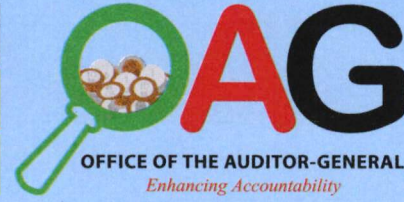


REPUBLIC OF KENYA



328



REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	25/2/26
TABLED BY	SNL
COMMITTEE	
CLERK AT THE TABLE	CHEROP

KACHELIBA SUB-COUNTY

LEVEL 4 HOSPITAL

FOR THE YEAR ENDED

30 JUNE, 2025

COUNTY GOVERNMENT OF WEST POKOT

88



---

# **Kacheliba Sub County Level 4 HOSPITAL (West Pokot County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

---

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

**Table of Contents**

<b>1. Acronyms &amp; Glossary of Terms</b> .....	ii
<b>2. Key Entity Information and Management</b> .....	v
<b>3. The Board of Management</b> .....	ix
<b>4. Key Management Team</b> .....	xii
<b>5. Chairman’s Statement</b> .....	xv
<b>6. Report of The Medical Superintendent</b> .....	xvii
<b>7. Statement of Performance Against Predetermined Objectives</b> .....	xxiii
<b>8. Corporate Governance Statement</b> .....	xxv
<b>9. Management Discussion and Analysis</b> .....	xxviii
<b>10. Environmental and Sustainability Analysis Report</b> .....	xxxv
<b>11. Report of The Board of Management</b> .....	xxxvi
<b>12. Statement of Board of Management’s Responsibilities</b> .....	xxxviii
<b>13. Report of the Independent Auditor (Office of The Auditor General)</b> .....	xl
<b>14. Statement of Financial Performance for The Year Ended 30 June 2025</b> .....	1
<b>15. Statement of Financial Position As At 30<sup>th</sup> June 2025</b> .....	2
<b>16. Statement of changes in Net Asset for The Year Ended 30 June 2025</b> .....	3
<b>17. Statement of Cash Flows for The Year Ended 30 June 2025</b> .....	4
<b>18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025</b> 5	
<b>19. Notes to the Financial Statements</b> .....	8
<b>20. Appendices</b> .....	39
<b>21. Annex – Trial Balance</b> .....	44

## **1. Acronyms & Glossary of Terms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
FIF	Facilities Improvement Fund
KSCH	Kacheliba Sub County Level 4 Hospital
IMCI	Integrated Management of Childhood Illness
OSHA	Occupational Safety and Health Act
NHIF	National Hospital Insurance Fund
ICU	Intensive Care Unit
FY	Financial Year
CPA	Certified Public Accountant
ICPAK	Institute of Certified Public Accountant
PFM	Public Finance Management
MAKL	Medical Administrators Kenya Limited
DNDI	Drugs for Neglected Diseases Initiative
PSASB	Public Sector accounting Standards Board
SHA	Social Health Authority
UHC	Universal Health Coverage
AMREF	Africa Medical and Research Foundation

OPD	Out Patient Department
ENT	Ear, Nose and Throat
NTP	Network Time Protocol
STI	Sexually Transmitted Infections
BMOC	Basic Obstetric Care
HIV	Human Immunodeficiency Virus
TB	Tuberculosis
TT	Tetanus
KCSE	Kenya Certificate of Secondary Education
UON	University of Nairobi
KMTC	Kenya Medical Training College
HAO	Health Administrative Officer
KRCN	Kenya Registered Community Nurse
AIE	Authority to Incur Expenditure
DR.	Doctor
CME	Continuing Medical Education
POP	Plaster Of Paris
ALOS	Average Length of Stay
KCRH	Kapenguria County Referral Hospital
E-GP KENYA	Electronic Government Procurement Kenya
CHAI	Clinton Health Access Initiatives
GFD	Global Fund Donations
GOK	Government of Kenya

HMT	Health Management Team
CHMT	County Health Management Team
IPSAS	International Public Sector Accounting Standards
IDA	International Development Association
MOH	Ministry of Health
UNFPA	United Nations Population Fund
WPC	West Pokot County
PPADA	Public Procurement and Disposal Act
MBBS	Bachelor of Medicine, Bachelor of Surgery
DCMS	Diploma in Clinical Medicine and Surgery
UOE	University of Eldoret
DIP.	Diploma
CPA	Certified Public Accountant
ATD	Accountant Technician Diploma
EAACE	East African Advanced Certificate of Education
CERT.	Certificate
SRC	Salary and Remuneration Commission
GFP	Good Financial Practice
ASAP	As Soon As Possible

**2. Key Entity Information and Management**

**(a) Background information**

Kacheliba Sub County Level 4 Hospital is established under Section 25 of the Health Act, 2017 and is domiciled in West Pokot County, under the Health Department. A Board of Management governs the hospital.

**(b) Principal Activities**

The principal activity of the hospital is to promote and improve health services in a more effective, accessible and affordable manner at all times.

**Mission Statement**

To promote and participate in provision of highly quality, integrated promotive, preventive, curative and rehabilitative healthcare services to all Kenyans.

**Vision Statement**

To provide an efficient quality healthcare system that is accessible, equitable and affordable to all citizens.

**Core Values**

Leadership and Integrity

Respect and Dignity

Commitment

Compassion

Professionalism and Excellence

**Strategic Goals**

Attainment of Highest Standard of Health Care

Continuous Improvement

Institutional resource efficiency and Sustainability

**(c) Key Management**

The KSCH management is under the following key organs:

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

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Jotham J. W. Mukhola (MBBS)
2.	Head of finance	Mr. Pius Sikuku
3.	Head of supply chain	Mrs. Regina Cheptum
4.	Hospital Administrator	Mr. Stephen Tudoreng
5.	Nursing Officer In Charge	Mr. Mark Lokapel
6.	Sub County Pharmacist	Dr. Meshack Kiptoo

**(e) Fiduciary Oversight Arrangements**

i) Audit and Risk Management Committee

The West Pokot County Audit Committee was constituted and inducted on 1<sup>st</sup> July 2018 as per the provisions of the Public Finance and Management Act, 2012. It is mandated to review audit reports and advise the Hospital on institutional risk management.

S/No	Name	Designation
1	Mr. Paul Loitangiro Rikilem	Chairperson
2	CPA Thomas Pkemoi Lotiaka	Secretary
3	CPA Kizito Musakala Makhumi	Member
4	Ms. Irene Chebet Lorot	Member
5	Mr. Philip Ptiso	Member

ii) County Assembly committees



Article 185 (3) provides that a County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the County Executive Committee and any other County Executive organs. The oversight role of the County assembly is exercised directly by all members of the County assembly and through County assembly committees. The following are the committees responsible for oversight in the County assembly:

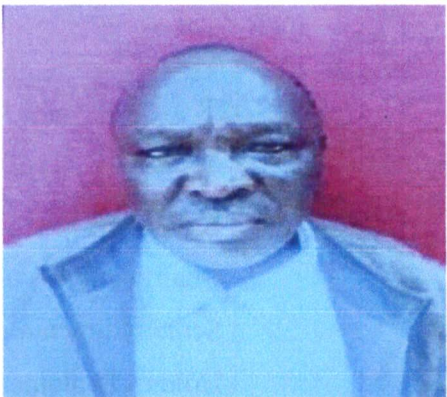


- Public Accounts and Investment Committee
- Health Sectorial Committees
- Finance and Planning Committee
- Implementation Committee
- Clinical Research and Standards Committee
- Parliamentary committees
- Other oversight committees

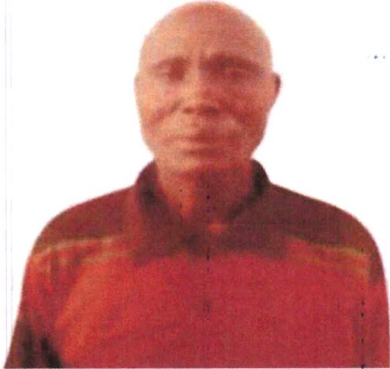
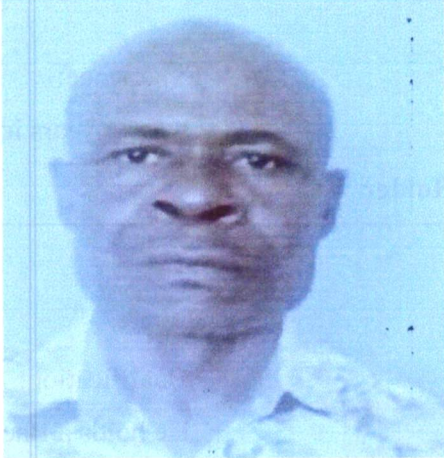
**Key Entity Information and Management (continued)**

- (f) **Entity Headquarters**  
Kacheliba Sub County Hospital  
P.O. Box 50 - 30601  
Administration Block  
Kacheliba-Alale Road  
Kacheliba, KENYA
- (g) **Entity Contacts**  
Telephone: (+254) 784006597  
E-mail: kachelibasch@westpokot.go.ke  
Website: www.westpokot.go.ke
- (h) **Entity Bankers**  
Kenya Commercial Bank Ltd,  
Kapenguria Branch
- A/C No. 1267071362 - Operation
  - A/C No. 1145862810 - Collection
- (i) **Independent Auditors**  
Auditor General  
The Office of Auditor General  
3<sup>rd</sup> Floor, Anniversary Towers, University Way  
P.O. Box 30084-00100  
Nairobi, Kenya
- (j) **Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya
- (k) **West Pokot County Attorney**  
P.O. Box 222-30600  
Kapenguria, Kenya



**3. The Board of Management**

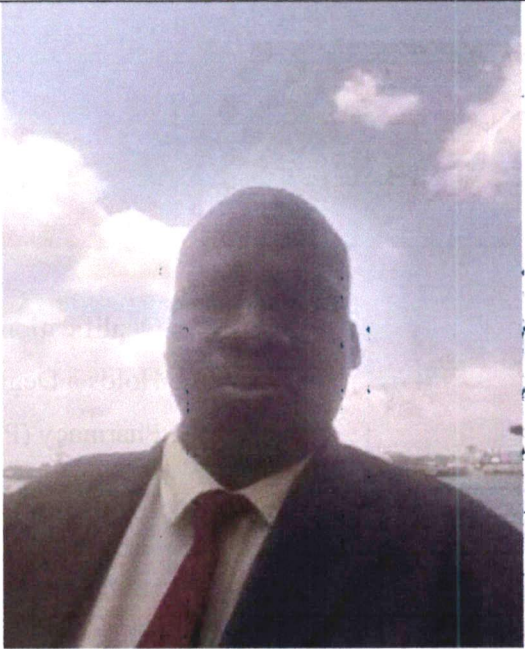

Ref	Directors	Details
1.	 <p>Mr. Michael Makari (DCMS) (Dip. Admin) <b>Title: Board Chairperson</b></p>	<p>Age: 68 years Qualification: Senior Clinician. Holds a Diploma in clinical medicine and surgery (DCMS). Diploma in Administration (DIP. ADMIN) Ophthalmic Nurse  Experience: Over 38yrs</p>
2.	 <p>Dr. Jacob Rutto Nangole (MBBS) <b>Title: County Director Health</b></p>	<p>Age: 35 years Qualification: Holder of Bachelors of Medicine and Surgery (MBBS) from Moi University Experience: Over 11 years in service</p>


