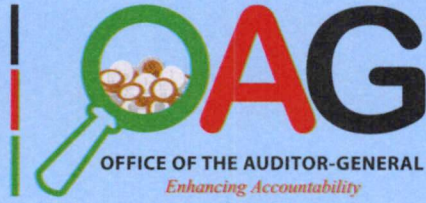


REPUBLIC OF KENYA



112

REPORT

OF

THE AUDITOR-GENERAL

ON

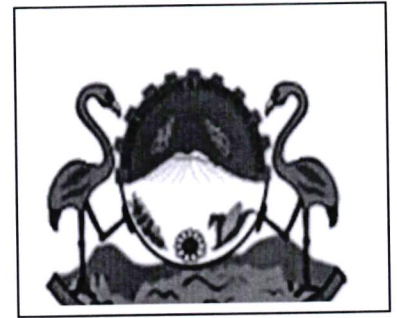
ELBURGON LEVEL 4 SUB COUNTY HOSPITAL

FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNMENT OF NAKURU

| PAPERS LAID        |               |
|--------------------|---------------|
| DATE               | 19/3/2026     |
| TABLED BY          | Minority Whip |
| COMMITTEE          |               |
| CLERK AT THE TABLE | Angela        |

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# **ELBURGON LEVEL 4 HOSPITAL (Nakuru County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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## 1. Acronyms & Glossary of Terms

|                      |  |
|----------------------|--|
| CCC                  | Comprehensive Care Clinic                                  |
| CECM                 | County Executive Committee Member                          |
| CME                  | Continuous Medical Education                               |
| CSR                  | Corporate Social Responsibility                            |
| EMR                  | Electronic Medical Records                                 |
| Fiduciary Management | Key management personnel who have financial responsibility |
| HMC                  | Hospital Management  |
| HMT                  | Hospital Management Team                                   |
| IPC                  | Infection Prevention Control                               |
| MCH                  | Maternal and Child Health                                  |
| MED SUP              | Medical Superintendent                                     |
| MOPC                 | Medical OutPatient Clinic                                  |
| NHIF                 | National Health Insurance Fund                             |
| OSHA                 | Occupational Health & Safety Act                           |
| PFMA                 | Public Financial Management Act                            |
| PMTCT                | Prevention of Mother to Child Transmission                 |
| SOPC                 | Surgical Outpatient Clinic                                 |
| UON                  | University of Nairobi                                      |

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

## **2. Key Entity Information and Management**

### **(a) Background information**

Elburgon Hospital is a level 4 hospital established under gazette notice number 7619 and is domiciled in Nakuru County under the Health Department. The hospital is governed by a Board of Management.

### **(b) Principal Activities**

The principal activity/mandate of the hospital is to provide health services which include:

- Maternal Child Health & Family Planning
- Radiology (Ultrasound and X-ray)
- Curative Services (outpatient and inpatient)
- Rehabilitative Services
- CCC
- Maternity Services
- Laboratory Services
- Mortuary Services

**Vision:** The vision of the hospital is to provide efficient and high-quality health care services that is accessible, equitable and affordable to every Kenyan.

**Mission:** To promote and to participate in the provision of integrated and high quality promotive, preventive, curative and rehabilitative health care services to all Kenyans.

#### **Core Values:**

- Professionalism
- Integrity
- Customer focused
- Equity and Equality
- Transparency and accountability
- Team Work

### **(c) Key Management**

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

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

**(d) Fiduciary Management**

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

| No. | Designation                | Name                    |
|-----|----------------------------|-------------------------|
| 1.  | Medical Superintendent     | <b>Dr Risper Wambua</b> |
| 2.  | Dep Medical Superintendent | <b>Dr Jane Rotich</b>   |
| 3.  | Hospital Accountant        | <b>Mary Kamau</b>       |
| 4.  | Nursing Officer in Charge  | <b>John Kipruto</b>     |

**(e) Fiduciary Oversight Arrangements**

The overall oversight responsibility of the hospital rests with the Hospital Board of Management. However, the board has a Finance and Audit committee that analyses the hospital finances on behalf of the Board. The county public accounts committee also plays a role.

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

**(f) Entity Headquarters**

Elburgon Sub County Hospital,  
P.O. Box 204,  
Elburgon, Kenya

**(g) Entity Contacts**

Telephone: (+254) 715549580  
E-mail: elburgonhosp@yahoo.com  
Website: none

**(h) Entity Bankers**

Account Name: Elburgon Nyayo  
Account No: 01001019332500  
Bank: National Bank of Kenya  
Branch: Molo

**(i) Independent Auditors**

Auditor General  
Office of Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084

GPO 00100  
Nairobi, Kenya







**(j) Principal Legal Adviser**

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





**(k) County Attorney**

P.O. Box.2870-20100  
Nakuru, Kenya

**3. The Board of Management**

| Ref | Directors  | Details   |
|-----|--|---|
| 1.  | <br>Collins Simotwo   | <b>Chairperson, HMC. Independent director</b><br>54 year old. MBA, Kenyatta University; BED, Kampala International University; Diploma in Education, Egerton University.<br>Experience: 32 years in administration        |
| 2.  | <br>Judy Wanjiku      | <b>Deputy Chairperson, HMC. Independent director</b><br>36 years old; Diploma, Social work and Community development, Molo Technical and Vocational college. Experience: 1 year. Diploma in Theology, 8 years' experience |
| 3.  | <br>Dr Risper Wambua | <b>MedSUPT and secretary, HMC. Executive director</b><br>Degree, Bachelor of Medicine and Bachelor of Surgery, University of Nairobi. Experience: 6 years in the medical field  |
| 4.  | <br>Judy Komen      | <b>Chairperson-Service Delivery Sub Committee; Member HMC. Independent director</b><br>22 year old. Highest education level, Form 4.<br>A farmer by profession  |
| 5.  | <br>Pst John Thuo   | <b>Chairperson-Finance Sub Committee; Member HMC. Independent director</b><br>47 year old. Diploma, Theology, PUEA University<br>Experience: 17 years as a pastor   |
| 6.  | <br>Mugane Mutua    | <b>Chairperson-Infrastructure Sub Committee; Member HMC. Independent director</b><br>35 year old; BSc Applied Statistics with Computing, Karatina University. Experience: 8 years   |

**4. Key Management Team**

| Ref | Management   | Details   |
|-----|--|---|
| 1   | <br><b>Dr Risper Wambua</b> | <p><b>MEDICAL SUPERINTENDENT, The Accounting Officer</b><br/>Degree, Bachelor of Medicine and Bachelor of Surgery,<br/>University of Nairobi. Experience: 6 years in the medical field</p>  |
| 2   | <br><b>Dr Jane Rotich</b>  | <p><b>DEPUTY MEDICAL SUPERINTENDENT, The Pharmacist<br/>in Charge, Management of Pharmaceuticals and assists the<br/>Accounting Officer as assigned</b><br/>Diploma in Pharmacy, KMTC. Bachelor of Pharmacy, Kabarak<br/>University. Senior management course, KSG Kabete campus.<br/>Experience 21 years</p> |
| 3   | <br><b>John Kipruto</b>   | <p><b>NURSING OFFICER IN-CHARGE, Management of Non<br/>Pharmaceutical and Handling issues related to Clinicals</b><br/>BSC, Nursing<br/>Experience: 14 years</p>  |
| 4   | <br><b>Mary Kamau</b>     | <p><b>ACCOUNTANT, Financial Advice and Management, and<br/>Procurement</b><br/>MBA in Finance; BCOM- Accounting &amp; Finance; CPA – K</p>  |

## **5. Chairman's Statement**

I am greatly delighted as I take this opportunity to present the 2024/2025 annual Report and Financial Statement for Elburgon Sub – County Hospital. The Hospital Board of Management is proud for the great achievements that the hospital made.

Winston S. Churchill once said, "Healthy citizens are the greatest asset any country can have." The hospital has been committed to ensure that services rendered are geared towards the maintenance or improvement of health via the prevention, diagnosis, treatment, amelioration, or cure of disease, illness, injury, and other physical and mental impairments in people. I am pleased by the commitment and the enthusiasm that the staffs have exhibited towards giving quality of services to our patient. These services include: Medical Consultations, Mother Child Health, MOPC, Maternity services, Occupational Therapy, Laboratory Services, Dental Services, among others

The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment as stipulated by the County government health systems, provides for regulation of health care services and health care service providers, health products and health technologies. The world is evolving technologically and hence this calls for continuous quality improvement in healthcare to address the challenges that come with it. This Board focuses on mobilizing resources and supporting those initiatives that will sustain Elburgon Sub – County Hospital as well as putting the hospital among the best hospitals providing the best healthcare across the country.

With the achievements made so far, we cannot fail to mention the challenges that have been experienced in the financial year 2024/2025

1. Shortage of staff which is cutting across all the departments.
2. Lack of land title deed
3. Lack of permanent fence which has made the facility prone to intruders.
4. Mechanical breakdown of the borehole hence leading to shortage of water.
5. Lack of modern kitchen

On behalf of the Board, I would like to appreciate all our stakeholders especially County Government of Nakuru and all the development partners for their continued support to this hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to all the Elburgon Sub - county Hospital staff, Hospital Administration and the Board, who work with much enthusiasm and cohesion, thus exemplifying our hospital's mission and values each day.



.....  
**Mr Collins Simotwo**

**Chairman to the Board**

## **6. Report of The Medical Superintendent**

### **Introduction:**

The Nakuru County Government's Department of Health Services is committed to ensuring that the residents of Nakuru have access to innovative, affordable, and dignified healthcare.

### **The Hospital Performance:**

In alignment with this commitment, Elburgon Sub-County Hospital has worked diligently to enhance service delivery across all departments. The services offered include: Maternal Child Health & Family Planning, Radiology (Ultrasound and X-ray), Curative Services (outpatient and inpatient), Rehabilitative Services, Maternity Services, Laboratory Services, Mortuary Services.

We have focused on transparent allocation and expenditure of resources, timely referral services, and building strong stakeholder partnerships to improve service quality. The revenue collection has continually improved over time

### **Challenges and Developments:**

The year was largely successful, though we faced a few challenges

We managed to procure a biochemistry machine, that was installed and became functional in the first quarter of the year. This new equipment significantly enhanced our laboratory's diagnostic capabilities and improved our revenue collection.

A CCTV system with 13 cameras was installed, and this helped enhance security and transparency within the facility.

We made significant repairs in the operating theatre, aimed at enhancing patient and staff comfort, preventing injuries, curbing significant health risks that could compromise patient wellbeing and predispose to surgical site infections, hence improving surgery outcomes.

Towards the end of the financial year, the County Public Service Board hired staff and posted a few to our facility. This helped to address the staff shortage issue and improve services. We still need more staff to function optimally but this step was a good starting point.

Some of the challenges we faced was during the transition from NHIF to SHA. Our facility had been wrongly categorized as level 2 yet offering level 4 services. This discouraged patients because they registered for SHA but could not use it to access services, hence they ended up paying cash. In the long run, it significantly reduced our patient numbers.

Another challenge the hospital faced was insecurity due to lack of hospital fence and gate.

Lack of a title deed for the land the hospital sits on still remains a challenge we have not yet addressed. It is an issue that is being followed up at the The County Headquarters for Health.

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

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Another challenge is the borehole that has broken down. We wrote a proposal to NG-CDF Molo requesting financial assistance on the same, but we have not received any positive feedback. Currently, the facility does not have sufficient funds to repair it to functionality

**Acknowledgements:**

I extend my sincere gratitude to all staff and the Board of Management for their unwavering commitment and hard work. Their contributions have been crucial in delivering high-quality services to our community.

Special thanks to the County Government of Nakuru and our partners for their ongoing support, which has been instrumental in advancing the hospital's operations and service delivery.



