		5,034,462	4,828,684.17

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

Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Capital grants received		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		946,506.55	1,918,953.08
Cash and cash equivalents as at 1 July	27	1,734,384.55	446,608.42
Cash and cash equivalents as at 30 June	27	2,680,892.10	2,365,561.50

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

Comparative FY refers to the financial year preceding the current year.

11. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	A	b	c=(a+b)	D	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	0	0	0	0	%
Receipts						
Transfers from the County Government	0	0	0	0	0	%
Grants from donors and development partners	0	0	0	135,000	0	100%
Transfers from other Government entities	0	0	0	0	0	%
Public contributions and donations	0	0	0	0	0	%
Rendering of services- Medical Service Income	0	0	0	3,565,828	0	100%
Revenue from rent of facilities	0	0	0	12,000	0	100%
Finance / interest income	0	0	0	0	0	%
Miscellaneous receipts (<i>specify</i>)- <i>Inkind Contribution</i>	0	0	0	29,793,697	0	%
Total receipts	0	0	0	33,506,525	0	100%
Payments						
Medical/Clinical costs	4,920,000	0	4,920,000	4,814,905	105,095	97.9%)
Employee costs	1,885,000	0	1,885,000	1,683,900	201,100	89.3%
Remuneration of directors	118,000	0	118,000	72,000	46,000	61%
Repairs and maintenance	1,890,000	0	1,890,000	1,580,902	309,098	83.6%
Grants and subsidies	0	0	0	0	0	%
General expenses	2,480,000)	0	2,480,000	2,113,134	366,866	85.2%
Finance costs	20,000	0	20,000	0	0	%
Refunds	0	0	0	0	0	%
Total Operational Expenditure paid	11,313,000	0	11,313,000	10,264,841	0	90.7%
Capital Expenditure paid	0	0	0	0	0	%

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

Surplus	0	23,241,684	0	%

(Budget carryovers* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)
(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)

Budget notes

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

Budget Reconciliation

Description of Particulars		Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	23,241,684
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,680,892.10

12. Notes to the Financial Statements

1. General Information

Chulaimbo Level 4 Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the xxx County Government and is domiciled in Kisumu County in Kenya. The entity's principal activity is Health Provision.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45-	<p><i>Applicable 1st January 2025</i></p>

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

Standard	Effective date and impact:
Property Plant and Equipment	<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. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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</p>

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

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

iii) Early adoption of standards

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

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on ~~xxxx~~. 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, Chulaimbo Level 4 Hospital recorded additional appropriations of **0.00** on the FY 2024/2025 budget following the Board's approval. Chulaimbo Level 4 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

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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

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, 20XX.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	0	3,652,821
Level 4/5 grants	0	0
Unconditional development grants	0	0
Other grants (<i>specify</i>)	0	0
	0	3,652,821
Conditional grants		
User fee forgone	0	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	0	3,652,821

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognised in Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2023/2024
				2024/2025	
			KShs	KShs	KShs
Kisumu County Government	0	0	0	0	3,652,821
Total	0	0	0	0	3,652,821

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under appendix xxx).

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

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

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	0	0
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	29,793,697	755,812
Utility bills	0	0
Total grants in kind	29,793,697	755,812

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

8. Grants From Donors and Development Partners

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants (<i>Greenone Kenya</i>)	135,000	417,500
Total grants from development partners	135,000	417,500

Greenzone Kenya pays Ksh.45,000 to Kenya Power per quarter for the hospital's electricity bills.

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 recognized in capital fund	Total grant income during the year	2023/2024
	KShs	KShs	KShs	KShs	KShs
Donor e.g., Greenzone Kenya	135,000	0	135,000	135,000	180,000
JICA	0	0	0	0	0
MEDS	0	0	0	0	237,500
Total	135,000	0	135,000	135,000	417,500

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from xxx National Hospital	0	0
Transfer from National Hospital Insurance Fund	3,941,130	1,531,800
Total Transfers	3,941,130	1,531,800

10. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organisations and individuals	0	0
Other donations(Public University)	0	55,575
Donations in kind-amortised	0	0
Total donations and sponsorships	0	0

