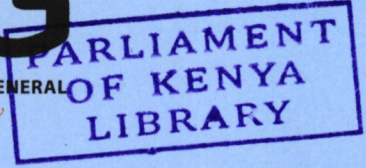


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

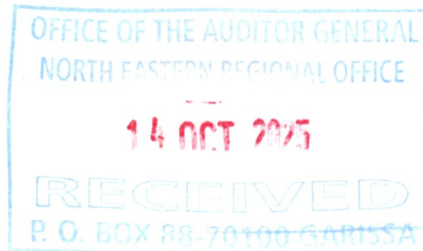
BURA SUB-COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF GARISSA

PAPERS LAID	
DATE	13.11.25.
TABLED BY	S.M.L
COMMITTEE	-
CLERK AT THE TABLE	Abigael.

Bura Sub County Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025



BURA SUB COUNTY LEVEL 4 HOSPITAL
(Garissa County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

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



Bura Sub County Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Table of Contents

1. Acronyms & Glossary of Terms	iii
2. Key Entity Information and Management	iv
3. The Board of Management	vii
4. Key Management Team	viii
5. Chairman’s Statement	ix
6. Report of The Medical Superintendent	x
7. Statement of Performance Against Predetermined Objectives	xi
8. Corporate Governance Statement	xiii
9. Management Discussion and Analysis	xiv
10. Environmental And Sustainability Reporting	xvi
11. Report of The Board of Management	xviii
12. Statement of Board of Management’s Responsibilities	xix
13. Report of the Independent Auditor on <i>Bura Sub County Level 4 Hospital</i>	xx
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position As At 30th June 2025	2
16. Statement of Changes in Net Asset for The Year Ended 30 June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025	5
19. Notes to the Financial Statements	7
20. Appendices	30

1. Acronyms & Glossary of Terms

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



2. Key Entity Information and Management

(a) Background information

Bura Sub County Hospital is a level 4 hospital established under gazette notice number xxx and is domiciled in Garissa County under the Health Department. The hospital is governed by a Hospital Management Committee (HMC).

(b) Principal Activities

The principal activity/mission/mandate of the hospital is to promote a healthy and productive population by providing quality, accessible and affordable health services that are innovative and culturally acceptable to all as highlighted below as the hospital objectives;

Inpatient Care:

For the last financial year the hospital recorded exponential growth in terms of admissions, improved outcomes and reduced length of stay of our patients. These have reduced economic losses that could have otherwise been occasioned by more number of days patients would spend away from their homes. In patient workload for 2022/2023 financial year was 148 and 2024/2025 the workload was 263.

Outpatient Services:

There has been a growth in outpatient services, such as imaging services (x-ray, U/S) and laboratory services. Turnaround time has greatly improved owing to our committed staff to their responsibilities. The hospital through the public health department has scaled up its services through effective health education to our populace.

Emergency Services:

According to article 43(2) of the constitution of Kenya 2010 schedule four bill of rights guarantees the right to emergency medical treatment to every person the hospital does not deny our people treatment even if they cannot afford. We aim to have hospital ambulance for quick referral of our patients for this will reduce waiting time for ambulance services when needed because the hospital does not have one of its own.

Specialized Care:

Our facility in partnership with the outreach services that are supported by UNICEF we started specialized services by inviting specialists from the county referral with the aim of bringing services closer to people.

(c) Key Management

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

- County Health management team
- Sub county health management team
- Hospital Management board

Bura Sub County Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

- Hospital management team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr. Benard Omanga
2.	Hospital Health Administrator	Mr. Abdishujaa Mohamed
	Clinical Officer in Charge	Ms. Catherine Kituse
	Nursing Officer in Charge	Mr. Dennis Nyaga
3.	Laboratory in Charge	Ms. Josephine Kimilu
4.	Pharmacy in- Charge	Mr. Dennis Ngare
5.	Nutrition officer in-charge	Mr. David Ngugi

(e) Fiduciary Oversight Arrangements

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

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 40-70100
GARISSA, KENYA
Telephone: +254 0202000133/ +254718 799 270
info@healthgarissa.go.ke

(g) Entity Contacts

Bura Sub-County Hospital
P.O Box 192-70100
Telephone: +254 713576095
E-mail: burasubcounty2024@gamil.com

(h) Entity Bankers

Premier Bank- Garissa

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. The Board of Management

Ref	Directors	Details
1.	Abdi Hussein Barre	Chairperson
2.	DR. Benard Omanga	Secretary
3.	Aden Mohamed	Treasurer
4.	Habiba Bare Keynan	Member
5.	Ahmed Yussuf Mahat	Member
6.	Safia Ahmed Olow	Member

4. Key Management Team

Ref	Management	Details
1.	Dr. Benard Omanga	Medical Superintendent
2.	Mr. Abdishujaa Mohamed	Hospital Administrator
3.	Ms. Catherine Kituse	Clinical Officer in-Charge
4.	Mr. Dennis Nyaga	Nursing Officer in-Charge
5.	Ms. Josephine Kimilu	Laboratory in-Charge

5. Chairman’s Statement

As the chairman of Bura Sub-County Hospital Management board, I would like to pass my heartfelt greetings to the general public and honour to our almighty God for bringing us this far. As we reflect on the past financial year, I am pleased to present our annual report reflecting our Hospital’s success and achievements.

