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REPORT

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LODWAR COUNTY REFERRAL HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF TURKANA

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LODWAR COUNTY REFERRAL HOSPITAL

(Turkana County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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2. Acronyms & Glossary of Terms

CSR:	Corporate Social Responsibility
OSHA:	Occupational Health & Safety Act
PFMA:	Public Financial Management Act
MED SUP:	Medical Superintendent
Fiduciary Management:	Key management personnel who have financial responsibility in the entity
PPDA:	Public Procurement and Disposal Act
CEO:	Chief Executive Officer
IPSAS:	International Public Sector Accounting Standards
DANIDA:	Danish International Development Agency
ICPAK:	The Institute of Certified Public Accountants of Kenya
JICA:	Japan International Cooperation Agency

3. Key Entity Information and Management

(a) Background information

Lodwar County Referral Hospital is a public hospital domiciled in Turkana County under the Department of Health. The hospital is governed by a Board of Management., in the north-western region of Kenya. The hospital serves as a referral facility for the larger Turkana County, providing specialized medical care and services to the community. The hospital is also a teaching facility for the Kenya Medical Training College and it provides services such as laboratory, radiology, and surgery. The hospital serves a large number of patients from the region, many of whom are from marginalized and disadvantaged communities with limited access to healthcare. The hospital is a key healthcare facility in the region, and it plays an important role in providing essential health services to the population.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide efficient and high-quality health care system that is accessible, equitable, and affordable for every resident of Turkana County. Further it is mandated to promote and participate in provision of integrated and high quality promotive, preventive, curative, and rehabilitative health care services to every resident of Turkana County. It also formulates policies, set standards, provide health services, create and enabling environment and regulate the provision of health service delivery

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Chief Executive Officer
- Hospital Management Team

(d) Fiduciary Management

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

SN	Designation	Name
1.	Ag. Chief Executive Officer	Nancy Nyanga
2.	Deputy Director Administration & Finance	Emmanuela Lomoro
3.	Deputy Director Clinical Services	Dr. Khalid Hassan
4.	Senior Accountant	Mr. Wycliffe Ogetii

(e) Fiduciary Oversight Arrangements

Quality Improvement Team

There is a quality improvement team comprising of various heads of departments, the CEO being the chairperson and the matron being the secretary. This team is obliged to improve the speed of decision-making and increase commitment for quality improvement. The roles and responsibilities of this committee is training of hospital staff, conducting situation analysis before implementation of QI approach, implementing Quality Improvement activities for common problems of the hospital, providing necessary inputs for QI activities, reviewing situation and the action plan et cetera.

The team implements changes, monitors their effects, and continuously evaluates and adjusts their approach to drive ongoing improvements in quality of care. Additionally, they ensure compliance with regulatory standards and accreditation requirements.

Waiver Committee

There is a waiver committee in place which is typically responsible for reviewing and approving requests for waivers or exceptions to established policies, procedures, or guidelines. These committees often consist of the CEO who serves as the chairperson, social worker- who serves as the secretary, and the administrator, accountant and the matron who are members. The primary role of the waiver committee is to assess the justification for the waiver request, evaluate potential risks and benefits, and make informed decisions that align with the hospital's mission, values, and regulatory requirements. Waiver committees play a crucial role in ensuring that exceptions to standard protocols are made judiciously and with careful consideration of patient safety, legal implications, and ethical considerations.

(f) Entity Headquarters

Lodwar County Referral Hospital
P.O. Box 18-30500
Napetet Road
Lodwar, Kenya

(g) Entity Contacts

E-mail: lodwarreferral@turkana.go.ke
Website: www.go.ke

(h) Entity Bankers

National Bank of Kenya
Head Office, National Bank Building
Harambee Avenue
P.O. Box 72866-00200 Nairobi, Kenya
Email: info@nationalbank.co.ke

