

REPUBLIC OF KENYA

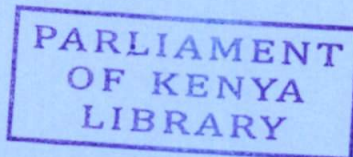


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

	PAPERS LAID
DATE	Dec. 18/20
ON TABLED BY	Dr. Lelewe.
COMMITTEE	
CLERK AT THE TABLE	Polycarp.

BURNT FOREST SUB COUNTY HOSPITAL

FOR THE YEAR ENDED

30 JUNE, 2025

COUNTY GOVERNMENT OF UASIN GISHU

287



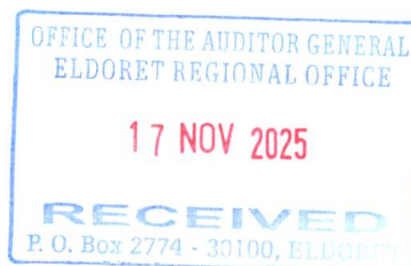
BURNT FOREST SUB COUNTY HOSPITAL

(Uasin Gishu County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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



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Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management.....	iii
3. The Board of Management	vi
4. Key Management Team.....	vii
5. Chairman’s Statement.....	xii
6. Report of The Medical Superintendent.....	xiii
7. Statement of Performance Against Predetermined Objectives.....	xiv
8. Corporate Governance Statement	xv
9. Management Discussion and Analysis	xvii
10. Environmental And Sustainability Reporting.....	xxi
11. Report of The Board of Management.....	xxiv
12. Statement of Board of Management’s Responsibilities.....	xxv
13. Report of the Independent Auditor (specify entity name)	xxvi
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position As At 30 th June 2025	3
16. Statement of Changes in Net Asset for The Year Ended 30 June 2025	5
17. Statement of Cash Flows for The Year Ended 30 June 2025	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025	8
19. Notes to the Financial Statements	10
20. Appendices	61

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.

2. Key Entity Information and Management

(a) Background information

Bunt Forest Sub County Hospital is a level 4 hospital established under gazette notice number 17 of 20212 from county government act and is domiciled in Uasin Gishu County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide primary referral health facility delivering both primary and secondary medical services to communities in the Sub County and beyond as required of a level 4 hospital. It serves as vital components of the healthcare system, delivering accessible and comprehensive medical services to local communities as it bridges the gap between primary care, secondary care and specialized services, offering a wide range of healthcare interventions.

i) Vision Statement

Excellence in health care for all people in Uasin Gishu County.

ii) Mission

To provide accessible, affordable and quality health care to the people of Uasin Gishu County and beyond.

iii) Core Values

To support the attainment its vision and undertake its mission, the hospital is guided by the following five shared values:

1. Endeavor to have a high level of integrity.
2. Strive for Excellence in all that we do.
3. Work together as One Team to achieve our goals.
4. Believe in being Accountable and Transparent in all our actions.
5. Put our customers at the center of our activities.
6. Believe in Equity across service provision.

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Caroline Chemoiywo-
2.	Head of finance	Irene Kalya
3.	Head of supply chain	Sosten Kibet
4.	County Director Health Services	Dr. Evans Kiprotich

(e) Fiduciary Oversight Arrangements

[Here, provide a high-level description of the key fiduciary oversight arrangements covering (say)]

- 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

P.O. Box 58-30102
 Burnt Forest Building/House/Plaza
 Hospital /Road/Highway
 Burnt Forest, KENYA

(g) Entity Contacts

Telephone: (+254) 792711894
 E-mail: burntforesthospital@uasingishu.go.ke
 Website: www.go.ke

(h) Entity Bankers

Commercial Banks *(include all your bankers)*
 Co-operative bank a/c no 01101355289002
 Co-operative bank a/c no 01101355289001
 National bank a/c no 01001028313900

(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

County Government, Uasin Gishu,
P.O. Box 40 – 30100,
Eldoret, Kenya

3. The Board of Management



Ref	Directors	Details
1.	Simion Biwott –Chairman, 	Mr. Simion Biwott is a form four certificate holder.
2.	Catherine Cherop-Vice Chair 	Catherine Cherop education background is Form 4 leaver and she is currently
3.	Simon Muchiri-Member 	Diploma in Theology and is currently serving as a pastor
4.	Veronicah Too-Member 	She is a business woman studied until form 4 an she is engaged in business
5.	Wilson Mulwo-Member.	MR. Wilson Mulwo is a form 4 leaver. He represent people with disability. He is a business.

		
6.	<p>William Singoei-Member</p> 	<p>Mr. William Singoei studied to form 4 level. He is a farmer.</p>
7.	<p>Francis Ndungu Wainaina</p> 	<p>Holder of Diploma in education and was a Primary Teacher until his retirement.</p>
8.	<p>Entity Secretary Caroline Chemoiywo</p> 	<p>Caroline Chemoiywo is a degree holder of Bachelor of science in Nursing. She has served as county reproductive health Officer, Ainabkoi Sub County public health nurse. She has served as nurse manager in Kesses sub county hospital, Railways dispensary, Kocholwo Sub County Hospital and current in Charge of Burnt Forest Sub County Hospital. She was awarded nurse of the year in the year</p>


Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		2003 for offering exemplary services in Kocholwo Sub county hospital. She is not a member of ICS.
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4. Key Management Team

Ref	Management	Details
1.	<p>Caroline Chemoiywo</p> 	<p>Caroline Chemoiywo is holder of Bachelor of science in Nursing. She has served as county reproductive health Officer, Ainabkoi Sub County public health nurse. She has served as nurse manager in Kesses sub county hospital, Railways dispensary, Kocholwo Sub County Hospital and current in Charge of Burnt Forest Sub County Hospital.</p> <p>She was awarded nurse of the year in the year 2003 for offering exemplary services in Kocholwo Sub county hospital.</p>
2.	<p>Mr. David Lagat</p> 	<p>Hospital administrator. Diploma in ICT</p>

*Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

3.	<p>Jackline Mutai</p> 	<p>Nurse incharge. She is a Registered nurse</p>
4.	<p>Eliud kemboi</p>	<p>In charge pharmacy and he holds Diploma In</p>
5.	<p>Alphina Serech</p>	<p>She holds diploma Public health Officer and heads the department of Public Health</p>
6.	<p>Amon Bite</p>	<p>Holds higher Diploma in Perioperative Nurse and currently in charge of Theatre.</p>
7.	<p>Benard Chirchir</p>	<p>He holds diploma in Clinical Medicine. Comprehensive Clinical Care in charge</p>
8.	<p>Cosmas Mutai</p>	<p>Holds Diploma in Health Records and heads the Department of Health Records.</p>
9.	<p>Mr. Benard Serem</p>	<p>Holds Degree in Bachelor of Business Management from Moi University and CPAIII. In charge of Accounts Department.</p>
10.	<p>Collins Kigen</p>	<p>Medical officer and in charge of MO I/C</p>
11.	<p>Elnathan Bett</p>	<p>Diploma in perioperative technology and in charge of</p>

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		Orthopedic
12.	David Marani	Holds Diploma in Laboratory Technology and in charge of Laboratory
13.	Leonida Chebet	Anaesthetist
14.	Mr. Frankline Maina	Holds Diploma in Purchasing and supplies and heads the Department of Procurement.
15.	Stanley Rugut	Holds Diploma In Nutrition and Heads the Department of Nutrition.
16.	Elizabeth Wangare	Holds diploma in nursing and she is In charge of Casualty.

5. Chairman's Statement

The board of management is proud of the achievements realised by the hospital in this period towards specialized care. I am impressed by the resilience the staff have in the facility which propelled us from level 3 to now level 4.

Burnt forest Sub County Hospital is actually the only public hospital in the entire Uasin Gishu county after MTRH as majority of the health facilities are level 3. This has made us popular since patients are referred from far and wide to benefit from our in-patient services.

The board has worked in harmony with the hospital management, keenly observing its role of advocacy of the hospital in the community and representing the community in the board.

The evaluation of annual strategic plan shows that the hospital has exhibited continuous improvement in performance over the years. I am happy to report that the management achieved their performance targets to include purchase of required equipment, modernization of the facility through face lift and fencing

As we move to the new financial year, I would like to express my gratitude to Burnt Forest Sub County Hospital staff, specialists, team leaders and board members who offer their exemplary services towards realization of our hospital mission.

Finally, I strongly believe that our unity in service will propel us to greater heights. We will excel in service provision.



Mr. Simion Biwott

Chairman to the Board

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide Quality health care services, disaster preparedness and response and also ensure availability of essential medicines, medical equipment and supplies.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 9

Board of Management

The members of the Board who served during the year are shown on page vi. During the year, no director(s) retired/ resigned, and no director (s) was appointed with effect from date.

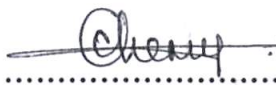
Auditors

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.

OR

XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 2025 in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

 26-03-2025
.....

Name Caroline Chemoiywo

Secretary to the Board

Under the Health Act of 2017, healthcare advertising is regulated to ensure ethical practices in the licensing, testing, and promotion of health products. As a public hospital, CSCH does not advertise its services.

d) Product stewardship or Awareness Creation

We focus on minimizing the environmental impact of healthcare products and packaging throughout their life cycle. We prioritize patient safety and satisfaction while ensuring affordability in line with the County Finance Act. All patient's information is kept secret between the patient and the hospital and no one is allowed to access information without their knowledge.

v) Corporate Social Responsibility / Community Engagements

Burnt forest Sub County Hospital desires to fulfill public healthcare needs, particularly for marginalized and vulnerable communities. Although no specific CSR activities were conducted this year, we remain dedicated to improving lives through inclusive healthcare and raising awareness of disease prevention and interventions

way of boosting their morale at work. They are also entitled to maternity leave and paternity leave. Employees go for their annual leave every year and sick off when they are not feeling well. Most of the professionals attend training to improve on their skills and get acquainted with the new developments in the field of their specialization. All employees are encouraged to pursue continuous professional development through training programs in leadership, management, and technical skills. The hospital also promotes the physical and mental well-being of its employees, adhering to Occupational Safety and Health (OSHA) policies guided by the County Human Resource policies. We are dedicated to fostering a culture of equality, diversity, and inclusion, delivering services that are responsive to the diverse needs of our employees, patients, and their families. BFSCCH also supports collective bargaining through employee unions.

iv) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Our core mission is to improve the health and well-being of our community through innovative, high-quality healthcare services. We maintain a strong reputation for excellence by consistently meeting safety and regulatory standards, ensuring that all products and services provided meet both ethical and legal requirements.

We source our products and goods through open tendering that is open to all suppliers as long as they are prequalified. All products are sourced from genuine suppliers and are always inspected before acceptance.

We don't accept cash payments at our sale points. You either use Sisibo pay or SHA.

b) Responsible Supply chain and supplier relations

We source all our products from our suppliers through open tendering process by inviting them to apply for tender goods by quoting prices that is competitive. Things like food and charcoal are sourced locally so that we grow business for the local community who are our catchment area. The hospital honours its contractual obligation by paying suppliers within a reasonable time. Some tenders are given to women and youth and also people with disability.

c) Responsible marketing and advertisement or Responsible engagement with citizens

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

At Burnt Forest Sub County Hospital, we face a variety of sustainability challenges, reflected through the Triple Bottom Line framework, People, Planet, and Profit. As a county referral hospital, sustainability is integral to our operations, aligning with our goal to create long-term value for our stakeholders and communities. Our commitment extends beyond healthcare services, emphasizing environmental and social responsibility to ensure sustainable success and operational longevity. We are dedicated to upholding high standards of corporate governance, ethics, and integrity as we contribute to the nation's healthcare system.

Recognizing our role in reducing health disparities and advancing sustainability, BSCH integrates sustainability commitments into every aspect of our operations. Our strategic focus is on developing and executing initiatives that deliver real, lasting benefits to our stakeholders. With a commitment to becoming the healthcare provider of choice, we strive to create enduring value for all stakeholders by addressing material issues that help categorize our economic, environmental, and social impacts.

ii) Environmental performance

As Burnt Forest Sub County Hospital we encourage employees to reduce energy consumption by adopting energy-efficient practices, such as switching off computers and lights when not in use or minimizing usage of light during the day by opening windows to allow sunlight penetration. We also use energy saving bulbs and cooking gas in the kitchen to avoid cutting down of trees that lead to environmental degradation. Additionally, we utilize environmentally friendly packaging for medications and manage medical waste through clearly labeled disposal bags for clinical waste, recyclables, and food waste. Staffs are encouraged to use computers in sending information in softcopy so as to ensure less paper usage saving on trees.