The last financial year our hospital had both challenges and remarkable achievements that helped us to achieve high-quality healthcare to our people. Through our development partners we managed to establish imaging and diagnostic centre that has created phenomenal impact on service delivery to our patients. Financially, we recorded a tremendous improvement in terms of revenue collection and was attributed to staff motivation and interpersonal collaboration.

Despite the challenges faced, our team were resilient and able to adopt to the prevailing circumstances. We have made significant strides in enhancing patient care, improving operational efficiencies in service delivery and fostering a culture of innovation and quality healthcare.

I thank the County Government of Garissa and Governor Hon. Nathif Jama Adam for their continued support and goodwill in enhancing healthcare accessibility, affordability, and availability. Their efforts have ensured timely supply of medical supplies, payment of workers, and proper maintenance of hospital facilities.

My sincere gratitude and appreciation go to the entire Bura Sub-county Hospital Management Committee for the unwavering dedication and commitment throughout the past one year. Through your hard work and tireless efforts, our hospital has continued to uphold its commitment to providing exceptional healthcare services to our community.

I extend my gratitude to our dedicated medical and administrative staff for their professionalism and commitment, which sustain our high standards of care. We will continue prioritizing their well-being and providing the tools and training needed for outstanding service. I also thank the people of Bura Sub-County for their trust and support, enabling us to enhance service delivery, community outreach, and exceed expectations.

Looking ahead, we remain steadfast on our mandate to enhance the health and well-being of our community. We are excited about future initiatives, including expansion of our outreach programs and services, as well as exploring partnerships that will further enhance our services. Thank you for your continued support and trust in our hospital.

Together, we will continue to navigate the path towards excellence in healthcare.

Sincerely,



.....

Name

Chairman to the Board

6. Report of The Medical Superintendent

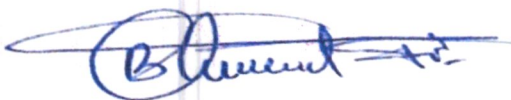
As we come to the end of this financial year, it is my privilege and pleasure with a lot of humility to present this report on our hospital's achievements, challenges, and strategic plans on how we can improve service delivery to our community. We have made significant strides in expanding our medical services. Through our development partners we have built imaging department that has revolutionized investigative capacity of our hospital.

Our commitment to quality improvement remains steadfast. We recognize that our staff are our greatest asset and have undertaken several initiatives aimed at improving patient outcomes. Through rigorous monitoring and staff training, we achieved significant improvement in the quality of our services and customer satisfaction. Additionally, we have implemented programs to support our staff's mental and physical health, fostering a positive work environment. While we have made great progress, we faced some challenges that threatened efficiency in terms of service provision. The challenges basically are of severe shortage of staff so for this reason the few members of staff we have had to stretch further to make sure their continuity in terms of service provision.

As a hospital we lack a utility vehicle and an ambulance that would have helped us a lot in terms of hospital operations. For this reason, we get a lot of inconveniences when we have to ferry hospital commodities from Garissa town. As we look ahead, our focus will remain committed to enhancing our outreach programs, focusing on health education. By engaging with our community, we aim to raise awareness about health issues. We will continue to explore innovative solutions to improve patient care, allowing us to reach more patients and provide convenient access to healthcare.

I express gratitude to the County Government of Garissa and Governor Nathif Jama Adam for their commitment, which has driven progress and improved the hospital through funding and resource allocation. Thanks to the Bura Sub-County Hospital Management Committee for their support and to our dedicated healthcare professionals, support staff, and volunteers whose tireless efforts ensure our success in delivering exceptional healthcare to the community.

In conclusion, I express my deepest gratitude to the Bura Sub County Hospital Community for their trust and support in our journey together. Together, we will continue to navigate the path towards excellence in healthcare.



Name Dr. Bernard Omanga
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government entity’s performance against predetermined objectives.

Bura Sub-County Hospital has identified the following strategic pillars/themes/issues and objectives within its current Strategic Plan for the fiscal year **2024/2025**. These strategic pillars/themes/issues are as follows:

1. **Pillar 1: Improving Access to Healthcare**
2. **Pillar 2: Enhancing Quality of Care**
3. **Pillar 3: Strengthening Community Engagement**
4. **Pillar 4: Optimizing Resource Management**

The hospital develops its annual work plans based on these strategic pillars. Performance against the annual work plan is assessed quarterly by the Board. The following table outlines the performance against predetermined objectives set for the FY 2024/2025 period, highlighting achievements under each strategic pillar.

Strategic Pillar/Theme/Issue	Objective	Key Performance Indicators (KPIs)	Activities	Achievements
Pillar/Theme/Issue 1: Improving Access to Healthcare	To increase patient access to essential healthcare services.	- Number of outpatient visits	- Mobile outreach clinics	- 20% increase in outpatient visits
		- Number of in-patient admissions	- Improved referral system	- Reduced referral rate by 15%
		- Referral rate to higher-level facilities	- Expanded outpatient services	
Pillar/Theme/Issue 2: Enhancing Quality of Care	To improve the quality of medical care provided at the hospital.	- Patient satisfaction rate	- Staff training in patient care	- 85% patient satisfaction
		- Clinical outcomes	- Regular patient feedback surveys	- Reduced patient wait times by 10%
		- Percentage of medical errors	- Upgrade of medical equipment	- Improved staff competency
Pillar/Theme/Issue 3: Strengthening Community	To build stronger partnerships with the community for	- Number of community health programs	- Health awareness campaigns	- Conducted 6 health awareness campaigns