**Dr Risper Wambua**  
**Secretary to the Board**

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

Elburgon Level 4 Sub-County Hospital has three strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024- FY 2025. These strategic pillars/ themes/ issues are as follows;

- a. Curative and Rehabilitative Health Services
- b. Preventive and promotive health services
- c. General administration, planning, management, support and coordination

The hospital develops its annual work plans based on the above three pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its 3 strategic pillars, as indicated in the diagram below:

| Strategic Pillar/Theme/Issues                      | Objective   | Key Performance Indicators                      | Activities   | Achievements                                    |
|--|---|---|--|---|
| <b>Curative and Rehabilitative Health Services</b> | To provide effective and efficient curative and rehabilitative services at all health service units.                        | No. of health education sessions done per month | <input type="checkbox"/> Intensify health education<br><input type="checkbox"/> Community sensitization<br><input type="checkbox"/> Enhance HTC  | Carried out monthly health education            |
| <b>Preventive and promotive health services</b>    | To provide effective and efficient preventive and promotive health interventions in the facility and at the community level | Number of patients screened for tb and cancer   | <input type="checkbox"/> Promote health seeking behaviour<br><input type="checkbox"/> Enhance screening of all outpatient clients for early diagnosis<br><input type="checkbox"/> Liaise with CHVs for early referrals | Screening for TB and Cervical Cancer done daily |

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

|  |  |  |  |                                |
|--|--|--|--|--------------------------------|
| <p><b>General administration, planning, management, support and coordination</b></p> | <p>To support and co ordinate activities in the facility</p> | <p>Number of CMEs carried out in a quarter</p> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Weekly trainings through CMEs</li> <li><input type="checkbox"/> Recruitment and deployment</li> <li><input type="checkbox"/> Performance Appraisal system</li> </ul> | <p>Weekly CMEs carried out</p> |
|--|--|--|--|--------------------------------|

Working with performance contracts has greatly contributed to the facility achievements

## **8. Corporate Governance Statement**

Commitment to good corporate governance is fundamental in ensuring sustainable stakeholder value and meeting their expectations. Our structures, procedures and processes are anchored on our core –value: Professionalism, Integrity, Customer focused, Equity and Equality, Transparency and accountability and team work which are the tenets of good corporate governance. Through the Board of Management, Elburgon Sub - County Hospital remains steadfast in complying with statutory requirements and the Code of Governance for State Corporations (Mwongozo Code 2015) among others.

The appointment of the committee members, their roles and functionality is guided by Regulations cited in The Public Financial Management Act 2016; which states that:

The total membership of the Committee shall be at least seven and not more than nine members

The committee consists of-

- A chairman nominated by the Committee from among themselves and appointed by the County Executive Committee Member
- The area sub county administrator or his representative nominated by him in writing
- The SubCounty Medical Officer of health or his representative nominated by him in writing
- The person in charge of a sub county hospital appointed by the officer administering the fund, who shall be the secretary
- One person appointed by the officer administering the fund
- The following persons, who shall be residents of the area of jurisdiction, appointed by the County Executive Committee Member-
  - I. One person who shall have knowledge and experience in finance and administration matters
  - II. One person nominated by women groups
  - III. One person nominated by Faith Based Organizations
  - IV. Not more than two persons nominated by recognized Community Based Development Organizations of whom one shall be a youth
  - V. One person appointed to represent the youth
- A person shall not be appointed as a member of the committee unless that person holds at least O level certificate of education or its equivalent
- A member of the Committee, apart from the ex-officio, shall hold office for a period of three years and shall be eligible for reappointment for one further term
- The committee shall meet at least four times a year and shall maintain records of its deliberations
- The quorum for the meeting of the committee shall be five of all the members including the secretary
- The committee shall be responsible to the Officer administering the fund

The roles and responsibilities of the Board as set out in the Board Charter include:

- Supervise and control the administration of the funds allocated to a sub county hospital
- Open and operate a bank account at a bank to be approved by the Minister for the time being responsible for finance
- Prepare work plans based on estimated expenditure
- Cause to be kept basic books of accounts and records of accounts of the income, expenditure, assets and liabilities of the hospital
- Prepare and submit certified periodic financial and performance reports
- Cause to be kept a permanent record of all its deliberations

## 9. Management Discussion and Analysis

### Operational Performance:

Elburgon Level 4 Sub-County Hospital continues to provide a wide range of healthcare services to all citizens. The hospital also provides clinical support services that include XRAY services, Lab Services etc. The hospital strives to ensure that the clinical services provided are safe, timely, effective, evidence – based and in line with modern technological advances. Clinical governance continues to be strengthened to improve patient safety and ensure quality healthcare. The hospital patient attendance continues to improve despite the many challenges

Bed capacity of the hospital is 72 though the number is expected to increase in the near future upon the completion of the new maternity wing.

Below is a summary of:

- o Overall patient attendance during the year for both inpatient and outpatient.
- o Accident and Emergency attendance
- o Specialized clinic attendance
- o Bed occupancy rate
- o Mortality rate
- o Surgical theatre utilization (number of operations over a period of time)

Below is a summary of the performance for year ended June 30<sup>th</sup>, 2025:

| JULY 24-<br>AUGUST 25 |           | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | TOTALS |
|-----------------------|-----------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
| Patient Attendance    | OPD       | 3525 | 3325 | 3445 | 2805 | 3262 | 2473 | 2587 | 2333 | 2678 | 2940 | 3260 | 3142 | 35775  |
|                       | Inpatient | 160  | 150  | 154  | 134  | 148  | 122  | 134  | 128  | 150  | 163  | 168  | 146  | 1757   |
| Emergency             |           | 0    | 0    | 9    | 18   | 26   | 7    | 18   | 14   | 8    | 12   | 14   | 6    | 132    |
| Accident & Emergency  |           | 89   | 81   | 125  | 122  | 25   | 25   | 88   | 74   | 78   | 68   | 76   | 80   | 931    |
| Dental                |           | 30   | 35   | 32   | 38   | 32   | 38   | 36   | 38   | 42   | 38   | 42   | 25   | 394    |
| Occupational Therapy  |           | 27   | 43   | 42   | 48   | 34   | 29   | 36   | 26   | 34   | 26   | 36   | 16   | 397    |
| Orthotrauma           |           | 39   | 53   | 54   | 39   | 27   | 34   | 35   | 32   | 46   | 37   | 42   | 5    | 443    |
| CCC                   |           | 1019 | 1013 | 1006 | 1000 | 977  | 940  | 933  | 907  | 867  | 844  | 874  | 878  | 11258  |
| IP                    |           | 140  | 136  | 133  | 127  | 141  | 125  | 139  | 124  | 97   | 151  | 147  | 127  | 1587   |
| ANC                   |           | 434  | 407  | 397  | 388  | 361  | 327  | 320  | 388  | 299  | 393  | 338  | 352  | 4404   |
| Nutrition clinic      |           | 34   | 28   | 25   | 18   | 15   | 24   | 16   | 14   | 12   | 10   | 0    | 11   | 207    |
| Laboratory            |           | 2194 | 2568 | 2528 | 1778 | 1489 | 1230 | 1244 | 1694 | 1728 | 1824 | 2480 | 2194 | 22951  |
| Pharmacy              |           | 4707 | 4640 | 4720 | 6216 | 4694 | 6307 | 3844 | 3640 | 3628 | 3840 | 4604 | 4534 | 55374  |
| Mortuary              |           | 30   | 30   | 32   | 32   | 22   | 22   | 30   | 20   | 24   | 32   | 32   | 27   | 333    |
| Theatre               | Caesarean | 6    | 9    | 10   | 16   | 7    | 8    | 11   | 4    | 13   | 2    | 6    | 6    | 97     |

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

|                              |             |     |    |     |    |     |     |    |    |    |    |    |    |      |
|------------------------------|-------------|-----|----|-----|----|-----|-----|----|----|----|----|----|----|------|
|                              | section     |     |    |     |    |     |     |    |    |    |    |    |    |      |
|                              | Minor cases | 0   | 0  | 4   | 8  | 6   | 3   | 4  | 3  | 2  | 2  | 1  | 0  | 33   |
| Maternity (Total deliveries) |             | 107 | 96 | 105 | 96 | 113 | 102 | 89 | 74 | 87 | 84 | 85 | 91 | 1129 |

**Financial Performance:**

The hospital revenue comprises of fee charged for services rendered. The source of revenue and utilization of funds for the period under review is depicted in the appendix

**Challenges:**

- Waste management: Lack of incinerator
- Security: Lack of fence. However, CCTV cameras have been installed
- Waivers: Majority of Elburgon residents are either working in the informal sector or unemployed. This is a major challenge because upon clinical discharge from the ward, many patients are unable to settle their medical bills hence request for waivers.
- Insufficient health workforce

**Elburgon Sub County Hospital compliance with statutory requirements**

Elburgon Sub County Hospital is committed to Compliance with statutory requirements such as; Human Resource Management and Development, for example, The use of performance appraisal system and CME to the staff; Efficient healthcare financing for example, Involvement of HMC/HMT in budgeting, computerization of cash collection system.

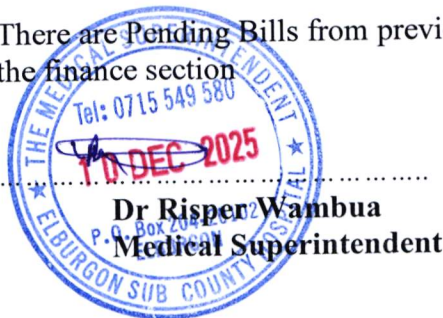
There are no ongoing or potential court cases and defaults

**Key projects and investment decisions Elburgon Sub County Hospital is planning/implementing.**

New Maternity Wing project which is at 90% completion is ongoing. It is financed by the County Government

**Material arrears in statutory/financial obligations:**

There are Pending Bills from previous years, which are cleared in phases. The details are summarized in the finance section



Dr Risper Wambua  
 Medical Superintendent

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

### **Introduction:**

Elburgon Level 4 Sub-County Hospital is committed to transforming lives through prioritizing patient care, delivering health services, and enhancing operational excellence. Our dedication to sustainability is evident in our policies and activities that promote environmental responsibility and social impact.

### ***i) Sustainability Strategy and Profile***

The hospital is actively pursuing green energy solutions by replacing firewood with a gas cooking system. This transition aims to reduce air pollution and create a cleaner working environment for kitchen staff. However, rising gas prices pose a potential challenge to these sustainability efforts. Budget constraints have also limited our ability to design a modern incinerator. Increasing public awareness about the need for sustainable healthcare practices is essential for advancing these initiatives.

### ***ii) Environmental Performance***

Elburgon Level 4 Sub-County Hospital is committed to minimizing its environmental impact through various sustainability measures:

- **Energy Efficiency:** We aim to reduce energy consumption by turning off lights when not needed and improving overall energy efficiency.
- **Water Conservation:** We minimize water usage by installing low-flow taps and other conservation measures.
- **Waste Management:** We promote responsible waste management practices, including recycling and proper disposal. Recyclable equipment is used where possible, and single-use plastics like syringes are safely disposed of to protect the environment.
- **Waste Segregation:** The Infection and Prevention Control (IPC) committee, along with public health officers, has implemented strict waste segregation protocols. We operate a burning chamber for burning hospital waste and maintain an adjacent ash pit. We plan to repair it to prevent smoke emissions and secure the area with a fence to ensure safety for people and animals.

### ***iii) Employee Welfare***

Employee welfare is crucial for delivering quality healthcare services. We ensure inclusivity in our hiring processes and adhere to fair employment practices:

- **Career Development:** Staff are encouraged to pursue study leave and attend seminars and training sessions for professional growth.
- **Performance Appraisal:** Regular performance appraisals are conducted, with reviews scheduled throughout the financial year.
- **Compliance and Safety:** We comply with the Occupational Safety and Health Act of 2007 (OSHA) to ensure a safe working environment. Support staff are provided with appropriate protective gear, and incidents are reported and investigated with corrective actions taken as needed. Our social welfare program supports staff during significant life events, such as graduations, weddings, and bereavements.