In our wash rooms we use equipment that save on water usage.

As part of our environmental conservation efforts, BFSCH planted over 100 trees in the past year and also championing for waste management in collaboration with locals, prisons and schools around the hospital

iii) Employee welfare

Burnt Forest Sub County Hospital hire employees on merit and take into consideration gender ration even though in fields like nursing they tend to have more staff of the same gender. Casual staff are mostly from the community where the facility is located and while posting staff they take into consideration the locals. We offer comprehensive SHA and insurance to our staff as a

- **Benefit Sharing:**

The act also aims to promote equitable sharing of benefits in accordance with relevant laws.

Uasin Gishu's Implementation:

- **Training and Skill Development:**

Uasin Gishu County is actively training health facility heads in financial management, planning, budgeting, procurement, and revenue management to ensure compliance with the Facilities Improvement Financing Act and other related laws.

- **Transparency and Audits:**

The county is implementing audits for Level 4 facilities to ensure financial transparency and compliance with regulations.

- **Integration with Other Initiatives:**

The act is being integrated with other healthcare reforms, such as the Social Health Insurance Act, to create a holistic approach to healthcare financing and delivery.

Impact:

- The Act is intended to improve the financial sustainability and operational efficiency of public health facilities.
- It can also lead to better access to essential goods and services, improved quality of care, and enhanced patient experiences.
- In Uasin Gishu, the Act is being used to empower health facilities and improve the overall healthcare system.

Signed  26-8-2023

Name: Caroline Chemoiywo

Secretary to the Board

While the hospital made strides in collecting its revenue, it faced financial challenges in terms of poverty levels among the clients. The challenge highlights the need for more robust financial sustainability strategies and enhanced efficiency in resource utilization.

Moving forward, CSCH aims to implement measures to further increase the revenue collections such as refining cost management processes, scaling up resource mobilization efforts, and pursuing new partnerships to diversify funding streams. By addressing these financial challenges, CSCH seeks to position itself for long-term sustainability while continuing to deliver high-quality healthcare services.

The hospital's financial performance, while determined to improve its services which will ensure revenue growth, also underscores the importance of securing more sustainable funding models and enhancing operational efficiencies. Moving forward, CSCH will continue to focus on improving financial management and diversifying its revenue streams to ensure long-term sustainability and improved healthcare service delivery.

The Facilities Improvement Financing Act, 2023, is a Kenyan law that outlines how public health facilities can manage their own funds to improve their operations and services. In Uasin Gishu County, this act, along with other initiatives, aims to improve healthcare delivery by empowering facility heads with financial management skills and aligning operations with the act's provisions.

Key aspects of the Act:

- **Financial Autonomy:**

Public health facilities are given more control over their finances, including revenues generated from services and other sources.

- **Revenue Retention and Management:**

The act establishes a mechanism for the collection, retention, and management of revenue from health services.

- **Governance and Accountability:**

It sets up a governance framework for effective planning, coordination, and access to funding for facility improvement.

- **Use of Funds:**

Retained revenue can be used to supplement operations, purchase essential goods and services, and enhance the quality of healthcare delivery.

In the financial year 2023/2024, the Hospital conducted 1308 deliveries but in 2024/2025 did 993 deliveries. The decrease was due to industrial action (strikes by nurses and clinical officers).

xiii) Bed Capacity

Whereas the hospital bed capacity is 60, currently only 50 are actively in use as NBU and ICU are yet to be operational due to unavailability of adequate human resource for health for the specialized units.

xiv) Average Length of Stay

During the period under review the hospital realized 67% bed occupancy with 11.3 average length of stay (ALOS) for general medical and surgical wards while maternity unit realized 2.4 ALOS. ALOS in the hospital remains a crucial metric for assessing the efficiency of inpatient healthcare delivery. The long ALOS for general medical and surgical wards is due to the hospital being the only hospital admitting medical emergencies and accidents and emergencies as they occur in the region.

The low hospital bed occupancy has been due to the industrial actions (strikes by nurses and clinical officers) thus affecting admissions of patients and utilization of hospital services.

xv) Mortality Rate.

During the review period, the average mortality rate stood at 1.4%. The low mortality rate is prompt referral of sick patient.

Financial Highlights

Financial Performance

The financial performance of Burnt Forest County hospital during the year under review reflects a continued reliance on multiple sources of funding, including the Facility Improvement Funds (FIF), free maternity services reimbursements, and rebates from the Social Health Assurance. Additionally, the hospital received significant support from the County Government of UASIN GISHU, the Ministry of Health.

The revenue generated during this financial year **Kshs 21,569,894.55** was used to cover hospital expenditures amounting to **Kshs. 10,641,871.5** which included costs associated with service delivery, maintenance, and procurement.

Performance Results

9. Management Discussion and Analysis

a) Clinical Performance

Burnt Forest Sub County Hospital provides quality affordable and accessible comprehensive primary and secondary healthcare services. It bridges the gap between primary, secondary and specialized healthcare services. The hospital provides the following services:

- i) General Outpatient, Casualty and Emergency Services,
- ii) Comprehensive Care Centre,
- iii) Inpatient Services,
- iv) Maternity Services,
- v) Diagnostic Services (Radiology & Imaging and Medical Laboratory),
- vi) Rehabilitative Services (Mental Health, Physiotherapy, Occupational Therapy, Orthopedic & Trauma Technology)
- vii) Preventive Services (ANC, PNC, EPI, CWC and FP),
- viii) Public Health – Issuance of food handlers’ certificates, Health Promotion and Disease Prevention,
- ix) Clinical Support Services and
- x) Training and research for medical training institutions.

Upcoming units

- i) ICU and HDU Services
- ii) Histopathology & Mortuary Services

xi) Overall patient attendance

The hospital has steadily realized increase in both outpatient attendance and inpatient admissions notwithstanding the various challenges which include industrial actions (strikes by key staff – nurses and clinical officers including doctors), delays in funding, drugs and medical supplies, laboratory and X-ray supplies during the period under review.