Bura Sub County Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Engagement	better healthcare outcomes.	- Participation rate in health awareness campaigns	- Health education workshops	- Engaged 500+ community members
Pillar/Theme/Issue 4: Optimizing Resource Management	To optimize the use of available resources, including personnel and medical supplies.	- Budget adherence	- Improved supply chain management	- 95% adherence to budget
		- Stock-outs of essential medicines	- Staff scheduling and capacity building	- Reduced stock-outs by 20%
		- Staff utilization rate	- Efficient budgeting	- Optimized staffing levels

8. Corporate Governance Statement

The governance structure of **Bura Sub-County Hospital** ensures accountability, transparency, and effective management through a robust framework established by the County Health Management Team (CHMT) and the Sub-County Health Management Team (SCHMT). These teams are appointed as follows:

- **County Health Management Team (CHMT)** is appointed by the County Executive Committee member and consists of:
 - The County Director of Health, who serves as the chairperson.
 - **The Administrative Officer of the Department, who serves as the secretary to the team.**
 - All section or unit heads within the health department.
 - The Medical Superintendents of the County Hospitals.
- **Sub-County Health Management Team (SCHMT)** is appointed by the County Executive Committee member and includes:
 - **The Health Officer in charge of the Sub-County.**
 - The Sub-County Administrative Officer.
 - All Unit Heads within the Sub-County health department.
 - The Medical Superintendent of the Sub-County hospitals.
 - Any other officer as designated by the County Executive Committee member, in **consultation with the County Health Management Team.**

Board members are appointed through a transparent appointment process, and their removal is done following set procedures defined in the governance framework. The induction and training process for Board members/Committee ensures they are well-equipped to perform their duties effectively, with regular performance evaluations conducted to assess both individual and collective performance.

In terms of ethics and conduct, the hospital has established a Code of Conduct that guides the Board's operations. Conflict of interest policies are strictly enforced to ensure Board members act in the best interest of the hospital, while remuneration and benefits are determined in line with the policies established by the County Government.

The Board's effectiveness is supported by regular governance audits to assess the compliance of operations and performance against established guidelines. This structured approach ensures the hospital remains accountable to the people it serves while fostering a culture of continuous improvement and ethical decision-making.

9. Management Discussion and Analysis

Introduction:

This section provides stakeholders with insights into the institution's financial health, operational performance, and strategic plans for the future. This report evaluates the financial results, discusses challenges and opportunities, and outlines future plans, offering transparency and fostering trust among patients, staff, and investors.

Operational Performance:

Regulatory Environment:

The healthcare sector is heavily regulated, and changes in laws or policies can significantly impact operations. We have successfully mitigated regulatory challenges and ensured compliance with new laws.

Patient Care Quality and Safety:

Quality of care is paramount in our guidelines for providing healthcare services. Discussions on improved patient safety, satisfaction, and quality improvement have been undertaken during the year to provide insight into the hospital's commitment to quality.

Financial Performance:

Revenue Generation:

Bura Sub-County Hospital generated revenue mainly from cost sharing.

Expenditure Management:

We have taken measures to improve efficiency in financial management. The hospital management team regularly meets to create departmental budgets. Despite our tight financial space, every cent budgeted for is used prudently.

Risk Management:

Financial Risks:

The entity has faced various financial risks, including limited resources, budget overruns, fluctuating rates, and changes in patient volumes. Successful mitigation strategies, such as diversifying revenue sources and enhancing collection processes, have helped the entity remain operational.

Operational Risks:

Operational risks, such as staffing shortages, have been encountered. The hospital management has implemented strategies to minimize their impact, such as investments in workforce development and strategic sourcing initiatives.

Community Engagement:

Bura Sub-County Hospital plays a vital role in the community, and efforts have been made to engage with the local population. Initiatives such as health education programs and partnerships with locals are some of the efforts implemented to enhance the hospital's reputation and contribute to long-term sustainability.

Future Outlook:

Looking forward, we will provide insights into the hospital's strategic priorities for the upcoming fiscal year. We anticipate trends in patient volumes, reimbursement changes, and



Bura Sub County Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

emerging healthcare technologies. We believe that with a comprehensive overview of financial performance, operational challenges, risk management, and strategic initiatives, stakeholders will be able to make informed decisions and foster transparency.

Thank you.



Dr. Omanga Omanga
Secretary

10. Environmental And Sustainability Reporting

As a health care provider, we recognize the importance of integrating sustainability into our operations and service delivery. Our commitment not only enhances our environmental stewardship but also supports our mission of providing high-quality care while ensuring financial viability and community health. This report reviews our sustainability initiatives, evaluates their impacts and outlines our future goals.

Our sustainability strategy is built upon three key pillars:

Financial Resilience:

In the financial year 2024/2025, we achieved total revenue of Kshs.4,043,593 marking an increase compared to the previous year. This growth was driven by increased patient volume and expansion of services, which enhanced our position in quality healthcare provision and attracted a broader patient base.

Effective cost management remains a corner stone of our financial resilience strategy. Adoption of initiatives aimed at reducing waste and optimizing resource allocation led to a decrease in operational costs.

