

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability



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REPORT

OF

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THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	17/12/26
TABLED BY	SA (Dr) Telegu
COMMITTEE	
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IBENO LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KISII

844

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Revised 30<sup>th</sup> June 2025



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IBENOLEVEL 4HOSPITAL

(KISII COUNTY GOVERNMENT)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

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

MEDICAL SUPERINTENDENT  
IBENO SUP COUNTY HOSPITAL

P. O. Box 92 - 40200 KISII

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***Ibeno level 4 Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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***Ibemo level 4 Hospital (Kisii County Government)***  
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**1. Acronyms & Glossary of Terms.**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

**Ibemo level 4 Hospital (Kisii County Government)**  
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**2. Key Entity Information and Management**

**(a) Background information**

**Ibemo level iv** Hospital is a level (4) hospital established under gazette notice number 13612 and is domiciled in Kisii County under the department of medical services. The hospital is governed by a Board of Management.

**(b) Principal Activities**

**Mission:** To promote and participate in provision of integrated and high quality, promotive, preventive, curative health services.

**Vision;** To provide accurate and high quality health care services to all patients and clients.

**Core Objectives;**

**(c) Key Management**

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

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

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Naftal Nyaboga
2.	Head of finance	Emily Momanyi
3.	Head of supply chain	Debora Akunga
4.	Nursing officer in charge	Risper otworu
5.	Hospital administrator	Wilter Mauti

**(e) Fiduciary Oversight Arrangements**

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

**Key Entity Information and Management (continued)**

**(f) Entity Headquarters**

***Ibena level 4 Hospital (Kisii County Government)***  
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P.O. Box 92-40200  
kisii  
Kenya

**(g) Entity Contacts**

Telephone: (+254)746921850  
E-mail: [ibenosubcountyhosp@gmail.com](mailto:ibenosubcountyhosp@gmail.com)  
Website: <https://sysdev.kisii.go.ke>

**(h) Entity Bankers**

Kenya commercial Banks  
Acc. 1117448010  
Name. Ibena sub county hospital

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**






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

**(k) County Attorney**

P.O. Box.4550-40200  
kisii, Kenya




**Ibena level 4 Hospital (Kisii County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**3. The Board of Management**




Ref	Directors	Details
1.	 Charles Nyantari	He holds a bachelors' degree in education arts. He has thirty oneyears experience in education. Date of birth; 1962
2.	 CharlesTongi	Bachelor of business administration - Senior management course from Kenya school of government -Twenty seven yearsworking experience.Currently working as a deputy director. Date of birth: 1966
3.	 Mary Kebira	She is a nurse by profession. Holds a diploma in community health nursing. Retired nursing officer
4.	 Dr. Joyce Nyamweya	Master's degree in Business Administration in management and organisation development
5.	 Harun Maranga	Retired Teacher

**Ibendo level 4 Hospital (Kisii County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**4. Key Management Team**

Ref	Management	Details
1.	 <p data-bbox="461 949 644 981">Naftal Nyaboga</p>	<p data-bbox="874 508 1158 539"><b>Medical superintendent</b></p> <p data-bbox="874 555 1187 586"><b>Duties and responsibilities</b></p> <ul style="list-style-type: none"> <li data-bbox="874 602 1082 633">-Facility in-charge</li> <li data-bbox="874 649 1433 680">-Overseeing of day to day activities of the hospital</li> <li data-bbox="874 696 1426 728">-Implementing healthcare policies and procedures</li> <li data-bbox="874 743 1326 819">-Ensuring compliance with healthcare regulations</li> <li data-bbox="874 835 1329 866">-Managing hospital finances and budgets</li> </ul>
2.	 <p data-bbox="392 1328 555 1359">Risper Otworu</p>	<p data-bbox="874 1072 1166 1104">Nursing officer in-charge,</p> <p data-bbox="874 1120 1187 1151"><b>Duties and responsibilities</b></p> <ul style="list-style-type: none"> <li data-bbox="922 1167 1398 1243">- Management of nursing services in the facility</li> <li data-bbox="922 1258 1353 1290">- Documenting medical information</li> <li data-bbox="922 1305 1358 1337">- Monitor health progress of patients</li> </ul>
3.	 <p data-bbox="373 1888 560 1919">Emily Momanyi</p>	<p data-bbox="874 1494 1117 1525"><b>Hospital accountant</b></p> <p data-bbox="874 1541 1187 1572"><b>Duties and responsibilities</b></p> <ul style="list-style-type: none"> <li data-bbox="874 1632 1417 1664">-Preparing and keeping proper books of accounts</li> <li data-bbox="874 1680 1426 1711">-Safeguarding financial documents of the hospital</li> </ul>