In the fiscal year 2024/2025, the hospital attended to 40,641 patients which is 24% of the catchment population out of which 963 were admitted.

xii) Reproductive health

xii) Act as liaison between the health centre or dispensary and the community to strengthen delivery of quality health services

iii) Health Facility Committee Work Plan and Meetings

A work plan outlining an annual schedule of meetings for the HFC is prepared in advance in line with the health facility AWP and approved budget as per the available funds. In liaison with the Hospital Manager, the HFC Chairman fixes the meeting's agenda as per the current operational plan and arising issues in the hospital which requires the HFC attention and action. The agenda is circulated to members within the committee set timelines. In the year under review, the HFC held 4 quarterly and 2 extraordinary meetings to consider, adopt and approve hospital operational, development and administrative plans and expenditure.

As the HFC is transitioning to a Hospital Board, the implementation of the Boards mandate will be actualized as and when it is established. This includes:

- a) The appointment and gazettelement of the board
- b) Establishment of the various Board Committees and
- c) Full operationalization of Level 4 Category Hospital.

iv) Number of meetings held and the attendance

Health management committee held four meetings in the year and most of the members attended except those who were absent with apology.

v) Succession plan

Whereas Burnt Forest Sub County Hospital was elevated and gazetted as level 4 category hospital in 2023 and with the current health sector reforms and advent of FIF Act 2023 gave the existing the Health Facility Committee timeline to complete their term and act as transition board as required of level 4 category hospital. After their term comes to an end the new board shall come into existence when election is held.

vi) Policy on conflict of interest

Committee members are required to declare their interest in any project undertaken so that there is no influence in all the projects undertaken by the facility.

vii) Health committee remuneration

The health committee are given sitting allowances and airtime every time they come for a meeting.

viii) Governance audit

Audit is a statutory requirement to be undertaken by the office of the auditor general. Management are required to prepare books of accounts and present them for audit purpose.

ix) Communication policy

The only channel of communication is through the minutes of every meeting held and communication is only through the chair.

x) Term of reference of committees

A member who heads the department is chosen and continue to discharge the function of the office until a new person is nominated based on his performance.

8. Corporate Governance Statement

The Hospital acknowledges the significance of establishing a robust corporate governance framework, procedures, and protocols. The hospital is committed to upholding high standards of transparency, accountability, and equity. The HFC is tasked with overseeing how the Hospital Management effectively serves the interests of its catchment population and other stakeholders.

i) The Health Facility Committee

Whereas Burnt Forest Sub County Hospital was elevated and gazetted as level 4 hospital in 2023 and with the current health sector reforms and advent of FIF Act 2023 gave the existing the Health Facility Committee timeline to complete their term and act as transition board as required of level 4 category hospital.

Health Facility Committees (HFC) are established to enhance community engagement and ownership, improved service delivery, accountability and transparency and strengthening health systems within health facilities. The committee act as a bridge between the community and the facility, facilitating communication, resource mobilization, and oversight of facility operations.

ii) Role of the Health Facility Management committee

With the enactment of the Facility Improvement Fund Act 2023 and rollout of SHA and SHIF for access of healthcare services, the Health Facility Management Committee mandate is to ensure prudent use of resource and ensure funds allocated or received by health facility in relation to the Improvement Financing role include:

- i) Consider and submit for approval to the Chief Officer the Annual Health Facility Work Plan and Budget;
- ii) Consider and submit for approval to the chief officer the facility quarterly budgets;
- iii) Ensure the quarterly implementation plans and budgets are based on available resources;
- iv) Monitor the utilization of facility improvement financing and take corrective action in relation to implementation challenges identified that hinder efficient absorption of funds;
- v) Ensure all financial procedures and reporting requirements are met by the facility in-charges and conform to the public finance management regulations;
- vi) Ensure strict adherence to procurement rules as prescribed in the public procurement and asset disposal act (no. 33 of 2015);
- vii) Ensure public awareness on administration of the facility improvement financing through public participation during annual planning and budgeting;
- viii) Receive the audit report and initiate response to management queries;
- ix) Implement the recommendations of the auditor-general made pursuant to section 31(3)(a) of the public audit act (no. 34 of 2015);
- x) Implement the recommendations of the senate and the respective county assembly on the, relevant report of the auditor-general;
- xi) Implement the relevant recommendations of the controller of budget on the facility; and

6. Report of The Medical Superintendent

I am pleased to present the 2024/2025 FY annual report and Financial Statement of Burnt Forest Sub County Hospital. The reports provide an overview of the hospitals operational and financial performance alongside our strategic direction as we look to the future.

In our effort to ensure equitable access to high quality, patient centred services the facility has expanded its service points and utilized specialised professionals in all areas. The facility enjoys the immense support from the county through provision of specialised professionals across all disciplines. The professionals work around the clock to ensure that they deliver timely and acceptable services to our clients. During the year 2024/2025 fiscal year Burnt Forest Sub County Hospital provided its services to 70,804 clients representing 31% increase in outpatient visits from the previous year which was 54,002. In patient service consequently increased from 504 in 2023-2024 to 1,506 in 2024-2025. The hospitals services coverage has been increased following the expansion of the facility's infrastructure and expansion of services.

Burnt forest sub county hospital is continually working towards achieving its performance metrics established by both the county and national governments. Quality improvement is our focus in all aspects of our facility's operations as it ensures adherence to guidelines and set protocols to enhance patient safety.

The facility being situated along the busy Eldoret Nakuru highway is also strategic in offering emergency attention to the clients on transit. The busy highway is usually prone to road traffic accidents and this has necessitated the facility to consider making it an emergency and trauma centre to ensure that it can serve the population effectively.

We are grateful for all stakeholders who have played a vital role in our growth and success. We are also thankful to the team for their dedication and professionalism in delivering the much needed services to our clients.

We also appreciate our interim board of management for the support they have offered to the facility. We cannot forget to appreciate HE the governor Uasin Gishu County for focusing on the facility's growth through the construction of ICU, casualty and mortuary which will greatly make the facility robust in-service provision.

Together we will continue to strive for excellence and ensure that BFSCH remains a pillar of quality healthcare in Uasin Gishu.



Name: Caroline Chemoiywo

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Burnt Forest Sub County Hospitals performance for FY 2024/22025 has been evaluated based on the County Integrated Strategic Plan FY 2022/23 - FY 2027/28 in line with the current health sector reforms rolled out by the National Government.