Social Responsibility:

We strive to promote health and well-being within our community. Our social responsibility is built upon four key pillars:

Community engagement

Through workshops and community partnerships, community members are empowered with knowledge to make informed health decisions

Health equity

We have implemented practices and strategies that ensure equitable treatment of all patients. We have also created emphasis to our staff on improved patients interactions and care.

Ethical governance

Our hospital is committed to maintaining high ethical standards in all operations.

This includes: regular audits, compliance checks and transparency in financial reporting to ensure adherence to regulations and internal policies

These pillars guide our strategies and initiatives ensuring we operate in a manner that benefits both our patients and the wider community.

Broad Trends and External Factors:

Emphasis on value-based care

There is a growing shift from volume-based care to value-based care, emphasizing patient outcomes and cost-efficiency. By adopting value-based care models there has been a focus on preventive care, proper disease management and patient satisfaction.

Economic Environment

Rising healthcare costs as a result of inflation, changes in workforce dynamics, etc, has influenced our operations and has created financial pressure on both the entity and patients. This has necessitated careful budget management and strategic resource allocation.



Health care regulations

They continue to evolve impacting how we operate and deliver care. While these changes come, adjustments need to be made, which ultimately position us for better services and improved patient care quality.

Key Achievements:

Improvement of revenue collection over the past one year has really helped the hospital meet its daily obligations and as a result has enhanced service delivery. Community outreach programs and health education initiative shave improved health out-comes and fostered greater social cohesion within the community.

Failures and Lessons Learned:

The report acknowledges failures and challenges faced by Bura Sub-County Hospital in the financial year ended 30th June 2024. In the spirit of transparency and continuous improvement, we have examined the setbacks, analyzed their root causes and identified lessons learnt, which will inform our future practices. Our commitment however remains to ensure quality healthcare, operational efficiency and overall performance.

Some of the key failures include:

Patient incidents as a result of limited resources and isolated incidents of inconsistent adherence to protocols.

Financial challenges such as unexpected budget overruns caused by insufficient forecasting and planning for patient volume fluctuations. To address, the above issues, we recognized the need for comprehensive and enhanced training programs, establishment of standardized protocol, and enhance our budgeting and financial planning processes such as conducting regular budget reviews to ensure accountability and timely adjustments. The challenges faced by the entity during the financial year have provided invaluable lessons. By acknowledging our failures, we position ourselves to implement effective solutions in the upcoming financial year.

We appreciate the support of our staff patients and stakeholders as we navigate these challenges and strive to provide the highest quality care.



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 hospital's affairs.

Principal activities

The principal activities of the entity are outpatient attendance, inpatient attendance, maternity and community health services.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 33

Board of Management

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

Auditors

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

By Order of the Board



Dr. Benard Omanga

Name

Secretary to the Board



12. Statement of Board of Management's Responsibilities

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

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

The Board of Management accepts responsibility for the Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Facilities Improvement Financing Act, 202). The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2025, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



Name: Abdi Hussein
Chairperson
Board of Management



Name: Dr. Bernard Omanga
Accounting Officer



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 BURA SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF GARISSA

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Bura Sub-County Level 4 Hospital set out on pages 1 to 31, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Bura 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 with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the County Government Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Failure to Prepare and Submit Financial Statements for Prior Years

The Hospital did not prepare and submit financial statements for the financial years 2021/2022 and 2022/2023. This is contrary to Section 149(2)(K) of the Public Finance Management Act, 2012 which provides that in carrying out a responsibility imposed by Subsection (1), an accounting officer shall, in respect of the entity concerned not later than three (3) months after the end of each financial year, prepare annual financial statements for that financial year and submit them to the Auditor-General for audit, with a copy to the County Treasury.

In the circumstance, it was not possible to confirm the accuracy of opening balances for the year ended 30 June, 2025.

2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects NHIF/SHIF receipts of Kshs.3,617,763. However, review of the supporting schedule revealed that the actual amount received during the year was Kshs.2,879,773, resulting in an unreconciled variance of Kshs.737,990.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.2,239,501 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.2,239,501 as disclosed in Note 13 to the financial statements. However, cash book and bank reconciliation statements for the month of June, 2025 reflected a balance of Kshs.851,121, resulting in an unreconciled variance of Kshs.1,388,380. In addition, Management did not prepare monthly bank reconciliations for July, 2024 to May, 2025 as required by Section 90(1) of the Public Finance Management Act, 2012 which stipulates that an accounting officer shall ensure bank accounts reconciliations are completed for each bank account held by that accounting officer, every month and submit a bank

reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor-General.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.2,239,501 could not be confirmed.

4. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects Nil balance in respect of property, plant and equipment. However, review of the Hospital's records revealed that the Hospital had in its control property, plant and equipment of undetermined value including land and buildings, furniture, computers and equipment which were not disclosed in the financial statements. Management did not provide satisfactory explanation for the failure to disclose the property, plant and equipment.

Further, the fixed asset register maintained did not include all key asset details including description of the assets, identification or serial numbers, acquisition date, cost of acquisition, accumulated depreciation, net book value, location, class and the current status. In addition, Management did not provide ownership documents for the land on which the Hospital buildings sit.

In the circumstances, the existence, ownership, accuracy and completeness of Nil balance of property, plant and equipment could not be confirmed.

