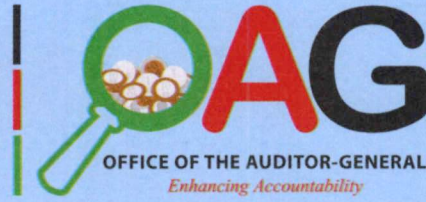
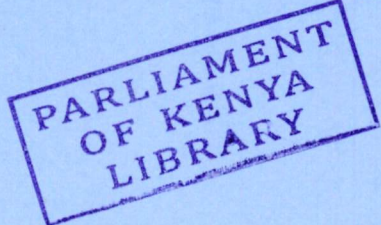


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REPORT

OF

THE AUDITOR-GENERAL

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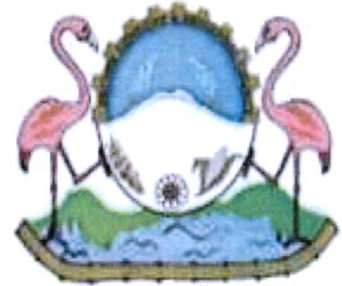
**BONDENI SUB – COUNTY LEVEL 4
HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	19/2/2026
TABLED BY	Minority Unit
COMMITTEE	—
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Revised 30th June 2025



BONDENI SUB COUNTY HOSPITAL (COUNTY GOVERNMENT OF NAKURU)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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Table of Contents

1. Acronyms & Glossary of Terms.....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Management.....	vi
4. Key Management Team.....	viii
5. Chairman’s Statement.....	xii
6. Report of The Medical Superintendent.....	xiii
7. Statement of Performance Against Predetermined Objectives.....	xv
8. Corporate Governance Statement.....	xvii
9 Management Discussion and Analysis.....	xxi
8. Environmental And Sustainability Reporting.....	xxvii
9. Report of The Board of Management.....	xxx
10. Statement of Board of Management’s Responsibilities.....	xxxi
11. Report of the Independent Auditor (<i>specify entity name</i>).....	xxxiii
14 Statement of Financial Performance for The Year Ended 30 June 2025.....	1
15. Statement of Financial Position as at 30th June 2025.....	3
16. Statement of Changes in Net Assets for The Year Ended 30 June 2025.....	5
17. Statement of Cash Flows for The Year Ended 30 June 2025.....	7
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025.....	9
19. Notes to the Financial Statements.....	11
20. Appendices.....	59

1. Acronyms & Glossary of Terms

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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
MOPC	Medical Outpatient Unit
MCH	Mother and Child Clinic
HTC	HIV Testing and Counselling
BFCI	Baby Friendly Community Initiative
ICT	Information Communication Technology
FIF	Facility Improvement Fund
FP	Family Planning
SHA	Social Health Authority
BSCH	Bondeni Sub County Hospital

2. Key Entity Information and Management

(a) Background information

Bondeni Sub County Hospital is a level (4 hospital established under gazette notice number CXXIII NO.157 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/mission/ mandate of the hospital is to be leading health care facility in provision of quality services in Nakuru East Sub County (Biashara Ward) The mission of the hospital is to offer integrated services which are ethical, accessible, affordable and accountable to the community. The Core Values are; Professionalism, Integrity, Ethical. Teamwork and Customer Focused.

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Joyce Yator
2.	Health Administrator Officer	Ms. Christine Barasa
3.	Nursing Officer In charge	Ms. Regina Kipngetich
4.	Head of Accounting Unit	CPA Newton Karanja
5.	Radiology in charge	Ms. Naomi Soi
6.	Physiotherapy in charge	Mr. Evans Kimeli
7.	Pharmacy in charge	Ms. Rose Wakhungu

(e) Fiduciary Oversight Arrangements

Clinical Research and Standards Committee.

- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

Bondeni Sub County Hospital
P.O. Box 2060-020100
Nakuru East Sub County
Biashara Ward
Nakuru, Kenya

(g) Entity Contacts

Telephone: (+254)0789192033
E-mail: bondenimaternity@gmail.com
Website: www.bondenimaternity.go.ke

(h) Entity Bankers

Co-operative Bank of Kenya
Co-operative House,
Haile Selassie Avenue
P.O Box 48231-00100,
Nairobi

(i) Independent Auditors

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

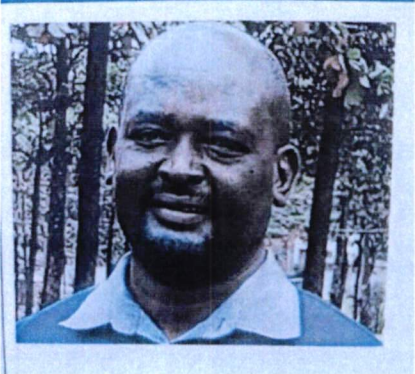



(j) Principal Legal Adviser



The Attorney General

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



- (k) County Attorney**
County Attorney
County Government of Nakuru
P.O. Box. 2780
NAKURU, KENYA


3. The Board of Management

d	Directors	Details
1.		<p>Mr. Boniface Ontungo Mouti is The Chairman of The Hospital Board. He Also Chairs the Finance Sub Committee. He Is 50 Years Old. He Is a Ph.D. Student and Holds Ba in Development Studies, Ma in International Relations, Ba in Philosophy with Over 12 Years' Experience. He is the chairman to the board and chair of Finance Sub-Committee.</p>
2.		<p>Ms Selina Ngigi is 55-Year-old. She Is a Women Advocacy Through Maendeleo Ya Wanawake. She's a Board Member and a member of the Finance Sub-Committee.</p>
3.		<p>Mr. Arnold Okere Martin is a Hospital Board Member. He is 33 years old. He holds Masters in Criminology with over 5 years job experience. He is the youth representative. He is member of the infrastructure committee.</p>
4.		<p>Dr. Joyce Yator is the Medical Superintendent. She Is 38 Years Old and Holds a Degree in Pharmacy. She Has Over 13 Years Working Experience. She is the Secretary of the Hospital Board. Dr Yator is member of finance committee.</p>


5.	 A portrait of Mrs. Grace Muikia, a woman with glasses, wearing a blue and black patterned headscarf and a blue patterned top. She is smiling and looking towards the camera.	<p>Mrs. Grace Muikia Is a Member Of Hospital Board. She Is 69 Years Old. She Is a Business and a Leader Of Women Peace Organisation In Nakuru. She's the Faith Based Organisation Representative. She is a member of service delivery committee.</p>
6.	 A portrait of Mr. Hilton Abiola Owour, a man with a shaved head, wearing a white shirt with a pink collar. He is looking directly at the camera with a neutral expression.	<p>Mr Hilton Abiola Owour Is 45 Years Old and Holds a Diploma in Conflict Resolution. He Chairs the Infrastructure Committee. He's a Hospital Board Member.</p>

4. Key Management Team

Ref	Management	Details
1.		<p>Dr. Joyce Yator Is the Medical Superintendent. She Holds a Degree in Pharmacy. She Has Over 13 Years Working Experience.</p> <p>Responsibilities She provides leadership and management by supervising all clinical and support teams, implementing strategic decisions, and allocating resources; she ensures quality assurance and compliance by promoting high standards of care and enforcing regulatory obligations. she also engages in stakeholder representation, acting as the hospital's public face while driving continuous improvement to enhance patient care and overall institutional performance.</p>
2.		<p>Ms Christine Barasa; -she holds a degree in business management. she is the hospital administrator in charge of administration. she has 15 years' experience having worked in 3 stations as a hospital administrator.</p> <p>responsibilities she is responsible for managing the non-clinical operations of the hospital, including human resource supervision, facilities and asset maintenance, and patient support services. she ensures compliance with government policies and regulations, oversees administrative staff, coordinates with clinical teams to support service delivery, and manages resources efficiently. with 15</p>