<p>3.</p>	 <p>Mr. Paul Lopeyok Ngaliman <b>Title: Board Treasurer</b></p>	<p>Age: 65years Qualification: Retired Assistant Director of Education He holds East African Advanced Certificate of Education (EAACE) A long serving educationist Experience: Over 33 years in Education.</p>
<p>4.</p>	 <p>Mrs. Hellen Chepkemei Tiyan <b>Title: Board Member</b></p>	<p>Age: 31 years Qualification: She holds a Nurse Certificate from Kenya Medical Training College (KMTC). Experience: She has served as a community mobilizer for over 3 years.</p>
<p>5.</p>	 <p>Mrs. Ednah Cheptoo Riteluk <b>Title: Board Member</b></p>	<p>Age: 29 years Qualification: She holds a certificate for social work from Elgon View College. Experience: Over 6 years of community mobilizer.</p>

<p>6.</p>	 <p>Mr. Paul Eskwan Yarakony <b>Title: Board Member</b></p>	<p>Age: 56 years Qualification: A holder of Kenya Certificate of Secondary Education (KCSE) from Chewoyet High School Experience: Over 25 years in peace keeping, teaching and community mobilizer.</p>
<p>7.</p>	 <p>Dr. Jotham J. W. Mukhola (MBBS) <b>Title: Board Secretary</b></p>	<p>Age: 52 years Qualification: A holder of Bachelor of Medicine and Surgery (MBBS) from University of Nairobi (UON) Experience: Over 21 years in service.</p>

**4. Key Management Team**

Ref	Management	Details
1.	 <p>Dr. Jotham J. W. Mukhola (MBBS) <b>Title: Medical Superintendent/AIE Holder</b></p>	<p>Qualification: He holds a Bachelor Degree in medicine and Surgery (MBBS) from University of Nairobi (UON)</p> <p>He is in charge of the entire hospital</p> <p>Experience: Over 21 years in service</p>
2.	 <p>Mr. Stephen Tudoreng (HAO) <b>Title: Health Administrative Officer</b></p>	<p>Qualification: He holds a Bachelor's degree in Health Service Management from University of Eldoret</p> <p>Experience: Over 7 years in service</p>

<p>3.</p>	 <p>Mr. Mark Lokapel (KRCN) <b>Title: Nursing Office In-charge</b></p>	<p>Qualification: He holds a Diploma in Kenya Registered Community Health Nurse (KRCN) from Kenya Medical Training College</p> <p>Experience: Over 21 years in service</p>
<p>4.</p>	 <p>Mr. Pius Sikuku (ATD) (CPA II) <b>Title: Accountant</b></p>	<p>Qualification: Holds Accountant Technician Diploma (ATD), Certified Public Accountant II (CPAII)</p> <p>Experience: Over 26 years</p>

<p>5.</p>	 <p>Dr. Meshack Kiptoo (PharmD) <b>Title: Sub County Pharmacist</b></p>	<p>Qualification: Holds a Degree in Pharmacy (PharmD) from UON</p> <p>He is in-charge of pharmacy</p> <p>Experience: Over 6 years in service</p>
-----------	--	--

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

### **Kacheliba Sub County Level 4 Hospital Board for the Financial Year Ended 30 June 2025**

I am honoured to present the financial statements for Kacheliba Sub County Level 4 Hospital for the year ended 30 June 2025. These statements have been prepared in accordance with Section 164 (2) of the Public Finance Management Act, 2012, and include appropriation accounts detailing the services rendered, actual expenditures incurred, and any variances from the approved budget for the financial year 2024/2025.

The Hospital Board remains committed to upholding transparency, accountability, and fiscal discipline. Guided by sound financial policies, we strive to ensure efficient and effective utilization of resources. In line with the principles of devolution, we continue to engage the citizens of West Pokot County through public participation forums, ensuring that community priorities inform our development agenda and service delivery.

#### **Key milestone achievements in the year;**

Despite facing numerous challenges during the year under review, the hospital achieved several key milestones as a Level 4 facility. Notably, we successfully completed the adjudication process for hospital land (Survey No. 3572), strengthened community integration, oversee the transition of National Health Insurance Fund (NHIF) to Social Health Insurance Fund (SHIF) and enhanced financial oversight through regular board meetings and budget reviews.

#### **Significant infrastructure developments were realized through strategic partnerships and lobbying efforts. These include;**

- Operationalization of the hospital theatre
- Initiation of hospital automation systems
- Construction of a modern kitchen (supported by DNDI)
- Establishment of a male ward and hospital toilets (funded by the County Government)
- Completion of a pediatric ward (Equalization Fund)
- Installation of an incinerator and oxygen plant (supported by AMREF)

The hospital maintained a steady supply of medical and non-pharmaceutical commodities, avoided accumulation of pending bills, and fostered a culture of teamwork among staff. Continuous follow-up ensured that the Social Health Authority (SHA) remained functional throughout the year. These achievements were made possible through consistent quarterly board meetings, during which resolutions were diligently implemented and budgets were scrutinized to ensure compliance with legal and financial standards.

#### **However, several challenges persist;**

- Inadequate perimeter fencing, compromising hospital security
- Staffing gaps across critical departments
- Shortages of medical commodities due to limited financial resources
- Absence of a utility vehicle, morgue, and sewerage system
- Lack of specialized units such as ENT, Dental, Surgical, Obstetrics, and Gynecology
- Absence of a modern outpatient department, leading to congestion and fragmented service delivery

#### **Looking ahead, the Board is focused on the following strategic priorities;**

- Full automation of hospital operations to enhance revenue collection and efficiency

***Kacheliba Sub County Hospital (West Pokot County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

---

- Acquisition of the hospital title deed and construction of a perimeter wall
- Engagement with the County Government to address staffing gaps and provide a utility vehicle
- Lobbying for the construction of a modern outpatient department, patient pavements, and waiting bays
- Expansion of specialized services including ENT, Gynecology, Dental, and related units

With the continued support of the County Government, development partners, and the community—and by the grace of God—we remain confident in our ability to enhance service delivery, strengthen financial management, and deepen community integration before the end of our tenure.

Respectfully submitted,



.....  
**Name: Michael Makari**

## 6. Report of The Medical Superintendent

### Kacheliba Sub-County Level 4 Hospital Financial Year Ended 30 June 2025

It is my privilege to present the Medical Superintendent's Report for the financial year ended 30 June 2025. This report outlines the hospital's operational performance, financial outcomes, infrastructure development, and strategic priorities. Kacheliba Sub-County Level 4 Hospital remains committed to delivering quality, accessible, and equitable healthcare to the residents of Pokot North, Kacheliba Sub-Counties and the neighboring regions.

#### Hospital Overview;

Kacheliba Sub-County Hospital serves a population of 135,485, as per the 2019 census. Strategically located along the Uganda border, the hospital provides both outpatient and inpatient services to Kenyan and Ugandan nationals. It is also the only designated research and treatment center for visceral leishmaniasis (Kala-azar) in the North Rift region and West Pokot County.

#### It offers the following key services;

- ❖ Diagnostic Services: X-ray, ultrasound and laboratory Services
- ❖ Curative Services: Surgery and orthopedics
- ❖ Maternity Services: Antenatal and postnatal care, maternity inpatient services
- ❖ Preventive Services: Baby well clinics, family planning and health education
- ❖ Specialized Clinics: TB clinics, Kala-azar treatment, diabetes and hypertension clinics, comprehensive care clinics for HIV patients, Ophthalmology clinics (Eye care clinics)
- ❖ Pharmacy Services: On-site pharmacies providing convenient access to prescribed medications
- ❖ Counselling Services: Mental health support and counselling

#### Key role in health system;

The notable key role that the hospital plays in the health system includes the following amongst other;

- ❖ Primary referral Point: Situated along the border of Kenya and Uganda, the hospital act as primary referral points for patients requiring specialized care beyond their capacity
- ❖ Community-Oriented Care: The hospital plays tailoring services to meet specific health needs of local populations
- ❖ Reducing Burden of Higher-Level Facilities: The hospital provides a wide range of medical services to alleviate the burden on higher-level facilities

#### Table 1: Key Service Delivery Metrics;

The key indicator service delivery metrics for the hospital in the FY 2024-2025 were as follows;

Bed capacity	117
Inpatient attendance	11,171
Outpatient attendance	17,540
Bed Occupancy Rate	7
Average Length of Stay	53.71%
Mortality Rate	1.2%
Theatre Utilization Cases	110
Accident & Emergency Attendance	0

**Financial Performance;**




The hospital received funding from two primary sources: The Facility Improvement Fund (FIF) and recurrent allocations from the County Government. In-kind contributions supported staff salaries, drugs, and infrastructure.

**Table 2: Revenue Summary;**

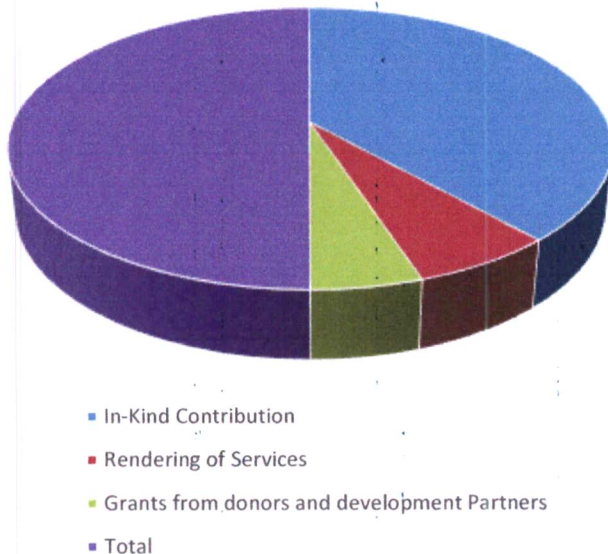
**(a) Revenue summary realized during the year;**

<b>Sources of Revenue</b>	<b>Note</b>	<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
		<b>Kshs</b>	<b>Kshs</b>
Transfer from County Government	6	-	6,163,847
In-Kind Contribution from county Government	7	106,703,579	91,188,009
Grants form donor and development partner	8	13,455,950	10,951,488
Rendering of services-Medical Service Income	9	17,628,408	-
<b>Total</b>		<b>137,787,937</b>	<b>108,303,344</b>

**Pie Chart: Revenue Composition FY 2024/2025**

-  In-Kind Contributions – 77%
-  FIF Collections – 13%
-  Donor Grants – 10%

**Revenue Source % FY 2024-2025**



**(b) Summary of revenue from rendering of services;**

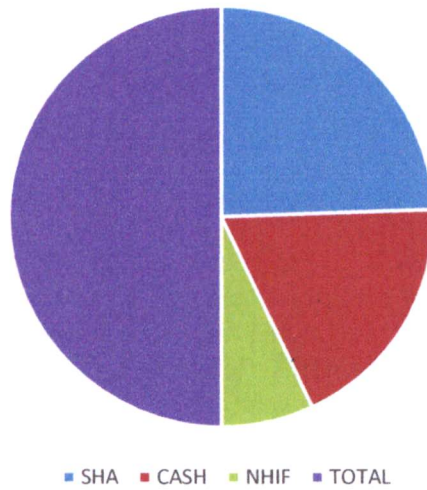
During the year, the hospital revenue from rendering of services increased from kshs.6,163,847 FY 2023-2024 to Kshs 17,628,408 FY 2024-2025, which was attributed from the shifting of National Health Insurance Fund (NHIF) to Social Health Insurance Fund (SHIF). Revenue from SHA was Kshs 8,619,748 which approximately 49% of the total revenue collected in the year.