5. Failure to Disclose Employee Costs Paid by County Executive

The statement of financial performance reflects employees' costs of Kshs.250,000 in respect of casual and contractual employees as disclosed in Note 9 to the financial statements. However, the amount excludes salaries and allowances for permanent employees working at the Hospital who were paid by the County Executive of Garissa. Management did not provide satisfactory explanation for the failure to disclose the expenditure in the statement of financial performance. In addition, the payroll for the staff was not provided for audit.

In the circumstances, the accuracy and completeness of the employees' costs of Kshs.250,000 could not be confirmed.

6. Non-Disclosure of Inventory Balance

The statement of financial position reflects Nil balance in respect of inventories as at 30 June, 2025. However, review of stock records provided for audit revealed that the Hospital held inventory balances relating to pharmaceutical and non-pharmaceuticals items of undetermined values as at the end of the financial year. In addition, there was no evidence provided to confirm that annual stock take was conducted to confirm the closing balances of inventories as at 30 June, 2025. Management did not provide

satisfactory explanation for the failure to disclose the inventory balance in the statement of financial position.

In the circumstances, the valuation, accuracy and completeness of the Nil inventory balance could not be confirmed.

7. Failure to Prepare Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts, included in the financial statements reflects Nil amounts. Management did not provide satisfactory explanation for the failure to prepare complete and accurate statement of comparison of budget and actual amounts which forms part of the financial statements as per the requirement of the Annual Financial Reporting Template issued by the Public Sector Accounting Standards Board.

In the circumstances, the financial statements are incomplete and not compliant with the Annual Financial Reporting Template issued by the Public Sector Accounting Standards Board.

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

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iv to xix which comprises of Key Entity Information and Management, 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. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and Conclusion on the Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of an Approved Budget for the Hospital

The Management of the Hospital did not prepare estimates of income and expenditure and submit the same to the respective County Executive Committee Members as required. As a result, the Hospital operated without an approved budget during the year under review. This is contrary to Section 149(2) (h-i) of the Public Finance Management Act, 2012 which provides that an accounting officer shall, in respect of the entity concerned prepare estimates of expenditure of the entity in conformity with the strategic plan of the entity and submit the estimates of an entity, which is not a County Corporation to the County Executive Committee member for finance.

In the circumstances, Management was in breach of the law

2. Failure to Prepare Quarterly Revenue Reports

The statement of financial performance reflects rendering of services medical income of Kshs.1,163,820 as disclosed in Note 6 to the financial statements. However, Management did not provide evidence to confirm that quarterly reports were prepared and submitted to the County Treasury with a copy to the Auditor- General as required by Regulations 64(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or

collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

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

3. Deficiencies in Implementation of Universal Health Coverage

Review of Hospital records and interviews conducted on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit in September, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits as detailed below:

Staffing Requirement	Level 4 Hospital Standard	Actuals In the Hospital	Variance	Percentage %
Medical Officers	16	2	14	88%
Anesthesiologists	2	0	2	100%
General Surgeons	2	0	2	100%
Gynecologists	2	0	2	100%
Pediatricians	2	0	2	100%
Radiologists	2	0	2	100%
Registered Community Health Nurses	75	5	70	93%
Total	101	7	94	93%

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

Equipment & Machines	Level 4 Hospital Standard	Actuals In the Hospital	Variance	Percentage %
Bed Capacity	150	30	120	80%
Incubators (New Baby)	5	2	3	60%
Cots	5	3	2	40%
Resuscitator In Theater	1	1	0	0%
Resuscitator In Labor Ward	2	0	2	100%
Functioning ICU Beds	6	0	6	100%
HDU Beds	6	0	6	100%
Renal Unit with Dialysis Machines	5	0	5	100%
Functioning Operating Theaters, Maternity and General Wards	2	1	1	50%
Total	182	37	145	80%

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

In the circumstances, effectiveness of service delivery in the Hospital could not be confirmed.

4. Irregular Engagement of Casual Workers

The statement of financial performance reflects employees' costs of Kshs.250,000, as disclosed in Note 9 to the financial statements. This expenditure relates to casual wages paid during the year. However, review of the supporting expenditure records indicated that Management engaged casual workers for periods exceeding three (3) months, with each receiving an allowance of Kshs.5,000. This is contrary to Section 37(1)(b) of the Employment Act, 2007 which provides that where a casual employee performs work which cannot reasonably be expected to be completed within a period or a number of working days amounting in the aggregate to the equivalent of three (3) months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service.

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

5. Inconsistencies in Format and Presentation of Financial Statements

Review of the financial statements submitted for audit revealed the following inconsistencies:

- i) The Board of Management and key management team passport size photographs and description of each directors' age, key qualifications, and work experience were not included under key entity information as required by the issued reporting template.
- ii) Approval dates for the financial statements were not indicated.
- iii) Financial statement contains guidance notes and blank pages.

In the circumstances, the financial statements are not compliant with the format prescribed by Public Sector Accounting Standard Board.

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 THE 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that internal controls, risk management and governance were not effective.