		<p>years of experience, she plays a key role in governance, planning, and stakeholder engagement to ensure smooth operations and the delivery of quality healthcare.</p>
3.		<p>Ms Regina Kipngetich Is the Nursing Officer in Charge. She Holds a Degree in Nursing- Egerton University. She Is a Principal Registered Nurse with Over 30 Years’ Experience as a Nurse. She is a Trained Perioperative Nurse. She also has over 10 years’ experience as a Theatre Nurse Manager. She Is a Member of Operations Smile as an Operating Room Nurse Who Has Worked in Several Countries Such as India, Ghana Etc.</p> <p>Responsibilities Formulation, Review, and interpretation of bsch health relating to nursing services, ensuring compliance to nursing regulatory requirements.</p>
4.		<p>CPA Newton Karanja Holds a Bachelor’s Degree in Agribusiness Management- Egerton University, Masters in Business Administration (Finance)- Kabarak University- Ongoing. He is a Certified Public Accountant, CPA (K) and Member of The Institute of Certified Public Accountants of Kenya (ICPAK). He has over 7 years of work experience. CPA Newton has held the Position of Head of Accounting Unit Since May 2025.</p> <p>Responsibilities Organize And Coordinate Financial Management Functions; Ensure Optimal Utilization Of Financial Resources, Ensure Compliance With Statutory</p>

		Requirements, Financial Reporting To Management And Regulatory Bodies.
5.		<p>Ms. Naomi Soi Holds a Degree In Microprocessor Technology And Instrumentation, Diploma In Medical Imaging Science. She Has 7 Years Of Job Experience In Ultrasound, x-Ray And Ct Scan. She Is In Charge Of The Radiology Department.</p> <p>Responsibilities She Performs Ultrasound Procedures, Interprets The Images, And Writes Diagnostic Reports For Physicians. Additionally, She Is Responsible For Ensuring The Quality And Safety Of The Department's Services, Maintaining Equipment, And Managing Daily Operations</p>
6.		<p>Mr. Evans Kimeli Holds Diploma in Physiotherapy. He Heads the Physiotherapy Department. He Has 7 Years' Experience Specializing In General Rehabilitation.</p> <p>Responsibilities Assessing And Diagnosing Patients, Developing and Implementing Personalized Rehabilitation Plans, And Monitoring Patient Progress In Collaboration With Other Healthcare Professionals. Administratively, He Is Responsible For The Day-To-Day Management Of The Department.</p>

7.	 A portrait photograph of a woman with short dark hair, wearing a white lab coat with a pink collar and two brown pockets. She is looking directly at the camera against a light blue background.	<p>Rose Needy Wakhungu Holds a Higher Diploma in Clinical Pharmacy and a Diploma Pharmaceutical Technology. She Has Over 14 Years' Experience as a Pharmaceutical Technologist.</p> <p>Responsibilities Her Responsibilities Include; Dispensing, Inventory Management, Pharmacovigilance and Participating in Health Programs That Promote Rational Use of Medicine Especially Antibiotics.</p>
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5. Chairman’s Statement

It is to my best knowledge to present the Hospital’s 2024/ 2025 annual report and financial statements. Bondeni Sub County Hospital Board Management is proud of the achievements achieved by the hospital in the financial period 2024-2025. I am pleased by the big hearts of staff coupled with their commitment to delivering the best possible service to patients. These services include, medical consultations, Mother Child Health, BFCI, MOPC, Maternity service Physiotherapy among others. Regulatory environment Management and operations of the hospital is guided by the existing legal policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the hospital. The Kenyan Constitution 2010 under the bills of rights provides the right to the highest attainable standards of health including productive health care and emergency medical treatment as stipulated by the County Government health system, provides for regulation of health care services and health care service providers, health products and health technologies. The hospital has continued to experience challenges and changing business environment which calls for continuous improvement of quality of services to patients. In response to this, the Board remains focused on providing resources and supporting initiatives that will sustain Bondeni Sub County Hospital in a leadership position in the healthcare sector.

On behalf of the Board. I would like thank all of our stakeholders especially County Government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would to express my gratitude to Bondeni Sub County Hospital staff specialist, team leaders and the Board, who take such pride in the work, and who exemplify our hospital’s mission and values each day.

Finally, I strongly believe that our strategy and the staff in the place will consistently drive our growth in the future as has been the case over the years.


.....
Name **BONIFACE MURI**

Chairman to the Board

6. Report of The Medical Superintendent

I am pleased to present the Hospital's annual report and financial statement for the year 2023/2024. The report highlights the hospital's operational and financial performance as well as our strategic direction. The hospital provides specialized healthcare services. To meet our patients' needs, we have specialists in all disciplines of medical practice who ensure our patients receive quality, timely, equitable, efficient, effective and patient-centred services. In 2024/2025 the hospital attended to both inpatients and outpatients' cases. This is an achievement since the Hospital offered maternity services only.

Embracing Technology to Advance Patient Care

Bondeni Sub County hospital is fully automated at all service delivery points. Towards this, the hospital carried out a business reengineering with the view of aligning all hospital processes in readiness for automation. This process culminated in the development of specification for robust hospital information management system and corresponding enterprise resource planning (ERP) systems. In view of the above.

Effective Communication

Bondeni Sub County Hospital has emphasised on improved communication with our patients, their families and other stakeholders in an effective and timely manner. To date, we have continued to train our employees and technical staff on customer care and effective communication while upholding the highest standards of care. We have strengthened customer care services and process by engaging partners who enhance feedback on improvement with a view to enhance patients-care engagement

Financial Review.

In order to meet the cost of operations and maintenance, the hospital relies on internally generated revenue, the largest component being SHA reimbursement. During the year under review, the hospital generated **13, 670.509.50** against a target of **12 million**.

Acknowledgment

A patient coming back to say thank you after being served has kept us motivated. Thousands of patients served are a living testimony to the care, love and support offered every day by the outstanding commitment of our staff. We are grateful to our staff and the surrounding community at large for their kindness, compassion, support, dedication and contribution to Bondeni Sub County Hospital.



.....

Name DR - JOYCE YATBE

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Bondeni Sub County Hospital develops its annual work plans based on the above 5 Pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its 5 strategies pillars, as indicated in the diagram below; Bondeni Sub County Hospital has five strategies pillars/themes/issues and objectives within the current Strategies Plan for the FY 2024/2025. These strategies pillars /themes/issues are as follows:

1. Clinical service
2. Health care financing
3. Infrastructure development
4. Leadership and governance
5. Health information

Bondeni Sub County Hospital develops its annual work plans based on the above five pillars/themes/Issues. Assessment of the Board’s performance against its annual work plan done on a quarter basis. The Hospital achieved its performance targets set for the FY 2024/2025 period for its five strategic pillars, as indicated in the diagram below;

Strategic pillar/Theme/Issues	Objective	Key performance Indicators	Activities	Achievements
Clinical services	To enhance quality of clinical services	No stock outs of HPT Increase uptake of maternity services	Timely procurement of commodities. Reduce referrals	Efficient service High number of delivers conducted at the facility
pillar/ theme/ issue 1: health care financing	To increase revenue generation Empowers staff on prudent financial management	Revenue reports % Increase in revenue Empower departmental in charges on financial management Strengthen use financial and	Expand service menu Review user fee charges Regular training and capacity Support supervision and audit reports	Increased revenue generation Use free committee for continuous review Available procurement and financial

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		procurement policies		management SOPs and guidelines. Sealed revenue leakages.
Leadership and governance	Enhance leadership and governance capacity	Constitute service delivery and communities Hold quarterly management meetings Manage HRM	Service delivery committee minutes. Quarterly HMT and meeting minutes. Monthly HRM returns to country.	Effective service delivery. Good governance of facility. Human resource reports.
Health care information	Strengthen and manage health information	ICT system maintenance register	Regular maintenance of ICT to ensure functionality	Routine maintenance and upgrading of the system.
Infrastructure and development	To expand service menu by construction and equipping of theatre To open ultrasound department	Completion certificates project committee evaluation report ultrasound machine	To complete minor fittings in the theatre Expand scope of the service at ANC	95% completion. Fully functional ultrasound department.