(i) Independent Auditors

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

(j) County Attorney

The Office of the County Attorney
P.O. Box 11-30500
Lodwar, Kenya

4. The Board of Management

Ref	Directors	Details
1.		Muhamud Ali Ali is a highly respected and renowned businessman with extensive experience spanning several years. He has demonstrated exceptional leadership, strategic foresight, and a proven track record of success in managing and growing diverse business ventures. He currently serves as the Chair, providing overall guidance and oversight while championing sustainable growth and innovation.
2.		Nancy Ekwar Kinyonge Nancy is the Acting Chief Executive Officer and Director of Lodwar County Referral Hospital. She has over years of experience in the health sector, with a strong background in HIV/AIDS programs, prevention of mother-to-child transmission (PMTCT), and community health empowerment. Her clinical and administrative expertise has supported the hospital in improving efficiency, strengthening service delivery, and advancing health outcomes for the community. Previously, Nancy served as the Deputy Director of Health Administration in Turkana County, where she was instrumental in health systems management and stakeholder coordination. She holds a Diploma in Clinical Medicine and is currently pursuing a Master's degree in Health Systems Management. Nancy is highly skilled in leadership, program management, and partnership development, and is fluent in English, Swahili, and Ng'aturkana.
3.		Stephen Esibitar Eyanae Stephen is a motivated and adaptive Kenyan male educator with a Bachelor of Education (Hons) in Kiswahili and Religious studies from Mt Kenya University, where he graduated with second-class honors. He possesses professional and technical teaching skills developed through extensive work experience, including his current role as a Graduate Teacher at Lodwar Boys National School since 2009. Fluent in Kiswahili, English, and Ng'aturkana, Stephen has participated in various training

4.



workshops and has received recognition from UNESCO and the Ministry of Education for his contributions to mentorship and musical performance. In his personal life, he enjoys football, Bible study, and socializing.

Mr. Charles Eris Ekalale

Charles Eris is currently a Senior Livelihoods Program Officer at Concern Worldwide, bringing over 13 years of extensive experience in humanitarian programming. He possesses strong competencies in project management, stakeholder engagement, resource coordination, risk management, and strategic decision-making.

Charles is currently pursuing a Master of Business Administration (MBA) with a focus on Production and Operations Management, and he holds a Bachelor of Arts in Economics and Sociology, awarded in 2017. He has also completed multiple certifications in project management and humanitarian response.

Throughout his career, Mr. Eris has successfully led community-driven initiatives, received recognition for his impactful humanitarian efforts, and has consistently demonstrated professional excellence, leading to rapid career progression.

Menen Kudede

Menen is a Kenyan national born on September 27, 1972, has a diverse educational background, including primary education at Nathigiriri Primary School and secondary education at Turkana Girls Secondary School, followed by various certifications in management and early childhood education from 2003 to 2021. Her professional experience spans several reputable organizations, including Oxfam and the Independent Electoral and Boundaries Commission (IEBC), where she has held significant roles, such as Deputy Head Teacher. Fluent in English, Kiswahili, and Ng'aturkana, she also engages in hobbies like reading, netball, hockey, and singing, and has provided contacts for professional references.

5.



6.



Sarah Illikwel Kaatho

Sarah is an experienced professional with over 27 years in the education sector and leadership roles, including serving as a nominated Member of the County Assembly (MCA) for Persons with Disabilities (PWDs) in Turkana County from 2013 to 2017. With a strong background in solution deployment and a detail-oriented approach, she demonstrates exceptional integrity and creativity in achieving organizational goals. Her diverse teaching experience, coupled with her commitment to supporting individuals with disabilities, positions her as a valuable asset in any financial or educational initiative.

James Lolimo Louren

Mr. James is a Kenyan national born on November 23, 1969. He is a married Christian who is fluent in English, Kiswahili, and Ng'aturkana. Currently residing in Lodwar, he is pursuing a Diploma in Theology at KAG Bible School and has completed various training programs in church leadership, community development, and missions.

Professionally, James serves as the Chairperson of the Lodwar Pastors Fellowship since 2020 and has been an ordained minister at Glory Outreach Assembly since 2003. His diverse interests include music, swimming, traveling, football, and reading, reflecting a well-rounded individual committed to both personal growth and community service. He is also a member of the Lodwar County and Referral Hospital Finance

7.



8.



Mrs Jacinta Nyanga Epeyon

Jacinta currently is the PTA chairperson David Lee Adventist Nagis Secondary school. She has a wealth of experience in leadership having worked as the chairperson Maendeleo ya Wanawake Charter in Turkana County. Previously she was the County Vice Chair Lady Maendeleo ya Wanawake. She has served as a secretary and patient attendant in various institution. She has also been nominated as Councillor Lodwar Municipal Council

9.



Ekadeli Carolyn Akai

Ekadeli is a hardworking and motivated individual with extensive knowledge and experience in the education sector. She holds a Diploma in Early Childhood Development Education (ECDE) from the Foundation Institute of Africa (2012-2014) and is currently pursuing a Bachelor's degree in Education at Mt. Kenya University, Kitale Campus. She also holds a P1 Certificate from St. Marks Gigari Embu Teacher Training College (2004-2006). Carolyn has been serving as a deputy head teacher at Lochuga Primary School under the Teachers Service Commission since 2008, where she is responsible for curriculum management, mentoring girls, guiding and counseling, discipline, and life skills programs. Additionally, she serves as the secretary for ball games in Kalokol Zone. Her prior experience includes working as a social worker with World Vision (2004-2005) and as a teacher at Kalokol Mission (2003-2004). Carolyn possesses strong skills in lesson planning, classroom management, time management, multitasking, and maintaining records. She completed her secondary education at Turkana Girls Secondary School (1999-2002) and her primary education at Kalokol Mixed Primary School (1991-1998). Her dedication and technical skills enable her to provide exceptional service to stakeholders across any organization.