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	871,599	1,104,357
Non-Pharmaceuticals	121,110	22,300
Laboratory	845,185	974,214
Radiology	79,850	24,300
Orthopedic and Trauma Technology	0	20,250
Theatre	0	0
Accident and Emergency Service	0	0
Anesthesia Service	0	0
Ear Nose and Throat service	0	0
Nutrition service	0	0
Cancer centre service	0	0
Dental services	87,300	133,200
Reproductive health	127,702	2,188,554
Paediatrics services	79,560	0
Farewell home services	0	0
Ambulance services	0	0
Other medical services income (<i>specify</i>)	1,353,522	1,766,133
Total revenue from the rendering of services	3,565,828	6,221,958

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

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Insert Current FY	FY 2023/2024
	Kshs	Kshs
Residential property	12,000	10,000.00
Commercial property	0	0
Total Revenue from rent of facilities	12,000	10,000.00

This is income received from renting of one of the properties owned by the Hospital

13. Finance /Interest Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

(Provide brief explanation for this revenue)

14. Miscellaneous Income

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

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

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	32,950	0
Laboratory chemicals and reagents	1,001,999	0
Public health activities	0	-
Food and Ration	1,258,668	58,209
Uniform, clothing, and linen	-	0
Dressing and Non-Pharmaceuticals	794,116	
Pharmaceutical supplies	1,215,347	0
Health information stationery	329,500	346,400
Reproductive health materials	-	-
Sanitary and cleansing Materials	147,325	303,952
Purchase of Medical gases	0	96,000
X-Ray/Radiology supplies	-	-
Other medical related clinical costs (<i>Medical equipment</i>)	35,000	46,000
Total medical/ clinical costs	4,814,905	4,359,963

(Other medical/clinical related costs refers to all other costs involved in management of the patients directly not analysed above.)

16. Employee Costs

Description	Insert Current FY	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	1,683,900	1,390,200
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	0	0
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs (<i>specify</i>)	0	0
Employee costs	1,683,900	1,390,200

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	72,000.00	126,000.00
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	0
Airtime allowances	0	0
Total	72,000.00	126,000.00

18. Depreciation and Amortization Expense

Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

19. Repairs And Maintenance

	Kshs	Kshs
Property- Buildings	715,460	160,000
Medical equipment	571,000	35,000
Office equipment	0	19,000
Furniture and fittings	0	0
Computers and accessories	15,000	35,000
Motor vehicle expenses	279,442	222,139
Maintenance of civil works	0	0
Total repairs and maintenance	1,580,902	471,139.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidised medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0
Other grants and subsidies(<i>specify</i>)	0	0
Total grants and subsidies	0	0

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

21. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	0	25,000.00
Catering expenses	0	0
Waste management expenses	0	45,800
Insecticides and rodenticides	5,000	38,920
Audit fees	0	0
Bank charges	42,424	45,284
Conferences and delegations	0	0
Consultancy fees	0	0
Contracted services	400,000	444,000
Electricity expenses	521,000	813,000
Fuel and Lubricants	552,390	580,000
Insurance	0	0
Research and development expenses	0	0
Travel and accommodation allowance	107,550	185,650
Legal expenses	0	0
Licenses and permits	0	0
Courier and postal services	9,800	10,000
Printing and stationery	149,500	139,600
Hire charges	0	0
Rent expenses	0	0

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Water and sewerage costs	197,470	10,000
Skills development levies	0	0
Telephone and mobile phone services	15,000	45,000
Internet expenses	0	0
Staff training and development	0	15,000
Subscriptions to professional bodies	0	0
Subscriptions to newspapers periodical, magazines, and gazette notices	0	0
Library books/Materials	0	0
Parking charges	0	0
Office Equipment& appliances	113,000	302,000
Total General Expenses	2,113,134	2,699,964

22. Finance Costs

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Interest on Bank overdrafts/Guarantees	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

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

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

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised (<i>specify</i>)	0	0
Total gain on sale of assets	0	0

24. Unrealized Gain On Fair Value Investments

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	0	0
Non- Comprehensive contracts care with NHIF/SHA	0	0
Linda Mama Program	0	0
Waivers and Exemptions	0	0
Total Gain/Loss	0	0