8. Corporate Governance Statement

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

Board of Management

The Board of Management is composed of non-executive members elected by the governor of Nakuru County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board has a diverse skills and experience and each brings an independent judgment and considerable knowledge to the Board's discussions. The board term is three years renewal subject to performance.

The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Medical Superintendent. The Board nonetheless retains responsibility for establishing and maintaining the Hospital's overall internal control, financial, operational and compliance framework.

Roles and Functions of the Board:

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

- Establishing the Hospital's strategic direction and priorities, and adopting business plans proposed by management for the achievement of the strategic objectives
- Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans.
- Providing oversight in financial reporting to the Government and communication to stakeholders.
- Ensuring availability of adequate resources for the achievement of the Hospital's objectives.
- Overseeing business affairs of the Hospital in light of emerging risks and opportunities in collaboration with hospital management team.
- Approving annual and quarterly budgets.
- Ensure orderly conduct of business to serve the community satisfactorily.

- Provide oversight to the hospital management team to improve health status of the community.
- Serve as a link between the hospital and the community.

The Board provides oversight to Management and ensures that staff operates within the Code of Conduct and Ethics, Leadership Integrity Act.

The above roles and functions are made possible through various sub-committees specifically finance sub-committee, which consist of members of the hospital board members and hospital management team.

Board Remuneration

Non-Executive Members provide services to the hospital to which they are entitled to an Allowances. The allowance is paid as per the DOHs allowance circular dated 7th January 2019.

Committees of the Board

The Board has three (3) standing committees, which meet regularly under the terms of reference set by the Board. The standing committees as follows:

Hospital Management Committee

Finance sub-committee

Service delivery committee

The HMC consists of at least five (5) or seven (7) members of the committee appointed by the Governor. A member of the committee, a part from the ex-officio, holds office for a period of three (3) years and is eligible for a one (1) further term of three (3) years.

To the extent feasible, Board members are residents of the Sub-County or work in the hospital's service area.

The members were in place since 2018 Notice Vol.CXXV-No.249

The appointed members as follows:

The appointed members as per The Kenya Gazette notice Vol. CXXIV—No. 2 are as follows:

HILTON ABIOLA	<i>Member development</i>
<i>Medical Superintendent</i> Dr. Joyce Yator	<i>Medical Superintendent</i>

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

<i>CHAIRPERSON</i> BONIFACE ONTUNGO MOUTI	<i>CHAIRPERSON</i>
<i>Women Groups Representative</i> SELINA NGIGI	<i>Women Groups Representative</i>
<i>Faith-based organizations</i> GRACE MUIKIA	<i>Faith-based organizations Representative</i>
<i>Youth Representative</i> ARNOLD OKERE MARTIN	<i>Youth Representative</i>
<i>Area MCA</i> JAMES NGANGA	<i>Ex- Officio Member</i>

Finance sub-committee:

- Boniface Mouti – chair
- Grace Muikia
- Selina Ngigi
- Medical superintendent
- Head of Accounting Unit
- Facility procurement officer
- Hospital Administrator

Infrastructure sub-committee

. Arnold Okere Martin
 Hilton Abiola
 Medical superintendent
 Head of Accounting Unit

Service delivery sub-committee

Selina Ngigi
 Grace Muikia
 Medical superintendent
 Hospital administrator

Board Meetings and Attendance

The Board as per the Annual work plan meets quarterly or additionally when necessary to

consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within stipulated timelines

The attendance was as follows:

Name	Role	Attendance
BONIFACE ONTUNGO MOUTI	Chairperson	4 out of 4
HILTON ABIOLA	Member	4 out of 4
GRACE KARUGA	Member	4 out of 4
DR. JOYCE YATOR	Secretary	4 out of 4
SELINA NGIGI	Women Groups Representative	4 out of 4
GRACE MUIKIA	Faith-based organizations Rep	4 out of 4
ARNOLD OKERE MARTIN	Youth Representative	4 out of 4
JAMES NGANGA	Ex- Officio	4 out of 4

Ethics and Conduct:

- The board upholds high ethical standards and a code of conduct that guides the behaviour of its members.
- They specifically plan, manage and monitor the utilisation of user charges guided by:
 - ✓ Public health Act (Cap 242) legal notice No. 162
 - ✓ Government financial management Act (Cap 412B), Legal Notice No. 155
 - ✓ Public finance management Act 2012, Section 109 (b)
- They improve overall governance and ensure effective management of resources at health facility level.

9 Management Discussion and Analysis

The consideration in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplications of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and essential skills and expertise in the organization.

The overall leadership and governance of Bondeni Sub County Hospital will be visited in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Nakuru. The day-to-day management of the hospital is visited on the Accounting Office.

The Accounting Officer will be assisted in performing the functions of his or her position by Health Management Committee (HMC), and Hospital Management Team (HMT). The (HMT) is made up of the heads of departments.

Clinical/operational performance

Bondeni sub county hospital continues to provide a wide range of highly specialized healthcare services to Kenyans, especially in Nakuru East sub county. Services include Ultrasound, MOPC, MCH, Maternity services, and Physiotherapy among other services. The hospital also provides clinical support services that include laboratory pharmacy and HIV testing and counselling.

The hospital strives to ensure that the clinical services provided are safe, timely, appropriate, innovative, effective, evidence-based and in line with modern technological advances. Clinical governance continues to be strengthened to improve patient safety and ensure quality healthcare services. The hospital patient attendance continues to increase despite the many challenges i.e financial constraints.

The average patient attendance for the year 2024/2025 was 32,202 outpatients and 1032 in-patients. The Hospital's patient attendance analysis over the last financial year is as depicted in the chart below.

Operational Performance:

Bondeni sub-county Hospital is a level 4 hospital with a 51- bed capacity. The Hospital offers both Outpatient and inpatient services; with inpatient being maternity services only.

The main catchment area include: Bondeni, Kisulisuli, Kambi Somali, Paul Machanga Kivumbini, Kaloleni, and Shauri Yako. It serves a catchment population of 30,500 from four wards- Paul Machanga, Kaloleni, Manyani A and Shauri Yako.

The hospital is located in an area of high-density population of low-income earners.

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

The Hospital offers both Outpatient and inpatient services.

The outpatient services include:

- Weekly MOPC
- OPD services
- Antenatal care
- Mother child welfare clinic
- Family planning services
- Ultrasound services
- Comprehensive care services
- Nutritional services
- Mental health services
- Occupational services
- Physiotherapy services

Patient Attendance

SERVICE	FY 2024/2025	FY 2023/2024
Outpatient Department	7,899	5,465
Family planning	2,201	2,998
Child welfare clinic	13,566	14,054
Antenatal clinic	5,714	6,475
Post-natal clinic	2,822	2,432
Deliveries	1,032	1,131
HIV testing	4,181	5,664
HIV patients on care	225	290
Laboratory	9,981	6,060

Specialised clinic:

This is to capacity build the primary health care network and empower clients with long term diseases through incorporation of support groups.

Currently the existing support groups target: Hypertensive clients, diabetic clients, clients living with HIV/AIDS, antenatal mothers.