**Ibemo level 4 Hospital (Kisii County Government)**  
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4.	 Francis Asuku	<b>Laboratory technologist</b> <b>Duties and responsibilities</b> -Specimen collection, processing and analysing. Data collection and management - <b>Cleaning and maintaining lab equipments, including recalibration of equipments</b>
5.	 Debora Akunga	<b>Procurement officer</b> <b>Duties and responsibilities</b> -Identifying potential suppliers and acquiring goods at best value for the hospital -participating in tender evaluation process.
6.	 Johnes Makori	<b>Pharmaceutical technologist officer</b> <b>Duties and responsibilities</b> - <b>Ensure the safe and effective use of medications</b> - <b>Checking of drug interactions</b> - <b>Providing patient education on prescription and over the counter drugs</b>

***Ibemo level 4 Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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**5. Chairman's Statement**

During this financial year there was smooth and fast processing of documents especially the procurement process that enabled the hospital management not to run short of resources that were needed in giving services to patients. I implemented the direct payment into the bank account from patients when services given to them could be paid for using the m-pesapaybill. There was also a lot of cooperation and unity from the entire Ibemo staff like punctuality to their daily duties in ensuring that we give best services to our patients as expected. We also had governing standards during the period to ensure that our hospital adheres to high governing standards within the facility. There was an effective communication within the facility to both the internal and our external stakeholders to gain their confidence. However, there were some challenges I faced which include; there was poor network connectivity while making the NHIF/SHA claims, Delay of claims reimbursements from SHA/NHIF, there were understaffing in professional and casual personnel, the distance from out-patient to in-patient seemed to be far since the outpatient section is on the lower side of the hospital unlike inpatient. Like the issue of the distance from outpatient to inpatient I suggest that the new outpatient block to be fully equipped so that the hospital can operate from one setup, add also more staffs to enhance workforce, install wi-fi network for fast processing of NHIF/SHA claims.



.....  
**CHARLES NYANTARI**

**Chairman to the Board**

**6. Report of The Medical Superintendent**

Ibena Level IV hospital is in Kisii county, Nyaribari Chache sub-county, Ibena ward. It was upgraded to a level IV hospital in the year 2016 with outpatient department, inpatient, maternity, laboratory, pharmacy and MCH. It was gazetted on 21<sup>st</sup> October 2016, gazette # 13612. The facility is serving a catchment population of 13500 households.

The county government of Kisii department of health services is determined to improve access to and equity of quality essential health care services. The hospital plays a greater role in realization of vision 2030 and sustainable development goals. At Ibena Level IV hospital, most of the patients are diagnosed with upper respiratory tract infections with a sharp rise in non-communicable diseases especially hypertension and diabetes which is affecting mostly the elderly.

The hospital has established and started a special clinic for diabetes and hypertension, and eventually employed more measures to reduce surging cases i.e. health talk on nutrition and footcare, outreaches and inreaches, proper use of medicines and good exercise.

Our weekly outpatient workload has grown to an average of 150 patients per week. This was achievable through the public trusting in our facility in providing quality healthcare services to them.

Maternity is fully operational with approximately ten deliveries a week. The hospital has also managed to equip the laboratory with haemoglobin machine, hepatitis B test, and anti seras to facilitate turnaround time for antenatal mothers and reducing referrals significantly.

The hospital has a diverse workforce which includes clinical officers, nursing officer, health records officers, pharmaceutical technologist, public health officers, an accountant, administrator, clerks, casuals and several community health promoters attached to the facility which has enabled the hospital to operate 24 hours.

The hospital was able to raise a total revenue of Ksh.1,678,701 for the year ending 30<sup>th</sup> June 2025 from user fee and SHA/NHIF reimbursements.

We collect our revenues through Mpesa paybill which is an achievement to the facility and a tool for risk management. The hospital was able to construct a new outpatient block through the county government of Kisii which is yet to be equipped,

Through the constituency fund, the Kenya Medical Training College has been constructed which is yet to be completed. Through a ward fund, the hospital has constructed a modern kitchen which is awaiting handing over by the area MCA.