26. Impairment Loss

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Investments	0	0
Total impairment loss	0	0

27. Cash And Cash Equivalentents

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Current accounts	2,680,892.10	2,192,102.00
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	0	0
Others(<i>specify</i>)- Mobile money	0	0
Total cash and cash equivalentents	2,680,892.10	2,192,102.00

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

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



Notes to the Financial Statements (Continued)

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

Description		Insert Current FY	FY 2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1159521158	1,734,384.55	40,169.70
Co-operative Bank of Kenya	01141495253100	946,507.55	2,151,932.80
Sub- total		2,680,892.10	2,192,102.50
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank – etc		0	0
Sub- total		0	0
c) Fixed deposits account			
Bank Name		0	0
Sub- total		0	
d) Others(specify)		0	0
cash in hand		0	0
Mobile money- Mpesa, Airtel money		0	0
Sub- total		0	0
Grand total		2,680,892.10	2,192,102.50

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

28. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Insurance	0	0
Rent	0	0
Water	0	0
Internet	0	0
Others specify	0	0
Total	0	0

29. Receivables From Exchange Transactions

Description	Insert Current FY	FY 2023/2024
	KShs	KShs
Medical services receivables	1,689,599.00	3,220,850.00
Rent receivables	18,000.00	20,000.00
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total receivables	1,707,599.00	3,240,850.00

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

Analysis of Receivables From Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	18,000.00	1.05%	20,000.00	0.62%
Between 1- 2 years			3,220,850.00	99.38%
Between 2-3 years	1,689,599	98.95%	0	%
Over 3 years	0	%	0	%
Total (a+b)	1,707,599.00	100%	3,240,850.00	100%

30. Receivables From Non-Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Transfers from the County Government		0
Undisbursed donor funds(0
Other debtors (non-exchange transactions)- SHA/NHIF	3,941,130	0
Less: impairment allowance	(0)	(0)
Total	3,941,130	0

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

Analysis of Receivables From Non-Exchange Transactions

Description	Insert Current FY		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

31. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	2,377,871.00	3,637,563.00
Maintenance supplies	0	0
Food supplies	106,398.00	43,439.00
Linen and clothing supplies	0	0
Cleaning materials supplies	133,007.00	253,219.00
General supplies	32,940.00	148,090.00
Less: provision for impairment of stocks	(0)	(0)
Total	2,650,216.00	4,082,311.00

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



Detailed disclosure on inventories

	FY 2024/2025	FY 2023/2024
Opening balance	4,082,311.00	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	1,655,899.00	4,082,311.00

Chulaimbo Level 4 Hospital (Kisumu 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	Ksh
Cost									
At 1 July 2024 (previous year)	0	0	0	130,000	3,192,616.57	1,266,067.60	0	0	4,588,684.17
Additions	0	0	0	276,279	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	0	(0)	0	-	(0)
Transfers/adjustments	0	0	(0)	0	0	0	0	0	(0)
Revaluation Adjustments	0	0	0	0	0	0	0	-	0
At 30th Jun 2024	0	0	0	406,279	3,192,616.57	1,266,067.60	0	0	4,588,684.17
At 1 July 2025 (current year)	0	0	0	406,279	3,192,616.57	1,266,067.60	0	0	4,588,684.17
Additions	Xxx	xxx	xxx	xxx	Xxx	149,000	xxx	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	0	xxx	(xxx)	(xxx)
Transfer/adjustments	Xxx	xxx	xxx	xxx	Xxx	0	xxx	(xxx)	xxx
Revaluation Adjustments	Xxx	xxx	xxx	xxx	Xxx	0	xxx	-	xxx
At 30th Jun 2025	Xxx	xxx	xxx	xxx	Xxx	1,415,067.60	xxx	xxx	xxx
Depreciation and impairment									