We were able to capacity build the team that reviews antenatal mothers and have them hold a weekly group ANC support group meeting.

The Nutritional department has established a clientele who are on follow up for nutritional deficiencies in the set-up clinic.

Admission Statics:

We are currently offering maternity services only as our in-patient care. We have 51 beds available for the above services. On average we admit three clients a day for delivery and or monitoring purposes.

Usually, post-delivery they are kept for monitoring purposes for 24hrs. We have about 50% bed occupancy rate.

Disease burden:

In the last financial year, the facilities disease burden was as summarised below:|

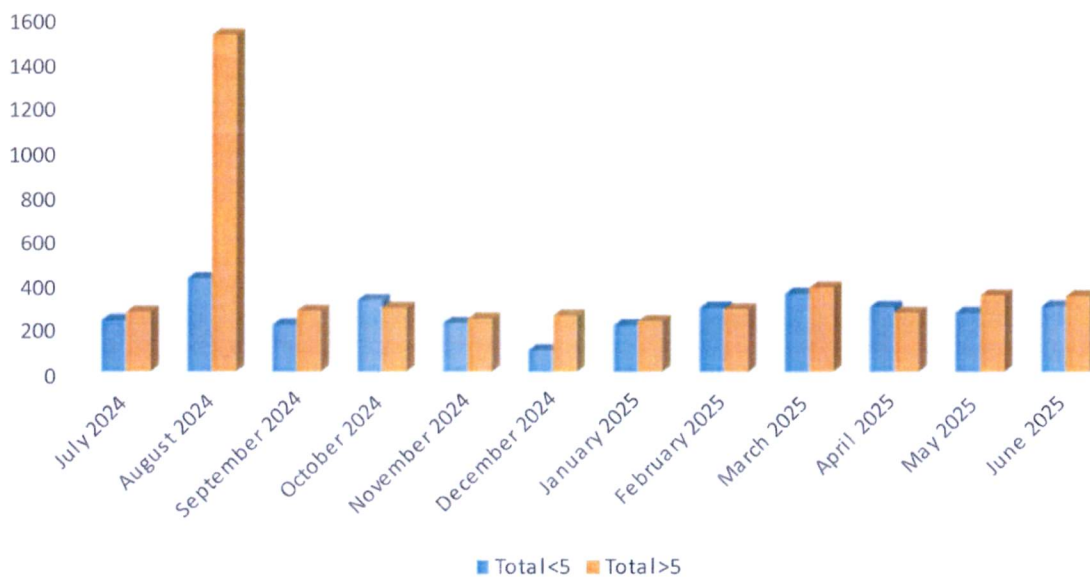
CLIENTS UNDER 5 YRS	Respiratory tract diseases	616
	Tonsillitis	179
	Lower tract infection	141
	Gastroenteritis/diarrhoea	128
	Pneumonia	91
	Amoebiasis	62
	Diseases of the skin	38
	Eye infections	35
	UTI	27
	Urinary tract infections	497
CLIENTS OVER 5 YRS	Upper Respiratory tract infections	403
	HIV	225

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

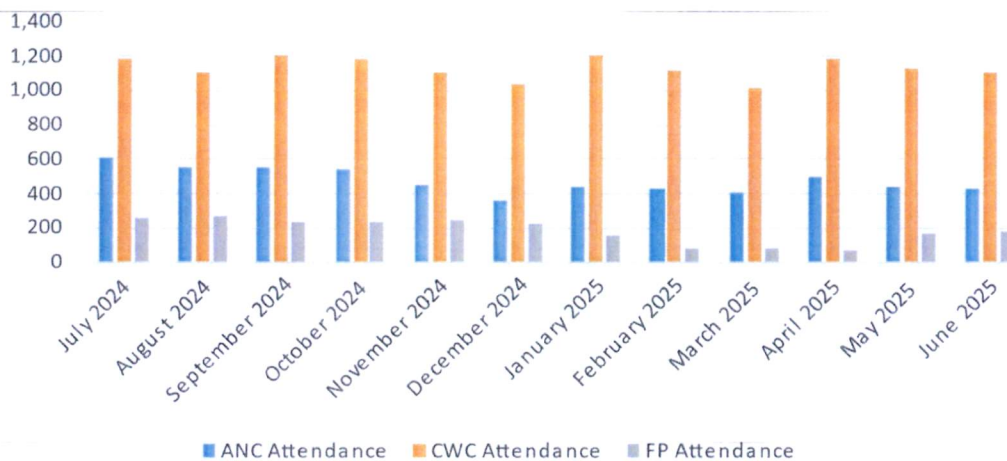
Pneumonia	173
Diarrhoea	134
Injuries	85
Abortion	77
Joint pains	75
Diseases of the skin	66
Amoebiasis	53

Key Performance Indicator	2024/2025	2023/2024
Bed Capacity	51	48
Total admissions	1,051	1,122
Outpatient Workload	32,202	31,424
Average Length of Stay (days)		
Maternal Mortality Ratio per 100,000		
Perinatal Mortality Rate per 1000 births		

OPD ATTENDANCE



ANC, FP and CWC Attendance



Key Hospital Projects

- **Digital x ray Machine**

The hospital undertook the installation of Digital X ray machine to improve patient`s investigation

- **Automation**

In a bid to ensure that Bondeni Sub County Hospital provides efficient and effective service as well as provide the desired platform for clinical linkages with other hospital departments, a business process re-engineering should be carried out so that development of specification aimed at delivering a robust ICT platform for ease of patient flow

Challenge

The hospital is faced with numerous challenges in fulfilling its mandate;

Irregular disbursement of funds from SHA/NHIF

The facility is not able to forecast its budget as per its workload due to staggered irregular payments by the national insurance, being a level four maternity hospital most of our clients fully benefit from the national insurance. Hence, irregular reimbursements affect our services, development project and timely settling of pending bills.

Financial Review

In order to meet the cost of operations and maintenance, Bondeni Sub County Hospital relies on internally generated revenue. During the year under review the hospital generated medical services income of Ksh 13,670,509.50 against a revenue target of Ksh 12,000,000.

8.Environmental And Sustainability Reporting

Bondeni Sub County Hospital exist to transform lives. It's what guides us to deliver our strategy, putting the client/Citizens first, delivering health services, and improving operational excellence. below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

Bondeni Sub County Hospital and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that Bondeni Sub County going concern is secured. The hospital has conducted a basic assessment of available options for feasible financing tool that would assure the hospital of its long-term sustainability. The hospital has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options, which include.

- Introduction of new specialized services such as Dental, Physiotherapy, theatre services among others.
- upgrading the hospital from maternity to a Sub County hospital.
- Enhancing Client satisfaction through quality service care.

ii) Environmental performance

Bondeni Sub County Hospital is using the National Health Care Waste Management policy guideline which is guiding us in the waste that we generate in the organization.

successes

- . we are having colour-coded bins [receptacles] at all generation points in the departments
- . The general cleanliness of the organization is well maintained both indoors and grounds.

iii Efforts to reduce Environmental Impact of Waste Products

The waste passes are kept in well coded bags, which renders it harmless before they are taken to the dumpsite.