*iv) Market place Practices*

Maintaining ethical and responsible marketplace practices is essential for fostering a fair and transparent healthcare environment:

**-Anti-Corruption Measures**

**-Code of Conduct:** All staff adhere to the county's code of conduct and ethics, which strictly prohibits corruption and bribery.

**-Vendor Screening:** We engage pre-qualified suppliers to minimize corrupt practices.

**-Fair Competition**

**-Pricing and Billing:** We ensure fair and transparent pricing through an electronic records management system with pre-set service fees, avoiding overcharging and price manipulation.

**-Non-Discrimination:** We are committed to providing equal access to healthcare services regardless of background, race, religion, or economic status.

We maintain good business practices by treating suppliers responsibly, adhering to a FIFO (First In, First Out) system for clearing older contracts before newer ones, and striving for timely payments despite financial constraints. Our procurement process is designed to be fair and transparent to avoid favoritism.

*v) Patient Rights and Interests*

Protecting patient rights and interests is essential to ensuring high-quality care:

**-Confidentiality:** We respect patient privacy and only share information with authorized individuals for medical purposes. Informed consent is obtained before any medical procedure, outlining the risks, benefits, and alternatives.

**-Access to Information:** Patients receive clear information about their health conditions and are promptly referred to higher-level facilities when necessary.

*vi) Corporate Social Responsibility and Community Engagement*

Elburgon Level 4 Sub-County Hospital actively participates in Corporate Social Responsibility (CSR) activities to benefit the community:

**-Community Screenings:** In collaboration with Community Health Volunteers (CHVs), we offer free check-ups, vaccinations, and health education to underserved communities, improving healthcare access and early disease detection.

**-Outreach Programs:** We conduct health education in schools and communities to increase health literacy and promote healthier lifestyles.

**-Partnerships:** Through collaborations with charitable organizations such as UTJ (USAID Tujengee Jamii), we support vulnerable groups, including those with TB and HIV, by providing free medicine, transportation, and home visits for additional support.

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

### **Principal activities**

The principal activities of Elburgon Level 4 Sub-County Hospital are to continue providing quality and affordable preventive, promotive, rehabilitative and curative health services in Elburgon Sub- County.

### **Results**

The results of the entity for the year ended June 30<sup>th</sup> 2025 are set out on page 1-56

### **Board of Management**

The members of the Board who served during the year are shown on page vi and vii

### **Auditors**

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

By Order of the Board



**Dr Risper Wambua**  
Secretary to the Board

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

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of Elburgon Level 4 Sub-County Hospital which give a true and fair view of the state of affairs of the hospital at the end of the financial year and the operating results of the hospital for that year. The Board of Management is also required to ensure that the hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the facility. The council members are also responsible for safeguarding the assets of the hospital.

The Board of Management is responsible for the preparation and presentation of the hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- (ii) 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,
- (iii) Safeguarding the assets of the Elburgon Level 4 Sub-County Hospital ;
- (iv) Selecting and applying appropriate accounting policies, and
- (v) Making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2024, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that Elburgon Level 4 Sub-County Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The Hospital's financial statements were approved by the Board on 27/08/25 and signed on its behalf by:



Collins Simotwo  
Chairperson  
Board of Management



# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON ELBURGON LEVEL 4 SUB COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF NAKURU**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Elburgon Level 4 Sub County Hospital - County Government of Nakuru set out on pages 1 to 63, which comprise of the statement of financial position as at 30 June, 2025, the statement of financial

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

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

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of financial performance reflects a deficit for the year amount of Kshs.9,258,942. However, the statement of changes in net assets reflects an amount of Kshs.2,943,352 resulting in an unexplained variance of Kshs.6,315,590.

The statement of financial position reflects capital fund balance of Kshs.227,393,388. However, the statement of changes in net assets reflects a Nil amount resulting in an unexplained variance of Kshs.227,393,388.

The statement of comparison of budget and actual amounts reflects amounts of Kshs.85,521,648 and Kshs.85,005,908 in respect of total receipts and total expenditure respectively. However, the statement of cash flows reflects amounts of Kshs.22,440,728 and Kshs.22,311,020 resulting in unexplained variances of Kshs.63,080,920 and Kshs.62,694,888 respectively.

The statement of cash flows reflects net cash flows from operating activities amount of Kshs.3,616,103. However, the recomputed amount is net inflows of Kshs.129,708 resulting in an unexplained variance of Kshs.3,745,811.

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

### **2. Unconfirmed Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.211,581,379 as disclosed in Note 32 to the financial statements. However, the balance excludes the furniture and fittings, ICT equipment and plant and medical equipment of unknown value which are being used by the Hospital in its operations.

Further, Management does not maintain a fixed asset register. The assets' ownership documents, handing over report from the County Government to the Hospital and the

valuation report were not provided for audit verification. In addition, the assets were not tagged for clear identification. An audit inspection of the Hospital's land revealed that a portion of it has been encroached by the neighboring community.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.211,581,379 as at 30 June, 2025 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Hospital for the financial year 2024/2025 revealed that the following fifteen (15) issues remained unresolved:

| <b>No.</b> | <b>Financial Year</b> | <b>Audit Issue</b>   |
|------------|-----------------------|--|
| 1          | 2023/2024             | Inaccuracies in the Financial Statements   |
| 2          | 2023/2024             | Undisclosed Property, Plant and Equipment  |
| 3          | 2023/2024             | Errors in the Presentation of the Financial Statements                           |
| 4          | 2023/2024             | Failure to Transfer Revenue to the County Revenue Account                        |
| 5          | 2023/2024             | Failure to Maintain a List of Registered Suppliers                               |
| 6          | 2023/2024             | Deficiencies In the Implementation of the Universal Health Care (UHC)            |
| 7          | 2023/2024             | Lack of a Procurement Function   |
| 8          | 2023/2024             | Expiry of Medical Supplies   |
| 9          | 2023/2024             | Risk Management Policy   |
| 10         | 2023/2024             | Information Technology (IT) Internal Control Weaknesses                          |
| 11         | 2023/2024             | Failure to Establish an Internal Audit Function and the Audit and Risk Committee |
| 12         | 2023/2024             | Lack of a Strategic Plan   |

| No. | Financial Year | Audit Issue                                   |
|-----|----------------|---|
| 13  | 2023/2024      | Long Outstanding Trade and Other Payables     |
| 14  | 2023/2024      | Obsolete, Unserviceable and Unutilized Assets |
| 15  | 2023/2024      | Lack of Board Work Plan                       |

### Other Information

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

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

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

### REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

#### Conclusion

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

#### Basis for Conclusion

##### 1. Failure to Prepare and Submit Quarterly Financial Reports

During the year under review Management did not prepare and submit quarterly financial reports as required by law. This is contrary to Section 166 (1) and (3) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a County Government entity shall prepare a report for each quarter of the financial year in respect of the entity; and not later than fifteen days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the County Treasury.

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

## 2. Non- Compliance with Facility Improvement Financing Act, 2023

Review of County revenue records for level 4 and 5 hospitals revealed Elburgon Level 4 Sub County Hospital collected an amount of Kshs.20,449,274 and transferred a Nil amount to the County Revenue Fund. Further, available records indicate that the amount of Kshs.20,449,274 was disbursed to the Hospital from the Facility Improvement Fund collection account. However, the Hospital financial statements reflected an amount of Kshs.12,961,438 as having been received from the FIF account resulting in an unexplained undisbursed amount of Kshs.7,487,836. This is contrary to the provisions of Section 20-25 of the Facilities Improvement Financing Act, 2023 which requires that all revenues collected by health facilities be retained in designated FIF accounts and utilized strictly for approved operational and improvement activities.

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

## 3. Inadequacies 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. The following unsatisfactory matters on the implementation of the Universal Health Coverage (UHC) were observed;

- i. According to the Kenya Quality Model for Health Checklist designed for Level 4 hospitals, the recommended staffing consisting of one hundred and one (101) staff per hospital but the Hospital only had twenty-eight (28) staff resulting in a significant shortfall of seventy-three (73) staff against the staff establishment as detailed in the table below;

| <b>Staffing Requirement</b>        | <b>Minimum Required (Level 4 Hospital)</b> | <b>Actual in Post</b> | <b>Variance</b> |
|------------------------------------|--|-----------------------|-----------------|
| Medical Officers                   | 16   | 3                     | 13              |
| Anesthesiologists                  | 2  | 0                     | 2               |
| General Surgeons                   | 2  | 1                     | 1               |
| Gynecologists                      | 2  | 0                     | 2               |
| Pediatricians                      | 2  | 0                     | 2               |
| Radiologists                       | 2  | 2                     | 0               |
| Registered Community Health Nurses | 75   | 22                    | 53              |
| <b>Total</b>                       | <b>101</b>                                 | <b>28</b>             | <b>73</b>       |

- ii. The Hospital did not offer essential services like pediatric services, gynecology services, radiology services and renal dialysis services.

- iii. In line with the Kenya Quality Model for Health checklist applicable to Level 4 hospitals, the required bed capacity is one hundred and fifty (150). An audit inspection of the Hospital, revealed it had a bed capacity of seventy-two (72) beds out of which some had no beddings on them therefore cannot be used by the patients.
- iv. According to the Kenya Quality Model for Health checklist, a Level 4 hospital should have a various specialized equipment and machines which had various deficiencies as detailed in the table below;

| <b>Equipment and Machines</b>                       | <b>Minimum Required</b> | <b>Actual</b> | <b>Variance</b> |
|---|-------------------------|---------------|-----------------|
| Incubators (Newborn)                                | 5                       | 2             | 3               |
| Cots  | 5                       | 0             | 5               |
| Resuscitaire in Theatre                             | 1                       | 1             | 0               |
| Resuscitaire in Labour Ward                         | 2                       | 1             | 1               |
| Functional ICU Beds                                 | 6                       | 0             | 6               |
| HDU Beds  | 6                       | 0             | 6               |
| Renal Unit with Dialysis Machines                   | 5                       | 0             | 5               |
| Functional Operating Theaters Maternity and General | 2                       | 1             | 1               |

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

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

#### **4. Lack of a Procurement Function and Procurement Plan**

As previously reported, review of the operations of the Hospital revealed that it does not have a procurement function. In addition, the Hospital does not have a procurement plan and a work plan to guide its procurement processes. This was contrary to Section 47 of the Public Procurement and Asset Disposal Act, 2015 which stipulates the requirement of a procurement function. Further, Section 53(2) of the Act states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

#### **5. Non-Compliance With the Law on Staff Ethnic Composition - Engagement of Casual Employees**

Review of the payroll data provided by Management revealed that out of the thirty (30) casual employees that were engaged by the Hospital in the year under review, twenty-six (26) staff or 87% were from the same ethnic community. This contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulate that all public

establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

#### **6. Non-Compliance with the Law on Employment of Persons Living with Disabilities**

Review of the Hospital's payroll revealed that Management had not allocated any casual, emergency and contractual position to any person living with a disability. This was contrary to Article 54 (2) of the Constitution of Kenya which states that the State shall ensure the progressive implementation of the principle that at least five percent of the members of the public in elective and appointive bodies are persons with disabilities.

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

#### **7. Long Outstanding Trade and Other Payables Balance**

The statement of financial position reflects trade and other payables balance of Kshs.1,995,347 as disclosed in Note 36 to the financial statements. The balance represents amounts owed to general suppliers of goods, services, and pharmaceutical items. Further, the balance includes an amount of Kshs.1,412,017 or 71% of total payables which has been outstanding for more than one (1) year. Failure to settle payables may result in suppliers withholding the supply of goods, services and pharmaceutical items which may adversely affect service delivery to the public. In addition, the balances were not supported with the respective creditors' ledgers.

In the circumstances, the Hospital may incur unnecessary and avoidable costs of interest and penalties due to the continued delay in settlement of the long outstanding payables.