5. Key Management Team

Ref	Management	Details
1.		Nancy Ekwar Kinyonge Nancy is the Acting Chief Executive Officer and Director of Lodwar County Referral Hospital. She has over ten years of experience in the health sector, with a strong background in HIV/AIDS programs, prevention of mother-to-child transmission (PMTCT), and community health empowerment. Her clinical and administrative expertise has supported the hospital in improving efficiency, strengthening service delivery, and advancing health outcomes for the community. Previously, Nancy served as the Deputy Director of Health Administration in Turkana County, where she was instrumental in health systems management and stakeholder coordination. She holds a Diploma in Clinical Medicine and is currently pursuing a Master's degree in Health Systems Management. Nancy is highly skilled in leadership, program management, and partnership development, and is fluent in English, Swahili, and Ng'aturkana.
2.		Dr. Khalid Hassan Khalid Hassan is a highly skilled Consultant General Surgeon and Deputy Director of Clinical Services at Lodwar County Referral Hospital in Kenya. He earned his Bachelor of Medicine and Surgery (MMED) in 2008, followed by a Master's degree in General Surgery (MBChB) in 2020. Currently, he is pursuing a Master's in Public Health with a focus on Epidemiology and Infectious Diseases. With over nine years of extensive experience in both surgical and managerial roles, Khalid has demonstrated expertise in trauma and pediatric surgery. He has played a key leadership role in coordinating surgical services across Turkana County. In addition to his clinical and administrative work, he holds certificates in Leadership and Management from the University of Washington Global Health, and Public Health Policy from Texila American University, Guyana. Khalid is committed to advancing healthcare accessibility, having contributed to multiple research publications and actively participated in voluntary surgical camps within refugee settings. His dedication to improving surgical care

and public health in underserved communities underscores his impactful career in medicine.

He is a member of Kenya Medical practitioners and Dentist Council (KMPDC), Associate fellow in the American college of surgeons (ACS), member in the Surgical society of Kenya (SSK), member of Kenya Medical Association (KMA), and member of Kenya Association Medical Muslim Professionals (KAMMP).

3.



Emmanuela Ekeru Lomoro

Emmanuela is the Deputy Director Administration and Finance at LCRH, bringing over 10 years of experience in human resources and administration, including 4 years in senior management roles. She holds an MBA in Strategic Management (2020) and a B.Ed in Special Education (2010), complemented by certifications such as Certified Secretary (ongoing) and various leadership and management training programs. Emmanuela possesses strong skills in HR policy development, performance management, and team leadership, and is proficient in English, Swahili, and her native Ng'aturkana.

4.



Rebecca Ayanae Ekadeli

Rebecca is a highly experienced nursing professional with 19 years in the field, currently serving as the Nursing Officer in-charge at Lodwar County Referral Hospital. She is pursuing a Master's in Advanced Nursing Practice and holds a Bachelor's in Nursing (2017), demonstrating her commitment to continuous professional development. Further, she is a Kenya Registered Community Health Nurse .Fluent in English, Kiswahili, and Ng'aturkana, Rebecca excels in effective communication and team coordination, making her a valuable asset in healthcare settings.

In addition to her clinical expertise, Rebecca has participated in various training courses focused on health care and management, enhancing her leadership skills. She actively engages in community initiatives, coordinating surgical camps and collaborating on research projects, which underscores her dedication to improving health outcomes in her community. Her diverse skill set and commitment to nursing make her a key contributor to the healthcare sector.

5.



Mary Ogutu
Mary is currently the Public Health officer at Lodwar County Referral Hospital. She holds a Bachelor's degree in Environmental Health with a focus on Epidemiological Studies from the University of Washington. She is actively involved in addressing public health challenges, including participating in research and intervention efforts targeting mycetoma disease, which significantly impacts the population of Turkana County

6.



Mr. Wycliffe Ogetii
Mr. Ogetii is currently the Senior Accountant at Lodwar County Referral Hospital, bringing over 13 years of extensive experience in budget analysis, financial reporting, and records management.