Row Labels	Sum of MONEY IN BANK	Minus Receivable Bal B/F	Total Recoveries in the Year	Plus Receivable Amount	Total Revenue
Cash	6,537,980		6,537,980	0	6,537,980
NHIF	1,061,130	- 827,050	234,080	2,236,600	2,470,680
SHA	4,707,767		4,707,767	3,911,981	8,619,748
<b>Grand Total</b>	<b>12,306,877</b>	<b>- 827,050</b>	<b>11,479,827</b>	<b>6,148,581</b>	<b>17,628,408</b>

**Pie Chart: Revenue from rendering of services FY 2024/2025**

- ■ SHA – 49%
- ■ CASH – 37%
- ■ NHIF – 14%







**Revenue from rendering of medical services**



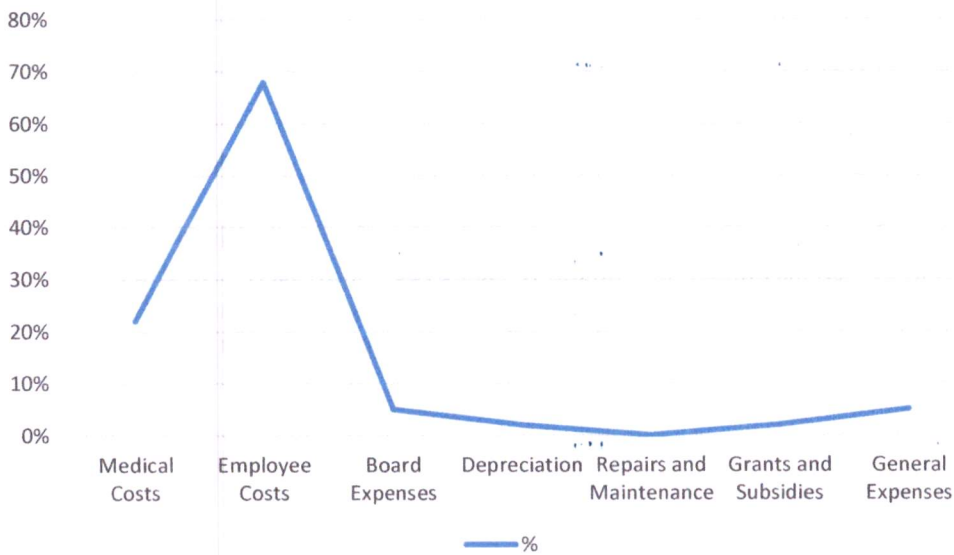
**Table 3: Expenditure Summary**

Expenditures Category	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Medical/Clinical Costs	10	27,191,017	17,238,266
Employee Costs	11	91,975,218	80,330,780
Board of Management Expenses	12	510,250	176,250
Depreciation and Amortization Expense	13	2,494,232	-
Repairs and Maintenance	14	557,446	288,500
Grants and Subsidies	15	2,500,697	-
General expenses	16	7,347,503	3,860,494
<b>Total</b>		<b>134,875,234</b>	<b>101,894,290</b>

**Pie Chart: Expenditure Distribution FY 2024/2025**

-  Employee Costs – 68%
-  Clinical Costs – 22%
-  General Expenses – 5%
-  Grants/Subsidies – 2%
-  Depreciation and Amortization – 2%
-  Repairs & Board – <1%

**Expenditures % FY 2024-2025**



**Infrastructure Achievements;**

**During the year, the hospital completed several key infrastructure projects;**

- Modern kitchen
- Male ward
- Pediatric ward
- Modern toilets
- Incinerator
- Eye unit and drug store operationalized
- Ongoing construction of oxygen plant
- Repair and mural painting of pediatric ward
- Land adjudication completed (Survey No. 3572)
- Utility vehicle (KBJ) repaired and repurposed

**Strategic Outlook;**

**Looking ahead, the hospital aims to:**

- Secure the hospital title deed
- Construct a perimeter wall for security
- Build a modern outpatient department
- Improve patient flow with pavements and waiting bays
- Fully automate hospital operations
- Recruit specialized medical personnel
- Establish medical and surgical wards
- Rehabilitate the sewerage system
- Expand water storage capacity
- Equip the CME hall
- Operationalize Sigor Hospital for Kala-azar treatment

**Partnerships and Collaboration;**

The hospital continues to benefit from strong partnerships:

- County Government: Infrastructure and staffing support
- Development Partners: Grants and equipment
- NTP & Ampath-Uzima: Cross-border health programs
- Rotary Doctors (Sweden): Clinical outreach and training

**Conclusion**

The financial year 2024/2025 marked a period of growth and transformation for Kacheliba Sub County Level 4 Hospital. Despite resource constraints, the hospital achieved significant milestones in infrastructure, service delivery, and financial management. With continued support from stakeholders, we remain committed to improving health outcomes and delivering high-quality care to the community.

Respectfully submitted,

  
.....

**Name: Dr. Jotham J. W. Mukhola**

**Secretary to the Board**

**Date** 13/07/2025  
.....

### 7. Statement of Performance Against Predetermined Objectives

Kacheliba Sub County Level 4 Hospital has 5 strategic pillars and objectives within the current Strategic Plan for the FY 2024- 2025. These strategic pillars are as follows;

- 1: Leadership and governance
- 2: Medical supplies and technologies
- 3: Health financing
- 4: Service delivery
- 5: Health Infrastructures

Kacheliba Sub County Level 4 Hospital develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kacheliba Sub County Level 4 Hospital achieved its performance targets set for the FY 2024/2025 period for its 5 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1:	To ensure proper management of the hospital	Subcommittee meetings	Sub-committee meetings in finance, surveillance, advisory, catering etc	Proper management of resources and patients
Pillar 2:	Ensure proper timely procurement of medical commodities	Proper procurement procedures	Continuous stock taking, timely order and re order	Enough supplies of medical commodities
Pillar 3:	Ensure enough availability of resources	Improve in collection Timely dispatch of FIF	Timely payment of suppliers Timely procurement	Reduced pending bills

**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

		Proper utilization of funds	Timely respond to emergencies etc	Availability of medical commodities, Food etc
Pillar 4:	Ensure effective and efficient services to clients	Reduced complaints	Enough medical commodities at the hospital, enough man power, affordable charges	Reduction in outcry from the large population
Pillar 5:	Ensure provision of physical infrastructure, in patients' beds, equipment etc	Sufficient wards, inpatient beds, equipment, ambulances etc	Purchase of equipment, enough wards, moving ambulance etc	Proper service delivery to clients

## **8. Corporate Governance Statement**

The Board of Kacheliba Sub County Level 4 Hospital is establishment from section 23(a) of the Facility Improvement Financing Act, 2023.

### **Functions of the Hospital Management Board;**

Includes the following;

- (a) consider and submit for approval to the chief officer the annual facility work plan and budget;
- (b) consider and submit for approval to the chief officer the facility quarterly budgets;
- (c) ensure the quarterly implementation plans and budgets are based on available resources;
- (d) monitor the utilization of facility improvement financing and take corrective action in relation to implementation challenges identified that hinder efficient absorption of funds;
- (e) ensure all financial procedures and reporting requirements are met by the facility in-charges and conform to the Public finance Management Regulations;
- (f) ensure strict adherence to the procurement rules as prescribed in the Public Procurement and Asset Disposal Act (No. 33 of 2015);
- (g) ensure public awareness on administration of the facility improvement financing through public participation during annual planning and budgeting;
- (h) receive the audit report and initiate responses to management queries;
- (i) Implement the recommendations of the Auditor-General made pursuant to section 31(3)(a) of the Public Audit Act (No. 34 of 2015);
- (j) Implement the recommendations of the Senate and the respective county assembly on the, relevant report of the Auditor-General;
- (k) implement the relevant recommendations of the Controller of Budget of the facility; and
- (l) act as liaison between the health centre or dispensary and the community to strengthen delivery of Quality health services.

The Board after gazettelement were inducted and thereafter developed their development agendas for the period they will remain in service, as each member will be assessed on an individual capacity performance.

**Minutes of the meeting;**

The Board holds its sittings to transact the business of the Board once every three months and therefore the Board held 4 board meetings in deliberations for the FY 2024-2025. The Chairperson of the Board of hospital may, and upon request in writing by at least one-third of the members of the Board shall, convene a special meeting to transact any urgent business of the Board. All regular meetings of the Board of the hospital called for transacting business, where a majority of the members elected are present, shall be open to the public. A majority of the members of the Board of the hospital is a quorum to conduct business, but a smaller number may meet and compel attendance of absent members as prescribed.

**Conflict of interest;**

A member of the Board of the hospital who is interested in any discussions or decision-making regarding any subject or transaction under consideration by the Board, shall not be counted as participating in the discussions or decision-making, and is not entitled to vote on or agree to the subject or transaction relating to it. An Attendance record for each of the deliberation is well kept in the each of the management Board files.

**Succession Plan**

The succession plan of the Board and senior management members are well documented in the Facility Improvement Funding (FIF) Act, 2023 and complied by the hospital.

**Code of conduct**

The members of the Board conducted themselves in accordance with the code of conduct governing public officers and provisions of Chapter Six of the Constitution and therefore there was no any conflict of interests realized but rather good ethical and conduct observed by the board during the year.

**Governance Audit;**

The board has successfully overseen the audit process of the hospital for the last 4 successful financial years from (FY 2021-2025) were the hospital managed to get a qualified Opinion in the last 3 successful years.

**Terms of references of the committee;**

The Board uses mainly amongst others the PFM Act 2012, PPAD Act 2015, FIF Act, 2023 and the Constitution of Kenya, 2010 when carrying out its business and each member life style.

**Remuneration of the Board;**

The members of the Board of the Hospital are not be entitled to a salary. However, members of the Board are paid allowances as advised by the Salaries and Remuneration Commission.

**9. Management Discussion and Analysis**

**Operational Performance;**

Kacheliba Sub County Level 4 Hospital is established under Section 25 of the Health Act, 2017 and is located in Suam ward, Kacheliba Sub County, West Pokot County. It has a bed capacity of 117, Overall patient attendance during the financial year 2024-2025 for both inpatients and out patients was close to 29,000, All accidents and emergency were referred to Kapenguria County Referral Hospital (KCRH), Average length of stay (ALOS) for inpatient was 7 days, Mortality rate was about 1.2 percent and the theatre utilisation was 110 for the fiscal year.