- a) Governance, Leadership, and Management:** The Hospital is focused on enhancing its leadership to ensure alignment with its mission and vision. By improving governance and stakeholder relationships, the hospital aims to inspire staff commitment by providing the necessary services provision inputs and conducive working environment as to achieve its strategic objectives.
- b) Infrastructure and Equipment:** The hospital continues to modernize its facilities, equipment, and technology to improve patient care. However, the current state of its infrastructure is unsatisfactory, necessitating renovations, expansions, and new construction to meet growing service demands. There is urgent need to ensure the current hospital infrastructure is developed to the required standard and requirement of level 4 category hospital in meeting the requisite level 3B health facility category services and the level 4 category healthcare services and infrastructure requirement.
- c) Finances for Sustainability:** The Hospital is working on securing government funding and exploring new funding opportunities. Efforts to mobilize resources are ongoing, with a focus on efficient utilization and accountability of financial resources to ensure sustainability.
- d) Human Resource Development:** Ensuring the HRFH optimum level is achieved and developing human resource for health capital is critical to achieving the hospital's goals. The County need to ensure the hospital has adequate, skilled, and motivated healthcare workforce to enhance service efficiency and effectiveness.

The Hospital has developed its annual work plan based on the County Five-year Integrated Development Plan which has enabled it to evaluate its performance quarterly and annually. For FY 2024/25, the Hospital achieved most of its set performance targets as per the resources allocated and received notwithstanding the funding delays and limitations

12. 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.

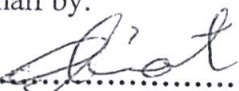
The Board of Management accepts responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the 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, 2025 and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

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

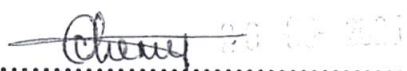
Nothing has come to the attention of the Board of management to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 26th August 2025 and signed on its behalf by:


.....

Name: Simeon Biwot
Chairperson
Board of Management


.....

Name: Caroline Chemoiywo
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BURNT FOREST SUB COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF UASIN GISHU

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for 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, the risk management environment, and the 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 Burnt Forest Sub County Hospital - County Government of Uasin Gishu set out on pages 1 to 61, which comprise

Report of the Auditor-General on Burnt Forest Sub County Hospital for the year ended 30 June, 2025 - County Government of Uasin Gishu

of statement of financial performance, statement of financial position, statement of changes in net asset, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended 30 June, 2025, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in Presentation and Disclosure in Financial Statements

1.1 Presentation in Financial Statements

Review of the financial statements revealed the following anomalies:

- i. Under Key Management Team information on page ix, some key manager's passport-size photographs were not inserted and the key managers profession/academic qualifications were not disclosed.
- ii. Board of Management Profiles on page vi lacked some of the director's passport-size photos, their details such as age, key qualifications, and work experience, whether the director is independent or executive and which committee of the Board the Director chairs or sits in where applicable was not indicated.
- iii. Current year columns in the financial statements have the word 'insert current' and comparative year have the word 'insert comparative' which should have been deleted.

1.2 Disclosure in Financial Statements

- i) The Hospital is preparing the financial statements for the first time. However, an opening statement for the opening assets and liabilities has not been indicated and provided for review.
- ii) The statement of financial position reflects total liabilities balance of Kshs.5,639,125, a recast of which revealed a balance Kshs.5,639,185. Further, the statement reflects net assets balance of Kshs.26,437,871, a recast of which revealed a balance of Kshs.26,713,213. Similarly, net assets is indicated as Kshs.37,101,899 instead of Kshs.10,664,028 and the statement of financial position is not balancing.

- iii) The statement of changes in net assets reflects an opening balance as at 01 July, 2024 of Kshs.55,566 which was not supported. Further, the statement reflects erroneous balances for capital of Kshs.8,389,390 and total net assets of kshs.19,053,417. Further, the statement of changes in net assets is not in agreement with the statement of financial position net assets balances.
- iv) Statement of cash flows reflects cash and cash equivalent as at 01 July, 2024 of Kshs.8,389,390 which could not be confirmed as there were no opening statement balances disclosed. Further, the statement reflects total payments of Kshs.10,965,023 which has not been reconciled with the statement of financial performance total expenses of Kshs.139,185,082.
- v) The statement of financial performance reflects use of goods expenses of Kshs.15,324,522 which according to Note 15 to the financial statements, includes dressing and non-pharmaceuticals expenses of Kshs.433,825 and pharmaceutical supplies of Kshs.10,557,911. Review of schedules supporting the expenses revealed that the dressing and non-pharmaceutical expenses of Kshs.433,825 were also included in the pharmaceutical supplies expenses and this expense was therefore double accounted.

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

2. Unsupported Employee Costs

The statement of financial performance and Note 16 to the financial statements reflects employee costs amount of Kshs.120,421,084. Review of the employee costs revealed that this amount was paid to casuals, contractual staff and salaries paid to 42 medical staff by the County Government. However, payroll summaries were not provided to support salaries, wages and allowances of Kshs.120,341,884 paid by the County Government.

In the circumstances, employee costs of Kshs.120,341,884 could not be confirmed.

3. Inaccuracies in Rendering of Services - Medical Service Income

The statement of financial performance and Note 11 to the financial statements reflects rendering of services – Medical Services Income amount of Kshs.21,569,895. Similarly, the same amount of Kshs.21,569,895 is reflected in the statement of cashflows. However, the hospital had receivables from exchange transactions – Medical Services totalling to Kshs.23,588,902 and therefore the reported revenue may not be accurate.

In addition, the hospital cannot monitor revenue collected through Uasin Gishu County Point of Service (POS) as they do not have access to the sisibo pay system. Further, revenues collected through the system are received back in the hospital bank account through Jambo pay after a period of 5 days. It is not clear why the delay takes place and it is not also possible to confirm if the received revenue is actually what was collected.

In the circumstances, the accuracy and completeness of rendering of services – Medical Services income amount of Kshs.21,569,895 could not be confirmed.

4. Cash and Cash Equivalents

The statement of financial position and Note 27 to the financial statements reflects cash and cash equivalent balance of Kshs.8,389,390. Review of records in support of cash and cash equivalent revealed that National Bank account was overdrawn with a negative balance of Kshs.(692). This balance was however not supported with bank reconciliation statements and cash book. In addition, a register of bank accounts owned by Burnt Forest Sub-County hospital approved by the county treasury was not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalent of Kshs.8,389,390 could not be confirmed.