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

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

#### **Conclusion**

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

## **Basis for Conclusion**

### **1. Obsolete, Unserviceable and Unutilized Assets**

The statement of financial position reflects property, plant and equipment balance of Kshs.211,581,379 as disclosed in Note 32 to the financial statements. An audit inspection carried out in the month of November, 2025 revealed that the Hospital had unserviceable motor vehicles and hospital equipment with no steps being taken to dispose-off the assets.

In the circumstances, the effectiveness of internal controls in relation to asset management could not be confirmed.

### **2. Weak Information Technology (IT) Internal Control Environment**

Review of the documents provided for audit and the IT systems and structures in place, revealed that there was no approved Information, Communication and Technology (ICT) policy, approved IT strategic committee, risk management policy and a strategic and recovery plan. In addition, there were no formal and documented emergency procedures and IT disaster recovery and business continuity plan. Further, Management had not implemented ICT asset management policies despite continuous use of ICT equipment including laptops and desktop computers.

In the circumstances, the effectiveness and security of Information Technology (IT) internal control environment within the Hospital could not be confirmed.

### **3. Lack of an Audit Committee and Internal Audit Function**

During the year under review, the Hospital had not established an audit committee and did not have an internal audit function in place. Further, Management did not rely on the internal audit department of the County Government since there was no evidence to indicate that the Hospital had been audited by the internal audit department of the County Executive.

In the circumstances, Management may not have mechanisms to assess the effectiveness of internal controls, risk management and overall governance of the Hospital.

### **4. Lack of Fraud Management Policies and Risk Management Strategies**

Review of records and available documentation revealed that the Hospital does not have a fraud management policy to assist in detecting and preventing fraud. Further, Management did not have a risk management policy or strategy and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. This is contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015.

In addition, it was observed that the Hospital lacks disaster recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related

expenditure. Further, Management did not perform formal risk assessments during the financial year under review.

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

#### **5. Failure to Perform Staff Performance Appraisals**

Note 16 to the financial statements reflects employee costs amounting to Kshs.56,017,435 incurred on the compensation of permanent, contractual and casuals staff engaged during the financial year. However, review of the personal files revealed that the Hospital did not evaluate performance of its employees through performance appraisals. The appraisals play a critical role in management decision making such as contract renewals. Without the performance appraisals, therefore, it was not possible to confirm the criteria upon which contract renewals of some of the contractual employees was arrived at. Further, without the appraisals it was not possible to link individual performance with organization performance.

In the circumstances, the effectiveness of internal controls in relation to human resources management could not be confirmed.

#### **6. Failure to Erect a Security Wall Around the Hospital**

An audit inspection carried out in the month of November, 2025 revealed that the Hospital does not have a permanent fence around its compound to ensure security of its premises, staff, patients, visitors and medical equipment. Further, during a visit to the Hospital morgue, revealed that the cooling unit was not functional and the room lacks extra space due to lack of morgue facilities in the room. There was also poor road accessibility to the morgue.

In the circumstances, there is risk that the security of the Hospital may be compromised due to easy accessibility by unauthorized persons or trespassers.

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

#### **Responsibilities of Management and the Board of Management**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

16 December, 2025

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

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

| Description                                      | Note | 2024/2025         | 2023/2024         |
|--|------|-------------------|-------------------|
|  |      | Kshs              | Kshs              |
| <b>Revenue from non-exchange transactions</b>    |      |                   |                   |
| Transfers from the County Government             | 6    | -                 | -                 |
| In-kind contributions from the County Government | 7    | 63,080,920        | 46,745,793        |
| Grants from donors and development partners      | 8    | -                 | -                 |
| Transfers from other Government entities         | 9    | -                 | -                 |
| Public contributions and donations               | 10   | -                 | -                 |
|  |      | <b>63,080,920</b> | <b>46,745,793</b> |
| <b>Revenue from exchange transactions</b>        |      |                   |                   |
| Rendering of services- Medical Service Income    | 11   | 12,961,438        | 8,830,786         |
| Revenue from rent of facilities                  | 12   | -                 | -                 |
| Finance /Interest Income                         | 13   | -                 | -                 |
| Miscellaneous Income                             | 14   | 9,479,290         | 17,863,688        |
|  |      | -                 | -                 |
| <b>Revenue from exchange transactions</b>        |      | <b>85,521,648</b> | <b>73,440,267</b> |
| <b>Total revenue</b>                             |      |                   |                   |
| <b>Expenses</b>                                  |      |                   |                   |
| Medical/Clinical costs                           | 15   | 19,658,580        | 11,953,805        |
| Employee costs                                   | 16   | 56,017,435        | 44,736,610        |
| Board of Management Expenses                     | 17   | 412,290           | 430,000           |
| Depreciation and amortization expense            | 18   | 9,231,250         | 1,982,070         |
| Repairs and maintenance                          | 19   | 480,380           | 916,130           |
| Grants and subsidies                             | 20   | -                 | -                 |
| General expenses                                 | 21   | 8,823,255         | 3,216,414         |
| Finance costs                                    | 22   | -                 | -                 |
|  |      | <b>94,623,190</b> | <b>63,235,029</b> |
| <b>Totalexpenditures</b>                         |      |                   |                   |
| <b>Other gains/(losses)</b>                      |      |                   |                   |
| Gain/Loss on disposal of non-Current assets      | 23   | -                 | -                 |
| Unrealized gain on fair value of investments     | 24   | -                 | -                 |

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

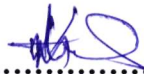
| Description                               | Note | 2024/2025          | 2023/2024         |
|---|------|--------------------|-------------------|
|   |      | Kshs               | Kshs              |
| Medical services contracts Gains/Losses   | 25   | 157,400            | -                 |
| Impairment loss                           | 26   | (-)                | -                 |
| Gain on foreign exchange transactions     |      | -                  | -                 |
| <b>Total othergains/(losses)</b>          |      | <b>157,400</b>     | <b>-</b>          |
| <b>Net Surplus /(Deficit)for the year</b> |      | <b>(9,258,942)</b> | <b>10,205,238</b> |

The Hospital's financial statements were approved by the Board on 29/10/2025 and signed on its behalf by:



Chairman

Board of Management



Head of Finance

ICPAK No: 160410



Medical Superintendent

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


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

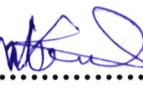
| Description                                   | Note | 2024/2025                 | 2023/2024                 |
|---|------|---------------------------|---------------------------|
|   |      | Kshs                      | Kshs                      |
| <b>Assets</b>                                 |      |                           |                           |
| <b>Currentassets</b>                          |      |                           |                           |
| Cash and cash equivalents                     | 27   | 3,668,100                 | 7,284,203                 |
| Receivables from exchange transactions        | 29   | 9,591,822                 | 8,504,786                 |
| Receivables from non-exchange transactions    | 30   | -                         | -                         |
| Inventories                                   | 31   | 1,604,082                 | 2,969,755                 |
| <b>Total Current Assets</b>                   |      | <b>14,864,004</b>         | <b>18,758,744</b>         |
| <b>Non-currentassets</b>                      |      |                           |                           |
| Property, plant, and equipment                | 32   | 211,581,379               | 220,812,629               |
| Intangible assets                             | 33   | -                         | -                         |
| Investment property                           | 34   | -                         | -                         |
| Biological Assets                             | 35   | -                         | -                         |
| <b>Total Non-current Assets</b>               |      | <b>211,581,379</b>        | <b>220,812,629</b>        |
| <b>Totalassets (A)</b>                        |      | <b><u>226,445,383</u></b> | <b><u>239,571,373</u></b> |
| <b>Liabilities</b>                            |      |                           |                           |
| <b>Currentliabilities</b>                     |      |                           |                           |
| Trade and other payables                      | 36   | 1,995,347                 | 3,480,414                 |
| Refundable deposits from Patients/Prepayments | 37   | -                         | -                         |
| Provisions                                    | 38   | -                         | -                         |
| Finance lease obligation                      | 39   | -                         | -                         |
| Current portion of deferred income            | 40   | -                         | -                         |
| Current portion of borrowings                 | 41   | -                         | -                         |
| <b>Total Current Liabilities</b>              |      | <b>1,995,347</b>          | <b>3,480,414</b>          |
| <b>Non-currentliabilities</b>                 |      |                           |                           |
| Provisions                                    | 38   | -                         | -                         |
| Non-Current Finance lease obligation          | 39   | -                         | -                         |
| Non-Current portion of deferred income        | 40   | -                         | -                         |
| Non - Current portion of borrowings           | 41   | -                         | -                         |
| Service concession Arrangements               | 42   | -                         | -                         |

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| Description                          | Note | 2024/2025                 | 2023/2024                 |
|--------------------------------------|------|---------------------------|---------------------------|
|                                      |      | Kshs                      | Kshs                      |
| <b>Total non-current liabilities</b> |      | -                         | -                         |
|                                      |      |                           |                           |
| <b>Total Liabilities (B)</b>         |      | <b>1,995,347</b>          | <b>3,480,414</b>          |
|                                      |      |                           |                           |
| <b>Net assets (A-B)</b>              |      | <b>224,450,036</b>        | <b>236,090,959</b>        |
|                                      |      |                           |                           |
| <b>Represented by:</b>               |      |                           |                           |
| Revaluation reserve                  |      | -                         | -                         |
| Accumulated surplus/Deficit          |      | (2,943,352)               | 6,315,590                 |
| Capital Fund                         |      | 227,393,388               | 229,775,369               |
|                                      |      |                           |                           |
| <b>Net Assets</b>                    |      | <b><u>224,450,036</u></b> | <b><u>236,090,959</u></b> |

The Hospital's financial statements were approved by the Board on 27/08/25 and signed on its behalf by:

  
 .....  
**Chairman**  
**Board of Management**

  
 .....  
**Head of Finance**  
**ICPAK No: 16040**



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

| Description                                | Revaluation reserve | Accumulated surplus/Deficit | Capital Fund       | Total              |
|--|---------------------|-----------------------------|--------------------|--------------------|
| <b>As at July 1, 2023(previous year)</b>   | -                   | <b>(3,889,648)</b>          | <b>6,015,029</b>   | <b>2,125,381</b>   |
| Revaluation gain                           | -                   | -                           | 229,775,369        | -                  |
| Surplus/(deficit) for the year             | -                   | 6,315,590                   | -                  | 6,315,590          |
| Capital/Development grants                 | -                   | -                           | -                  | -                  |
| <b>As at June 30, 2024 (previous year)</b> | -                   | <b>6,315,590</b>            | <b>229,775,369</b> | <b>236,090,959</b> |
|  |                     |                             |                    |                    |
| <b>At July 1, 2024 (current year)</b>      | -                   | <b>6,315,590</b>            | <b>229,775,369</b> | <b>236,090,959</b> |
| Revaluation gain                           | -                   | -                           | -                  | -                  |
| Surplus/(deficit) for the year             | -                   | (2,943,352)                 | -                  | 227,393,388        |
| Capital/Development grants                 | -                   | -                           | -                  | -                  |
| <b>At June 30, 2025(current year)</b>      | -                   | <b>(2,943,352)</b>          | <b>-</b>           | <b>224,450,036</b> |