The Hospital offers the following services amongst others ,Tuberculosis treatment, Kala-zaar treatment, Tetanus toxoid for pregnant women, Smear microscopy, Short term family planning services , Outpatient curative services ,New born care services ,Long term family planning services ,Inpatient, Infection preventive and control to mitigate Human Immunodeficiency Virus infection in the work place ,Hospital retail services, Human Immunodeficiency Virus treatment and care ,GeneXpert ,Fine needle aspiration , Blood transfusion services - Drug resistant Tuberculosis services , Laboratory services – class A, B and C , Condom distribution and Sexually Transmitted Infection prevention ,Breast cancer screening services , Basic Obstetric care, Basic emergency preparedness , Ambulatory services , Radiology services , Eye services and Orthopaedic services

**Financial performance that includes:**

**Revenue Collection summary;**

- i. A First Quarter Collection from July-September 2024

Name	NHIF PAID	Cash	Total Amount
Hospital Collections	11,240	1,452,010	1,463,250
Total			1,463,252

- ii. B Second Quarter Collection from October – December 2024

Name	NHIF PAID	SHA PAID	Cash	Total Amount
Hospital Collections	222,840	294,125	2,256,250	2,773,215
Total				2,773,215

**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

iii. C Third Quarters Collection from Jan - March – 2025

Name	NHIF PAID	NHIF RECEIVABLE	SHA PAID	SHA RECEIVABLE	Cash	Total Amount
Hospital Collections	-	2,236,600	1,401,115	522,007	1,618,210	5,777,932
Total						5,777,932

iv. D. Quarter Four Collection from April- June – 2025

Name	NHIF PAID	NHIF RECEIVABLE	SHA PAID	SHA RECEIVABLE	Cash	Total Amount
Hospital Collections	-	-	3,012,526	3,389,975	1,211,510	7,614,011
Total						7,614,011

v. E. Summary of Revenue Collection for FY 2024-2025

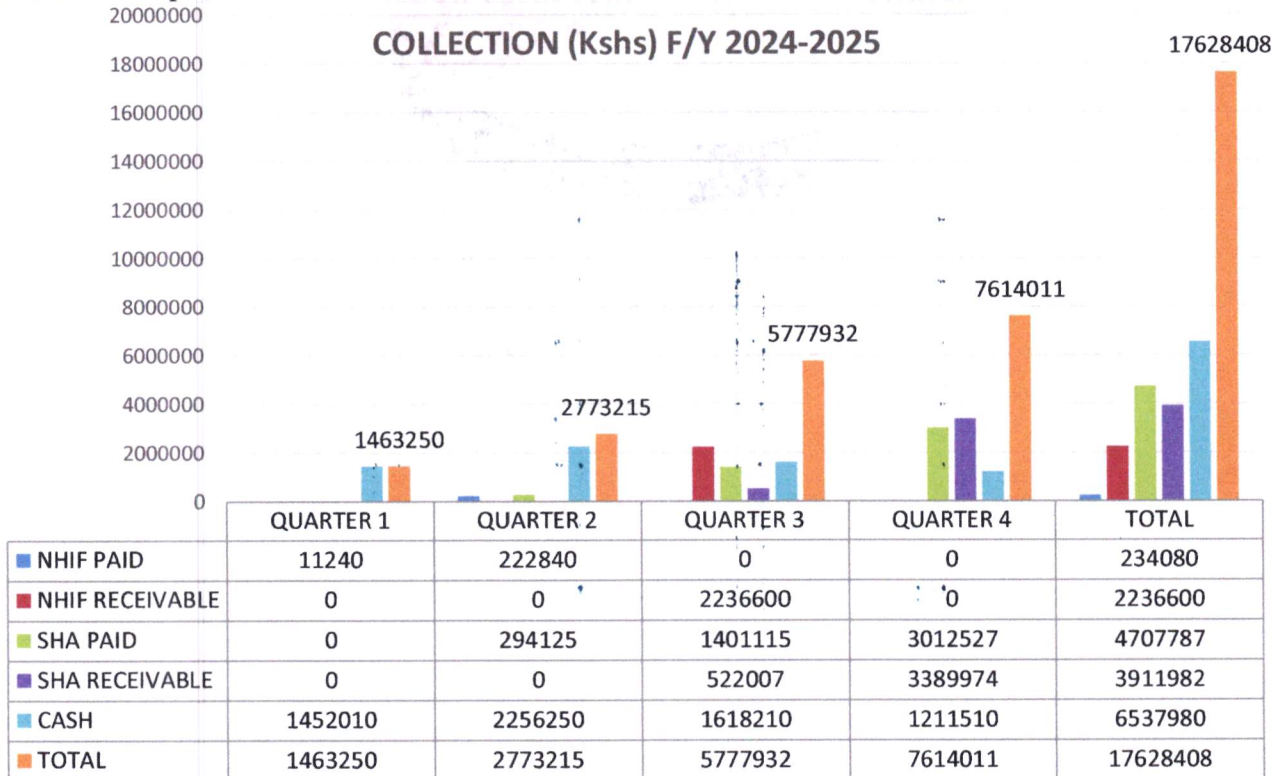
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Grand Total
1,463,250	2,773,215	5,777,932	7,614,011	17,628,408

**Collection Graph;**

20000000  
18000000  
16000000  
14000000  
12000000  
10000000  
8000000  
6000000  
4000000  
2000000  
0

**COLLECTION (Kshs) F/Y 2024-2025**

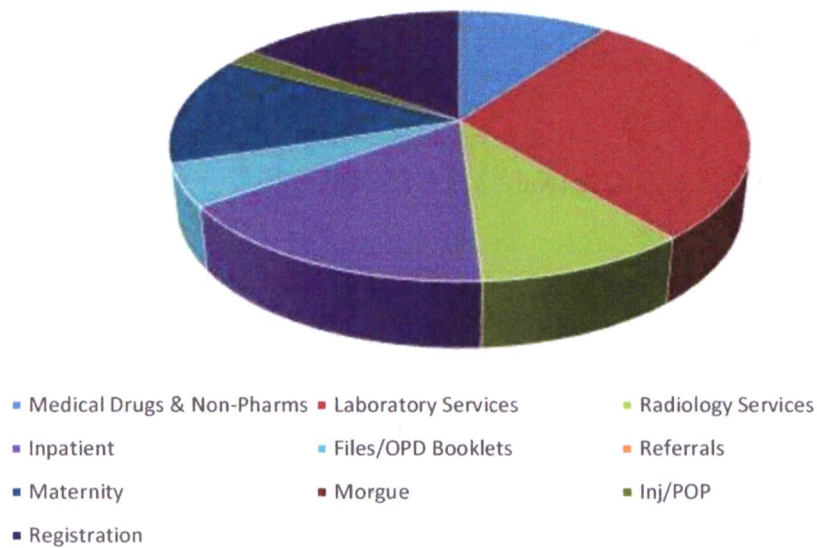
17628408



**Revenue Source;**

Revenue Source	Amount (Kshs)
Pharmaceuticals and Non pharmaceuticals	1,832,006
Laboratory	5,189,261
Radiology	1,690,450
Inpatients	2,756,166
Files/OPD Booklets	804,497
Refferals	41,254
Maternity	2,319,499
Morgue	2,427
Inj/POP	281,845
Registration	2,711,003
<b>Total</b>	<b>17,628,408</b>

**Revenue Streams Collection FY 2025/2026**

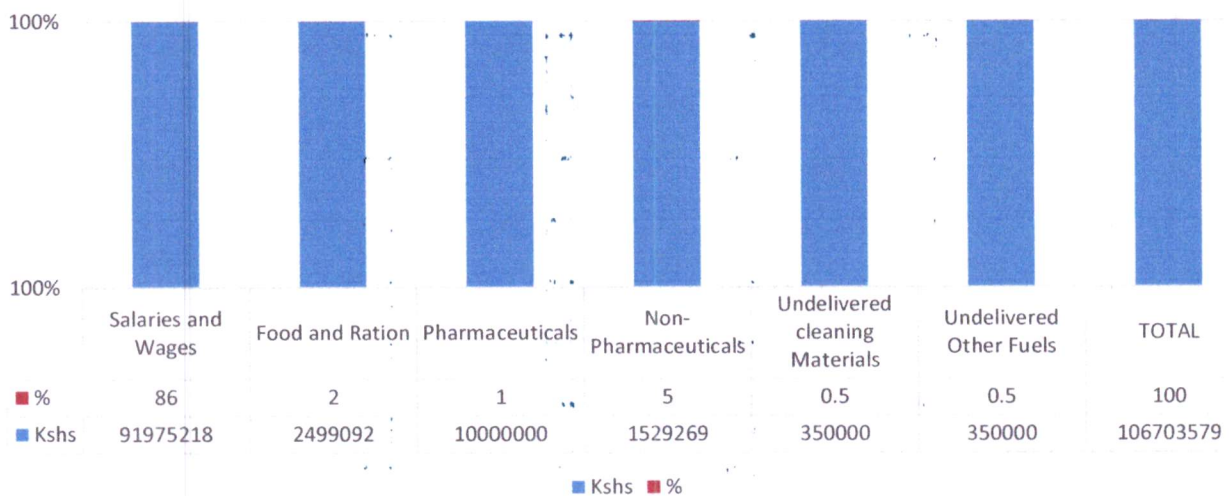


**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**Summary of In-Kind contribution;**

Item Description	Amount Received(Kshs)
Salaries and wages	91,975,218
Food and rations	2,499,092
Pharmaceuticals	10,000,000
Non-Pharmaceutical Supplies	1,529,269
Undelivered cleaning materials	350,000
Undelivered other fuels	350,000
<b>Grand Total</b>	<b>106,703,579</b>

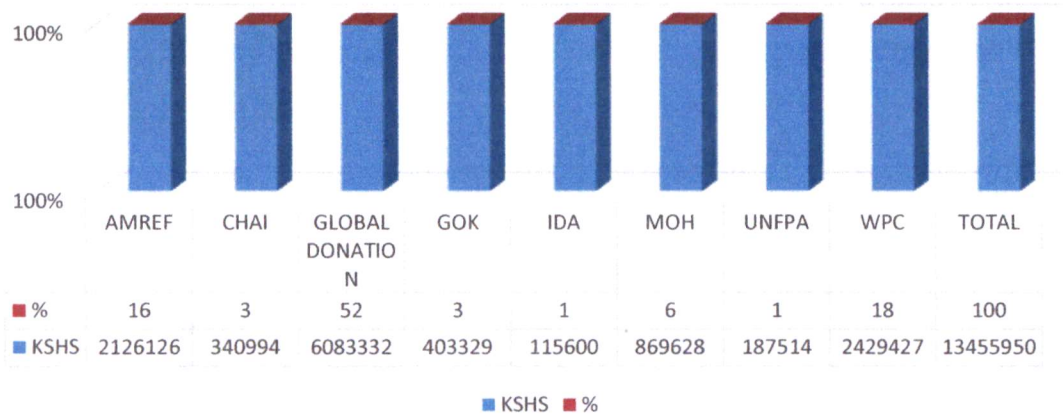
**In-Kind Contribution FY 2024-2025**



**Grants from Donors and Development Partners;**

Item Description	Amount Received(Kshs)
African Medical and Research Foundation (AMREF)	2,126,126
Clinton Health Access Initiative (CHAI)	340,994
Global Fund Donations	6,983,332
GOK GF Counterpart Funds.	403,329
International Development Association - World Bank (IDA)	115,600
Ministry of Health (MOH)	869,628
United Nations Population Fund (UNFPA)	187,514
West Pokot County Government	2,429,427
<b>Grand Total</b>	<b>13,455,950</b>