5. Unsupported Receivables from Exchange Transactions

The statement of financial position and Note 29 to the financial statements reflects receivables from exchange transactions – Medical services balance of Kshs.23,588,902. However, supporting schedules and receivables aging analysis were not provided for audit review.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.23,588,902 could not be confirmed.

6. Unsupported Inventories

The statement of financial position and Note 31 to the financial statements reflects inventories balance of Kshs.95,306. Review of stores records revealed lack of stock take report to support the reported inventories. In addition, the inventory list provided did not include pharmaceuticals and non-pharmaceuticals in the stores at the end of the financial year.

In the circumstances, the accuracy and completeness of inventory balance of Kshs.95,306 could not be confirmed.

7. Lack of Land Ownership Documents

Review of assets records revealed that the facility has an allotment letter dated 09 March, 2001 for land approximately 3.333 Hectares with a lease period of ninety-nine (99) years. In addition, the hospital sits on a number of parcels of land which according to records provided required amalgamation. However, the amalgamations have not been done and the hospital did not have a title deed for the land.

In the circumstances, the ownership of the land in which the hospital sits could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Burnt Forest Sub County 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The Hospital spent Kshs.10,604,872 on operations against actual receipts of Kshs.21,569,895 resulting to an under-utilization of Kshs.10,965,023 or 51% of the actual receipts.

The under-utilization of funds may have affected service delivery to patients and impacted negatively on the residents of burnt forest hospital.

My report 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

Management is responsible for the Other Information set out on page iii to xxv which comprise of the Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance against Pre-determined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and 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 Burnt Forest Sub County Hospital 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 if there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements

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 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 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 Prepare Quarterly Financial Statement Reports

Examination of records held at Burnt Forest Sub County Hospital revealed that no quarterly reports were prepared for the year under review which is contrary to Regulation 64 (1) of the Public Finance Management (County Government) Regulations, 2015 which provides that; The accounting officer or receiver of revenue or collector of revenue shall prepare a quarterly report not later than 15Th day after the end of the quarter.

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

2. Non-Compliance with Facility Improvement Fund Act on Board of Management

Statement of financial performance reflects board of management expenses of Kshs.158,500 as disclosed in Note 17 to the financial statements. However, examination of board records revealed that the board members oversaw the running of the Hospital but had not been gazetted and issued with appointment letters as required by Section 9 (j) of the Facility Improvement Financing (FIF) Act, 2023. The Board members were later gazetted on 1st September, 2025 (letters of appointments have not been issued) and therefore conducted business unlawfully during the period under review.

Further, it was noted that the Hospital did not have a Board Charter in place. As a result, the roles, responsibilities, and governance functions of the Board were not defined or documented.

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

3. Non-Compliance with Data Protection Law

Review of Burnt Forest Sub-County Hospital records revealed that they handle data belonging to patients but there was no certification of the facility as a data controller by the office of the data protection commissioner. This is contrary to the requirement of Section 18 (1) of the Data Protection Act, 2019 states that Subject to sub-section (2), no person shall act as a data controller or data processor unless registered with the Data Commissioner.

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

4. Deficiencies in Implementation of Universal Health Coverage (UHC)

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 as tabulated below;

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Medical Officers	16	2	14	87.5
Anaesthesiologists	2	1	1	50%
General Surgeons	2	0	2	100%
Gynaecologists	2	1	1	50%
Paediatrics	2	0	2	100%
Radiologists	2	1	1	50%
Kenya Registered Community Health Nurses	75	29	46	63%

In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below;

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Beds	150	60	90	60%
Resuscitaire (2 in labour & 1 in theatre)	2	5	-3	250%
New Born Unit Incubators	5	5	0	100%
New Born Unit Cots	5	5	0	100%
Functional ICU Beds	6	4	2	67%
High Dependency Unit (HDU) Beds	6	3	3	50%
Renal Unit with at least 5 Dialysis Machines	5	0	5	100%
Two Functional Operational Theatres - Maternity & General	2	2	0	100%

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 was in breach of the law.

5. Inadequate Storage for Pharmaceuticals and Non-Pharmaceuticals

Physical verification of the hospital storage rooms for pharmaceutical and non-pharmaceutical products revealed that the Hospital has a small pharmacy which also acts as a store for non-pharms and lacks a general store for keeping such products. Further, there were no records of expired drugs and how they are disposed. This contravenes Pharmacy and Poisons Board (PPB) Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya, Section 2.4.2 which states that "Storage areas should have sufficient capacity to allow the orderly storage of the various categories of health products and technologies, namely usable products, products in quarantine, released, rejected, returned, or recalled products. In addition, the Hospital's pharmacy was not registered with the Pharmacy and Poisons Board (PPB) contrary to Section 16(5) of the Pharmacy and Poisons Act, Cap 244 In an establishment in which drugs are manufactured, whether for sale or otherwise, for the purpose of the treatment of any human or animal ailment, such manufacture shall be carried out by, or under the supervision of—(a) a registered pharmacist;

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for effect of the matters described in the Basis for [Conclusion on Effectiveness of Internal Controls, Risk Management and Governance/Qualified Opinion] 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 overall governance were not effective.

Basis of Conclusion

1. Obsolete Assets Disposal and Hospital Waste Management

Review of fixed asset register revealed the existence of obsolete assets that were due for disposal. However, during the year under review, management did not prepare an Annual Disposal Plan for these obsolete assets. There was no documentation to show that a

disposal committee had been constituted and how the obsolete assets were to be identified for disposal. Further, the hospital holds pile of waste due to lack of an incinerator and disposes wastes through burning which is not environmentally safe and maybe a health hazard.

In addition, the hospital has old structures with asbestos roofing. Asbestos has been declared a carcinogen and no disposal plans and mitigations have been put in place to replace the asbestos roofing.

In the circumstances, the effectiveness of controls on assets and waste management could not be confirmed.

2. Maintenance of Fixed Asset Register

The statement of financial position reflects nil balances in respect to property, plant and equipment. It was noted that the Hospital has a fixed asset register to control its assets but the register is not complete. This is contrary to Regulation 136(1) of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the fund has ever evaluated its assets to ascertain the correct market values.

In the circumstances, controls over fixed assets could not be confirmed.

3. Lack of an ERP Automation System

The Hospital maintains its books of accounts using manual systems rather than leveraging on a robust Enterprise Resource Planning (ERP) or integrated financial management system. Except for revenue which is collected through the County Revenue System, the hospital compiles and do manual financial reports which are prone to errors and manipulations or window dressing. Further, patient records are also manually kept.