**Challenges**

At Ibena level IV hospital, we don't have enough staff to offer some services which a level IV facility requires to offer. We lack medical equipments and machines which the hospital require to deliver quality and more services.

Poor network connectivity especially in making SHA claims which has made the hospital to lose more revenue.

.....  


**NAFTAL NYABOGA**

**Secretary to the Board**

**7. Statement of Performance Against Predetermined Objectives**

The fund develops its annual work plans based on the objectives and principles of the Fund. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The objectives of the fund include;

Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical supplies in health facilities within the county

Enhance participation of relevant stakeholders and host communities in the planning and management of health facilities and funds located in their jurisdiction

Provide funding for planning and administrative support services.

Provide funding for the day-to-day operations of health facilities.

Provide for financing of preventive and promotional healthcare services.

Provide immediate funds for health-related emergencies and disaster

Ensure that the 70% of the funds is used for curative and 30% of the funds is used for preventive and promotive health care services respectively

Ibena level iv hospital has other strategic pillars and objectives within the current Strategic plan for the FY 2024/2025.

These strategic pillars are as follows:

1: Service delivery

2: health workforce

The *hospital* achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below:

## **8. Corporate Governance Statement**

Commitment to good corporate governance is fundamental in ensuring sustainable stakeholder value and meeting their expectations. Our procedures and processes are anchored on accountability, transparency, responsibility, and fairness which are the tenets of good corporate governance. Through the board of management Kisii County Health Facilities Improvement fund is complying with statutory requirements.

### **1.Appointment of the board members**

*The governor or the CECM for health is responsible for appointing board members. The members appointed must meet specific qualifications in line with Chapter six of the constitution., These appointments are made official by a notice published in the Kenya Gazette, as required by law.*

### **Role of the Board**

*The responsibility of driving good corporate governance and stewardship of the fund is vested in the board of management. The board through its committees provide strategic direction, oversight, risk management, resource mobilization and stakeholder engagement. The board has a responsibility of holding quarterly meetings to discuss the performance of the hospital.*

### **Conflict of interest**

*Declaration of conflict of interest is a standing agenda in all meetings of the Board and its committees. A register is maintained by the institution to record all potential conflicts declared by board members and board members should excuse themselves from discussion or decisions where they have vested interest.*

### **Number of Board meetings held and the attendance to those meetings by members**

<i>name</i>	<i>No of meeting</i>	<i>attendance</i>
<i>Charles nyantari- chairman</i>	<i>4</i>	<i>2</i>
<i>Charles tongi-member</i>	<i>4</i>	<i>1</i>
<i>Mary kebira-member</i>	<i>4</i>	<i>2</i>
<i>Harun maranga-member</i>	<i>4</i>	<i>2</i>
<i>Joyce nyanweya-member</i>	<i>4</i>	<i>1</i>
<i>Naftal nyaboga- secretary</i>	<i>4</i>	<i>2</i>
<i>Risper otwori- member</i>	<i>4</i>	<i>2</i>

**Ibemo level 4 Hospital (Kisii County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1: Service delivery	Providing quality accessible services in order to achieve universal health coverage	-patient satisfaction - infection rates -Efficiency	-Patient registration and admission -proper treatment and care -referral services -discharge and follow-up	-reduced infection rates -increased patient satisfaction -increased efficiency
2.: Health workforce	Ensure a sufficiently trained and well managed workforce to meet the health needs of the community.	-staffing ratios -operational efficiency -patient experience -employee turnover rate	-staff appraisals such as skills audits -conducting trainings and mentorship to employees.	-reduced understaffing -quality patient experience -low turnover rate -streamlined operations patient registration and admission

**Ibemo level 4 Hospital (Kisii County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

<i>Wiltermauti- member</i>	4	4
<i>Deborah akunga- member</i>	4	4
<i>Isaac ayacko- outgoing chairman</i>	4	4
<i>Lambert Singombe- outgoing</i>	4	3
<i>Rudianyangau- outgoing</i>	4	3

**Board remuneration**

Remuneration of the board members is based pegged on meetings attended as they are paid sitting allowances for each meeting attended for the period. The rates are as provided by the salaries and remuneration commission circular for sitting allowances and per diem.