**GRANTS FROM DONORS AND DEVELOPMENT PARTNERS FY 2024/2025**



All collections for Kacheliba Sub County Hospital is banked in the collection account and no money is spend at source. The facility receives 100% of the collection as per the FIF 2023 Act, 30% goes for supervision and remaining 70% received are utilized in expenses, mainly on;

- (i) General expenses
- (ii) Medical / Clinical costs
- (iii) Board of management expenses
- (iv) Repairs and maintenance
- (v) Financial costs amongst others

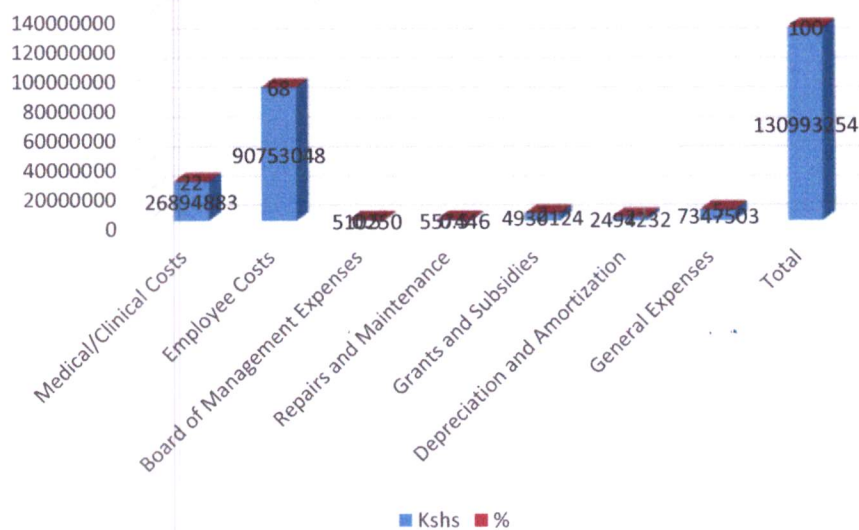
The facility also received in kind contribution from the County Government mainly for staff salaries and wages, drugs and non -Pharmaceuticals and infrastructural support. During the year under review, the entity received a total of Kshs. 17,628,408 in FIF collection, Kshs. 13,455,950 from development partner and In-Kind Contribution amounting to Kshs. 106,703,579. Total revenue realized was Kshs. 137,787,937.

**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

The expenditures Summary were as follows;

S/no	Expenses	Amount (Kshs)	Percentages (%)
1.	Medical/ Clinical Costs	29,489,888	22
2.	Employee Costs	91,975,218	68
3.	Repairs And Maintenance	557,446	0.5
4.	Board Allowance	510,250	0.5
5	Depreciation and Amortization Expense	2,494,232	2
6.	Grants and subsidies	2,500,697	2
7.	General Expenses	7,347,503	5
<b>Total</b>		<b>134,875,234</b>	<b>100</b>

### Expenditure FY 2024-2025



  
.....

**Dr. Jotham J. W. Mukhola**  
**Secretary to the Board**

Date. 31/07/2025  
.....

## **10. Environmental and Sustainability Analysis Report**

Kacheliba Sub County Level 4 Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen 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***

The accounting officer discharges his duties by ensuring proper book keeping and adheres to the accounting standards as per the Public Finance Management Act 2012, its regulations and/or the Procurement and Disposal of Assets act

### ***ii) Environmental performance***

The management observe proper safety by ensuring the incinerator is working, placenta kit is good, sewerage system if functional and workers have protection gears at all times with the hospital. This is in line with NEMA policy etc.

### ***iii) Employee welfare***

The management ensures staffs are well trained by organising Continuing Medical Education within the hospital and also sends staffs to training outside the hospital for capacity building and enhancement of service delivery. This is done without any discrimination of gender. For example, this financial year the hospital accountant was able to attend PSASB training for the Financial reporting Forum for County Hospital Accountants which was held in Naivasha.



***iv) Market place practices***

The KSCH strives to:

***a) Responsible competition practice.***

Kacheliba Sub County Level 4 Hospital encourages competitiveness in its procuring process by discouraging direct procurement or any form of corruption to secure a tender.

***b) Responsible Supply chain and supplier relations***

Kacheliba Sub County Level 4 Hospital discharge its procurement process in line with procurement and disposal act, Public Finance management act by ensuring procuring process are followed to the later and payments are made promptly. Meanwhile, the hospital is in the process of aligning itself with the new Electronic Government Procurement Kenya as directed by the National Treasury effective 1<sup>st</sup> July 2025.

***c) Responsible marketing and advertisement***

Kacheliba Sub County Level 4 Hospital ensures procurement starts with prequalification, quotation/tendering processes and based on the prevailing market prices.

***d) Product stewardship***

All Patients files are handled with care and confidentiality maintained at all times. Patients have the right to know the names and jobs of his or her caregivers and a right to respectful care given by competent workers.

***e) Corporate Social Responsibility***

In line with the ministry and department policy, Kacheliba Sub County Level 4 Hospital also engage in Tree planting activities, participate in nutritional survey, TB surveillance survey and ensures there is proper disposal of wastes e.g. removal of asbestos on buildings, burring of the unclaimed bodies so as to reduce health hazards.

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

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of the KCSH's affairs.

**Principal activities**

The principal activities of the entity are to promote and participate in provision of affordable, integrated and high Quality promotive, curative and rehabilitative services.

**Results**

The results of the KSCH for the year ended June 30 2025 are set out on pages 1 to 45.

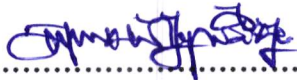
**Board of Management**

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 KSCH in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
**Dr. Jotham J. W. Mukhola**

**Secretary to the Board**

Date 13/07/2025  
.....

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

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

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

The Board of Management accepts responsibility for the KSCH'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 FIF Act 2023. The Board members are of the opinion that the KSCH's financial statements give a true and fair view of the state of KSCH's transactions during the financial year ended June 30, 2025, and of the KSCH's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the KSCH, which have been relied upon in the preparation of the KSCH's financial statements as well as the adequacy of the systems of internal financial control.

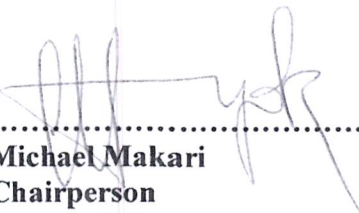
**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

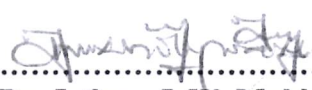
---

Nothing has come to the attention of the Board of management to indicate that the KSCH 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 13/10/2025 and signed on its behalf by:

  
.....  
**Michael Makari**  
**Chairperson**  
**Board of Management**

  
.....  
**Dr. Jotham J. W. Mukhola**  
**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 KACHELIBA SUB COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF WEST POKOT**

---

### **PREAMBLE**

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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**

#### **Opinion**

I have audited the accompanying financial statements of Kacheliba Sub-County Level 4 Hospital – County Government of West Pokot set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kacheliba Sub-County Level 4 Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Gazette Notice No. 786, 2020 and the Public Finance Management Act, 2012.

### **Basis of Opinion**

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

### **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. There were no key audit matters to report in the year under review.

### **Other Information**

Management is responsible for the Other Information set out on page v to xxxix 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 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 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Lack of Approved Annual Operational Budget for the Hospital

Audit review of the budgeting process for the year under review revealed, that the Hospital operated without an approved annual operational budget. No evidence was provided to confirm that the Hospital's annual work plan and budget were submitted to the County Executive for consolidation and subsequent approval by the County Assembly.

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

#### 2. Failure to Meet Level-4 Hospital Requirements

Review of the Hospital against the mandatory requirements for a Level 4 Hospital revealed critical deficiencies in service scope, infrastructure, and staffing as follows:

##### 2.1 Inadequate Infrastructure

The Hospital lacked a functional Emergency and Critical Care unit due to absent advanced life support equipment and trained personnel. Surgical services were restricted due to non-functional caesarean section and main operating theatre. Pediatric, obstetric & gynecological services were not fully functional and specialized services like renal dialysis, dental and palliative care were absent. Further, the physical infrastructure was deficient and did not meet the spatial and facility requirements stipulated for a Level 4 Hospital as detailed in **Appendix 1**.

##### 2.2 Inadequate Medical Personnel

Review of establishment records against the required norms revealed a severe shortage of medical personnel. There was an aggregate shortage of five hundred and six (506) personnel across all critical cadres, including medical officers, consultants, nurses, and clinical officers as analyzed in the **Appendix 2**.

This was Contrary to Rule 7 of the Medical Practitioners and Dentists (Medical Institutions) Rules of 2000, which provides the mandatory resourcing requirements for each category of Hospital.

In the circumstances, these insufficiencies may lead to inefficient and sub-standard service delivery to the public.

### **3. Non-Compliance with Provisions of Facility Improvement Financing (FIF) Act**

Review of bank statements and related records revealed that the Hospital collected and deposited revenue amounting to Kshs.14,833,789 into its designated Facility Improvement Financing (FIF) Account. However, the amount was subsequently transferred to the West Pokot County Health FIF KCB account with an amount of Kshs.12,404,362 being returned to the Hospital's FIF KCB operations account while the balance of Kshs.2,249,427 was withheld at the County level. This was contrary to Section 5 of the Facility Improvement Financing Act, 2023, which requires all facility funds to be retained in designated FIF accounts and prohibits their transfers to unauthorized accounts.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

04 December, 2025

**Appendices:**

<b>Appendix 1 - Kacheliba Sub-County L4 Hospital: Inadequate Infrastructure</b>			
<b>Infrastructure Category</b>	<b>Required</b>	<b>Available</b>	<b>Variance (Gap)</b>
<b>Land, Capacity, and Bed Requirements</b>			
<b>1. Land and Space:</b>			
At least 5 acres of land or approx. 2,500 sq. meters of office space	5	5	0
<b>2. Bed Capacity:</b>			
At least 150 beds with a minimum of 30 beds each in:			
Male ward	30	28	2
Female ward	30	28	2
Pediatric ward	30	20	10
Antenatal ward	30	7	23
Postnatal ward	30	7	23
	<b>150</b>	<b>90</b>	<b>60</b>
<b>3. Labour Ward:</b>			
At least 1 labour ward with 3 delivery beds	3	1	2
<b>4. Newborn and Critical Care Units:</b>			
Newborn Unit: 5 incubators and 5 cots	5	0	5
Functional ICU: at least 6 beds with monitors and ventilators	6	0	6
High Dependency Unit (HDU): at least 6 beds	6	0	6
<b>Clinical and Specialized Units</b>			
Radiology Unit	1	0	1
ENT Unit	1	0	1
Dental Unit	1	0	1
Ophthalmology Unit	1	0	1
Endoscopy, Laparoscopy & Colonoscopy Unit	1	0	1
Renal Unit: at least 5 dialysis machines	5	0	5
CSSD Unit ( <b>mandatory</b> )	1	1	0
Medical Engineering Unit	1	0	1
MCH/FP Unit:	1	1	0
Immunization services room	1	1	0
FP coordination room	1	1	0
Antenatal coordination room	1	1	0
Community Services/Public Health Office	1	1	0
<b>Diagnostic Equipment</b>			
MRI Machine	1	0	1
CT Scan Machine	1	0	1
Mammography Machine	1	0	1