The incinerator burns the waste at a very high temperature and the products is harmless.

iv) Employee welfare

- Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board reference made from the Public Service Commission Human Resource Manual and procedures May 2016, mentioned in section B which provides the rules governing recruitment and appointment of new officers.
- Improvement of employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend short courses offered by the government institutions.
- Training programs are based on the identified needs from the training needs assessments and are emphasized for performance improvement addressing both individual and organizational goals.
- Performance management system is process conducted by the employer to identify areas of weakness and support the individuals in order to get better results. Its an annual exercise intended ro provide employees with clear understanding of job expectations, regular feedback on performance, device and steps for improving performance, rewards for good performance and actions for poor performance. It helps to measure performance and ultimately the achievement of intended results for the organization.
- The Human Resource Manual procedures also provide for guidelines and standards for the prevention and protection of office against accidents and occupational hazards arising at the work place. It provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents contracted while and in the course of employment.

v) Market place practices

a) Responsible completion practices

This is effectively done through use of the available website for advertisement purposes as well as making good use of the instituted internal committees to help minimize anticorruption.

b) Responsible supply chain and supplier relations

Ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time

c) Responsible marketing and advertisement

Effectively done through the CHV'S and outreaches

d) Corporate social responsibility

Support to adolescent leaving with HIV/Aids being trained on photography supported by partner program to ensure self-reliance.

Organization of free medical camps.

Corporate social responsibility statement/sustainability reporting

Bondeni Sub County Hospital seeks to impact people's live through its corporate Social Responsibility (CSR) initiatives. The initiatives are aimed at improving lives and enhance engagement with public. Central to this philosophy is the commitments, by empowering them and catalysing change through creating awareness on diseases and available intentions. The services provided are MCH talks, psychiatric training in schools and other educational institutions and outreaches.

9. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services in both east and central Africa.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 10

Board of Management

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

Auditors

The Auditor General is responsible for the statutory audit of the fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 by By Order of the Board


.....

Name **Dr. Joyce Mwiru**

Secretary to the Board

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


The Board of Management accepts responsibility for the 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 and. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospitals transactions during the financial year ended June 30, 2025, 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 financial statements as well as the adequacy of the systems of internal financial control.


In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 25/11/2025 and signed on its behalf by:


.....
Name: BONIFACIO MUTHI
Chairperson
Board of Management


.....
Name: DR - JOYCE YATOR
Accounting Officer

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bondeni Sub - County level 4 Hospital – County Government of Nakuru set out on pages 1 to 64, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial position reflects property plant and equipment comparative balance of Kshs.3,294,000. However, the corresponding Note 32 to the financial statements reflects an opening balance of Kshs.16,579,736 resulting to an unexplained and unreconciled variance of Kshs.13,285,736.

The statement of changes in net assets reflects an amount of Kshs.31,045,763 in respect of total net assets. However, the re-computed amount is Kshs.24,430,663 resulting in an unexplained variance of Kshs.6,615,100.

Note 43 to the financial statements reflects net cash out flows from operating amount of Kshs.2,107,347. However, the recomputed net cash inflows amount is Kshs.959,909 resulting to an unexplained and unreconciled variance of Kshs.3,067,256.

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

2. Unsupported Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.49,951,269 as disclosed in Note 16 to the financial statements. The balance includes an amount of Kshs.4,076,260 in respect of salaries, wages and allowances for technical, non-technical and casual wages and. However, review of the supporting documents including employee costs expenditure schedules and payrolls maintained revealed that the documents did not include information on the employee bio data and other important details such as, pay date, tax PIN, ethnic code, month of salary increment and contract periods.

In the circumstances, the accuracy and completeness of the employee costs amounting to Kshs.4,076,260 could not be confirmed.

3. Unconfirmed Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.13,706,098 as disclosed in Note 32 to the financial statements. However, Management did not disclose the value of land and buildings where the Hospital is located. Further, the balance was not supported with an updated assets register and the current valuation report on the assets. In addition, Management did not provide ownership documents for the land and motor vehicles which are under the control of the Hospital.

In the circumstances, the accuracy, completeness, existence and valuation of property, plant and equipment balance of Kshs.13,706,098 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bondeni Sub - County Level 4 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amount for the year reflects final receipts budget and actual on comparable basis amount of Kshs.15,492,403 respectively. Further, the statement reflects that the Hospital spent an amount of Kshs.13,083,358 against actual receipts of Kshs.15,492,403 resulting to under absorption of Kshs.2,409,045 or 16% of the actual receipts.

The under - absorption affected the planned activities of the Hospital and may have impacted negative on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit 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 the audit of the Hospital for the financial year 2024/2025 revealed that the following the fourteen (14) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Unsupported Revenue from Non-Exchange Transactions
3	2023/2024	Unsupported Revenue From NHIF
4	2023/2024	Unsupported Employee Costs paid by the County Government
5	2023/2024	Unsupported Expenditure
6	2023/2024	Unsupported Receivables from Exchange Transactions
7	2023/2024	Unaccounted for PPE
8	2023/2024	Non-Compliance with Kenya Quality Model for Health Policy Guidelines
9	2023/2024	Irregular Engagement of Casual Workers
10	2023/2024	Non-Compliance with law on Deductions of Statutory Dues
11	2023/2024	Failure to Maintain Fixed Asset Register
12	2023/2024	Lack of Key Policy Documents
13	2023/2024	Failure to Establish Audit Committee
14	2023/2024	Long Outstanding Payables

Other Information

Management is responsible for the Other Information set out on page iii to xxxii 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, Report of the Board of Management and Statement of the Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Procurements without Valid Contracts

The statement of financial performance reflects medical/clinical costs amounting to Kshs.5,371,036 as disclosed in Note 15 to the financial statements. Review of the supporting documents revealed that expenditure totalling Kshs.2,513,452 was incurred in respect of procurement of medical supplies from various suppliers. However, procurement records revealed that the purchases did not have valid contracts since the procurement processes including the award and signing of the contract were carried out by the Nakuru County Department of Health Services leaving out the Hospital Management. The direct procurement by the County Executive undermines the independence of the Hospital's Board of Management and contradicts other information to the financial statements in respect of the Corporate Governance Statement. This is contrary to Regulation 33(1) of the Public Procurement and Asset Disposal Regulations, 202 which requires that a procuring entity shall establish a procurement function in accordance with Section 47 of the Act.

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

2. Irregular Procurement of Fuel and Lubricants

The statement of financial performance reflects general expenses amounting to Kshs.4,020,000 which includes an amount of Kshs.246,031 in respect of fuel and lubricants, as disclosed in Note 21 to the financial statements. Review of the procurement records revealed that the Hospital procured fuel and lubricants from a local company through framework contracts. However, the procurement details supporting the use of framework contracts for the supply of fuel were not provided for audit. This is contrary to Regulation 102(4) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall not procure using a framework agreement of another procuring entity except for those concluded under institutional frameworks prescribed in the Act and the Regulations.

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

3. Deficiencies in Implementation of Universal Health Coverage

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by seventy-four (74) staff requirements or 73% of the authorized establishment.