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

| Description  | Note | 2024/2025                | 2023/2024                |
|--|------|--------------------------|--------------------------|
|  |      | Kshs                     | Kshs                     |
| <b>Cashflows from operating activities</b>         |      |                          |                          |
| <b>Receipts</b>                                    |      |                          |                          |
| 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      |      | 12,961,438               | 8,830,786                |
| Revenue from rent of facilities                    |      | -                        | -                        |
| Finance / interest income                          |      | -                        | -                        |
| Miscellaneous receipts ( <i>specify</i> )          |      | 9,479,290                | 9,558,902                |
| <b>Total Receipts</b>                              |      | <b><u>22,440,728</u></b> | <b><u>18,389,688</u></b> |
|  |      |                          |                          |
| <b>Payments</b>                                    |      |                          |                          |
| Medical/Clinical costs                             |      | 5,092,965                | 4,889,852                |
| Employee costs                                     |      | 7,502,130                | 5,054,770                |
| Board of Management Expenses                       |      | 412,290                  | 430,000                  |
| Repairs and maintenance                            |      | 480,380                  | 916,130                  |
| Grants and subsidies                               |      | -                        | -                        |
| General expenses                                   |      | 8,823,255                | 3,216,414                |
| Finance costs                                      |      | -                        | -                        |
| Refunds paid out                                   |      | -                        | -                        |
| <b>Total Payments</b>                              |      | <b><u>22,311,020</u></b> | <b><u>14,507,166</u></b> |
| <b>Net cash flows from operating activities</b>    | 43   | <b>(3,616,103)</b>       | <b>3,278,943</b>         |
| <b>Cash flows from investing activities</b>        |      |                          |                          |
| Purchase of property, plant, equipment             |      | (-)                      | (-)                      |
| Purchase of intangible assets                      |      | (-)                      | (-)                      |
| Proceeds from the sale of PPE                      |      | -                        | -                        |
| Acquisition of investments                         |      | (-)                      | (-)                      |
| <b>Net cash flows used in investing activities</b> |      | <b>(-)</b>               | <b>(-)</b>               |
| <b>Cash flows from financing activities</b>        |      |                          |                          |
| Proceeds from borrowings                           |      | -                        | -                        |
| Repayment of borrowings                            |      | (-)                      | (-)                      |
| Capital grants received                            |      | -                        | -                        |
| <b>Net cash flows used in financing activities</b> |      | <b>(-)</b>               | <b>(-)</b>               |

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|   |           |                    |                  |
|---|-----------|--------------------|------------------|
| <b>Net increase/(decrease) in cash and cash equivalents</b> |           | <b>(3,616,103)</b> | <b>3,278,943</b> |
| Cash and cash equivalents as at 1 July                      | 27        | 7,284,203          | 4,005,260        |
| <b>Cash and cash equivalents as at 30 June</b>              | <b>27</b> | <b>3,668,100</b>   | <b>7,284,203</b> |

*Elburgon Sub County Hospital (Nakuru County Government)*  
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**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025**

| Description                                   | Original budget          | Adjustments              | Final budget             | Actual on comparable basis | Performance difference | % of utilisation |
|---|--------------------------|--------------------------|--------------------------|----------------------------|------------------------|------------------|
|   | <b>a</b>                 | <b>b</b>                 | <b>c=(a+b)</b>           | <b>d</b>                   | <b>e=(c-d)</b>         | <b>f=d/c%</b>    |
|   | <b>Kshs</b>              | <b>Kshs</b>              | <b>Kshs</b>              | <b>Kshs</b>                | <b>Kshs</b>            |                  |
| <b>Receipts</b>                               |                          |                          |                          |                            |                        |                  |
| Transfers from the County Government          | -                        | -                        | -                        | -                          | -                      | %                |
| Grants from donors and development partners   | -                        | -                        | -                        | -                          | -                      | %                |
| In-Kind contribution from county government   | -                        | 63,080,920               | 63,080,920               | 63,080,920                 | -                      | %                |
| Public contributions and donations            | -                        | -                        | -                        | -                          | -                      | %                |
| Rendering of services- Medical Service Income | 12,961,438               | -                        | 12,961,438               | 12,961,438                 | -                      | 100%             |
| Revenue from rent of facilities               | -                        | -                        | -                        | -                          | -                      | %                |
| Finance / interest income                     | -                        | -                        | -                        | -                          | -                      | %                |
| Miscellaneous receipts ( <i>specify</i> )     | 9,479,290                | -                        | 9,479,290                | 9,479,290                  | -                      | 100%             |
| <b>Total receipts</b>                         | <b><u>22,440,728</u></b> | <b><u>63,080,920</u></b> | <b><u>85,521,648</u></b> | <b><u>85,521,648</u></b>   | <b>-</b>               | <b>100%</b>      |
| <b>Payments</b>                               |                          |                          |                          |                            |                        |                  |
| Medical/Clinical costs                        | 5,033,440                | 14,565,615               | 19,599,055               | 19,591,248                 | 7807                   | 99%              |
| Employee costs                                | 8,324,965                | 48,515,305               | 56,840,270               | 56,017,435                 | 822,835                | 98%              |
| Remuneration of directors                     | 451,313                  | -                        | 451,313                  | 412,290                    | 39023                  | 91%              |
| Repairs and maintenance                       | 487,071                  | -                        | 487,071                  | 480,380                    | 6691                   | 98%              |
| Grants and subsidies                          | -                        | -                        | -                        | -                          | -                      | %                |
| General expenses                              | 8,538,342                | -                        | 8,538,342                | 8,504,555                  | 33787                  | 99%              |
| Finance costs                                 | -                        | -                        | -                        | -                          | -                      | %                |
| Refunds                                       | -                        | -                        | -                        | -                          | -                      | %                |
| <b>Total Operational Expenditure paid</b>     | <b>-</b>                 | <b>-</b>                 | <b>-</b>                 | <b>-</b>                   | <b>-</b>               |                  |
| <b>Capital Expenditure paid</b>               | <b>-</b>                 | <b>-</b>                 | <b>-</b>                 | <b>-</b>                   | <b>-</b>               | <b>%</b>         |
| <b>Surplus</b>                                | <b>22,835.131</b>        | <b>63,080,920</b>        | <b>85,916,051</b>        | <b>85,005,908</b>          | <b>-</b>               | <b>%</b>         |

**Budget Reconciliation**

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|   | 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**

Elburgon Level 4 Sub-County Hospital is established by and derives its authority and accountability from PFM Act. The Elburgon Level 4 Sub-County Hospital is wholly owned by the Nakuru County Government and is domiciled in Kenya. The Elburgon Level 4 Sub-County Hospital's principal activity is to provide integrated quality services for all.

### **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 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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Elburgon Level 4 Sub-County Hospital*. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

| Standard                        | Effective date and impact:   |
|---------------------------------|--|
| Equipment                       | <p>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>IPSAS 46<br/>Measurement</p> | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| <p>IPSAS 47-<br/>Revenue</p>    | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>   |

| <b>Standard</b>  | <b>Effective date and impact:</b>  |
|--|--|
| IPSAS 48-<br>Transfer<br>Expenses  | <b><i>Applicable 1<sup>st</sup> January 2026</i></b><br>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.   |
| IPSAS 49-<br>Retirement<br>Benefit Plans                                   | <b><i>Applicable 1<sup>st</sup> January 2026</i></b><br>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.  |
| IPSAS 50:<br>Exploration<br>For &<br>Evaluation of<br>Mineral<br>Resources | <b><i>Applicable 1<sup>st</sup> January 2027</i></b><br>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> |

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

The hospital did not early – adopt any new or amended standards in the financial year.

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2024/2025 was approved by Board on quarterly basis. 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 hospital upon receiving the respective approvals in order to conclude the final budget. The *Elburgon Level 4 Sub-county Hospital* 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 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 Hospital 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 hospital. 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 hospital 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 hospital 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 hospital. 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 hospital 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 hospital, 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 hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the hospital 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.

A financial instrument is any contract that gives rise to a financial asset of one hospital and a financial liability or equity instrument of another hospital. At initial recognition, the hospital 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 hospital 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 hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless a hospital 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 hospital 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 hospital 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 hospital 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 hospital 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).

## **Financial liabilities**

### **Classification**

The hospital 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 hospital.

#### **l. Provisions**

Provisions are recognized when the hospital 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 hospital 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 hospital 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 hospital 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 hospital 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 hospital 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 hospital creates and maintains reserves in terms of specific requirements.

**q. Changes in accounting policies and estimates**

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

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

**u. Related parties**

The hospital regards a related party as a person or an hospital with the ability to exert control individually or jointly, or to exercise significant influence over the hospital 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 hospital 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 hospital 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 hospital 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 hospital'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 hospital. 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 hospital.
- 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. 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.

**6. Transfers from the County Government**

| Description   | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| <b>Unconditional grants</b>                                     |           |           |
| Operational grant   | -         | -         |
| Level 4/5 grants  | -         | -         |
| Unconditional development grants                                | -         | -         |
| Other grants( <i>specify</i> )                                  | -         | -         |
|   | -         | -         |
| <b>Conditional grants</b>                                       |           |           |
| User fee forgone  | -         | -         |
| Transforming health services for Universal care project (THUCP) | -         | -         |
| DANIDA  | -         | -         |
| Wards Development grant   | -         | -         |
| Paediatric block grant  | -         | -         |
| Administration block grant                                      | -         | -         |
| Laboratory grant  | -         | -         |
| <b>Total government grants and subsidies</b>                    | -         | -         |

**6b Transfers from The County Government**

| Name of the Entity sending the grant | Amount recognized to Statement of financial performance | Amount deferred of under deferred income | Amount recognised in capital fund. | Total grant income during the year | Comparative Period |
|--------------------------------------|---|--|------------------------------------|------------------------------------|--------------------|
|                                      | KShs  | KShs                                     | KShs                               | KShs                               | KShs               |
| Nakuru County Government             | -   | -  | -                                  | -                                  | -                  |
| <b>Total</b>                         | -   | -  | -                                  | -                                  | -                  |

**7. In Kind Contributions from The County Government**

| Description   | 2024/2025         | 2023/2024         |
|---|-------------------|-------------------|
|   | KShs              | -KShs             |
| Salaries and wages  | 48,515,305        | 39,681,840        |
| Medical supplies-Drawings Rights (KEMSA)                          | -                 | -                 |
| Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers) | 14,565,615        | 7,063,953         |
| Utility bills   | -                 | -                 |
| <b>Total grants in kind</b>                                       | <b>63,080,920</b> | <b>46,745,793</b> |

**8. Grants From Donors and Development Partners**

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

**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                           | -   | -                                     | -                                 | -                                  | -                  |
| <b>Total</b>                         | <b>-</b>  | <b>-</b>                              | <b>-</b>                          | <b>-</b>                           | <b>-</b>           |

**9. Transfers From Other Government Entities**

| Description  | 2024/2025 | 2023/2023 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Transfer from National Government (Ministry of Health) | -         | -         |
| Transfer from xxx National Hospital                    | -         | -         |
| Transfer from xxx Institute                            | -         | -         |
| <b>Total Transfers</b>                                 | -         | -         |

**10. Public Contributions and Donations**

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

**10 (a) Reconciliations of amortised grants**

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

Notes to Financial Statements Continued

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

| Description   | 2024/2025         | 2023/2024        |
|---|-------------------|------------------|
|   | Kshs              | Kshs             |
| Pharmaceuticals                                     | 3,550,328         | 2,523,374        |
| Non-Pharmaceuticals                                 | 254,320           | 286,350          |
| Laboratory  | 2,312,500         | 1,261,550        |
| Mortuary  | 1,628,285         | 1,394,940        |
| X-ray   | 1,221,900         | 969,900          |
| Maternity   | 1,068,500         | -                |
| Inpatient Ward                                      | 900,920           | 870,320          |
| Outpatient  | 801,130           | 729,000          |
| Ambulance Services                                  | 358,800           | 266,499          |
| Plaster   | 277,800           | 257,000          |
| MOPC  | 210,700           | 65,100           |
| Theatre Services                                    | 124,700           | -                |
| Occupational Therapy                                | 97,050            | 90,050           |
| Dental Services                                     | 86,205            | 77,400           |
| Family Planning                                     | 48,800            | 35,200           |
| SOPC  | 19,050            | 1,500            |
| Physiotherapy                                       | -                 | 200              |
| Paediatric Ward                                     | 450               | 2,403            |
| <b>Total revenue from the rendering of services</b> | <b>12,961,438</b> | <b>8,830,786</b> |