<b>Appendix 1 - Kacheliba Sub-County L4 Hospital: Inadequate Infrastructure</b>			
<b>Infrastructure Category</b>	<b>Required</b>	<b>Available</b>	<b>Variance (Gap)</b>
Ultrasound Machine	1	1	0
General X-ray Machine	1	0	1
Dental X-ray (e.g. IOPA, OPG)	1	0	1
One X-ray Room	1	0	1
One Ultrasound Room	1	1	0
<b>Emergency and Critical Equipment</b>			
Three defibrillators (A&E, Theatre, ICU)	3	0	3
One ventilator per ICU bed	1	0	1
<b>Consultation and Support Rooms</b>			
Waiting Rooms	8	8	0
Consultation Rooms	8	3	5
Registration Rooms	8	3	5
Injection Room	1	2	-1
Plaster Room	1	0	1
Minor Theatre	1	1	0
Sluice Room	1	1	0
Two Operating Theatres (Maternity and General – mandatory)	2	0	2
Mortuary/Cold Room (mandatory)	1	0	1
<b>Pharmacy and Storage</b>			
Pharmacy:			
Separate inpatient and outpatient areas	2	1	1
Drug store(s)	1	1	0
General Supplies Store	1	1	0
<b>Administrative and Staff Facilities</b>			
Administration Unit:			
Medical Superintendent/CEO	1	1	0
Admin Officer	1	1	0
Human Resource Manager	1	0	1
Finance Office	1	1	0
Board Room	1	0	1
Director's Office	1	0	1
Health Records Room	1	1	0
General Store	1	1	0
Cloak Rooms	1	1	0
Staff Quarters for at least 4 on-duty personnel	1	1	0
<b>General Utilities and Services</b>			
Laundry	1	1	0
Kitchen	1	1	0

<b>Appendix 2 - Kacheliba Sub-County L4 Hospital: Under-Staffing</b>				
<b>SN</b>	<b>Category of Personnel</b>	<b>Required Staff Level</b>	<b>Current Staff Level</b>	<b>Under-Staffing</b>
1	Resident Medical Officers ( <i>mandatory</i> )	16	2	14
2	Anesthesiologists	2	0	2
3	General Surgeons	2	0	2
4	Orthopaedic Surgeon	1	0	1
5	ENT Surgeon	1	0	1
6	Obstetrician/Gynecologists	2	0	2
7	Neonatologist	1	0	1
8	Nephrologist	1	0	1
9	Neurologist	1	0	1
10	Ophthalmologist	1	0	1
11	Optometrist	1	0	1
12	Dermatologist	1	0	1
13	Pediatricians	2	0	2
14	Pathologist	1	0	1
15	Psychiatrists	2	0	2
16	Radiologists	2	0	2
17	Physicians (Internists)	2	0	2
18	Public Health Specialist	1	0	1
	<b>Clinical Officers</b>			
19	General Clinical Officers	30	8	22
20	Graduate Clinical Officers	14	0	14
21	Clinical Officers – Lung & Skin	4	0	4
22	Ophthalmology or Cataract Surgeons	4	0	4
23	Clinical Officers – Pediatrics	2	0	2
24	Clinical Officers – Reproductive Health	2	0	2
25	Clinical Officer – Dermatology/Venereology	1	0	1
26	Clinical Officer – Orthopaedic	1	0	1
27	Clinical Officer – Anaesthetists	6	0	6
28	Clinical Officer – Psychiatry/Mental Health	1	0	1
29	Clinical Officer – Oncology/Palliative Care	1	0	1
	<b>Nursing Staff</b>			
30	BScN Nurses	40	2	38
31	Kenya Registered Community Health Nurses	75	30	45
32	Kenya Enrolled Nurses	6	4	2
33	Kenya Registered Nurses – Mental Health & Psychiatry	6	0	6
34	Kenya Registered Nurses	10	2	8

<b>Appendix 2 - Kacheliba Sub-County L4 Hospital: Under-Staffing</b>				
<b>SN</b>	<b>Category of Personnel</b>	<b>Required Staff Level</b>	<b>Current Staff Level</b>	<b>Under-Staffing</b>
35	Oncology Nurses	5	0	5
36	Ophthalmic Nurses	4	1	3
37	Pediatric Nurses	10	0	10
38	Pediatric ICU Nurses	5	0	5
39	Palliative Care Nurses	5	0	5
40	Psychiatry/Mental Health Nurses	6	0	6
41	Sign Language Staff	1	0	1
42	Theatre Nurses	20	2	18
43	Anaesthetist Nurses	10	1	9
44	Accident & Emergency Nurses	5	0	5
45	ICU Nurses	16	0	16
46	Renal Nurses	10	0	10
47	Forensic Nurses	4	0	4
48	Neonatal Nurses	5	0	5
49	Kenya Registered Psychiatric Nurses (KRPN)	4	0	4
50	Registered Midwives	10	1	9
	<b>Pharmaceutical Staff</b>			
51	Pharmacists	4	0	4
52	Clinical Pharmacists	2	0	2
53	Pharmaceutical Technologists	8	4	4
	<b>Rehabilitative and Allied Health Professionals</b>			
54	Plaster Technicians/Technologists	4	4	0
55	Orthopaedic Technologists	3	2	1
56	General Physiotherapists	6	0	6
57	BSc Physiotherapist	1	0	1
58	Specialized Physiotherapists	2	0	2
59	Occupational Therapists	10	0	10
60	Clinical Psychologist	1	0	1
	<b>Dental Staff</b>			
61	Dental Officers	4	0	4
62	Oral & Maxillofacial Surgeon	1	0	1
63	Pediatric Dentists	2	0	2
64	Dental Technologists	6	0	6
65	Community Oral Health Officers	2	0	2
	<b>Imaging and Radiography Staff</b>			
66	General Radiographers	6	2	4
67	Ultrasonographer	1	0	1

<b>Appendix 2 - Kacheliba Sub-County L4 Hospital: Under-Staffing</b>				
<b>SN</b>	<b>Category of Personnel</b>	<b>Required Staff Level</b>	<b>Current Staff Level</b>	<b>Under-Staffing</b>
	<b>Nutrition and Dietetics Staff</b>			
68	Nutrition and Dietetic Officers	10	2	8
69	Nutrition and Dietetic Technologists	8	1	7
71	Nutrition and Dietetic Technicians	2	0	2
72	Cateresses	2	0	2
	<b>Health Promotion and Social Services</b>			
73	Health Promotion Officers	4	0	4
74	Medical Social Workers	6	2	4
	<b>Administrative and Support Staff</b>			
75	Medical Superintendent	1	1	0
76	Health Administrative Officers	2	1	1
77	Human Resource Management Officers	2	0	2
78	Clerks	10	5	5
79	Secretary	1	0	1
80	Accountants	2	1	1
81	Supply Chain Assistants	4	0	4
82	Supply Chain Officers	2	1	1
83	Health Records and Information Management Officers	8	3	5
84	ICT Officers	2	0	2
85	Medical Engineering Technicians	2	1	1
	<b>Laboratory and Public Health</b>			
86	Medical Laboratory Technologists	40	5	35
87	Public Health Officers	4	1	3
	<b>Support Services</b>			
88	Cooks	10	2	8
89	Drivers	12	2	10
90	Support Staff	40	13	27
91	Mortuary Attendants	6	0	6
92	Security Officers	10	4	6
				<b>506</b>

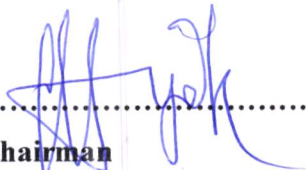
**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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

Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	6,163,847
In-kind contributions from the County Government	7	106,703,579	91,188,009
Grants from donors and development partners	8	13,455,950	10,951,488
<b>Revenue from non-exchange transactions</b>		<b>120,159,529</b>	<b>108,303,344</b>
<b>Revenue from exchange transactions</b>			
Rendering of Services-Medical Service Income	9	17,628,408	-
<b>Revenue from exchange transaction</b>		<b>17,628,408</b>	<b>-</b>
<b>Total revenue</b>		<b>137,787,937</b>	<b>108,303,344</b>
<b>Expenses</b>			
Medical/Clinical costs	10	29,489,888	17,238,266
Employee costs	11	91,975,218	80,330,780
Board of Management Expenses	12	510,250	176,250
Depreciation and amortization Expense	13	2,494,232	-
Repairs and maintenance	14	557,446	288,500
Grants and Subsidies	15	2,500,697	-
General expenses	16	7,347,503	3,860,494
<b>Total expenses</b>		<b>134,875,234</b>	<b>101,894,290</b>
<b>Total other gains/(losses)</b>		<b>-</b>	<b>-</b>
<b>Net Surplus for the year</b>		<b>2,912,703</b>	<b>6,409,054</b>

(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 13/11/2025 and signed on its behalf by:

  
 Chairman

Board of Management

  
 Head of Finance

ICPAK No: 18976

  
 Medical Superintendent

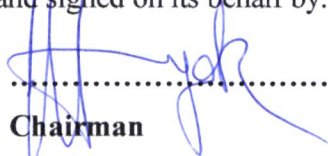
*Kacheliba Sub County Hospital (Hospital County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*


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

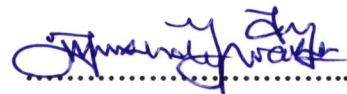
Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	3,524,883	247,036
Receivables from exchange transactions	18	6,148,581	827,050
Receivables from non-exchange transactions	19	3,129,427	4,023,000
Inventories	20	296,134	2,595,005
<b>Total Current Assets</b>		<b>13,099,026</b>	<b>7,692,091</b>
<b>Non-current assets</b>			
Plant property and equipment	21	51,729,650	-
<b>Total Non-current Assets</b>		-	-
<b>Total assets</b>		-	-
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade Payables		-	-
<b>Total Current Liabilities</b>		-	-
<b>Non-current liabilities</b>			
<b>Total Non-current liabilities</b>		-	-
<b>Total Liabilities</b>		-	-
<b>Net assets</b>		<b><u>64,828,675</u></b>	<b><u>7,692,091</u></b>
Balance Brought Forward		-	1,283,037
Revaluation reserve		-	-
Accumulated surplus/Deficit		64,828,675	6,409,054
Capital Fund		-	-
		-	-
<b>Total Net Assets and Liabilities</b>		<b><u>64,828,675</u></b>	<b><u>7,692,091</u></b>