Chulaimbo Level 4 Hospital (Kisumu 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
At 1 July 2024 (previous year)		0	0	130,000	3,192,616.57	1,266,067.60	0	-	4,588,684.17
Depreciation for the year		0	0	276,279	0	0	0	-	9
Disposals		0	0	0	0	0	0	-	0
Impairment		0	0	0	0	0	0	-	0
At 30 June 2024		0	0	406,279	3,192,616.57	1,266,067.60	0	-	4,588,684.17
At July 2025 (current year)		0	0	721,050	411,000	5,376,600	0	-	6,508,650
Depreciation		0	0	698,850	301,500		0	-	1,654,187
Disposals		0	0	0	0	0	0	-	0
Impairment		0	0	0	(0)	0	0	-	0
Transfer/adjustment		0	-	0	-	-	0		0
At 30th June 2025		0	0	698,850	301,500	3,722,413	0	-	4,854,463
Net book values									
At 30 th Jun 2024 (previous)	0	0	0	325,023.20	2,554,093.26	1,012,854.08	0	-	3,615,691.54
At 30 th Jun 2025 (current)	0	0	0	698,850	301,500	3,722,413	0	-	4,854,463

Chulaimbo Level 4 Hospital (Kisumu 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	Insert Current FY	FY 2023/2024
	KShs	KShs
Cost		
At beginning of the year	240,000	0
Additions	0	300,000
Additions–Internal development		0
Disposal	(0)	(0)
At end of the year	240,000	300,000
Amortization and impairment		
At beginning of the year	240,000	0
Amortization for the period	60	60
Impairment loss	0	0
At end of the year	60	60
NBV	180,000	240,000

34. Investment Property

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	0	0
Fair value gain	0	0
Depreciation (<i>where investment property is at cost</i>)	0	0
Impairment	0	0
At end of the year	0	0

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

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

Notes to the Financial Statements (Continued)

35. Biological Assets

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trees in a plantation forest	0	0
Animals: Dairy Cattle, Pigs, Sheep	0	0
Others specify	0	0
Total	0	0

36. Trade and other Payables

Description	Insert Current FY		FY 2023/2024	
	KShs		KShs	
Trade payables	3,215,472.00		2,068,550.00	
Employee dues	710,000.00		715,000.00	
Third-party payments (e.g. unremitted payroll deductions)	0		0	
Audit fee	0		0	
Doctors' fee	0		0	
Total trade and other payables	3,925,472.00		2,783,550.00	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	0	100%		%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	100%	0	100%

37. Refundable Deposits from Customers/Patients

Description	Insert Current FY		FY 2023/2024	
	KShs		KShs	
Medical fees paid in advance	0		0	
Credit facility deposit	0		0	
Rent deposits	0		0	
Others (specify)	0		0	
Total deposits	0		0	

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

Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	0	%	0	0%
1-2 years	0	%	0	0%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
Total	0	%	0	0%

38. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount & time value for money	(0)	(0)	(0)	(0)
Total provisions	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0
Total Provisions	0	0	0	0

39. Finance Lease Obligation

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
Total	0	0

40. Deferred Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0

Chulaimbo Level 4 Hospital (Kisumu 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	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	(0)	(0)	(0)	(0)
Transfers to statement of financial performance	0	(0)	(0)	(0)
Other transfers (<i>Specify</i>)	(0)	(0)	(0)	(0)
Balance C/F	0	0	0	0

41. Borrowings

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	(0)	0
Repayments of domestic borrowings during the year	(0)	0
Balance at end of the period	0	0

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

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
Total	0	0

*Chulaimbo Level 4 Hospital (Kisumu 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	FY 2024/2025	FY 2023/2024
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	0
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	<u>0</u>	<u>0</u>

43. Cash Generated from Operations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	23,228,550	2,397,640
Adjusted for:		
Depreciation	0	0
Non-cash grants received	(0)	0
Impairment	0	0
Gains and losses on disposal of assets	(0)	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Working Capital adjustments		
Increase in inventory	(2,650,216)	(4,082,311.00)
Increase in receivables	(0)	0
Increase in deferred income	0	0
Increase in payables	0	0
Increase in payments received in advance	0	0
Net cash flow from operating activities	20,578,334.00	1,255,013.00

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

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Full y perf orm ing	Past due	Impaired
	Kshs	Ksh s	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	3,240,850.00	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	1,733,302.50	0	0	0
Total	4,974,152.50	0	0	0
At 30 June 2025 (current year)				
Receivables from exchange transactions	1,707,599	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	2,680,892.10	0	0	0
Total	4,388,491.10	0	0	0

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

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

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	0	0	2,783,550.00	2,783,550.00
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	2,783,550.00	2,783,550.00
At 30 June 2025				
Trade payables	0	0	3,925,472.00	3,925,472.00
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	3,925,472.00	3,925,472.00

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

The 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.