**Notes to the Financial Statements (Continued)**

**12. Revenue From Rent of Facilities**

| Description                                  | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Residential property                         | -         | -         |
| Commercial property                          | -         | -         |
| <b>Total Revenue from rent of facilities</b> | <b>-</b>  | <b>-</b>  |

*(Provide brief explanation for this revenue)*

**13. Finance /Interest Income**

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

**14. Miscellaneous Income**

| Description                       | 2024/2025        | 2023/2024         |
|-----------------------------------|------------------|-------------------|
|                                   | KShs             | KShs              |
| Medical Records                   | 1,786,720        | 1,787,778         |
| Attachment Fee                    | 43,000           | 45,000            |
| SHA                               | 7,649,570        | 16,030,778        |
| <b>Total Miscellaneous income</b> | <b>9,479,290</b> | <b>17,863,688</b> |

**Notes to the Financial Statements (Continued)**

**15. Medical/ Clinical Costs**

| Description                          | 2024/2025         | 2023/2024         |
|--------------------------------------|-------------------|-------------------|
|                                      | Kshs              | Kshs              |
| Laboratory chemicals and reagents    | 584,280           | 475,150           |
| Food and Ration                      | 1,317,949         | 1,192,360         |
| Uniform, clothing, and linen         | 48,750            | 69,452            |
| Dressing and Non-Pharmaceuticals     | 854,821           | 635,042           |
| Pharmaceutical supplies              | 1,560,245         | 1,553,141         |
| Health information stationery        | 322,320           | 680,760           |
| Sanitary and cleansing Materials     | 230,700           | 137,520           |
| Purchase of Medical gases            | 93,000            | 84,290            |
| X-Ray/Radiology supplies             | 80,900            | 62,110            |
| Donated Drugs                        | 14,565,615        | 7,063,980         |
| <b>Total medical/ clinical costs</b> | <b>19,658,580</b> | <b>11,953,805</b> |

**16. Employee Costs**

| Description                      | 2024/2025         | 2023/2024         |
|----------------------------------|-------------------|-------------------|
|                                  | Kshs              | Kshs              |
| Salaries, wages, and allowances  | 7,151,554         | 4,583,300         |
| Contributions to pension schemes | 350,576           | 471,470           |
| In-Kind from county government   | 48,515,305        | 39,681,840        |
| <b>Employee costs</b>            | <b>56,017,435</b> | <b>44,736,610</b> |

**Notes to the Financial Statements (Continued)**

**17. Board of Management Expenses**

| Description       | 2024/2025      | 2023/2024      |
|-------------------|----------------|----------------|
|                   | Kshs           | Kshs           |
| Sitting allowance | 412,290        | 430,000        |
| <b>Total</b>      | <b>412,290</b> | <b>430,000</b> |

**18. Depreciation and Amortization Expense**

| Description                                | 2024/2025        | 2023/2024        |
|--|------------------|------------------|
|  | Kshs             | Kshs             |
| Property, plant and equipment              | 9,231,250        | 1,982,070        |
| Intangible assets                          | -                | -                |
| Investment property carried at cost        | -                | -                |
| <b>Total depreciation and amortization</b> | <b>9,231,250</b> | <b>1,982,070</b> |

**19. Repairs And Maintenance**

| Description                          | 2024/2025      | 2023/2024      |
|--------------------------------------|----------------|----------------|
|                                      | Kshs           | Kshs           |
| Property- Buildings                  | 64,980         | 119,840        |
| Medical equipment                    | 300,400        | 396,290        |
| Office equipment                     | -              | -              |
| Furniture and fittings               | -              | -              |
| Computers and accessories            | 30,000         | 120,000        |
| Motor vehicle expenses               | 85,000         | 280,000        |
| <b>Total repairs and maintenance</b> | <b>480,380</b> | <b>916,130</b> |

**Notes to the Financial Statements (Continued)**

**20. Grants And Subsidies**

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

**21. General Expenses**

| Description                         | 2024/2025        | 2023/2024        |
|-------------------------------------|------------------|------------------|
|                                     | Kshs             | Kshs             |
| Daily Subsistence                   | 138,800          | 299,100          |
| Other fuel                          | 198,500          | 109,100          |
| Bank charges                        | 40,860           | 66,571           |
| Fuel and Lubricant                  | 725,950          | 689,692          |
| Electricity expenses                | 1,132,630        | 1,187,831        |
| Non-Financial Assets                | 2,976,600        | -                |
| Courier and postal services         | 9,450            | 18,900           |
| Printing and stationery             | 227,450          | 249,815          |
| Water and sewerage costs            | 549,653          | 455,805          |
| Telephone and mobile phone services | 84,200           | 85,600           |
| Internet expenses                   | 72,000           | 54,000           |
| Write off (Pending Bills)           | 2,667,162        | -                |
| <b>Total General Expenses</b>       | <b>8,823,255</b> | <b>3,216,414</b> |

**22. Finance Costs**

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

|                            |   |   |
|----------------------------|---|---|
| <b>Total finance costs</b> | - | - |
|----------------------------|---|---|

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

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

**24. Unrealized Gain On Fair Value Investments**

| Description               | 2024/2025 | 2023/2024 |
|---------------------------|-----------|-----------|
|                           | KShs      | KShs      |
| Investments at fair value | -         | -         |
| <b>Total gain</b>         | -         | -         |

**Notes to the Financial Statements (Continued)**

**25. Medical Services Contracts Gains /Losses**

| Description                                     | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| Comprehensive care contracts with NHIF/SHA      | -         | -         |
| Non- Comprehensive contracts care with NHIF/SHA | -         | -         |
| Linda Mama Program                              | -         | -         |
| Waivers and Exemptions                          | 157,400   | -         |
| <b>TotalGain/Loss</b>                           | -         | -         |

**26. Impairment Loss**

| Description                    | 2024/2025 | 2023/2024 |
|--------------------------------|-----------|-----------|
|                                | KShs      | KShs      |
| Property, plant, and equipment | -         | -         |
| Intangible assets              | -         | -         |
| Investments                    | -         | -         |
| <b>Totalimpairmentloss</b>     | -         | -         |

**27. Cash And Cash Equivalents**

| Description                            | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Current accounts                       | -         | -         |
| On - call deposits                     | -         | -         |
| Fixed deposits accounts                | -         | -         |
| Cash in hand                           | -         | -         |
| Others( <i>specify</i> )- Mobile money | -         | -         |
| <b>Totalcashandcashequivalents</b>     | -         | -         |

Notes to the Financial Statements (Continued)

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

| Description                       |                | 2024/2025        | 2023/2024        |
|-----------------------------------|----------------|------------------|------------------|
| Financial institution             | Account number | KShs             | KShs             |
| <b>a) Current account</b>         |                |                  |                  |
| Kenya National Bank               | 01001019332500 | 3,668,100        | 7,284,203        |
| Equity Bank, etc                  |                | -                | -                |
| <b>Sub- total</b>                 |                | -                | -                |
| <b>b) On - call deposits</b>      |                |                  |                  |
| Kenya Commercial bank             |                | -                | -                |
| Equity Bank –etc                  |                | -                | -                |
| <b>Sub- total</b>                 |                | -                | -                |
| <b>c) Fixed deposits account</b>  |                |                  |                  |
| Bank Name                         |                | -                | -                |
| <b>Sub- total</b>                 |                | -                | -                |
| <b>d) Others(specify)</b>         |                | -                | -                |
| cash in hand                      |                | -                | -                |
| Mobile money- Mpesa, Airtel money |                | -                | -                |
| <b>Sub- total</b>                 |                | -                | -                |
|                                   |                |                  |                  |
| <b>Grand total</b>                |                | <b>3,668,100</b> | <b>7,284,203</b> |

28. Prepayments

| Description    | 2024/2025 | 2023/2024 |
|----------------|-----------|-----------|
|                | Kshs      | Kshs      |
| Insurance      | -         | -         |
| Rent           | -         | -         |
| Water          | -         | -         |
| Internet       | -         | -         |
| Others specify | -         | -         |
| <b>Total</b>   | <b>-</b>  | <b>-</b>  |

**29. Receivables From Exchange Transactions**

| Description                  | 2024/2025        | 2023/2024        |
|------------------------------|------------------|------------------|
|                              | KShs             | KShs             |
| Medical services receivables | 9,591,822        | 8,504,786        |
| Rent receivables             | -                | -                |
| Other exchange debtors       | -                | -                |
| Less: impairment allowance   | (-)              | (-)              |
| <b>Totalreceivables</b>      | <b>9,591,822</b> | <b>8,504,786</b> |

**Analysis of Receivables From Exchange Transactions**

| Description        | 2024/2025         |                       | 2023/2024             |                       |
|--------------------|-------------------|-----------------------|-----------------------|-----------------------|
|                    | KShs              | % of the total        | KShs                  | % of the total        |
|                    | <b>Current FY</b> | <b>% of the total</b> | <b>Comparative FY</b> | <b>% of the total</b> |
| Less than 1 year   | 9,591,822         | %                     | 8,504,786             | %                     |
| Between 1- 2 years | -                 | %                     | -                     | %                     |
| Between 2-3 years  | -                 | %                     | -                     | %                     |
| Over 3 years       | -                 | %                     | -                     | %                     |
| <b>Total (a+b)</b> | <b>9,591,822</b>  | <b>100%</b>           | <b>8,504,786</b>      | <b>100%</b>           |

**30. Receivables From Non-Exchange Transactions**

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

**Analysis of Receivables From Non-Exchange Transactions**

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

**31. Inventories**

| Description                              | 2024/2025        | 2023/2024        |
|--|------------------|------------------|
|  | KShs             | KShs             |
| Pharmaceutical supplies                  | 520,960          | 940,169          |
| Lab Reagents                             | 319,458          | 307,175          |
| Food supplies                            | 6,070            | 2,200            |
| Linen and clothing supplies, Non Pharms  | 696,594          | 1,521,521        |
| Cleaning materials supplies              | 1,500            | 1,000            |
| General supplies                         | 59,500           | 197,690          |
| Less: provision for impairment of stocks | (-)              | (-)              |
| <b>Total</b>                             | <b>1,604,082</b> | <b>2,969,755</b> |

**Detailed disclosure on inventories**

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

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*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

| Description                        | Land              | Buildings and Civil works | Motor vehicles   | Furniture, fittings and office equipment | ICT Equipment | Plant and medical equipment | Other Assets (specify) | Capital Work in progress | Total    |
|------------------------------------|-------------------|---------------------------|------------------|--|---------------|-----------------------------|------------------------|--------------------------|----------|
|                                    | Ksh               | Ksh                       | Ksh              | Ksh                                      | Ksh           | Ksh                         |                        | Ksh                      | Ksh      |
| <b>Cost</b>                        |                   |                           |                  |  |               |                             |                        |                          |          |
| At 1 July 2023 (previous year)     | -                 | -                         | -                | -  | -             | -                           | -                      | -                        | -        |
| Additions                          | -                 | -                         | -                | -  | -             | -                           | -                      | -                        | -        |
| Disposals                          | (-)               | (-)                       | (-)              | (-)                                      | (-)           | (-)                         | -                      | -                        | (-)      |
| Transfers/adjustments              | -                 | -                         | (-)              | -  | -             | -                           | -                      | -                        | (-)      |
| Revaluation Adjustments            | -                 | -                         | -                | -  | -             | -                           | -                      | -                        | -        |
| <b>At 30<sup>th</sup> Jun 2024</b> | <b>22,533,788</b> | <b>160,800,000</b>        | <b>9,530,000</b> | <b>1</b>                                 | <b>1</b>      | <b>1</b>                    | <b>-</b>               | <b>35,887,158</b>        | <b>-</b> |
| At 1 July 2024 (current year)      | 22,533,788        | 160,800,000               | 9,530,000        | 1  | 1             | 1                           | -                      | 35,887,158               | -        |
| Additions                          | -                 | -                         | -                | -  | -             | -                           | -                      | -                        | -        |
| Disposals                          | (-)               | (-)                       | (-)              | (-)                                      | (-)           | (-)                         | -                      | (-)                      | (-)      |
| Transfer/adjustments               | -                 | -                         | -                | -  | -             | -                           | -                      | (-)                      | -        |
| Revaluation Adjustments            | -                 | -                         | -                | -  | -             | -                           | -                      | -                        | -        |
| <b>At 30<sup>th</sup> Jun 2025</b> | <b>-</b>          | <b>-</b>                  | <b>-</b>         | <b>-</b>                                 | <b>-</b>      | <b>-</b>                    | <b>-</b>               | <b>-</b>                 | <b>-</b> |
| <b>Depreciation and impairment</b> |                   |                           |                  |  |               |                             |                        |                          |          |
| At 1 July 2023 (previous           |                   | -                         | -                | -  | -             | -                           | -                      | -                        | -        |