Currently, he is pursuing a professional course as Certified Public Accountant. He holds a Bachelor's degree in Business Administration specializing in Finance and Marketing obtained in 2006. Mr Ogetii has completed multiple certifications in Financial Management Course for County Accountants & Internal Auditors in the Health Sector, Computerized Accounting Training – Microsoft Dynamics NAV, USAID Imarisha Jamii Subawardees Grants Management Training and Financial Reporting Forum for level four and five public hospital Accountants

6. Chairman’s Statement

It is with great pride that I present the Lodwar County and Referral Hospital (LCRH) Annual Report and Financial Statements for the 2024/2025 fiscal year. The Board of Management is pleased to highlight the significant strides made toward realizing our vision of becoming “A Centre of Excellence in Patient-Centred County Healthcare Services.”

As the leading healthcare facility in Turkana County, LCRH operates in a dynamic and demanding environment. The unwavering dedication, adaptability, and professionalism of our staff have been pivotal in sustaining high-quality patient care. Their commitment to service excellence and problem-solving mindset ensures that we consistently meet the needs of our community.

LCRH continues to solidify its position as the preferred referral hospital in the region, delivering a wide range of critical and specialized services. These include maternal and child health, surgical interventions (both general and specialized), emergency and critical care, renal services (such as dialysis), TB and HIV management, mental health support, and rehabilitation programs, among others.

Guided by robust systems, strategic collaborations, and an enabling work environment, the 2024/2025 fiscal year has reinforced our focus on providing compassionate, innovative, and high-standard healthcare.

Regulatory Compliance

LCRH adheres to the legal, policy, and institutional frameworks governing healthcare in Kenya. The Constitution of Kenya (2010) upholds every citizen’s right to quality health services, including reproductive health and emergency treatment. Additionally, the Health Act (2017) establishes a cohesive framework for national and county health systems, ensuring the regulation of healthcare providers, services, and medical technologies. As the primary public health facility in Turkana, LCRH remains dedicated to complying with these standards while delivering equitable care.

Strategic Alignment

Our operations are designed to align with county, national, and global health priorities. Among the 17 Sustainable Development Goals (SDGs), LCRH actively contributes to:

- **SDG 2 (Zero Hunger)** – Through nutrition-sensitive health interventions.
- **SDG 3 (Good Health and Well-being)** – By expanding access to essential and specialized care.
- **SDG 5 (Gender Equality)** – Via inclusive and gender-responsive health programs.
- **SDG 17 (Partnerships for the Goals)** – Through collaborations that enhance service delivery.

Operational Performance

Through continuous quality assurance and internal reviews, LCRH has sustained improvements in service efficiency and patient care. Despite challenges such as resource constraints and growing service demands, the Board remains steadfast in advancing initiatives that position the hospital as a regional healthcare leader.

Gratitude

The Board extends its deepest appreciation to our valued stakeholders, including the Turkana County Government, the Ministry of Health, the National Treasury, and our development partners. Your support has been crucial to our achievements.

We also recognize the exceptional efforts of LCRH's management, medical professionals, support staff, and the entire team. Their hard work and unwavering commitment drive the hospital's progress and success.

Looking forward, we are confident that our strategic vision, supported by a dedicated team, will elevate Lodwar County and Referral Hospital to new levels of excellence in healthcare delivery.



Name: Mohamud Ali

Chairman to the Board

7. Report of The Medical Superintendent

I am pleased to present the Hospital’s Annual Report and Financial Statements for the fiscal year 2024/2025. This report outlines our key achievements, operational and financial performance, and the strategic initiatives that will guide our continued growth and commitment to excellence in patient care.

Operational Performance

Our hospital delivers specialized healthcare services designed to meet the diverse needs of our patients. With a team of expert specialists across all medical disciplines, we are committed to providing safe, timely, equitable, and patient-centered care—ensuring the highest standards of clinical excellence, efficiency, and effectiveness in every interaction. At the heart of our mission is a dedication to compassionate, evidence-based medicine, tailored to each individual’s unique needs while upholding the principles of accessibility and quality for all.

In the 2024/2025 financial year, the hospital attended to 87,591 patients, including 5,152 inpatient admissions. Outpatient visits declined by 41.6%, mainly due to the decentralization of primary healthcare services, industrial actions, and budgetary constraints. Conversely, inpatient admissions increased by 0.9%, reflecting a rise in referrals of severe and complicated cases and improved hospital capacity for specialized and critical care.

Surgical operations rose from 1,356 in FY 2023/2024 to 2,431 in FY 2024/2025, an increase of 1,075 operations (79.3%). This improvement demonstrates better theatre utilization, supported by expanded surgical capacity, specialized staffing, and growing patient demand, underscoring the hospital’s commitment to patient safety and evidence-based care.