**Ethics and Conduct**

Hospital board members must adhere to a code of ethics. They must uphold professional standards, respecting patient rights and serving the community with integrity, honesty and fairness.

**Governance audit**

A systematic evaluation of hospital governance structures, processes and controls is maintained to ensure ethical operations and regulatory compliance.

**9. Management Discussion and Analysis**

**Clinical/operational performance**

- *Bed capacity of the hospital. 24*
- *Overall patient attendance during the year for both inpatient and outpatient. good*
- *Accident and Emergency attendance-good*
- *Specialised clinic attendance-0*
- *Average length of stay for in patient. 5 days*
- *Bed occupancy rate-48%*
- *Mortality rate-2*
- *Surgical theatre utilisation (number of operations over a period of time)-0*
- *Sponsorships and partnerships-0*

**Financial performance that includes: -**

- *Revenue sources- user fees, SHA/NHIF*
- *Utilisation of funds- medical supplies, hospital utilities, general office supplies and hospital workforce wages*

## **10. Environmental And Sustainability Reporting**

*Ibemo Level IV Hospital remains committed to promoting environmentally sustainable practices in all areas of its operations. The hospital recognizes the direct link between environmental health and public health outcomes, and therefore integrates sustainability principles into its service delivery, infrastructure development, and resource management.*

*During the financial year ended 30 June 2025, the hospital undertook several initiatives aimed at reducing its environmental footprint and enhancing sustainability, including:*

*Waste Management: Implementation of improved medical waste segregation and disposal procedures in compliance with the National Environmental Management Authority (NEMA) guidelines. Incineration processes were optimized to minimize emissions.*

*Energy Efficiency: The hospital continued its gradual transition to energy-efficient lighting systems to reduce dependence on grid electricity and lower operational costs.*

*Water Conservation: Installation of rainwater harvesting systems and routine maintenance of plumbing infrastructure helped to minimize water wastage and support continuous water supply.*

*Green Spaces: Landscaping and tree-planting activities within the hospital compound were expanded to improve air quality and create a more healing environment for patients.*

*iv) Environmental Awareness: Regular staff sensitization and community outreach programs were conducted to promote environmental stewardship and sustainable practices.*

*v) Corporate Social Responsibility / Community Engagements*

*Ibemo Level IV Hospital continues to uphold its social mandate by engaging in initiatives that promote community health, well-being, and social development. The hospital recognizes that its success is closely tied to the welfare of the communities it serves and therefore remains dedicated to fostering partnerships that create positive social impact.*

*During the financial year ended 30 June 2025, the hospital undertook several Corporate Social Responsibility (CSR) and community engagement activities, including:*

*Free Medical Camps: Conducted periodic outreach programs offering free medical check-ups, immunization services, health education, and screening for non-communicable diseases such as hypertension and diabetes.*

*Maternal and Child Health Programs: Collaborated with local health authorities to provide antenatal and postnatal services aimed at reducing maternal and infant mortality rates.*

*Public Health Education: Organized community sensitization campaigns on sanitation, nutrition, and prevention of communicable diseases, including HIV/AIDS and malaria.*

*Support to Vulnerable Groups: Provided subsidized or free healthcare services to indigent patients, orphans, and persons with disabilities as part of the hospital's social care commitment.*

*School Health Initiatives: Partnered with local schools to conduct health talks, deworming exercises, and basic hygiene education to promote healthy lifestyles among school children.*

***Ibeno level 4 Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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***Emergency Response and Relief:*** *Actively participated in county-level emergency response efforts by providing medical assistance during public health crises and natural disasters.*

*Ibeno Level IV Hospital remains steadfast in its commitment to social responsibility and community partnership. The institution plans to expand its outreach programs in the coming financial year, focusing on preventive healthcare, health education, and sustainable community health systems.*

***Ibemo level 4 Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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**11. Report of The Board of Management**

The Board members submit their report together with the Audited Financial Statements for the year ended June 30<sup>th</sup>2025, which show the state of the Ibemo Level IV hospital's affairs.

**Principal activities**

The principal activities of the entity are patient care and supporting operations.