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| 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       |
|--|------------|---------------------------|----------------|--|---------------|-----------------------------|------------------------|--------------------------|-------------|
| year)                                  |            |                           |                |  |               |                             |                        |                          |             |
| Depreciation for the year              |            | 8,040,000                 | 1,191,250      | 1  | 1             | 1                           | -                      | -                        | -           |
| Disposals                              |            | (-)                       | (-)            | (-)                                      | (-)           | (-)                         | (-)                    | -                        | (-)         |
| Impairment                             |            | (-)                       | (-)            | (-)                                      | (-)           | (-)                         | (-)                    | -                        | (-)         |
| <b>At 30 June 2024</b>                 |            | -                         | -              | -  | -             | -                           | -                      | -                        | -           |
| At July 2024 (current year)            |            | -                         | -              | -  | -             | -                           | -                      | -                        | -           |
| Depreciation Acc                       |            | 790,820                   | 7,147,500      | -  | -             | -                           | -                      | -                        | -           |
| Disposals                              |            | (-)                       | (-)            | (-)                                      | (-)           | (-)                         | (-)                    | -                        | (-)         |
| Impairment                             |            | (-)                       | (-)            | (-)                                      | (-)           | (-)                         | (-)                    | -                        | (-)         |
| Transfer/adjustment                    |            | -                         | -              | -  | -             | -                           | -                      | -                        | (-)         |
| <b>At 30<sup>th</sup> June 2025</b>    |            | -                         | -              | -  | -             | -                           | -                      | -                        | -           |
| <b>Net book values</b>                 |            |                           |                |  |               |                             |                        |                          |             |
| At 30 <sup>th</sup> Jun 2024(previous) | -          | -                         | -              | -  | -             | -                           | -                      | -                        | -           |
| At 30 <sup>th</sup> Jun2025 (current)  | 22,533,788 | 151,969,180               | 1,191,250      | 1  | 1             | 1                           | -                      | 35,887,158               | 211,581,379 |

Notes to the Financial Statements (Continued)

**33. Intangible Assets-Software**

| Description                        | 2024/2025 | 2023/2024 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| <b>Cost</b>                        |           |           |
| <b>At beginning of the year</b>    | -         | -         |
| Fun soft                           | 1         | 1         |
| Additions                          | -         | -         |
| Additions–Internal development     | -         | -         |
| Disposal                           | (-)       | (-)       |
| <b>At end of the year</b>          | <b>1</b>  | <b>1</b>  |
|                                    |           |           |
| <b>Amortization and impairment</b> |           |           |
| <b>At beginning of the year</b>    | -         | -         |
| Amortization for the period        | -         | -         |
| Impairment loss                    | -         | -         |
| <b>At end of the year</b>          | <b>1</b>  | <b>1</b>  |
| <b>NBV</b>                         | <b>1</b>  | <b>1</b>  |

**34. Investment Property**

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

Notes to the Financial Statements (Continued)

**35. Biological Assets**

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

**36. Trade and other Payables**

| Description   | 2024/2025         |                       | 2023/2024              |                       |
|---|-------------------|-----------------------|------------------------|-----------------------|
|   | KShs              |                       | KShs                   |                       |
| Trade payables  | 1,995,347         |                       | 3,480,414              |                       |
| Employee dues   | -                 |                       | -                      |                       |
| Third-party payments(e.g.unremitted payroll deductions) | -                 |                       | -                      |                       |
| Audit fee   | -                 |                       | -                      |                       |
| Doctors' fee  | -                 |                       | -                      |                       |
| <b>Totaltradeandotherpayables</b>                       | <b>1,995,347</b>  |                       | <b>3,480,414</b>       |                       |
| <b>Ageing analysis:</b>                                 | <b>Current FY</b> | <b>% of the Total</b> | <b>Compara tive FY</b> | <b>% of the total</b> |
| Under one year  | 583,330           | 29%                   | 1,101,431              | 31%                   |
| 1-2 years   | 1,412,017         | 71%                   | 2,378,983              | 69%                   |
| 2-3 years   | -                 | %                     | -                      | %                     |
| Over 3 years  | -                 | %                     | -                      | %                     |
| <b>Total</b>  | <b>1,995,347</b>  | <b>100%</b>           | <b>3,480,414</b>       | <b>100%</b>           |

**37. Refundable Deposits from Customers/Patients**

| Description                  | 2024/2025         |                       | 2023/2025             |                 |
|------------------------------|-------------------|-----------------------|-----------------------|-----------------|
|                              | KShs              |                       | KShs                  |                 |
| Medical fees paid in advance | -                 |                       | -                     |                 |
| Credit facility deposit      | -                 |                       | -                     |                 |
| Rent deposits                | -                 |                       | -                     |                 |
| Others (specify)             | -                 |                       | -                     |                 |
| <b>Totaldeposits</b>         | <b>-</b>          |                       | <b>-</b>              |                 |
| <b>Ageing analysis:</b>      | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY</b> | <b>% of the</b> |

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|                |   |   |   | <b>Total</b> |
|----------------|---|---|---|--------------|
| Under one year | - | % | - | %            |
| 1-2 years      | - | % | - | %            |
| 2-3 years      | - | % | - | %            |
| Over 3 years   | - | % | - | %            |
| <b>Total</b>   | - | % | - | %            |

**38. Provisions**

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

**39. Finance Lease Obligation**

| Description                | 2024/2025<br>Kshs | 2023/2024<br>Kshs |
|----------------------------|-------------------|-------------------|
| Current Lease obligation   | -                 | -                 |
| Long term lease obligation | -                 | -                 |
| <b>Total</b>               | -                 | -                 |

**40. Deferred Income**

| Description         | 2024/2025<br>KShs | 2023/2024<br>KShs |
|---------------------|-------------------|-------------------|
| Current Portion     | -                 | -                 |
| Non-Current Portion | -                 | -                 |
| <b>Total</b>        | -                 | -                 |

**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 |
|---|---------------------|------------------------------|------------------------------------|-------|
| <b>Balance b/f</b>                              | -                   | -                            | -                                  | -     |
| Additions during the year                       | -                   | -                            | -                                  | -     |
| Transfers to Capital fund                       | (-)                 | (-)                          | (-)                                | (-)   |
| Transfers to statement of financial performance | (-)                 | (-)                          | (-)                                | (-)   |
| Other transfers ( <i>Specify</i> )              | (-)                 | (-)                          | (-)                                | (-)   |
| <b>Balance C/F</b>                              | -                   | -                            | -                                  | -     |

**41. Borrowings**

| Description                                       | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| <b>Balance at beginning of the period</b>         | -         | -         |
| External borrowings during the year               | -         | -         |
| Domestic borrowings during the year               | -         | -         |
| Repayments of external borrowings during the year | (-)       | (-)       |
| Repayments of domestic borrowings during the year | (-)       | (-)       |
| <b>Balance at end of the period</b>               | -         | -         |

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

| Description            | 2024/2025 | 2023/2024 |
|------------------------|-----------|-----------|
|                        | KShs      | KShs      |
| Current Obligation     | -         | -         |
| Non-Current Obligation | -         | -         |
| <b>Total</b>           | -         | -         |

**Notes to the Financial Statements (Continued)**

**42. Service Concession Arrangements**

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

**43. Cash Generated from Operations**

| Description                                    | 2024/2025          | 2023/2024        |
|--|--------------------|------------------|
|  | KShs               | KShs             |
| Surplus for the year before tax                | (9,258,942)        | 10,205,238       |
| <b>Adjusted for:</b>                           |                    |                  |
| Depreciation                                   | 9,231,250          | -                |
| Non-cash grants received                       | (-)                | (-)              |
| Impairment                                     | -                  | -                |
| Gains and losses on disposal of assets         | (-)                | (-)              |
| Contribution to provisions                     | -                  | -                |
| Contribution to impairment allowance           | -                  | -                |
| <b>Working Capital adjustments</b>             |                    |                  |
| Decrease in inventory                          | 1,365,673          | (877,121)        |
| Increase in receivables                        | (3,469,072)        | (5,989,889)      |
| Increase in deferred income                    | -                  | (-)              |
| Decrease in payables                           | (1,485,067)        | (59,285)         |
| Increase in payments received in advance       | -                  | -                |
| <b>Net cash flow from operating activities</b> | <b>(3,616,103)</b> | <b>3,278,943</b> |

**Notes to the Financial Statements (Continued)**

**44. Financial Risk Management**

Elburgon Level 4 Sub-County Hospital'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.

Elburgon Level 4 Sub-County Hospital financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The Elburgon Level 4 Sub-County Hospital 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     |
| <b>At 30 June 2024 (previous year)</b>      |              |                  |          |          |
| Receivables from exchange transactions      | -            | -                | -        | -        |
| Receivables from –non-exchange transactions | -            | -                | -        | -        |
| Bank balances                               | -            | -                | -        | -        |
| <b>Total</b>                                | -            | -                | -        | -        |
| <b>At 30 June 2025 (current year)</b>       |              |                  |          |          |
| Receivables from exchange transactions      | -            | -                | -        | -        |
| Receivables from –non-exchange transactions | -            | -                | -        | -        |
| Bank balances                               | -            | -                | -        | -        |
| <b>Total</b>                                | -            | -                | -        | -        |

**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. Elburgon Level 4 sub-County Hospital has significant concentration of credit risk on amounts due. 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 Elburgon Level 4 Sub-County hospital short, medium and long-term funding and liquidity management requirements. The hospital 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     |
| <b>At 30 June 2024</b>        |                   |                    |               |          |
| Trade payables                | -                 | -                  | -             | -        |
| Current portion of borrowings | -                 | -                  | -             | -        |
| Provisions                    | -                 | -                  | -             | -        |
| Deferred income               | -                 | -                  | -             | -        |
| Employee benefit obligation   | -                 | -                  | -             | -        |
| <b>Total</b>                  | <b>-</b>          | <b>-</b>           | <b>-</b>      | <b>-</b> |
| <b>At 30 June 2025</b>        |                   |                    |               |          |
| Trade payables                | -                 | -                  | -             | -        |
| Current portion of borrowings | -                 | -                  | -             | -        |
| Provisions                    | -                 | -                  | -             | -        |
| Deferred income               | -                 | -                  | -             | -        |
| Employee benefit obligation   | -                 | -                  | -             | -        |
| <b>Total</b>                  | <b>-</b>          | <b>-</b>           | <b>-</b>      | <b>-</b> |

**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 hospital'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 hospital's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Hospital 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 hospital'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  |
| <b>At 30 June 2025</b>                        |      |                  |       |
| Financial assets (investments, cash, debtors) | -    | -                | -     |
| Liabilities                                   |      |                  |       |
| Trade and other payables                      | -    | -                | -     |
| Borrowings                                    | -    | -                | -     |
| Net foreign currency asset/(liability)        | -    | -                | -     |

The hospital 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.