1. Lack of Hospital Management Board

The Hospital did not have a duly constituted and functional Board of Management during the year under review. Although the financial statements disclose names purported to be members of the Board of Management, there was no evidence provided to support their appointment or record of work executed by the Board. This is contrary to the provisions of Section 9 of the Facilities Improvement Financing Act, 2023 which states that the County Executive Committee Member shall support the implementation of the facility improvement financing by appointing Health Facility Management Committees, Health Management Committees and Boards, where applicable and publishing in the official Gazette

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

2. Revenue Safeguards and Controls

Review of revenue documents provided for audit revealed that revenue was collected manually and paid in cash for all Hospital streams. In addition, the Hospital did not maintain proper revenue cashbook with details on daily collections

In circumstances, effectiveness of internal controls in revenue collection system could not be confirmed.

3. Lack of Approved Staff Establishment and Scheme of Service

During the year under review, the Hospital did not have an approved staff establishment and scheme of service in place to provide guiding framework for Human Resources Management. It was, therefore, not possible to confirm the basis for staff recruitment and promotions in the Hospital.

In the circumstances, the existence of effective human resources management control could not be confirmed.

4. Lack of Risk Management Policy and Disaster Recovery Plan

The Hospital did not put in place risk management policies, strategies, disaster recovery plan and risk register to mitigate against risk. This is contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which

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

6 November, 2025

provides that the accounting officer shall ensure that: (a) the County Government entity develops risk management strategies, which include fraud prevention mechanisms and (b) the County Government entity develops a system of risk management and internal control that build robust business operations

In the circumstances, the effectiveness of risk management systems at the Hospital could not be confirmed.

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

Responsibilities of the Management and the Board of Management

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

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

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

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

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

APPENDICES

Appendix 1: Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
1.	2023/2024	Failure to prepare and submit financial statement for Prior Years
2.	2023/2024	Stalled Construction of Staff Houses
3.	2023/2024	Ineffective Internal Audit Function
4.	2023/2024	Lack of Risk Management Policy
5.	2023/2024	Non-disclosure of employee Cost paid by County Government
6.	2023/2024	Non-disclosure of employee Cost paid by County Government
7.	2023/2024	Non-disclosure of Inventory
8.	2023/2024	Non-disclosure of Property, Plant and equipment
9.	2023/2024	Failure to prepare Estimates of Income and Expenditure
10.	2023/2024	Late submission of financial statement
11.	2023/2024	Deficiencies in Implementation of Universal Health Coverage
12.	2023/2024	Lack of unapproved budget
13.	2023/2024	Lack of appointment Letters and Gazette Notice of Board of Management
14.	2023/2024	Failure to Establish Internal audit unit and Audit Committee
15.	2023/2024	Lack of Approved staff establishment and scheme of services
16.	2023/2024	Lack of risk Management Policy and disaster recovery plan
17.	2023/2024	Failure to Maintain Fixed asset Register
18.	2023/2024	Lack of Integrated Financial Management System

Bura Sub County Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

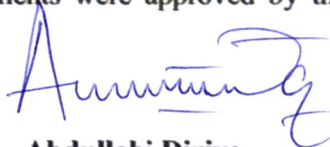
Description	Note	2024/25	2023/24
		Kshs	
Revenue from non-exchange transactions			
Transfers from the County Government		-	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	6	1,163,820	1,697,577
NHIF/SHIF Insurance	7	3,617,763	-
Total revenue		4,781,583	1,697,577
Expenses			
Medical/Clinical costs	8	2,194,650	287,130
Employee Costs	9	250,000	-
Depreciation and Amortization Expense	10	-	-
Repairs and maintenance	11	242,528	145,000
General expenses	12	923,888	436,530
Total expenses		3,611,066	868,660
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		1,170,517	828,917

(The notes set out on pages 7 to 33 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



Abdi Hussein
Chairman
Board of Management



Abdullahi Diriye
Head of Finance
ICPAK No:23392



Dr. Bernard Omanga
Medical Superintendent



[Faint, illegible text, possibly a header or title]

[Extremely faint, illegible text, possibly a list or body of a document]



Bura Sub County Level 4 Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

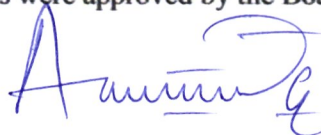
15. Statement of Financial Position As At 30th June 2025

Description	Note	2024/25	2023/24
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	2,239,501	1,068,984
Receivables from exchange transactions - SHIF	14	705,347	455,605
Total Current Assets		2,944,848	1,524,589
Non-current assets			
Property, plant, and equipment		0	0
Total Non-current Assets		0	-
Total assets (A)		2,944,848	1,524,589
Liabilities			
Current liabilities			
Trade and other payables	15	(249,742)	-
Total Current Liabilities		(249,742)	
Total non-current liabilities		0	-
Total Liabilities (B)		(249,742)	
Net assets (A-B)		2,695,106	1,524,589
Represented by:			
Revaluation reserve			
Accumulated surplus/Deficit		2,695,106	1,524,589
Net Assets		2,695,106	1,524,589

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by



Abdi Hussein
Chairman
Board of Management



Abdullahi Diriye
Head of Finance
ICPAK No:23392



Dr. Bernard Omanga
Medical Superintendent



Bura Sub County Level 4 Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	695,672	-	695,672
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	828,917	-	828,917
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	1,524,589	-	1,524,589
				-
At July 1, 2024 (current year)	-	1,524,589	-	1,524,589
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,170,517	-	1,170,517
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	2,695,106	-	2,695,106



[Redacted text block]