Staffing of Health Workers				
Type of Coverage	Level 4 standard	Observation	Variance	Adequate/Inadequate
Medical officers	16	3	13	Inadequate
Anesthesiologists	2	3	-1	Adequate
General surgeons	2	0	2	Inadequate
Gynecologists	2	1	1	Inadequate
Pediatrics	2	0	2	Inadequate
Radiologists	2	0	2	Inadequate
Kenya Registered Community Health nurses	75	20	55	Inadequate
Total	101	27	74	

In addition, the hospital lacked the necessary equipment, machines and had inadequate services to offer as outlined in the Health Policy Guidelines as detailed below;

Services Offered in the Hospital				
Service Offered	Requirement	Observation	Variance	Status
Surgical,	Should be present	Absent	N/A	Inadequate
Pediatric	Should be present	Absent	N/A	Inadequate
Gynecological	Should be present	Present	N/A	Adequate
In-patients,	Should be present	Present	N/A	Adequate
Radiology	Should be present	Absent	N/A	Inadequate
Renal dialysis,	Should be present	Absent	N/A	Inadequate
Tuberculosis management	Should be present	Present	N/A	Adequate
Mortuary and autopsy services.	Should be present	Absent	N/A	Inadequate
Advanced life support	Should be present	Absent	N/A	Inadequate

Services Offered in the Hospital				
Service Offered	Requirement	Observation	Variance	Status
Caesarian sections and surgical operations	Should be present	Present	N/A	Adequate
Land Size (Acres)	5	5	0	Adequate
Beds	150	60	90	Inadequate
Resuscitaire (2 in labour ward and one in theatre)	3	2	1	Inadequate
New Born Unit - Incubators Five (5) incubators and five (5) cots	5	2	3	Inadequate
New Born Unit cots	5	3	2	Inadequate
Functional intensive care unit - Beds	6	0	6	Inadequate
High dependency Unit - Beds	6	0	6	Inadequate
Renal unit with at least 5 dialysis machines	5	0	5	Inadequate
Two functional operating theaters Maternity and general	2	1	1	Inadequate

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 an Approved Tariff Structure for Hospital's Services

The statement of financial performance reflects revenue from exchange transaction total amount of Kshs.13,670,510. However, the revenue from exchange transaction was not supported with approved tariff structure for Hospital's Services. This is contrary to Regulation 65 (2) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer shall obtain approval from the County Treasury for the proposed tariff structure.

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

5. Non-Compliance with Facility Improvement Financing Act, 2023

Review of County revenue records for level 4 and 5 hospitals revealed Bondeni Sub - County level 4 Hospital collected an amount of Kshs.10,843,993 and transferred a Nil amount to the County Revenue Fund. Further, available records indicate that the amount of Kshs.10,843,993 was disbursed to the Hospital from the Facility Improvement Fund collection account. However, the Hospital financial statements reflected an amount of Kshs.10,976,011 as having been received from the FIF account resulting in an unexplained and over disbursed amount of Kshs.132,018. 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.

6. Long Outstanding Receivables from Exchange Transactions Balance

The statement of financial position reflects receivables from exchange transactions balance of Kshs.16,684,699 as disclosed in Note 29 to the financial statements in respect of medical services receivables. Review of the aging analysis revealed that debtors worth Kshs.13,999,200 or 84% of the total receivables had been outstanding for more than twelve (12) months. However, Management did not explain the measures being undertaken to collect the long outstanding debts. In addition, Management did not make any provision for bad and doubtful debts in the financial statements as required.

In the circumstances, the recoverability of the trade and other receivables balance of Kshs.13,999,200 could not be confirmed.

7. Long Outstanding Trade and Other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.2,029,947 and as disclosed in Note 36 to the financial statements. The balance has been outstanding for more than one (1) year and includes an amount of Kshs.266,000 which has been outstanding for more than two (2) years. This is contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds meet the obligations of the resulting contract(s) are reflected in the approved budget estimates.

Failure to settle bills during the year to which they relate adversely affects the budgetary provisions of the subsequent year in which they form a first charge.

8. Irregular Engagement of Casuals

The statement of financial performance reflects employee costs of an amount of Kshs.49,951,269 which includes an amount of Kshs.4,076,260 in respect of salaries, wages and allowances for payments to technical, non-technical and casual wages, as disclosed in Note 16 to the financial statements. However, review of records revealed that Management engaged the casual workers for more than three (3) months. Further, the need assessment reports indicating the understaffed departments, to justify the need for casuals, were not provided for audit verification. This is contrary to Section 37(1) of

the Employment Act, 2007 which states that notwithstanding any provisions of this Act, where a casual employee - works for a period or a number of continuous working days which amount in the aggregate to the equivalent of not less than one month; or performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service.

In the circumstances, the regularity of the employee costs amounting to Kshs.4,076,260 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Internal Controls in Inventory Management

Review of procurement records revealed that the Hospital procured various pharmaceutical products during the year under review. However, the drug stock control cards revealed that batch numbers and expiry dates for the drugs were not recorded in the bin cards. As a result, the First Expiry First Out (FEFO) stock control method was not applied and this may lead to expiry of essential drugs. Further, the drugs issued from the stores could not be traced to specific patients and the revenue or amount charged. In addition, there was no reconciliation on received drugs, drugs issued to the patients, breakages, spillage, expired drugs and revenue generated.

Audit inspection in the Month of October, 2025 revealed inaccuracies between the numbers on the stores ledger cards and the schedule provided to support the closing balances. Further, the hospital did not have adequate shelves to store pharmaceutical drugs which resulted in keeping drugs in boxes.

In the circumstances, the effectiveness of internal controls designed for effective stock management could not be confirmed.

2. Lack of Approved Staff Establishment

During the year under review, the Hospital did not have an approved staff establishment for its staff detailing different cadres, available staff in the cadre, required number of employees and the employee gap. This was contrary to Section B.2(1) of the Human Resources Policies and Procedures Manual for the Public Service, May, 2016 which states that every Ministry/State Department or public entity shall prepare human resource plans to support achievement of goals and objectives in their Strategic plans; and the plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs. It was further observed that the Hospital had not established key departments such as procurement and human resource departments.

In the circumstances, Management may not be able to determine if the Hospital is operating with an optimal number of staff for effective service delivery to the public.

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

11 December, 2025

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

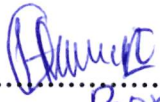
1. Statement of Financial Performance for The Year Ended 30 June 2025

Description	Note	FY	FY 2023/2024
		2024/2025	
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	47,391,085	41,240,667
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		47,391,085	41,240,667
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	13,670,510	12,445,597
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		13,670,510	12,445,597
Total revenue		61,061,594	53,686,264
Expenses			
Medical/Clinical costs	15	5,371,036	3,035,971
Employee costs	16	49,951,269	43,655,919
Board of Management Expenses	17	143,500	195,000
Depreciation and amortization expense	18	3,264,972	866,162
Repairs and maintenance	19	615,880	335,300
Grants and subsidies	20	-	-
General expenses	21	4,020,000	2,576,878
Finance costs	22	-	9,260
Total expenses		63,366,657	50,674,490
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-


Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		(2,305,063)	3,011,774


The Hospital's financial statements were approved by the Board on 25/11/2025 and signed on its behalf by:



Chairman *Boni Fair*
ma 11
Board of Management



Head of Finance
ICPAK No: 30586.



Medical Superintendent

*Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

2. Statement of Financial Position as at 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	2,017,711	4,516,392
Prepayments	28	-	-
Receivables from exchange transactions	29	16,684,699	10,451,531
Receivables from non-exchange transactions	30	-	-
Inventories	31	1,373,913	7,977,981
Total Current Assets		20,076,323	22,945,904
Non-current assets			
Property, plant, and equipment	32	13,706,098	3,294,000
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		13,706,098	3,294,000
Total assets (A)		33,782,421	26,239,904
Liabilities			
Current liabilities			
Trade and other payables	36	2,029,947	1,809,240
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		2,029,947	1,809,240
Non-current liabilities			
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	-	-
Total non-current liabilities		-	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Total Liabilities (B)		2,029,947	1,809,240
Net assets (A-B)		31,752,474	24,430,664
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		706,711	3,011,774
Capital Fund		31,045,763	24,430,664
Net Assets		31,752,474	24,430,664

The Hospital's financial statements were approved by the Board on 25/11/2025 and signed on its behalf by:



Chairman **BONIFACE MOUTI**
Board of Management



Head of Finance
ICPAK No: 30556



Medical Superintendent

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	3,011,774		3,011,774
Capital/Development grants	-		-	-
As at June 30, 2024 (previous year)	-	3,011,774	24,430,663	27,442,437
				-
At July 1, 2024 (current year)	-	3,011,774	24,430,663	27,442,437
Revaluation gain				
Surplus/(deficit) for the year		(2,305,063)		(2,305,063)
Capital/Development grants			-	-
At June 30, 2025 (current year)		706,711	31,045,763	31,752,474