Chulaimbo Level 4 Hospital (Kisumu 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)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Chulaimbo Level 4 Hospital (Kisumu 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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

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	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	0	0
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/ (excess cash and cash equivalents)	0	0
Gearing	0%	0%

Chulaimbo Level 4 Hospital (Kisumu 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.

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

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0	0
Sales of services to xxx	0	0
Total	0	0
b) Grants from the Government		
Grants from County Government	0	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	0	0
Payments for goods and services for xxx	0	0
Total	0	0
d) Key management compensation		

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Directors' emoluments	0	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

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	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Court case xxx against the hospital	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

(Give details)

48. Capital Commitments

Capital Commitments	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

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

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

The entity is a County Corporation/ or a Semi- Autonomous Government Agency under the Department of xxx. Its ultimate parent is the County Government of Kisumu.

51. Currency

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

13. 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)
4.1	Unsupported In kind contributions from the county government	The ledgers were not availed during the audit.	Resolved	Immediately
4.2	Lack of quarterly revenue reports	Management to liaise with the county accounts department	Not resolved	2 years
4.3	Irregularity in the procurement of goods and services	The management notes that the user departments requisitions were not attached to the payment vouchers.	Resolved	Immediately
4.4	Inaccurate disclosure of prior year employee dues	The employee dues had a variance from the previous year due to management increasing their dues.	Resolved	Immediately
4.5	Lack of Policy Manual on Recruitment of casuals	Management to establish policy on recruitment.	Resolved	Immediately
4.6	Late payment of casual wages	Manager identified gaps and resolved	Resolved	Immediately
4.7	Unsupported account balance for board of management	Accounting clerk tasked to resolve the issue.	Resolved	Immediately

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

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)
	expenses			
4.8	Unsupported receivables from exchange transactions	Accounting clerk tasked to resolve the issue.	Resolved	2 weeks
4.9	Lack of bank reconciliation statements for accounts KCB bad Cooperative	Management to prepare reconciliations. Accounts clerk and Admin tasked.	Resolved	2 weeks
4.10	Poor inventory management	Management to liaise with county to get a procurement officer	Not resolved	2 years
4.11	Unsupported Inventories amounting to KSH .43,490	This was noted and staff mentored on inventory management	Resolved	Immediately
4.12	Unconfirmed Intangible asset balance	The management noted this and resolved to find the actual cost of intangible assets	Resolved	Immediately
4.13	Failure to maintain fixed asset register	Management to liaise with the county to value assets received from the county	Not Resolved	2 years
4.14	Unsupported account balance for trade and other payables	Efficient records of all transactions to be updated regularly	Resolved	Immediately
4.15	Inaccurate disclosure of opening balance for trade and other payables.	Management to do monthly and quarterly reports to provide accuracy	Resolved	Immediately
4.16	Failure to carry out creditors aging analysis	Accounts clerk tasked to carry out the aging analysis	Resolved	Immediately
4.17	Deficiencies in Implementation of UHC Criteria	Management acknowledges that the county employs staff based on need basis	Not Resolved	3 years
4.18	Non-compliance with Financial	Management had difficulty in	Not resolved	2 years

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

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)
	Management regulations on settlement of outstanding accounts	raising revenue to cater for all expenses		

Guidance Notes:

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

.....
Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Chulaimbo Level 4 Hospital (Kisumu 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 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date

Chulaimbo Level 4 Hospital (Kisumu 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		

*XX Hospital (XX County Government)
Annual Report and Financial Statements for The Year Ended 30th June 20xx*

Appendix V: Disaster Expenditure Reporting Template

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