Bura Sub County Level 4 Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024/25	2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		1,163,820	1,697,577
NHIF/SHIF		3,617,763	-
Total Receipts		4,781,583	1,697,577
Payments			
Medical/Clinical costs		2,194,650	287,130
Employee Costs		250,000	145,000
Depreciation and Amortization Expense		-	
Repairs and maintenance		242,528	436,530
General expenses		923,888	
Total Payments		3,611,066	868,660
Net cash flows from operating activities		1,170,517	828,917
Cash flows from investing activities			
Purchase of property, plant, equipment		-	
Net cash flows used in investing activities		-	
Cash flows from financing activities			
Proceeds from borrowings		-	
Repayment of borrowings		-	
Capital grants received		-	
Net cash flows used in financing activities		-	
Net increase/(decrease) in cash and cash equivalents		1,170,517	828,917
Cash and cash equivalents as at 1 July		1,068,984	240,067
Cash and cash equivalents as at 30 June	27	2,239,501	1,068,984

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



Abdi Hussein
Chairman
Board of Management



Abdullahi Diriye
Head of Finance
ICPAK No:23392



Dr. Bernard Omanga
Medical Superintendent





1942-1943

**Bura Sub County Level 4 Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

Budget notes

1. Provide an explanation of differences between actual and budgeted amounts (any over/ 90% under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

19. Notes to the Financial Statements

1. General Information

Bura Sub County Level 4 Hospital is established by and derives its authority and accountability from The Facilities Improvement Financing Act, 2023. The entity is wholly owned by the Garissa County Government and is domiciled in Garissa County in Kenya. The entity's principal activity is the provision of comprehensive healthcare services, including preventive, curative, rehabilitative, and promotive health services, to the community.

2. Statement of Compliance and Basis of Preparation

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



3. Adoption of New and Revised Standards

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

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

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

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

Handwritten text, mostly illegible due to fading and bleed-through. Some words like "The" and "of" are visible.



Handwritten text, mostly illegible due to fading and bleed-through. Some words like "The" and "of" are visible.



Standard	Effective date and impact:
	<p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer</p>

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

TOP SECRET

SECRET

CONFIDENTIAL

Standard	Effective date and impact:
Expenses	<p>provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

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

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

5720 S. UNIVERSITY AVE.

CHICAGO, ILL. 60637

TEL: 773-936-3700

FAX: 773-936-3700

WWW.PHYSICS.UCHICAGO.EDU

PHYSICS 435

CLASSICAL MECHANICS

LECTURE 1

REVIEW OF CLASSICAL MECHANICS

1.1. INTRODUCTION

1.2. REVIEW OF NEWTON'S LAWS

1.3. REVIEW OF ENERGY AND MOMENTUM

1.4. REVIEW OF ANGULAR MOMENTUM

1.5. REVIEW OF HAMILTON'S EQUATIONS

1.6. REVIEW OF LAGRANGE'S EQUATIONS

1.7. REVIEW OF CANONICAL TRANSFORMATIONS

1.8. REVIEW OF PERTURBATION THEORY

1.9. REVIEW OF ADIABATIC INVARIANTS

1.10. REVIEW OF CHAOS THEORY

1.11. REVIEW OF QUANTUM MECHANICS

1.12. REVIEW OF RELATIVITY

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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



Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/25 was approved by Board on ~~xxxx~~. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of ~~xxxx~~ on the FY ~~xxx~~ budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page *1* 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.

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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



Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. 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 hospital's financial statements. (amend as appropriate).*

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



Notes to the Financial Statements (Continued)

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.



Notes to the Financial Statements (Continued)

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).

Financial liabilities

Classification

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



Notes to the Financial Statements (Continued)

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.



Notes to the Financial Statements (Continued)

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. *(Entity to state the reserves maintained and appropriate policies adopted.)*

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.



Notes to the Financial Statements (Continued)

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. 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.

s. Related parties

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

t. Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise



– any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u. 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.

v. Comparative figures

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

w. 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, 2024.



Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to



Bura Subcounty Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

settle the obligation at the reporting date and are discounted to present value where the effect is material.

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



Notes to Financial Statements Continued

6. Rendering of Services-Medical Service Income

Description	2024/25	2023/24
	Kshs	Kshs
Pharmaceuticals	457,980	496,340
Laboratory	398,680	448,302
Theatre	7,550	3,000
Other medical services income(<i>specify</i>)		
-OPD Cards	88,310	83,450
-Records	72,350	79,400
-Medical Examination	50,000	41,950
-Wards	72,350	82,130
-dressing	9,600	2,200
Medical report	7,000	5,200
NHIF re-imburement		455,605
Total revenue from the rendering of services	1,163,820	1,697,577

(Other medical services fee relates to other charges not listed above and should be specified)

7. Transfers From Other Government Entities

Description	2024/2025	2023/2024
	Kshs	Kshs
NHIF/SHIF claims received	2,879,773	-
SHIF Receivables	737,990	
Total	3,617,763	-

8. Medical/ Clinical Costs

Description	2024/25	2023/24
	Kshs	Kshs
Laboratory chemicals and reagents	170,670	93,500
Food and Ration	117,340	39,100
Dental costs/Materials	1,460,000	
Dressing and Non-Pharmaceuticals	188,250	32,310
X-Ray	22,000	
Pharmaceutical supplies	176,390	58,220
Sanitary and cleansing Materials	60,000	64,000
Total medical/ clinical costs	2,194,650	287,130