Embracing ICT

The use of Information and Communication Technology (ICT) remains a key strategic priority for LCRH. To maximize operational efficiency and enhance service delivery, management is committed to the full automation and integration of all Funsoft HMIS modules. In line with this objective, the hospital has allocated a dedicated budget to ensure seamless system implementation. Upon completion, this initiative will significantly improve service quality, effectiveness, and efficiency—reinforcing our commitment to leveraging technology for excellence in patient care

Commitment to Clinical Excellence: LCRH's Quality Improvement Journey

LCRH has made quality improvement central to our healthcare delivery, achieving measurable results through targeted initiatives. We’ve reduced hospital-acquired infections through enhanced prevention protocols, minimized medical errors using standardized clinical pathways programs. Our multidisciplinary Quality Improvement Team ensures excellence through robust safety protocols, strong clinical governance, rigorous infection control, and continuous data-driven monitoring. This systematic approach delivers consistent, high-quality patient care while driving continuous advancements in healthcare standards

Enhancing Communication for Better Care

LCRH prioritizes effective, timely communication with patients, families, and stakeholders. We've implemented comprehensive staff training in customer care and communication excellence while maintaining our high care standards. Our enhanced feedback mechanisms ensure prompt responses to all concerns, demonstrating our commitment to transparency and service improvement.

Financial Performance Overview

For the 2024/25 financial year, the Turkana County Government allocated a recurrent grant totaling Kshs. 222 million to support key operational areas, including Committees, Conferences, and Seminars (Kshs. 4 million), Refined Fuels and Lubricants for Transport (Kshs. 10 million), Electricity (Kshs. 34 million), Contracted Guards (Kshs. 4 million), Contracted Technical Services (Kshs. 10 million), Pharmaceuticals, Dressings, and Other Non-Pharmaceutical Medical Items (Kshs. 100 million), and Food Rations (Kshs. 60 million). However, only Kshs. 202 million of this allocation was disbursed to the hospital during the year. To bridge funding gaps and sustain operations, the institution relies heavily on internally generated revenue, primarily through cost-sharing. Notably, the hospital exceeded its revenue target by 28.57%, generating Kshs. 108 million against a projected Kshs. 84 million, reflecting improved financial performance and enhanced service delivery capacity.

The Hospital made a surplus of Kshs. 13,378,393 in the year under review. This surplus arose because the income collected was higher than the expenses incurred. However, delayed reimbursements, capital investments, and the rising number of severe cases still placed pressure on the budget.

Acknowledgment

The lives we touch each year stand as powerful testimony to the exceptional care and compassion our dedicated staff provide daily. Their unwavering commitment transforms healthcare into healing. We extend our deepest gratitude to our partners and benefactors - your generosity, steadfast support, and shared vision make this life-changing work possible.


.....

Name: Nancy Kinyonge

Secretary to the Board

8. Statement of Performance Against Predetermined Objectives

Section 149 subsection 2(g) of the PFM Act 2012, requires the Accounting Officer of Lodwar County Referral Hospital to prepare a strategic plan in conformity with the medium-term fiscal framework and financial objectives of the County government.

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 Lodwar County Referral Hospital performance against predetermined objectives

Lodwar County Referral Hospital has four strategic pillars and objectives within its Strategic Plan 2022-2032. These strategic pillars are as follows:

- Pillar 1: Health Service Delivery
- Pillar 2: Health Workforce
- Pillar 3: Health Financing
- Pillar 4: Leadership And Governance

Lodwar County Referral Hospital develops its annual work plans based on the above four pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Lodwar County Referral Hospital achieved its performance targets set for the FY 2024/2025 period for its four strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Health Service Delivery:	Improve access to essential health services, especially for vulnerable populations	Tracking the percentage of the population accessing essential health services.	Enhance quality, accessibility, and equity of health services. Strengthen referral systems and emergency care.	70% of the vulnerable population are accessing the health services, and the referral system has been strengthened 65%
Pillar 2: Health Workforce	Enhance their competencies through training and professional development.	Evaluating the percentage of health workers completing required training.	Increase the number of skilled health workers. Improve retention and motivation.	Skilled staff have increased we are nearing to reach the set standard by WHO
Pillar 3: Health Financing	Improve financial risk protection for citizens	Evaluating the extent to which health costs are	Increase domestic funding for health.	In the process of making the entity autonomous in

		covered by insurance or other mechanisms.	Explore innovative financing mechanisms.	order to get more funding
Pillar 4: Leadership and Governance	Promote transparency and accountability in health management.	Evaluating adherence to governance principles.	Strengthen health sector leadership at all levels. Enhance coordination among stakeholders	70% achieved in strengthening leadership at all levels

9. Corporate Governance Statement

Introduction

At Lodwar County Referral Hospital, our commitment to good corporate governance is central to delivering sustainable value to our stakeholders and meeting their expectations. Our governance structures, procedures, and processes are built upon the core principles of accountability, transparency, responsibility, and fairness—the fundamental pillars of sound corporate governance.