(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 31/10/2025 and signed on its behalf by:

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

  
.....  
**Head of Finance**  
**ICPAK No: 18976**

  
.....  
**Medical Superintendent**

**16. Statement of changes in Net Asset for The Year Ended 30 June 2025**

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
			Fund	
As at July 1, 2023 (previous year)	-	1,283,037	-	1,283,037
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	6,409,054	-	6,409,054
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	7,692,091	-	7,692,091
Prior adjustment (Property, Plant and Equipment)	-	54,223,881	-	54,223,881
At July 1, 2024(current year)	-	61,915,972	-	61,915,972
Revaluation gain	-	-	-	-
Surplus/(deficit) for the period	-	2,912,703	-	2,912,703
Capital/Development grants	-	-	-	-
<b>AS AT 30 June, 2025</b>	-	<b>64,828,675</b>	-	<b>64,828,675</b>

(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements)

**NOTE**

Prior year adjustment comprises of assets not previously disclosed

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

Description		FY 2024- 2025	FY 2023- 2024
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	6,163,847
In- kind contributions from the County Government		-	91,188,009
Grants from donors and development partners		-	10,951,488
Rendering of Services-Medical Service Income		12,306,877	-
<b>Total Receipts</b>		<b>12,306,877</b>	<b>108,303,344</b>
<b>Payments</b>			
Medical/Clinical costs	10	612,226	17,238,266
Employee costs	11	-	80,330,780
Board of Management Expenses	12	510,250	176,250
Repairs and maintenance	14	557,446	288,500
Grants and Subsidies	15	2,500,697	-
General expenses	16	4,848,411	3,860,494
<b>Total Payments</b>		<b>9,029,030</b>	<b>101,894,290</b>
<b>Net cash flows from operating activities</b>	<b>22</b>	<b>3,277,847</b>	<b>81,379</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment, & intangible assets		-	-
Proceeds from the sale of property, plant, and equipment		-	-
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,277,848</b>	<b>81,379</b>
Cash and cash equivalents at 1 July	17	247,036	165,657
<b>Cash and cash equivalents at 30 June 2025</b>	<b>17</b>	<b>3,524,883</b>	<b>247,036</b>

(The notes set out on pages 8 to 34 form an integral part of the Annual Financial Statements.)

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

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

<b>Description</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>% of utilisation</b>
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c %</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Budget carryovers from the previous year	2,797,353	-	2,797,353	2,792,378	4,975	100%
Receipts						
Rendering of service - medical services	10,000,000	-	10,000,000	11,479,827	-	115%
In kind contribution from county government	106,175,218	-	106,175,218	106,703,579	- 528,361	100%
Grants from donors and development partners	13,455,950	-	13,455,950	13,455,950	-	100%
<b>Total receipts</b>	<b>132,428,521</b>	<b>-</b>	<b>132,428,521</b>	<b>134,431,734</b>	<b>- 523,386</b>	<b>102%</b>
<b>Payments</b>						
Medical/Clinical costs	29,489,888	-	29,489,888	29,687,261	- 197,373	101%
Employee costs	91,975,218	-	91,975,218	91,975,218	-	100%
Remuneration of directors	530,250	-	530,250	510,250	20,000	96%
Depreciation and amortization Expense		-	-	-	-	-
Repairs and maintenance	559,303	-	559,303	557,446	1,857	100%

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

Grants and subsidies	2,500,697	-	2,500,697	2,500,697	-	100%
General expenses	7,373,165	-	7,373,165	7,347,503	25,662	100%
Total Operational Expenditures paid	132,428,521	-	132,428,521	132,578,375	- 149,854	100%
Capital Expenditure paid	-	-	-	-	-	-
<b>Surplus for the period</b>	-	-	-	<b>1,853,359</b>	<b>- 673,240</b>	

(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements.)

**NOTES**

1. We exceeded the 10m target on revenue collection by Kshs. 1,479,827 translating to 15% in excess of the revenue collected during the FY 2024-2025. This was possible due to consistent availability of medical commodities and team work.

2. The Medical Costs exceeded the budgeted target because of the carry overs from the previous FY 2023-2024.

3. All other voteheads (Receipts and payments) that we exceeded 90% was as a result of team work, consistent availability of medical commodities, good internal controls, proper management of funds in compliance with the applicable laws such as PFM Act 2012, PPDA, 2015, FIF Act 2023 and regulations relating to good financial practice (GFP).

**Budget Reconciliation**

	<b>Description of Particulars</b>	<b>Amount in Kshs</b>
	Actual Surplus Amounts as per the statement of Budget	1,853,359
1	Receivable from exchange transaction	6,148,581
2	Increase in receivable from exchange and non-exchange transactions	- 4,427,958
3	Increase in inventories	2,298,871
4	Cash and cash equivalent B/F	247,036
	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,524,883

(The notes set out on pages 8 to 38 form an integral part of the Annual Financial Statements.)

## **19. Notes to the Financial Statements**

### **1. General Information**

Kacheliba Sub County Level 4 Hospital entity is established by and derives its authority and accountability from Health Act, 2017, PFM Act, 2012 and PPAD Act 2015. The entity is wholly owned by the County Government of West Pokot and is domiciled in Kenya. The entity's principal activity is to promote and improve health 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 KSCH'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 Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the KSCH. The financial statements have been prepared in accordance with the PFM Act, and FIF Act 2023, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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:	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p>

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

*iii) Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the KSCH 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.

**b. Budget information**

The original budget for FY 2024-25 was approved by Board on June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations added to the original budget by the entity. The KSCH's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The

amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 under section 14 of these financial statements.

**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.

**d. Investment property**

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

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

amount of the asset is recognized in the surplus or deficit in the period of 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.

**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.

**h. 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.

**i. 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 Company's financial statements

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 Notes.

## **Financial liabilities**

### **Classification**

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

### **j. 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.

**k. 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.

**l. 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.

**m. 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.

**n. 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.

**o. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements.

**p. 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.

**q. Employee benefits**

**Retirement benefit plans**

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

**r. Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on

that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**s. 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.

**t. 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 KSCH, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

**u. 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 KSCH 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.

**v. 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.

**w. Comparative figures**

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

**x. 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 KSCH 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 Notes. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Notes to Financial Statements Continued**

**6. Transfers from the County Government**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfer from County Government	-	6,163,847
<b>Total government grants and subsidies</b>	<b>-</b>	<b>6,163,847</b>

**6 b Transfers from The County Government**

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Total grant income during the year 2024-2025	Total
	KShs	KShs		FY 2023 - 2024
			KShs	KShs
West Pokot County Government	-	-	-	6,163,847
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,163,847</b>

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

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries and wages	91,975,218	80,330,780
Food and rations	2,499,092	2,200,000
Pharmaceutical and Non-Pharmaceutical Supplies	10,000,000	-
Pharmaceutical and Non-Pharmaceutical Supplies	1,529,269	8,657,229
Undelivered cleaning materials	350,000	-
Undelivered other fuels	350,000	-
Essential meds and non pharms program	-	-
<b>Total grants in kind</b>	<b>106,703,579</b>	<b>91,188,009</b>

Notes to Financial Statements Continued

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

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Pokot Development Fund Foundation	-	141,880
Global Fund Donations	-	10,809,608
Grants from donors & development Partners	13,455,950	-
<b>Total grants in kind</b>	<b>13,455,950</b>	<b>10,951,488</b>

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

Name of the Entity sending the grant	FY 2024-2025	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year	Comparative period (F/Y 2023-24)
	KShs	KShs	KShs	KShs	KShs
Pokot Development Fund Foundation	-	-	-	-	141,880
African Medical and Research Foundation (AMREF)	2,126,126	-	-	2,126,126	-
Clinton Health Access Initiative (CHAI)	340,994	-	-	340,994	-
Global Fund Donations	6,983,332	-	-	6,983,332	10,809,608
GOK GF Counterpart Funds	403,329	-	-	403,329	-
International Development Association – World Bank (IDA)	115,600	-	-	115,600	-
Ministry of Health (MOH)	869,628	-	-	869,628	-
United Nations Population Fund (UNF)	187,514	-	-	187,514	-
West Pokot County	2,429,427	-	-	2,429,427	-
<b>Total grants in kind</b>	<b>13,455,950</b>	<b>-</b>	<b>-</b>	<b>13,455,950</b>	<b>10,951,488</b>

**Notes to Financial Statements Continued**

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

Description	FY 2024-2025	FY
	Kshs	2023-2024
	Kshs	Kshs
Pharmaceuticals & Non-Pharmaceuticals	1,832,006	-
Laboratory	5,189,261	-
Radiology	1,690,450	-
Inpatients	2,756,166	-
Files/OPD Booklets	804,497	-
Referrals	41,254	-
Maternity	2,319,499	-
Morgue	2,427	-
Inj/POP	281,845	-
Registration	2,711,003	-
<b>Total revenue from the rendering of services</b>	<b>17,628,408</b>	<b>-</b>

**10. Medical/ Clinical Costs**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Carry over	2,595,005	-
Laboratory chemicals and reagents	265,254	50,000
Dressing and Non-Pharmaceuticals	15,307,819	6,203,658
Pharmaceutical supplies/Medical Drugs	11,093,810	10,859,608
Xray/Radiology supplies	228,000	125,000
<b>Total medical/ clinical costs</b>	<b>29,489,888</b>	<b>17,238,266</b>

**11. Employee Costs**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries, wages and allowance	91,975,218	80,330,780
<b>Employee costs</b>	<b>91,975,218</b>	<b>80,330,780</b>

**Notes to Financial Statements Continued**

**12. Board of Management Expenses**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Sitting allowance	510,250	176,250
<b>Total</b>	<b>510,250</b>	<b>176,250</b>

**13. Depreciation and Amortization**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, plant and equipment	2,494,232	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>2,494,232</b>	<b>-</b>

**14. Repairs And Maintenance**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Motor vehicle expenses	217,446	149,500
Maintenance of building and stations	300,000	91,000
Furniture and Fittings	40,000	48,000
<b>Total repairs and maintenance</b>	<b>557,446</b>	<b>288,500</b>

**15. Grants And Subsidies**

Description	FY	FY
	2024-2025	2023-2024
	Kshs	Kshs
CHMT Grants	2,500,697	-
<b>Total grants and subsidies</b>	<b>2,500,697</b>	<b>-</b>

**Notes to Financial Statements Continued**

**16. General Expenses**

<b>Description</b>	<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Catering Expenses	190,000	120,500
Accommodation	961,400	-
Daily Subsistence Allowance	100,000	-
Sanitary and Cleaning Materials	539,350	178,950
Food and Ration	3,328,292	2,426,800
General Office Supplies	433,800	156,900
Bank charges	33,811	6,841
Fuel and lubricants	413,000	100,000
Other fuels	381,800	73,000
Internet expenses	179,150	25,100
Networking	-	50,000
Telephone	54,500	-
Publishing & Printing	732,400	-
CHMT Grants	-	722,403
<b>Total General Expenses</b>	<b>7,347,503</b>	<b>3,860,494</b>