**Notes to the Financial Statements (Continued)**

| Description                                   | KShs | Other currencies | Total |
|---|------|------------------|-------|
|   | Kshs |                  | Kshs  |
| <b>At 30 June 2025</b>                        |      |                  |       |
| 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<br>currency rate | Effect on Profit<br>before tax | Effect on<br>equity |
|-----------------------------|----------------------------|--------------------------------|---------------------|
|                             | Kshs                       | Kshs                           | Kshs                |
| <b>2024 (previous year)</b> |                            |                                |                     |
| Euro                        | 10%                        | -                              | -                   |
| USD                         | 10%                        | -                              | -                   |
| <b>2025 (current year)</b>  |                            |                                |                     |
| Euro                        | 10%                        | -                              | -                   |
| USD                         | 10%                        | -                              | -                   |

**b) Interest rate risk**

Interest rate risk is the risk that the hospital'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 hospital 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 A rate increase/decrease of 5% would result in a decrease/increase in surplus.

**iv) Capital Risk Management**

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

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

**Notes to the Financial Statements (Continued)**

**45. Related Party Balances**

**Nature of related party relationships**

Elburgon Level 4 Sub-County Hospital and other parties related to the hospital 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.

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

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

| Description  | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| <b>Transactions with related parties</b>               |           |           |
| <b>a) Services offered to related parties</b>          |           |           |
| Services to xxx  | -         | -         |
| Sales of services to xxx                               | -         | -         |
| <b>Total</b>   | -         | -         |
| <b>b) Grants from the Government</b>                   |           |           |
| Grants from County Government                          | -         | -         |
| Grants from the National Government Entities           | -         | -         |
| Donations in kind from county government               | -         | -         |
| <b>Total</b>   | -         | -         |
| <b>c) Expenses incurred on behalf of related party</b> |           |           |
| Payments of salaries and wages for xxx employees       | -         | -         |
| Payments for goods and services for xxx                | -         | -         |
| <b>Total</b>   | -         | -         |

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| Description                           | 2024/2025 | 2023/2024 |
|---------------------------------------|-----------|-----------|
|                                       | Kshs      | Kshs      |
| <b>d) Key management compensation</b> |           |           |
| Directors' emoluments                 | -         | -         |
| Compensation to the medical Sup       | -         | -         |
| Compensation to key management        | -         | -         |
| <b>Total</b>                          | -         | -         |

**46. Segment Information**

**47. Contingent Liabilities**

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

**48. Capital Commitments**

| Capital Commitments           | 2024/2025 | 2023/2024 |
|-------------------------------|-----------|-----------|
|                               | Kshs      | Kshs      |
| Authorised For                | -         | -         |
| Authorised And Contracted For | -         | -         |
| <b>Total</b>                  | -         | -         |

**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

Elburgon Level 4 Sub-County Hospital is a state Corporation/ or a Semi- Autonomous Government Agency under the Department of health. Its ultimate parent is the County Government of Nakuru.

**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:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|---|--|--|--------------------------------------|---|
| Report on the Financial Statement<br>1. Inaccuracies in the Financial Statement | The statement of financial performance reflects total revenue and expenditure amounts of Kshs. 73,440,267 and Kshs. 63,235,029 respectively. However, the statement of comparison of budget and actual amounts reflects actual on comparable basis revenue and expenditure amount of Kshs. 65,132,481 and Kshs. 61,252,689 resulting to unexplained variance of Kshs. 8,307,786 and Kshs. 1,982,340 respectively | The variance was due to unpaid revenue from NHIF of Kshs. 8,307,786 and expenses variance of 1,982,340 was due to Depreciation expense in the statement of financial performance | Resolved                             |   |
| 2. Undisclosed  | The statement of financial   | This occurred because the hospital is  | Resolved                             |   |

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| Reference No. on the external audit Report   | Issue / Observations from Auditor  | Management comments   | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|--|---|--------------------------------------|---|
| property, plant and Equipment  | position reflects property plant and Equipment balance of Kshs. 220,812,629 as disclosed in Note 31 to the financial statements. However, the balance excludes the items on furniture and fittings, office equipment, ICT equipment and plant and medical equipment owned by the hospital.   | not autonomous and relies on the information provided by County Asset Management. The management liased with County Asset Department and provided the balances.   |                                      |   |
| Report on lawfulness and effectiveness in the use of public resources<br>1. Failure to transfer Revenue to the county revenue fund account | The statement of financial performance reflects rendering services- medical services income amount of Ksh. 8,730,786 as disclosed in Note 11 to the financial statements. However, the amount was not transferred to the Nakuru County Revenue Fund Account for approval by the controller of budget before withdrawal. This was contrary to regulation 81(1) TO (3) OF Public Finance | The facility was guided by FIF Act 2023 which states there shall be opened a facility improvement financing account where all monies received on behalf of the facility shall be paid and retained finances shall be used to support optimal operation of the facility. | Resolved                             |   |

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| Reference No. on the external audit Report | Issue / Observations from Auditor                           | Management comments  | Status:<br>(Resolved / Not Resolved)   | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|---|--|--|---|
|  | Management (county Governments) Regulation 2015.            |  |  |   |
| 2.   | Failure to maintain a list of Registered Suppliers          | The Statement of financial performance reflects medical/clinical costs of Kshs. 11,953,805 as disclosed in Note 15 to the financial statements. The expenditure includes an amount of Kshs. 4,889,825 in relation to purchases of medical supplies made by the hospital.   | The hospital liaises with County Procurement department as the bidding and prequalification of suppliers is centralized at county Headquarters, however the hospital secured a soft and a hard copy of the same. | Resolved  |
| 3.   | Deficiency in Implementation of Universal Health Care (UHC) | Review of the Hospital's records and interview 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 requirement of the Kenya Quality Model for Health Policy Guidelines due to staff deficits by seventy-five(75) staff requirements | The mandate of recruiting staff lies with County public service board and the gap is well outlined in the hospital work plan which need to be filled by county public service board.                             | Resolved  |

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| Reference No. on the external audit Report   | Issue / Observations from Auditor  | Management comments   | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|--|---|--------------------------------------|---|
|  | 74% of the authorized establishment.   |   |                                      |   |
| 4. Lack of procurement Function  | Review of the operation in the hospital revealed that it does not have a procurement function. However, the hospital carried out procurement of goods and services during the year under review.   | This has been communicated to chief officer health, thus waiting response from the office   | Resolved                             |   |
| Report on effectiveness of internal controls, risk management and governance<br>1. Expiry of Medical drugs | The statement of financial position reflects an inventories balance of Ksh. 2,969,755 as disclosed in Note 30 to the financial statement. A review of the management of pharmaceuticals at the hospital revealed that five hundred and seventy-five (575) units of various drugs whose value could not be determined had expired. Further, the stock cards used to issue drugs to various departments in the hospital did not indicate the | The expiry was due to supplies of drugs with short expiry date from KEMSA, doctor's strike where the patient could not be seen by doctors, hence the drugs could not be dispensed. The management has improved in stock controls to ensure strict adherence to bin card system indicating batch number, expiry dates of drugs and use first expiry first out. | Resolved                             |   |

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| Reference No. on the external audit Report                  | Issue / Observations from Auditor   | Management comments   | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|---|---|---|--------------------------------------|---|
|   | batch number and the expiry dates of the drugs which would have made it easy to use the principle of First Expiry First Out (FEFO) method of issuing drugs  |   |                                      |   |
| 2. Risk management policy                                   | During the year under review, the hospital did not have in place a risk management policy. This is contrary to section 158(1) of the public Finance Management County Government Regulation 2015.   | The hospital has formulated one a waiting implementation  | Resolved                             |   |
| 3. Information Technology (IT) Internal Controls Weaknesses | During the year under review, the hospital did not have an ICT strategic Committee, ICT Strategic plan, or an ICT policy. The hospital did not have disaster recovery and business continuity plan and an offsite backup plan in case of any emergencies/disasters. | The ICT Functions are centralized at County Level, but the hospital has a computer server which is integrated with all hospital desktops. | Resolved                             |   |

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| Reference No. on the external audit Report  | Issue / Observations from Auditor  | Management comments  | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|---|--|--|--------------------------------------|---|
|   | Therefore, in case of any occurrence of any disaster, all the information may be lost and it may not be possible to recover it which could cause the Hospital to incur heavy losses.   |  |                                      |   |
| 4. Failure to establish an internal audit function and the audit and risk committee | Review of the records and processes revealed that the hospital did not have an internal audit department and the board of management did not have an audit and risk committee. This is contrary to section 155(1) (a) of the public Finance Management Act, 2012 which provides that a county Government entity shall ensure that it has appropriate arrangement for conducting internal audit according to the guidelines issued by the Accounting Standards Board. | The hospital lies with County Internal audit Department, but the hospital has established risk management committee and have already installed fire extinguisher as one way of mitigating risks. | Resolved                             |   |
| 5. Lack of a strategic plan   | The hospital did not have a strategic plan during the  | The hospital usually possesses an annual work plan that guides hospital  | Resolved                             |   |

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| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments  | Status:<br>(Resolved / Not Resolved)  | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|---|--|---|---|
|  | year under review and therefore it was not possible to confirm whether the facility's budget was aligned to the strategic objectives of the hospital. This is contrary to section 149(2)(g) of the public Finance Management Act, 2012. | budget implementation. The strategic plan is centralized at the county headquarters.   |   |   |
| 6.   | Long outstanding trade and other payables   | The statement of financial position reflects trade and other payables of Ksh. 3,480,414 which as disclosed in Note 34 to the financial statements relates to amount owed to suppliers of goods and services and pharmaceuticals items. The balance includes an amount of Kshs.2,378,983 which had been outstanding for more than one year. | The management have set aside 15% of 2025/2026 budget to off set trade payable, thus the hospital is committed to pay all trade payables                    | Resolved  |
| 7.   | Obsolete, unserviceable and unutilized Asset  | The statement of financial position reflects, property, plant and equipment balance of Ksh.  | The mandate for disposal of asset lies with chief officer as stipulated in the public procurement and asset disposal regulation (2020). The need to dispose | Resolved  |

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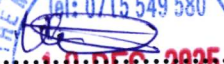
| Reference No. on the external audit Report | Issue/ Observations from Auditor   | Management comments  | Status:<br>(Resolved/ Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|--|--|-------------------------------------|---|
|  | 220,812,629 as disclosed in Note 31 to the financial statements. An audit inspection at the Hospital revealed that there were some unserviceable motor vehicles and hospital equipment which the hospital has accumulated over the years. However, management has not taken steps to dispose-off the assets which lie unutilized.  | the said assets has been forwarded to the chief officer public health.   |                                     |   |
| 8.   | Lack of board work plan<br>The statement of financial performance reflects board management expenses amounting to Kshs. 430,000 as disclosed in Note 17 to the financial statement. However, the board operate without an annual board work plan contrary to chapter 1(1.9) of the Mwongozo code of Governance which requires board members to have an annual work plan to guide | The management communicated the same to board members during hospital management committee meeting held on 9 <sup>th</sup> Apr'2025. The board agreed to formulate one in the shortest time possible | Resolved                            |   |

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

**Guidance Notes:**

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

  
 .....  
**Accounting Officer**  


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**Appendix II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

| Project title | Project Number | Donor | Period/<br>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  |         |                    |                        |                      |        |        |                  |

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**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 <sup>th</sup> 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.....

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**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 |                 |                       |
|              |                     |                    |                    |         |    |    |    |                 |                       |
|              |                     |                    |                    |         |    |    |    |                 |                       |
|              |                     |                    |                    |         |    |    |    |                 |                       |
|              |                     |                    |                    |         |    |    |    |                 |                       |
|              |                     |                    |                    |         |    |    |    |                 |                       |
|              |                     |                    |                    |         |    |    |    |                 |                       |

**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 |
|-----------|---------------|---------------|--|------------------|----------------|----------|
|           |               |               |  |                  |                |          |
|           |               |               |  |                  |                |          |
|           |               |               |  |                  |                |          |
|           |               |               |  |                  |                |          |