Guided by the Board of Management, we remain dedicated to full compliance with all statutory requirements and uphold the Mwongozo Code of Governance for State Corporations (2015), among other relevant frameworks. This commitment ensures that we maintain the highest standards of integrity and public trust in all our operations.

Appointment of Board members

The board of directors are appointed by a transparent and formal process governed by the County Executive Committee Member (CECM) of Health Services and Sanitation, through a Gazette Notice for a three (3) year term and thereafter an appointment letter

Board Member	Board Position	Appointment date	Retire Date
Mr. Moses Ikwel	Chairperson	19/11/ 2021	19/11/ 2024
Dr. Epem Joseph	CEO/Secretary		
Dr. Kidalio James	Ag. CEO/Secretary		
Mr. Robert Lochuch	Member	19/11/ 2021	19/11/ 2024
Fr. Paul Areman	Member	19/11/ 2021	19/11/ 2024
Mrs Jacinta Nyanga Epeyon	Member	19/11/ 2021	19/11/ 2024
Esther Kiyonga	Member		19/11/ 2024
Mohamud Ali	Chairperson	7/3/2025	7/3/2028
Mr. Stephen Esibitar Eyanae	Vice Chairperson	7/3/2025	7/3/2028
Nancy Kinyonge	Ag. CEO/Secretary	7/3/2025	7/3/2028
Mr. Charles Eris Ekalale	Member	7/3/2025	7/3/2028
James Louren	Member	7/3/2025	7/3/2028
Sarah Kaatho	Member	7/3/2025	7/3/2028
Menen Kudede	Member	7/3/2025	7/3/2028
Mrs Jacinta Nyanga Epeyon	Member	7/3/2025	7/3/2028
Ekadeli Carolyn Akai	Member	7/3/2025	7/3/2028

The Board of Management biographies are shown on pages vii to xii

The Board Charter

The Board Charter establishes a clear governance structure that defines roles, responsibilities, and operational protocols to effectively support members in fulfilling their strategic oversight mandate. This framework enables the Board to guide the Hospital in optimizing long-term value creation for all stakeholders. The Board currently operates under a draft version of its formal Charter. The accompanying Board Manual formalizes key governance arrangements, including: Appointment, skills requirement, gender mix and capacity development for Board Members;

1. Functions and responsibilities of the Board, the Chairman, and the Chief Executive Officer/Secretary;
2. Conduct of Board and Committee meetings;
3. Directors' Code of Conduct; and
4. Terms of reference for all Board Committees.

Role of the Chairman

The Chairman provides strategic leadership to the Board and is instrumental in fostering conditions for optimal Board performance. Key responsibilities include cultivating an open environment that encourages constructive debate while ensuring all members contribute effectively to deliberations. The Chairman plays a central role in guiding the Board's active participation in developing and shaping the Hospital's strategic direction and policies. A critical aspect of this leadership involves convening Board meetings as required and guaranteeing members receive accurate, timely, and comprehensive information to facilitate informed decision-making and effective governance oversight.

Role of the Board

The Board of Management bears ultimate responsibility for ensuring sound corporate governance and stewardship of the Hospital. Supported by specialized Board Committees and guided by the Secretary/Chief Executive Officer, the Board provides strategic oversight and direction. The Chief Executive Officer reports directly to the Board and is accountable for operational execution of the approved strategy. All Board members are entrusted with fiduciary duties requiring the highest standards of responsibility, prudent judgment, and professional expertise in their governance role.

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

1. Exercise their role collectively and not individually
2. Set and oversee the overall strategy and approve significant policies of the organization
3. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders
4. Approve the organizational structure
5. Approve the annual budget of the organization
6. Monitor the organization's performance and ensure sustainability
7. Enhance the corporate image of the organization
8. Ensure availability of adequate resources for the achievement of the organization's objectives.
9. Ensure effective communication with stakeholders

Induction And Training Of The Board

Lodwar County Referral Hospital recognizes the governance leap made by the Government of Kenya through the development and issuance of Mwongozo- The Code of Governance for State Corporations. In this regard, once new board members are appointed, the Hospital provides them with information on the operations of

Lodwar County Referral Hospital. The Board members that were appointed on 7th March 2025, were inaugurated on 8th April 2025 and inducted on May 7, 2025.