9. Employee Costs

Description	2024/25	2023/24
	Kshs	Kshs
Salaries, wages, and allowances	250,000	-
Total Employee Costs	250,000	-



[Redacted text]

[Redacted text]

[Redacted text]

[Redacted text]

Notes to the Financial Statements (Continued)

10. Depreciation and Amortization Expense

11. Repairs And Maintenance

Description	2023/24	2023/24
	Kshs	Kshs
Plant and equipment	167,528	-
Motor vehicle	5,000	-
Buildings	70,000	-
Total Repairs And Maintenance	242,528	-

12. General Expenses

Description	2024/25	2023/24
	Kshs	Kshs
Bank charges	-	24,310
Fuel and Lubricants	74,408	56,720
Travel and accommodation allowance	419,200	36,600
Printing and stationery	109,000	145,900
Computer accessories	30,000	-
Water and sewerage costs	121,000	138,000
Purchase of staff uniforms	44,280	-
Telephone and mobile phone services	73,000	35,000
Courier services	25,000	-
Hire of transport	28,000	-
Total General Expenses	923,888	436,530

13. Cash And Cash Equivalents

Description	2024/25	2023/24
	KShs	KShs
Current accounts	2,239,501	1,068,984
Cash in hand	-	-
Total cash and cash equivalents	2,239,501	1,068,984

14. Receivables from Exchange Transactions - SHIF

Description	2024/25	2023/24
	KShs	KShs
Outstanding SHIF payments	705,347	455,605
Total	705,347	455,605

15. Trade and Other Payables

Description	2024/25	2023/24
	KShs	KShs
Trade Payables	249,742	-
Total	249,742	-



[Faint, illegible text]

[Faint, illegible text]

[Faint, illegible text]

[Faint, illegible text]

[Faint, illegible text]

**Bura Subcounty Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

Notes to the Financial Statements (Continued)

16. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2023 (previous year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0
At 30th Jun 2024	0	0	0	0	0	0	0	0
At 1 July 2024 (current year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0
At 30th Jun 2025	0	0	0	0	0	0	0	0
Depreciation and impairment								
At 1 July 2024 (previous year)	0	0	0	0	0	0	0	0
Depreciation for the year	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
At 30 June 2025	0	0	0	0	0	0	0	0



THE UNIVERSITY OF CHICAGO
LIBRARY

Bura Subcounty Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 2024 (current year)		0	0	0	0	0	0	0
Depreciation		0	0	0	0	0	0	0
Disposals		0	0	0	0	0	0	0
Impairment		0	0	0	0	0	0	0
Transfer/adjustment		0	0	0	0	0	0	0
At 30th June 2025		0	0	0	0	0	0	0
Net book values								
At 30 th Jun 2024 (previous)	0	0	0	0	0	0	0	0
At 30 th Jun 2025 (current)	0	0	0	0	0	0	0	0



1998

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Bura Subcounty Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

17. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	249,742		0	
Employee dues	0		0	
Third-party payments (e.g. unremitted payroll deductions)	0		0	
Audit fee	0		0	
Doctors' fee	0		0	
Total trade and other payables	249,742		0	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the total
Under one year	249,742	100%	0	0%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	249,742	100%	0	0%

[Redacted text]



Notes to the Financial Statements (Continued)

18. Related Party Balances

Nature of related party relationships

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

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

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



Bura Subcounty Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1	Failure to prepare and submit financial statement for Prior Years	Issue not resolved	Not resolved	December 2025
2	Non-disclosure of employee Cost paid by County Government	Issue not resolved	Not resolved	December 2025
3	Non-disclosure of Inventory	Issue not resolved	Not resolved	December 2025
4	Non-disclosure of Property, Plant and equipment	Issue not resolved	Not resolved	December 2025
5	Failure to prepare Estimates of Income and Expenditure.	Issue not resolved	Not resolved	December 2025
6	Late submission of financial statement	Issue not resolved	Not resolved	December 2025
7	Deficiencies in implementation of Universal Health Coverage	Issue not resolved	Not resolved	December 2025
8	Lack of unapproved budget	Issue not resolved	Not resolved	December 2025
9	Lack of appointment Letters and Gazette Notice of Board of Management	Issue not resolved	Not resolved	December 2025
10	Failure to Establish Internal audit unit and Audit Committee	Issue not resolved	Not resolved	December 2025
11	Lack of Approved staff establishment and scheme of services	Issue not resolved	Not resolved	December 2025
12	Lack of risk Management Policy and disaster recovery plan	Issue not resolved	Not resolved	December 2025
13	Failure to Maintain Fixed asset Register	Issue not resolved	Not resolved	December 2025
14	Lack of Integrated Financial Management System	Issue not resolved	Not resolved	December 2025
15	Failure to prepare and submit financial statement for Prior Years	Issue not resolved	Not resolved	December 2025
16	Non-disclosure of employee Cost paid by County	Issue not resolved	Not resolved	December 2025



Bura Subcounty Hospital (Garissa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Reference No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Government			
17	Non-disclosure of Inventory	Issue not resolved	Not resolved	December 2025
18	Non-disclosure of Property, Plant and equipment	Issue not resolved	Not resolved	December 2025

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 implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Dr. Benard Omanga
Accounting Officer