In the circumstances, the manual system affects the effectiveness of service delivery.

4. Internal Audit Function

Review of the hospital documents and records revealed that the hospital has not established an internal audit function and was relying on the internal audit services from the County. Further, the internal audit reports from the County Internal Audit department relating to the Hospital were not provided for audit verification.

In the circumstances, the effectiveness of internal controls and risk management 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 control, 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 Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the hospital or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

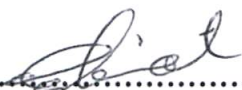
Description	Note	Insert Current	Insert Comparative
		2024-2025 Kshs	2023-2024 Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In- kind contributions from the County Government	7	128,259,215	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		-	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	21,569,894.55	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		21,569,894.55	-
Total revenue		149,829,109.55	-
Expenses			
Medical/Clinical costs	15	15,324,522	-
Employee costs	16	120,421,084	-
Board of Management Expenses	17	123,500	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	2,802,350	-
Grants and subsidies	20	-	-
General expenses	21	513,625.5	-
Finance costs	22	-	-
Total expenses		139,185,082	-
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	Insert Current	Insert Comparative
		2024-2025 Kshs	2023-2024 Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(-)	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		10,644,027.55	-


(The notes set out on pages 27 to 60 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 26th August 2025 and signed on its behalf by:



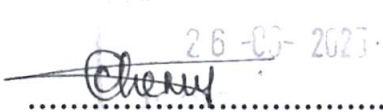
.....

Chairman
Board of Management



.....

Head of Finance
ICPAK No: 347 23



.....

Medical Superintendent

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

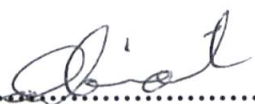
Description	Note	Insert Current 2024- 2025 FY	Insert Comparative 2023-2024FY
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	8,389,390.01	-
Prepayments	28	-	-
Receivables from exchange transactions	29	23,588,902	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	95,306	-
Total Current Assets		32,073,598.01	-
Non-current assets			
Property, plant, and equipment	32	278,800	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		278,800	-
Total assets (A)		32,352,398.01	-
Liabilities			
Current liabilities			
Trade and other payables	36	5,639,185	-
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		5,639,185	-
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

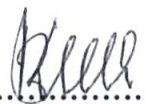
Description	Note	Insert Current 2024- 2025 FY	Insert Comparative 2023-2024 FY
		Kshs	Kshs
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		5,639,125	-
Net assets (A-B)		26,437,871.36	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		10,664,027.55	-
Capital Fund		-	-
Net Assets		37,101,898.91	-

(The notes on pages 27 to 60 form an integral part of the Annual Financial Statements.)

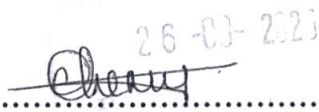
The Hospital's financial statements were approved by the Board on 26th August 2025 and signed on its behalf by:



.....
Chairman
Board of Management



.....
Head of Finance
ICPAK No: 34723



.....
Medical Superintendent

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
As at July 1, 2023(previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	-	-	-
At July 1, 2024 (current year)	-	-	55,565.66	55,565.66
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	10,664,027.55		10,664,027.55
Capital/Development grants	-	-	-	-
At June 30, 2025(current year)	-	10,664,027.55	8,389,390.01	19,053,417.56

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

Description	Note	Insert Current 2024-2025FY	Insert Comparative FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		21,569,894.55	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		21,569,894.55	-
Payments			
Medical/Clinical costs		5,129,147	-
Employee costs		2,036,250	-
Board of Management Expenses		123,500	-
Repairs and maintenance		2,802,350	-
Grants and subsidies		-	-
General expenses		513,624.50	-
Finance costs		-	-
Refunds paid out		-	-
Total Payments		10,965,023.05	-
Net cash flows from operating activities	43	10,965,023.05	-
Cash flows from investing activities			
Purchase of property, plant, equipment		(-)	(-)
Purchase of intangible assets		(-)	(-)
Proceeds from the sale of PPE		-	-
Acquisition of investments		(-)	(-)
Net cash flows used in investing activities		(-)	(-)
Cash flows from financing activities			
Proceeds from borrowings		-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Repayment of borrowings		(-)	(-)
Capital grants received		-	-
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash and cash equivalents		-	(-)
Cash and cash equivalents as at 1 July2024	27	8,389,390.01	-
Cash and cash equivalents as at 30 June25	27	8,389,390.01	-

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

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	A	b	c=(a+b)	D	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	%
Receipts						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	21,569,894.55	-	21,569,894.55	21,569,894.55	0	100%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total receipts	21,569,894.55	-	21,569,894.55	21,569,894.55	0	100%
Payments						
Medical/Clinical costs	5,129,147	-	5,129,147	5,129,147	0	100%
Employee costs	2,036,250	-	2,036,250	2,036,250	0	100%
Remuneration of directors	123,500	-	123,500	123,500	0	100%
Repairs and maintenance	2,802,350	-	2,802,350	2,802,350	-	%
Grants and subsidies	-	-	-	-	-	%
General expenses	513,624.5	-	513,624.5	513,624.5	0	100%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Total Operational Expenditure paid	10,604,872	-	10,604,872	10,604,872	-	
Capital Expenditure paid	-	-	-	-	-	%
Surplus	10,965,022.55	-	10,965,022.55	10,965,022.55	-	%

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
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	-

19. Notes to the Financial Statements

1. General Information

Burnt Forest Sub County Hospital entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Uasin Gishu County Government and is domiciled in Uasin Gishu 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>

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>

Standard	Effective date and impact:
	<p>revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- .</p> <p>Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49-</p> <p>Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50:</p> <p>Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 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 27th April 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of *nil* on the FY 2025/2026 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of xxx years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of 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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. **Subsequent events**

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6 b Transfers from The County Government

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

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	KShs	KShs
Salaries and wages	118,261,884	-
Medical supplies-Drawings Rights (KEMSA)	9,993,506.49	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	3,825	-
Utility bills	-	-
Total grants in kind	128,259,215	-

8. Grants From Donors and Development Partners

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

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

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

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	Insert Current 2024-2025	Insert Comparative 2023-2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