Number of Board meetings held and the attendance to those meetings by members

The Chairman, in collaboration with the Chief Executive Officer/Secretary, is responsible for setting comprehensive Board meeting agendas. These agendas are distributed to all members at least fourteen days in advance to ensure thorough preparation. During the reporting period, the Board convened six formal Board meetings, one audit committee, and two finance committee to deliberate on critical matters impacting the Hospital's strategic direction, operational performance, and long-term sustainability.

Board and committee meeting attendance

Name of Board member Total No. of Meetings	Board Meetings	Board Committees		
		Audit Committee	Human Resource	Finance committee
	6	1		2
Mr. Moses Ikwel	1			1
Dr. Epem Joseph	1			
Dr. Kidalio James	1			1
Mr. Robert Lochuch	2			1
Fr. Paul Areman				
Esther Kiyonga	1			
Mohamud Ali	4			
Mr. Stephen Esibitar Eyanae	4	1		
Nancy Kinyonge	4	1		
Mr. Charles Eris Ekalale	4	1		
James Louren	4			1
Sarah Kaatho	4			
Menen Kudede	4			1
Mrs Jacinta Nyanga Epeyon	5	1		1

Ekadeli Carolyn Akai	2			1
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Board Committees and Responsibilities

To strengthen governance oversight, the Board established four standing committees, each with clearly defined terms of reference aligned with key operational areas. These committees exercise delegated authority while maintaining the Board's ultimate accountability. Committee appointments are made based on members' relevant skills and expertise to ensure effective deliberation.

The Board retains the flexibility to form ad hoc committees when specific matters fall outside existing mandates. All committees benefit from the Chief Executive Officer's administrative support in their capacity as committee secretary.

Policy to manage conflict of interest.

The Board is finalizing a comprehensive Conflict of Interest Policy that will require directors to: (1) disclose any actual or potential conflicts, (2) recuse themselves from related deliberations, and (3) formally register all disclosures. This draft framework demonstrates the Hospital's commitment to strengthening governance transparency and ethical decision-making as part of its ongoing governance improvement

Board remuneration

During every Board meeting, members are entitled to a sitting allowance, lunch allowance (in lieu of lunch being provided), and accommodation allowance where applicable within government set limits for state corporations.

Ethics and Conduct

Lodwar County Referral Hospital is committed to upholding the highest standards of integrity and ethical conduct in all stakeholder engagements. The Board has implemented a formal Code of Ethics that defines expected behaviour for leadership, staff, and partners, explicitly prohibiting conflicts of interest that could compromise institutional duties.

Governance audit

The Board prepares annual financial statements that accurately reflect the Hospital's financial position at each fiscal year-end, applying consistent accounting policies supported by prudent judgments and estimates. To ensure reliability, the Board of Management maintains rigorous oversight of all financial reporting processes. Furthermore, the Board mandates an annual audit of these financial statements to verify their accuracy and compliance with accounting standards.

The Board ensured the Hospital maintained complete and accurate accounting records throughout the year, fully compliant with Kenya's Public Finance Management Act (2012) and applicable accounting standards. As required, the Office of the Auditor-General - an independent constitutional office - conducted compliance audit for the year 2024/25. To strengthen financial integrity, the Board maintains robust processes, structures

and internal controls, supported by dedicated internal risk and audit personnel who perform continuous monitoring functions.

The Board's Audit Committee maintains rigorous internal control procedures to safeguard hospital assets and ensure complete, accurate financial reporting. These controls protect institutional resources while guaranteeing the reliability of all accounting information.

The Internal Audit department operates independently from management and reports directly to the Board through the Audit Committee. Using a risk-based approach aligned with international standards, it evaluates the effectiveness of the Hospital's risk management and internal control systems, prioritizing high-risk areas in its annual audit plan.

Communication Policy

Lodwar County Referral Hospital maintains full transparency with government and stakeholders by distributing comprehensive annual reports containing accurate, timely performance data. This reporting demonstrates our commitment to accountability while enabling informed oversight of hospital operations and outcomes. The reports adhere to national healthcare reporting standards and are disseminated through the designed legal channels to ensure wide accessibility.

Looking forward

As we advance toward becoming a high-performing institution, the Board remains dedicated to attracting, retaining, and motivating exceptional staff who are aligned with the Hospital's mission. We will strengthen partnerships with unions and stakeholders to foster collaboration and drive collective success. By refining our policies to support fair, objective performance management and cultivating a positive work environment, we empower our team to deliver outstanding results while ensuring sustainable growth and service excellence.