**Results**

The results of the entity for the year ended June 30<sup>th</sup>2025 are set out on pages 1 to 6

**Board of Management**

The members of the Board who served during the year are shown on page vi. During the year, 1 director resigned, and 1 director was appointed with effect from 20<sup>th</sup> May 2024

**Auditors**

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

By Order of the Board



.....  
**Naftal Nyaboga**

**Secretary to the Board**

***Ibemo level 4 Hospital (Kisii County Government)***

***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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**12. Statement of Board of Management's Responsibilities**

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statement in respect of *Ibemo level 4 Hospital*, which give a true and fair view of the state of affairs of the *facility* at the end of the financial year 2024/2025 and the operating results for that period. The Board of Management is also required to ensure that the *facility* keeps proper accounting records which disclose with reasonable accuracy the financial position of the facility. The council members are also responsible for safeguarding the assets of the *facility*

The Board of Management is responsible for the preparation and presentation of the *Ibemo level 4 Hospital* financial statements, which give a true and fair view of the state of affairs of the *facility* for and as at the end of the financial year ended June 30<sup>th</sup> 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 *facility* (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

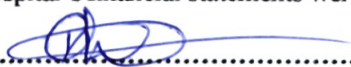
The Board of Management accepts responsibility for *Ibemo level 4 Hospital* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *Ibemo level 4 Hospital* transaction during the financial year ended June 30<sup>th</sup> 2025, and of the *Ibemo level 4 Hospital* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *Ibemo level IV Hospital*, which have been relied upon in the preparation of the *Ibemo level 4 Hospital* 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.

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

**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 22/08/25 and signed on its behalf by:

.....  
  
Name: Charles Nyantari  
Chairperson  
Board of Management

.....  
  
Name: Naftal Nyaboga  
Accounting Officer

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON IBENO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE 2025 - COUNTY GOVERNMENT OF KISII**

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### **PREAMBLE**

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Ibeno Level 4 Hospital - County Government of Kisii set out on pages 1 to 12, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and

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

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

## **Basis for Qualified Opinion**

### **1. Inaccuracy of the Statement of Financial Position**

The statement of financial position reflects an accumulated surplus of Kshs.622,232. This balance differs with the net assets balance of Kshs.604,446 resulting to unreconciled balance of Kshs.17,786. Further, the accumulated surplus balance of Kshs.622,232 is made up of the surplus for the year of Kshs.604,446 and the opening balance of Kshs17,786 which has not been verified.

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

### **2. Undisclosed Revenue from Exchange Transactions**

The statement of financial performance and as disclosed in Note 1 to the financial statements reflects revenue transfers from rendering of services amounting to Kshs.1,678,701. However, documents such as receipt books, cashbooks and general ledgers were not provided for audit as the amount of Kshsh.1,678,701 were said to have been directly banked in the County Government bank accounts.

In the circumstances, the accuracy and completeness of revenue from exchange transaction could not be confirmed.

### **3. Failure to Disclose Inventories in the Financial Statement**

A detailed report on stock taking conducted on 30 June, 2025 revealed that there were stocks in stores worth Kshs.165,290. However, our verification of financial statements and Notes to the financial statement revealed that the amount was not disclosed in the financial statement.

In such circumstances, the accuracy of financial statement could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.6,830,0000 and Kshs.1,678,701 respectively, resulting in an under-funding of Kshs.5,151,299 or 75% of the budget. Similarly, the Hospital expenditure amounted to Kshs.1,074,255 against the realized receipts of Kshs.1,678,701 resulting in an under-utilization of Kshs.604,446 or 36% of the actual receipts.

In the circumstances, the under-funding and under-utilization may have impacted negatively on the service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xviii which comprise Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of The Medical Superintendent, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Report of the Board of Management and the Statement of Board 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, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Failure to Retain Facilities Improvement Funds (FIF) at the Hospital

Review of revenue records obtained from the Hospital revealed total collection of Kshs.1,678,700 towards the health facilities improvement. Out of this amount, a total of Kshs.1,059,695 was transferred to County Health Facilities Improvement Fund Board account. However, the amount reimbursed by the board to the facilities could not be confirmed. This is because the board made payments on behalf of the Hospital without disclosing the amount for the expenditures incurred. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

In the circumstances, Management of the County Facilities Improvement Funds (FIF) was in breach of the law.

#### 2. Late Submission of Financial Statement

The financial statements provided for audit review were submitted on 12 September, 2025, instead of 31 August, 2025. This was contrary to National Treasury Circular No. AG.3/88 Vol. VII (41), which required that all public sector entities prepare and submit their annual financial statements by 31 August 2025.