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

10 (a) Reconciliations of amortised grants

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Insert Current 2024- 2025	Insert Comparative 2023- 2024
	Kshs	Kshs
Pharmaceuticals	-	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
Other medical services income (specify)	-	-
Total revenue from the rendering of services	21,569,894.55	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Insert Current 2024-2025	Insert Comparative 2023-2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

13. Finance /Interest Income

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

14. Miscellaneous Income

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Dental costs/ materials	38,800	-
Laboratory chemicals and reagents	1,332,186	-
Public health activities	-	-
Food and Ration	1,796,600	-
Uniform, clothing, and linen	330,000	-
Dressing and Non-Pharmaceuticals	433,825	-
Pharmaceutical supplies	10,557,911.49	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	61,200	-
Purchase of Medical gases	206,000	-
X-Ray/Radiology supplies	568,000	-
Other medical related clinical costs (<i>specify</i>) heat appliance		-
Total medical/ clinical costs	15,324,522	-

16. Employee Costs

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
Salaries, wages, and allowances	120,341,884	-
Contributions to pension schemes	79,200	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	-	-
Employee costs	120,421,084	-

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	Insert Current 2024-2025 FY	Insert Comparative 2023-2024 FY
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	123,500	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	123,500	-

18. Depreciation and Amortization Expense

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

19. Repairs And Maintenance

Description	Insert Current 2024-2025	Insert Comparative 2023-2024
	Kshs	Kshs
Property- Buildings	679,800	-
Medical equipment	1,793,750	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	275,000	-
Motor vehicle expenses	53,800	-
Maintenance of civil works	-	-
Total repairs and maintenance	2,802,350	-

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

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

21. General Expenses

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	130,000	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	27,624.50	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	47,000	-
Fuel and Lubricants	132,500	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	64,000	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	50,000	-
Hire charges	-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
Rent expenses	-	-
Water and sewerage costs-	7,500	-
Skills development levies	-	-
Telephone and mobile phone services	55,000	-
Internet expenses	-	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	513,625.5	-

22. Finance Costs

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

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

Description	Insert Current 2024-2025 FY	Insert Comparative 2023-2024 FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (specify)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Insert Current 2024- 2025 FY	Insert Comparative 2023- 2024FY
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

Description	Insert Current 2024-2025 FY	Insert Comparative 2023-2024 FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalentents

Description	Insert Current 2024-2025 FY	Insert Comparative 2023-2024 FY
	KShs	KShs
Current accounts	8,389,390.01	
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalentents	8,389,390.01	-

Notes to the Financial Statements (Continued)

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

Description		Insert Current 2024-2025FY	Insert Comparative 2023-2024 FY
Financial institution	Account number	KShs	KShs
a) Current account			
Co-operative bank	0110135528 9002	485,725.00	-
Co-operative Bank	0110135528 9001	7,904,357.05	
National Bank,	0100102831 3900	(692.04)	-
Sub- total		8,389,390.01	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		8,392,844.86	-

28. Prepayments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

29. Receivables From Exchange Transactions

Description	Insert Current 2024-2025 FY	Insert Comparative 2024-2025 FY
	KShs	KShs
Medical services receivables	23,588,902	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
Total receivables	23,588,902	-

(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	Insert Current 2024-2025FY		Insert Comparative 2023-2024 FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	23,588,902	100%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	23,588,902	100%	-	%

30. Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

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

31. Inventories

Description	Insert Current 2024- 2025FY	Insert Comparative 2023- 2024FY
	KShs	KShs
Pharmaceutical supplies	95,306	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	(-)	(-)
Total	95,306	-

Detailed disclosure on inventories

	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical Equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2024 (previous year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	-	(-)
Transfers/adjustments	-	-	(-)	-	-	-	-	-	(-)
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024									
At 1 July 2024(current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	240,000	-	38,800	-	278,800
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)
Transfer/adjustments	-	-	-	-	-	-	-	(-)	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2025					240,000		38,800		278,800
Depreciation and impairment									
At 1 July 2024(previous year)		-	-	-	-	-	-	-	-
Depreciation for the year		-	-	-	-	-	-	-	-

Burnt Forest Sub County Hospital (Uasin Gishu 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
Disposals		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
At 30 June 2025		-	-	-	-	-	-	-	-
At July 2025 (current year)		-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-
Disposals		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Transfer/adjustment		-	-	-	-	-	-		(-)
At 30th June 2025		-	-	-		-	-	-	-
Net book values									
At 30 th Jun 2024 (previous)	-	-	-	-	0	-	0	-	0
At 30 th Jun 2025 (current)	-	-	-	-	240,000	-	38,800	-	278,800

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

34. Investment Property

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

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024 FY		
	KShs	KShs		
Trade payables	5,639,185	-		
Employee dues	-	-		
Third-party payments (e.g. unremitted payroll deductions)	-	-		
Audit fee	-	-		
Doctors' fee	-	-		
Total trade and other payables	5,639,185	-		
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	5,639,185	100%	-	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	5,639,185	100%	-	%

37. Refundable Deposits from Customers/Patients

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Rent deposits	-	-	-	-
Others (<i>specify</i>)	-	-	-	-
Total deposits	-	-	-	-
		% of the Total		% of the Total
Ageing analysis:	Current 2024-2025 FY	I	Comparative 2023-2024FY	I
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

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

39. Finance Lease Obligation

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

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

40. Deferred Income

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

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

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

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

43. Cash Generated from Operations

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	KShs	KShs
Surplus for the year before tax	10,965,023.05	-
Adjusted for:		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	10,664,027.55	-

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

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

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	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

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

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.

Burnt Forest Sub County Hospital (Uasin Gishu 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 20xx			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity
	Kshs	Kshs	Kshs
2023-2024 (previous year)			
Euro	10%	-	-
USD	10%	-	-
2024-2025(current year)			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

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	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-%	-%

Burnt Forest Sub County Hospital (Uasin Gishu 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.

Uasin Gishu 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	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	-	-
Sales of services to xxx	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-

*Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Description	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
d) Key management compensation		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46. Segment Information

The organization does not operate on a different segment.

47. Contingent Liabilities

Contingent liabilities	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

48. Capital Commitments

Capital Commitments	Insert Current 2024-2025FY	Insert Comparative 2023-2024FY
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

51. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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

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Accounting Officer

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

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

Burnt Forest Sub County Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (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.....

Burnt Forest Sub County Hospital (Uasin Gishu 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 (Kshs.)	Comments