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		10,976,011	9,903,876
Revenue from rent of facilities			
Finance / interest income			
Miscellaneous receipts(<i>specify</i>)			
Total Receipts		10,976,011	9,903,876
Payments			
Medical/Clinical costs		3,632,601	1,494,483
Employee costs		4,179,347	3,471,415
Board of Management Expenses		275,500	103,000
Repairs and maintenance		615,880	65,300
Grants and subsidies		-	-
General expenses		4,380,030	1,837,077
Finance costs			9,260
Refunds paid out			-
Total Payments		13,083,358	6,980,535
Net cash flows from operating activities	43	(2,107,347)	2,923,341
Cash flows from investing activities			-
Purchase of property, plant, equipment & intangible assets		(391,334)	(3,294,000)
Proceeds from the sale of property, plant, and equipment			
Acquisition of investments			

***Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025***

Net cash flows used in investing activities		(391,334)	(3,294,000)
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Capital grants received			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		(2,498,681)	2,783,142
Cash and cash equivalents as at 1 July 2024	27	4,516,392	1,733,250
Cash and cash equivalents as at 30 June 2025	27	2,017,711	4,516,392

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	4,516,392	-	4,516,392	4,516,392	-	100%
Receipts			-	-		
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	10,976,011	-	10,976,011	10,976,011	-	100%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total receipts	15,492,403	-	15,492,403	15,492,403	-	%
Payments			-			
Medical/Clinical costs	2,982,305	1,294,076	4,276,381	3,632,601	643,780	85%
Employee costs	2,975,287	1,121,771	4,097,058	4,179,347	(82,289)	102%
Remuneration of directors	176,000	88,000	264,000	275,500	(11,500)	104%
Repairs and maintenance	439,900	180,000	619,900	615,880	4,020	99%

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Grants and subsidies	-	-	-	-	-	
General expenses	4,112,026	1,998,165	6,110,191	4,380,030	1,730,162	72%
Finance costs	-	-	-	-	-	
Refunds	-	-	-	-	-	
Total Operational Expenditure paid	10,685,518	4,682,012	15,367,530	13,083,358	2,284,172	85%
Capital Expenditure paid	1,556,386	-	1,556,386	391,334	1,165,052	25%
Surplus	3,250,499	-	3,250,499	2,017,711	1,232,788	0%

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	2,017,711
1	Opening balance of cash and cash equivalents as at 1 st July 2024	4,516,392
2	Reason for difference	0.0
3	Reason for difference	0.0
4	Reason for difference	0.0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,017,711

6. Notes to the Financial Statements

1. General Information

Bondeni Sub County Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the County Government of Nakuru and is domiciled in Nakuru County in Kenya. The hospital principal activity is to offer medical services.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
Plant and 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>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li data-bbox="501 927 1347 1061">i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. <li data-bbox="501 1084 1347 1151">ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; <li data-bbox="501 1173 1347 1308">iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **4th July 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of on the FY 2024/2025 budget following the Board's approval. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6 b Transfers from The County Government

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

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

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

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Salaries and wages	45,875,009	40,184,504
Medical supplies-Drawings Rights (KEMSA)	1,516,076	1,056,163
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	47,391,085	41,240,667

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

8. Grants From Donors and Development Partners

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

(Provide brief explanation for this revenue)

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	-	-	-	-	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

World Bank	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

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

10. Public Contributions and Donations

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

(Provide brief explanation for this revenue)

10 (a)Reconciliations of amortised grants

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceuticals	1,557,121	771,351
Non-Pharmaceuticals	-	-
Laboratory	802,920	448,630
Radiology	1,345,020	1,123,700
Nutrition service	20,050	47,300
Attachment	29,500	79,500
Family planning	187,240	192,250
Medical report	-	5,000
Physiotherapy	30,200	45,800
Maternity	764,650	-
Public Health	787,950	1,135,850
Consultation	757,375	548,570
Antenatal Clinic & Mother Child Care	683,250	225,550
search	-	42,000
ANC Booklets	-	162,950
University forms	-	61,500
MOPC	-	1,200
Mental Health	-	7,150
Maternity files	-	181,640
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	15,000
NHIF		7,332,750
Other medical services income (<i>specify</i>) SHA	6,705,234	20,906
Total revenue from the rendering of services	13,670,510	12,448,597

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

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

(Provide brief explanation for this revenue)

13. Finance /Interest Income

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

(Provide brief explanation for this revenue)

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

14. Miscellaneous Income

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

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	1,103,406	337,979
Public health activities	-	-
Food and Ration	867,478	627,035
Uniform, clothing, and linen	166,000	-
Dressing and Non-Pharmaceuticals	652,231	433,283
Pharmaceutical supplies	562,131	1,296,564
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	234,990	238,517
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	268,724	102,593
Other medical related clinical costs (KEMSA from county store)	1,516,076	-
Total medical/ clinical costs	5,371,036	3,035,971

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

16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Salaries, wages, and allowances	4,076,260.00	43,655,919
Contributions to pension schemes	1,912,784.40	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs <i>(in kind)</i>	43,962,224.40	-
Employee costs	49,951,268.80	43,655,919

(Social contribution relates to expenses incurred by the employer towards social welfare of Employees)

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Chairman's Honoraria	143,500	195,000
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	143,500	195,000

18. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant and equipment	3,264,971.90	866,162
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	3,264,971.90	866,162

19. Repairs And Maintenance

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property- Buildings	569,880	314,000
Medical equipment	46,000	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	-	21,300
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	615,880	335,300

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

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

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

21. General Expenses

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Advertising and publicity expenses	20,000	-
Catering expenses	40,000	-
computer accessories	159,502	62,600
Electricity expenses	240,000	257,200
Fuel and Lubricants	246,031	411,296
Travel and accommodation allowance	33,600	28,700
Printing and stationery	743,291	408,577
Water and sewerage costs	879,460	440,062
Telephone and mobile phone services	80,000	34,000
Internet expenses	132,000	66,000
Contracted security guards	718,966	720,000
General office supplies	243,000	148,443
Staff training and development	20,000	-
Other Fuels (Wood, Charcoal, Cooking Gas etc.)	232,800	-
Bank charges	3,426	
Household appliances	39,925	
Insecticides & fungicides	18,000	
Retention Fees	170,000	
Subscriptions to professional bodies		-
Library books/Materials		-
Parking charges		-
supplies for computers and printers		-
Total General Expenses	4,020,000	2,576,878

22. Finance Costs

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	9,260.00
Total finance costs	-	9,260.00

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

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

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

24. Unrealized Gain on Fair Value Investments

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

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

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

27. Cash And Cash Equivalentents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	2,017,710.90	4,516,392
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalentents	2,017,710.90	4,516,392

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

Notes to the Financial Statements (Continued)

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

Description		FY 2024/2025	FY 2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Cooperative Bank	01141353114900	2,017,711	4,516,392
Sub- total		2,017,711	4,516,392
b) On - call deposits			
Cooperative Bank		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		2,017,711	4,516,392

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

28. Prepayments

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

29. Receivables From Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables	16,684,699	10,451,531
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	16,684,699	10,451,531

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

Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,685,499	16%		0%
Between 1- 2 years	13,999,200	84%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	16,684,699	100%	10,451,531	%

30. Receivables From Non-Exchange Transactions

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

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

Analysis of Receivables from Non-Exchange Transactions

Description	FY 2024/2025		FY 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	-	%	-	%
Total (a+b)	-	%	-	%

31. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	516,000	7,334,473
Non-Pharmaceutical supplies	800,000	331,963
Laboratory Supplies	24,713	189,091
Maintenance supplies	-	-
Food supplies	25,000	101,054
printing	-	21,400
Linen and clothing supplies	-	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Cleaning materials supplies	5,000	-
General supplies	3,200	-
Less: provision for impairment of stocks	-	-
Total	1,373,913	7,977,981

Detailed disclosure on inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Opening balance	7,977,981	-
Additional Inventory in the year	4,304,948	-
Inventory expensed in the year	(10,909,016)	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	1,373,913	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023 (previous year)	-	-	-	-	514,000	2,780,000	-	-	3,294,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024 (previous)	-	-	-	-	342,838	2,085,000	-	-	2,427,838
At 1 July 2024 (current year)	1	1	70,000	3,082,696	1,265,038	12,162,000	-	-	16,579,736
Additions		-	-	333,404	27,930	30,000	-	-	391,334
Disposals		-	-	-	-	-	-	-	-
Transfer/adjustments		-	-	-	-	-	-	-	-
Revaluation Adjustments		-	-	-	-	-	-	-	-

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

At 30th Jun 2025	1	1	70,000	3,416,100	1,292,968	12,192,000	-	-	16,971,070
Depreciation and impairment									
At 1 July 2023 (previous year)		-						-	
Depreciation for the year	-	-	-	-	171,162	695,000	-	-	866,162
Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
At 30 June 2024		-	-	-	171,162	695,000	-	-	866,162
At July 2024 (current year) rate		-					-	-	
Depreciation			11,669	427,013	387,890	2,438,400	-	-	3,264,972
Disposals									
Impairment									
Transfer/adjustment									
At 30th June 2025		-	11,669	427,013	559,052	3,133,400	-	-	4,131,134
Net book values									
At 30 th Jun 2024 (previous)	-	-	-	-	342,838	2,085,000	-	-	2,427,838
At 30 th Jun 2025 (current)	1	1	58,331	2,989,088	905,078	9,753,600	-	-	13,706,098

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

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

34. Investment Property

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

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	FY 2024/2025		FY 2025/2026	
	KShs		KShs	
Trade payables	2,029,947		1,809,240	
Employee dues	-		-	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	2,029,947		1,809,240	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	-	%	-	%
1-2 years	1,763,947	87%	-	%
2-3 years	266,000	13%	-	%
Over 3 years	-	%	-	%
Total	2,029,947	100%	-	%

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

37. Refundable Deposits from Customers/Patients

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (<i>specify</i>)	-		-	
Total deposits	-		-	
Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

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

39. Finance Lease Obligation

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

40. Deferred Income

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

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

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

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

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
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	FY 2024/2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	(2,305,063)	3,011,744
Adjusted for:		
Depreciation	3,264,972	866,162
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Working Capital adjustments		
Decrease in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	(2,107,347)	2,923,341

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

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 20XX (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 20XX (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 20xx				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 20xx				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	-	-	-
USD	-	-	-
20XX (current year)			
Euro	-	-	-
USD	-	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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

iv) Capital Risk Management

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

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

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

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

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46. Segment Information

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

47. Contingent Liabilities

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

(Give details)

48. Capital Commitments

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

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

49. Events after the Reporting Period

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

50. Ultimate and Holding Entity

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

51. Currency

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

7. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in annual report and financial statements	From the financial statement, the total assets are Ksh 26,239,903.40 and the total liabilities is Ksh 1,809,240 and the net assets is Ksh 24,430,663.40. the total revenue of Ksh 53, 686, 264 while the cashflow statement is Ksh 9,903,876 resulting into a variance of Ksh 43,782,388. The variance is due to contributions in kind from County Government of Nakuru reported in the statement of financial position but could not be recorded in cash flow statement. This is because in cash flow statement what is recorded is the amount received in cash only. In the statement, expenditure was 43,693,955. While Depreciation amounted to 866,162ksh. The variance was the long outstanding payables accrued in the financial year.	Resolved	

*Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Unsupported Revenue from Non-Exchange Transaction	The medical superintendent has initiated a follow up on the Authority to Incur Expenditure for the in-kind contributions from the department of Health services for medical employees and pharmaceuticals. The medical superintendent has engaged the county through the department of health services for a schedule to support the expenditure. We also have delivery notes of in-kind contributions received from county which include pharmaceuticals and non-pharmaceutical items	resolved	
3.	Unsupported Revenue from NHIF	NHIF contracts expired 30 th September 2024, before this date we have been submitting monthly claims to the board for reimbursements and monthly reconciliation reports are done and sent to the county for further forwarding. However, a letter from SHA office dated 19 th November 2024 requested all facilities to process and reconcile claims under NHIF contact. We have since followed it up and SHA	Resolved	

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		has approved an outstanding debt of Ksh 13,999,200.		
4.	Unsupported employee costs paid by the county government	The medical superintendent has written to the county human resource through the payroll department requesting for supporting documents that catered for employee costs of Ksh 38,552,156. The initial amount was erroneously presented.	resolved	
5.	Unsupported expenditure	Documents to support the expenditure were provided.	Resolved	
6.	Unsupported receivables from exchange transactions	The hospital administration through the support of the county government has been following up on NHIF reimbursements through submitting paid claims and unpaid claims. However, NHIF reimbursements were done as wholesome amount making it difficult to know which period or which patient is the reimbursement for. Attached is NHIF claims status summary report that is submitted monthly to county and NHIF	Not resolved	30/06/2026
	Unaccounted for property, plant and equipment	the Chief Officer finance requesting for valuation team to assist in valuation of property plant and equipment.	Not resolved	30/06/2026

*Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p><u>Unresolved prior year matters</u> Non-compliance with Kenya Quality Model for Health Policy Guidelines</p>	<p>The facility was gazetted as level <u>iv</u> hospital as per the Kenya gazette notice CXXIII NO.157. This matter is within the jurisdiction of the County Government of Nakuru. The county government of Nakuru through the department of Health Services has since supported the facility with in kind contribution of theatre equipment, generator and staffs in preparation for operationalization of theatre</p>	Partially resolved	30/6//2026
2.1	<p>Irregular engagement of casual workers</p>	<p>It is the mandate of public service board to engage casuals on permanent and contractual terms. The mandate to terminate contracts also lies with the Nakuru Public Service Board The hospital administration is following it up through the county on the way forward</p>	Not resolved	30/6/2026
2.2	<p>Non compliance with the law on deduction of statutory dues</p>	<p>The hospital administrator has since written a letter to the department of health payroll manager requesting for detailed schedule of payment that captures statutory deductions. The schedule was provided</p>	Resolved	

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	Failure to maintain a fixed asset register	The management has since addressed this. Asset register has been prepared and is updated.	Resolved	
1.	Conclusion Lack of key policy documents	The management is following up with the County to have in place Risk Management Policy, stores management policy, ICT Policy, Procurement Policy, Asset Management and Safeguard Policy and the relevant manuals for its operations. The hospital administration is in consultation with relevant departments in the county to support us with the key policy documents so as to allow us customize them to fit the hospital needs	Partially resolved	30/06/2026
2.	Failure to establish audit committee	The facility is following up with Director internal auditor on guidance of reconstitution of the committee (number of members, criteria of selection of members and allowance to be paid).	Not resolved	30/06/2026
3.	Long standing payables	The facility relies on reimbursements from the Social Health Authority which are not always paid regularly.	Not resolved	30/06/2026

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		When funds are disbursed, priority is given to service delivery areas.		

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix IV Reporting of Climate Relevant Expenditures

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

Bondeni Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30^h June 2025

Appendix V: Disaster Expenditure Reporting Template

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