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

#### 3. Deficiencies in Implementation of Universal Health Coverage (UHC)

A review of Hospital records and interviews with Hospital management on verification of services offered, equipment used and medical specialist in the hospital at the time of audit revealed a significant shortage in required specialists as per staff establishment and necessary equipment and machines outlined in the health policy. As result the Hospital

do not meet the requirements of Kenya quality model for health policy guidelines due to staff deficits of the authorized establishment as per the table below.

<b>Staff Requirements</b>	<b>Level IV Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>%</b>
Medical Officers	16	0	16	-100
Anesthesiologists	2	0	2	-100
General Surgeons	2	0	2	-100
Gynecologists	2	0	2	-100
Pediatrics	2	0	2	-100
Radiologists	2	0	2	-100
Kenya Registered Community Health Nurses	75	6	69	-92
<b>Total</b>	<b>101</b>	<b>6</b>	<b>95</b>	<b>-94</b>

In addition, the hospital lacked the necessary equipment and machines outlined in the health policy as per the table below.

<b>Service</b>	<b>Level IV Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>%</b>
Beds	150	20	130	-87%
Resuscitaire in theatre	2	0	2	-100%
New Born Unit Incubators	5	0	5	-100%
New born Unit Cots	5	0	5	-100%
Functional ICU Beds	6	0	6	-100%
High Dependency Unit HDU	6	0	6	-100%
Renal Unit with at least dialysis machines	5	0	5	-100%
Two Functional Operational theatres- Maternity & General	2	0	2	-100%

The deficiencies contravene the First Schedule of Health Act, 2017 and implies that accessing highest attainable standards 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. Further, this contravenes the Kenya Quality Model for Health Policy Guidelines may have hindered the achievement of the Government program on Universal Health Coverage (UHC).

In the circumstances, the effectiveness of the medical services offered and the Universal Health Coverage program could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Develop Risk Management Strategy**

During the year under review, Management had not developed a risk management strategies document. This is contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations. Failure to develop a risk management strategy may impair service delivery.

In the circumstance the effectiveness of the Management controls on risk could not be confirmed.

#### **2. Failure to Establish Health Facility Management Committee**

Review of the financial statements revealed that Management has not disclosed the names, qualifications background and picture for identifications. Further, the management did not provide the gazettelement of members of Health Facilities Management Committees.

In the circumstances, the effectiveness of the Hospital governance could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the 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

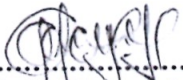
**Ibena level IV Hospital (Kisii County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**


**14. Statement of Financial Performance for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	2024/2025
		Kshs
<b>Revenue from exchange transactions</b>		
Rendering of services- Medical Service Income	1	1,678,701
<b>Revenue from exchange transactions</b>		<b>1,678,701</b>
<b>Total revenue</b>		<b>1,678,701</b>
<b>Expenses</b>		
Transfer to other Government Entities	2	1,059,695
General expenses	3	14,560
<b>Total expenses</b>		<b>1,074,255</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>604,446</b>

The Hospital's financial statements were approved by the Board on 22/08/25 and signed on its behalf by:

  
 .....  
**Charles Nyantari**  
 Chairman  
 Board of Management

  
 .....  
**Emily Momanyi**  
 Head of Finance  
 ICPAK No: 25212


  
 .....  
**Naftal Nyaboga**  
 Medical Superintendent


***Ibemo level IV Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***


**15. Statement of Financial Position As At 30<sup>th</sup> June 2025**

Description	Note	2024/2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	4	604,446
Receivables from exchange transactions		-
<b>Total Current Assets</b>		<b>604,446</b>
<b>Non-current assets</b>		
<b>Total Non-current Assets</b>		<b>0</b>
<b>Total assets</b>		<b>604,446</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables		-
<b>Total Current Liabilities</b>		<b>-</b>
<b>Net assets</b>		<b>604,446</b>
<b>Represented By:</b>		
Accumulated surplus/Deficit		622,232
<b>Total Net Assets and Liabilities</b>		<b>622,232</b>

The Hospital's financial statements were approved by the Board on 22/08/25 and signed on its behalf by:

  
 .....  
**Charles Nyantari**  
**Chairman**  
**Board of Management**

  
 .....  
**Emily Mwanjiri**  
**Head of Finance**  
**ICPAK No: 25212**

  
 .....  
**Naftal Nyaboga**  
**Medical Superintendent**

***Ibemo level IV Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

**16. Statement of Changes in Net Assets for The Year Ended 30<sup>th</sup> June 2025**

Description	Accumulated surplus/Deficit	Capital	Total
		Fund	
<b>At July 1, 2024</b>	<b>17,786</b>	<b>0</b>	<b>17,786</b>
Surplus/(deficit) for the year	604,446	0	604,446
Capital/Development grants	-		
<b>At June 30, 2025</b>	<b>622,232</b>	<b>0</b>	<b>622,232</b>

*Ibemo level 4 Hospital (Kisii County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30<sup>th</sup> June 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Rendering of services- Medical Service Income	6,830,000.00	-	6,830,000.00	1,678,700.55	5,151,299.45	24.58%
<b>Total income</b>	<b>6,830,000.00</b>	<b>-</b>	<b>6,830,000.00</b>	<b>1,678,700.55</b>	5,151,299.45	24.84%
<b>Expenses</b>						
Transfers From Other Government Entities	6,800,000.00	-	6,800,000.00	1,059,695.00	5,740,305.00	15.58%
General expenses	30,000.00	-	30,000.00	14,560.00	15,440.00	48.53%
<b>Total Expenses</b>	<b>6,830,000.00</b>	<b>-</b>	<b>6,830,000.00</b>	<b>1,074,255.00</b>	5,755,745.00	
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>604,445.55</b>	(604,445.55)	

***Ibemo level IV Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

**17. Statement of Cash Flows for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	2024/2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Rendering of services- Medical Service Income		1,678,700.55
<b>Total Receipts</b>		<b>1,678,701</b>
<b>Payments</b>		
Transfer to other Government Entites		1,059,695
General expenses		14,560
<b>Total Payments</b>		<b>1,074,255</b>
<b>Net cash flows from operating activities</b>		<b>604,446</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>604,446</b>
<b>Cash and cash equivalents as at 1 July, 2024</b>		<b>17,786</b>
<b>Cash and cash equivalents as at 30 June. 2025</b>	<b>4</b>	<b>622,232</b>

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

**1. Notes to the Financial Statements General Information**

Ibeno Level IV Hospital entity is established by and derives its authority and accountability from the Kisii County Health Facilities Improvement Fund Act. The entity is wholly owned by the Kisii County Government and is domiciled in Kisii county in Kenya. The entity's principal activity is to provide for the additional funding for the management of health systems and public facilities improvement in the county, to enable sustainable operations of health facilities and for connected purposes.

**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 fund's accounting policies.

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

**3. Adoption of New and Revised Standards.**

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

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

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

Standard	Effective date and impact:
	<p>related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> 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>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> 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>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><i>Applicable 1<sup>st</sup> 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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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</li> </ol>

***Ibemo Hospital (Kisii County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

Standard	Effective date and impact:
	recognized.

***iii) Early adoption of standards***

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other Government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (*cash, goods, services, and property*) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to pay 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.

**a) Revenue from exchange transactions**

**Rendering of services**

The fund 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.

**b. Budget information**

The original budget for FY 2024/2025 was approved by Board. No *Subsequent* revisions or additional appropriations were made to the approved budget. The fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Budgetary notes to these financial statements.

**c. Related parties**

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

**d. 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.

**e. Comparative figures**

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

**f. Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Fund'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.

**Notes to Financial Statements Continued**

**1. Rendering of Services-Medical Service  
Income**

<b>Description</b>	<b>2024-2025</b>
User Fee	1,131,956
SHA/NHIF	546,745
<b>Total</b>	<b>1,678,701</b>

**2. Transfers to other Government entities**

Description	2024 - 2025
	<b>KShs</b>
Transfer to FIF A/C	1,059,695
<b>Total</b>	<b>1,059,695</b>

**3. General Expenses**

Description	2024-2025
	<b>KShs</b>
Bank Charges	14,560
	<b>14,560</b>

**4. Cash And Cash Equivalents**

Description	2024-2025
	<b>KShs</b>
Current accounts	-
<b>Total cash and cash equivalents</b>	<b>622,232</b>

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

Description		2024-2025
<b>Financial institution</b>	<b>Account number</b>	<b>KShs</b>
a) <b>Current account</b>		
Kenya Commerical Bank	1117448010	-
<b>Sub- total</b>		<b>0</b>
<b>Grand total</b>		<b>0</b>