**17(a) Cash And Cash Equivalents**

<b>Description</b>	<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
	<b>KShs</b>	<b>KShs</b>
Current accounts	3,524,883	247,036
<b>Total cash and cash equivalents</b>	<b>3,524,883</b>	<b>247,036</b>

**17(b) Detailed Analysis of Cash and Cash Equivalents**

<b>Description</b>		<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
<b>Financial institution</b>	<b>Account number</b>	<b>KShs</b>	<b>KShs</b>
a) <b>Current account</b>			
Kenya Commercial bank	1267071362	2,010,230	202,348
Kenya Commercial bank	1145862810	1,514,653	44,688
<b>Grand total</b>		<b>3,524,883</b>	<b>247,036</b>

**Notes to Financial Statements Continued**

**18. Receivables From Exchange Transactions**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
NHIF Medical services receivables	2,236,600	827,050
SHA Medical services receivables	3,911,981	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>6,148,581</b>	<b>827,050</b>

	FY 2024-2025		FY 2023-2024	% of the total
	FY 2024-2025	% of the total	Kshs	
Less than 1 year	6,148,581	100	827,050	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	<b>6,148,581</b>	<b>100</b>	<b>827,050</b>	<b>100%</b>

**19.(a) Receivables From Non-Exchange Transactions**

Description	FY 2024-2025	FY2023-2024
	KShs	KShs
Transfers from the County Government	2,429,427	4,023,000
General expenses - Cleaning materials	350,000	-
General expenses - Other fuels	350,000	-
Less: impairment allowance	-	-
<b>Total</b>	<b>3,129,427</b>	<b>4,023,000</b>

**Notes to Financial Statements Continued**

**19(b) Analysis of Receivables From Non-Exchange Transactions**

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	FY 2023-2024	% of the total
Less than 1 year	2,444,147	100	4,023,000	100%
Between 1- 2 years	685,280	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	<b>3,129,427</b>	<b>100</b>	<b>4,023,000</b>	<b>100%</b>

**20. Inventories**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Balance B/F	-	92,570
Pharmaceutical	170,344	-
Pharmaceutical & Non Pharmaceuticals supplies	125,790	2,502,435
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
Other fuel	-	-
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>296,134</b>	<b>2,595,005</b>

Notes to Financial Statements Continued

21. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
	<b>Cost</b>	-	0	0	0	0	0.10	-	-
At 1 July 2023 (previous year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30th Jun 2024</b>	-	-	-	-	-	-	-	-	-
<b>At 1 July 2024 (current year)</b>	-	-	-	-	-	-	-	-	-
Additions	-	45,172,301	3,360,000	-	-	4,012,000	1,679,581	-	54,223,882

*Kacheliba Sub County Hospital (West Pokot County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30th Jun 2025</b>	-	<b>45,172,301</b>	<b>3,360,000</b>	-	-	<b>4,012,000</b>	<b>1,679,581</b>	-	<b>54,223,882</b>
<b>Depreciation and impairment</b>									
At 1 July 2023 (previous year)	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	-	-	-	-	-	-	-	-	-
At July 2024 (current year)	-	-	-	-	-	-	-	-	-
Depreciation	-	986,180	560,112	-	-	708,000	239,940	-	2,494,232
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
<b>At 30th June 2025</b>	-	<b>986,180</b>	<b>560,112</b>	-	-	<b>708,000</b>	<b>239,940</b>	-	<b>2,494,232</b>

***Kacheliba Sub County Hospital (West Pokot County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

<b>Net book values</b>									
At 30th Jun 2024 (previous)	-	45,172,301	3,360,000	-	-	4,012,000	1,679,581	-	54,223,882
At 30th Jun 2025 (current)	-	44,186,121	2,799,888	-	-	3,304,000	1,439,641	-	51,729,650

**Notes to Financial Statements Continued**

**22. Cash Generated from Operations**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
<b>Surplus for the year before tax</b>	<b>2,912,703</b>	<b>6,409,054</b>
<b>Adjusted for:</b>		
Depreciation	2,494,232	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in receivables	- 4,427,958	- 3,825,240
Decrease in inventory	2,298,871	- 2,502,435
Increase/decrease in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>3,277,848</b>	<b>81,379</b>

## **21. 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 company'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 company 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 company'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:

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 company 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 NHIF/SHA. The board of management sets the company'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 company 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.

**(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 company'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:

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.

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company'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.

**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 company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company'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.

### **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.

### **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:

## **22. 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.

West 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

## **23. Segment Information**

The Hospital operates only in one location-Kacheliba Town.

**24. Contingent Liabilities**

There were no contingent liabilities

**25. Events after the Reporting Period**

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

**26. Ultimate and Holding Entity**

The entity is a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of West Pokot

**27. Currency**

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

**20. Appendices**

**Appendix 1: Progress on Follow Up of Auditor Recommendations**

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

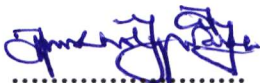
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Inaccuracies in the Financial Statements	Resolved	Resolved	Immediately
2	Undisclosed property, Plant and Equipment	The County Government of West Pokot has done the valuation of assets and it's on process to transfer ownership of all assets due for KSCH.	On process	ASAP
3	Budgetary Control and Performance	Resolved	Resolved	Immediately
4	Shortage of medical staffs	The county government of west Pokot has recruited new staffs and the gaps are filled	Resolved	Immediately
5	Lack of essential medical equip and infrastructure	The Management in collaboration with the county government of west pokot and the national government is working on how best to resolve this as soon as possible	ASAP	ASAP
6	Inadequacy controls in revenue collection systems/ Non- Automation	Hospital Automation has started and will have full control of the	On process	ASAP

***Kacheliba Sub County Hospital (West Pokot County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	of hospital processes	revenue collection system		
7	Lack of approved risk management policy	On process	On process	ASAP

**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**

*Kacheliba Sub County Hospital (West Pokot County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

**Appendix II: Projects Implemented by Kacheliba Sub County hospital**

**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	CGWP/RFQ/DNDI/013/2024-2025	DNDI		100%	NO	NO

**Status of Projects completion**

**(COMPLETED)**

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	KITCHEN	2,499,100	2,499,100	100%	2,500,000	2,499,100	DNDI

*Kacheliba Sub County Hospital (West Pokot County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

---

**Appendix III: Inter-Entity Confirmation Letter**



KSCH/VOL1/25



KACHELIBA SUB COUNTY HOSPITAL  
P.O. BOX 50-30601  
KACHELIBA  
Mobile: 0784 006597  
Email:kachelibasch@westpokot.go.ke

30<sup>th</sup> June 2025

---

The County treasury wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Confirmation of amounts received by Kacheliba Sub County Hospital as at 30 <sup>th</sup> June 2025								
Reference Number	Date Disbursed	Amounts Disbursed by West Pokot County Treasury (KShs) as at 30 <sup>th</sup> June 2025				Total (D)=(A+B+C)	Amount Received by [KSCH] (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
1	15/07/24	1,040,000	-	-	1,040,000	1,040,000	-	
2	15/07/24	2,297,720	-	-	2,297,720	2,297,720	-	
3	25/10/24	630,319	-	-	630,319	630,319	-	
4	16/12/24	873,000	-	-	873,000	873,000	-	
5	15/01/25	3,494,323	-	-	3,494,323	3,494,323	-	
6	30/04/25	2,175,599	-	-	2,175,599	2,175,599	-	
7	19/06/25	1,893,401	-	-	1,893,401	1,893,401	-	
	<b>Total</b>	<b>12,404,362</b>	-	-	<b>12,404,362</b>	<b>12,404,362</b>	-	

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

**Head of Accounts Department - Disbursing Entity:**

Name JACKSON MERIAROL Sign  Date 13/07/2025

**Head of Accounts Department - Beneficiary Entity:**

Name DR. JOHANN MUKHOLA Sign  Date 13/07/2025

*Kacheliba Sub County Hospital (West Pokot County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

21. Annex – Trial Balance

<b>KACHELIBA SUB COUNTY LEVEL 4 HOSPITAL</b>			<b>KACHELIBA SUB COUNTY LEVEL 4 HOSPITAL</b>		
<b>REPORTS AND FINANCIAL STATEMENTS</b>			<b>REPORTS AND FINANCIAL STATEMENTS</b>		
<b>FOR THE YEAR ENDED JUNE 30, 2025</b>			<b>FOR THE YEAR ENDED JUNE 30, 2025</b>		
<b>AS OF 31/06/2025</b>			<b>AS OF 31/06/2025</b>		
<b>TRIAL BALANCE</b>			<b>TRIAL BALANCE</b>		
<b>Description</b>	<b>DR</b>	<b>CR</b>	<b>Description</b>	<b>DR</b>	<b>CR</b>
<b>Revenue from non-exchange transactions</b>			<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government		-	Transfers from the County Government		6,163,847
In-kind contributions from the County Government		106,703,579	In-kind contributions from the County Government		91,188,009
Grants from donors and development partners		13,455,950	Grants from donors and development partners		10,951,488
Rendering of Services-Medical Service Income		17,628,408			
<b>Total revenue</b>		<b>137,787,937</b>	<b>Total revenue</b>		<b>108,303,344</b>
<b>Expenses</b>			<b>Expenses</b>		
Medical/Clinical costs	29,489,888		Medical/Clinical costs	17,238,266	
Employee costs	91,975,218		Employee costs	80,330,780	
Board of Management Expenses	510,250		Board of Management Expenses	176,250	

**Kacheliba Sub County Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Depreciation and amortization expense	2,494,232		Depreciation and amortization expense	-	
Repairs and maintenance	557,446		Repairs and maintenance	288,500	
Grants and Subsidies	2,500,697				
General expenses	7,347,503		General expenses	3,860,494	
Plant property and equipment	-		Plant property and equipment	-	
<b>CASH AND BANK BALANCES</b>			<b>CASH AND BANK BALANCES</b>		
Kenya Commercial bank 1267071362	2,010,230		Kenya Commercial bank 1267071362	202,348	
Kenya Commercial bank 1145862810	1,514,653		Kenya Commercial bank 1145862810	44,688	
cash in hand	-		cash in hand	-	
<b>ACCOUNTS RECEIVABLES-</b>			<b>ACCOUNTS PAYABLE-</b>		
Payables		-	Payables		-
Prepayments	-		Prepayments	-	
Receivables from exchange transitions	6,148,581		Receivables from exchange transactions	827,050	
Receivables from-non exchange transitions	3,129,427		Receivables from non-exchange transactions	4,023,000	
Property, Plant and Equipment	51,729,650				
Inventories	296,134		Inventories	2,595,005	
Fund balance b/fwrđ 2024/2025		61,915,973	Fund balance b/fwrđ 2023/2024		1,283,037
Capital fund		-			-
<b>TOTAL</b>	<b>199,703,910</b>	<b>199,703,910</b>	<b>TOTAL</b>	<b>109,586,381</b>	<b>109,586,381</b>



Handwritten scribbles or faint text in the center of the page.

Handwritten text in the lower-left quadrant, appearing as a list or series of notes.