10. Management Discussion and Analysis

Clinical/operational performance

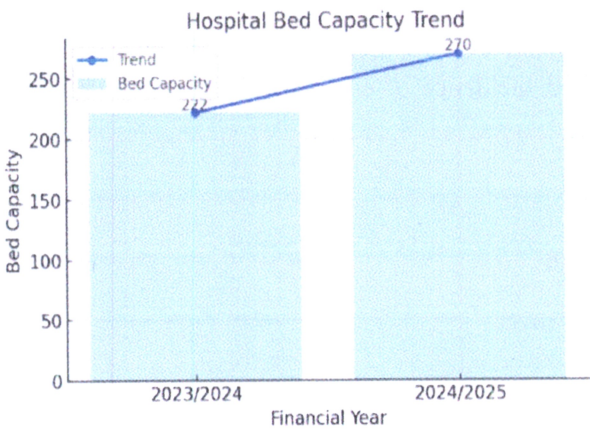
Lodwar County Referral Hospital (LCRH) continues to provide a broad range of specialized healthcare services to the people of Turkana County. Specialized services include outpatient clinics, inpatient care, day care procedures for surgery, renal services, ENT, ophthalmology, dental care, among others, as well as a specialized Accident and Emergency unit that attends to emergencies, disaster victims, and referred patients. The hospital also offers critical clinical support services such as laboratory, pharmacy, radiology, and imaging.

LCRH is committed to ensuring that all clinical services provided are safe, timely, appropriate, innovative, effective, evidence-based, and aligned with modern technological advancements, while also adapting to the unique healthcare needs of the semi-arid and remote Turkana region. Clinical governance continues to be strengthened to enhance patient safety and ensure quality healthcare. In addition, the hospital plays a key role in the region’s preparedness and response to disasters and emergencies, particularly those arising from road traffic accidents, drought-related health challenges, and cross-border incidents.

Bed capacity of the hospital. For the year July 2024 to June 2025

The hospital’s bed capacity increased from 222 beds in FY 2023/2024 to 270 beds in FY 2024/2025, representing an increase of 48 beds or approximately 21.6%. This growth reflects the hospital’s ongoing infrastructure expansion and commitment to accommodating a higher patient load.

Figure 1: Overall Bed Capacity

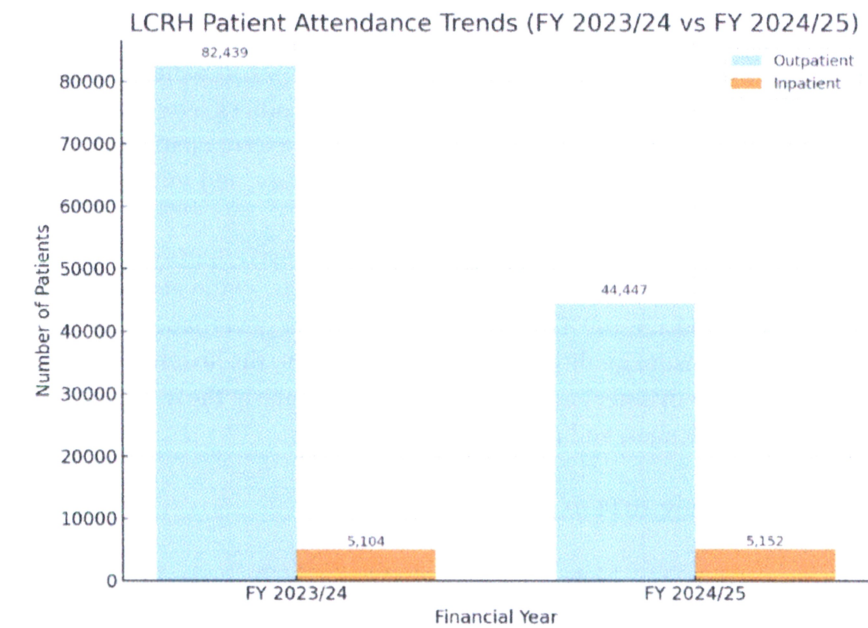


Overall patient attendance during the year for both inpatient and outpatient.

In the Financial Year (FY) 2024/25, Lodwar County Referral Hospital recorded a decline in outpatient attendance from 82,439 in FY 2023/24 to 44,447, representing a 46.1% decrease. This reduction can be attributed to several factors, including the decentralization of primary healthcare services to sub-county and community-level facilities, which reduced the number of non-critical cases referred to the hospital, as well as the impact of occasional industrial actions and limited operational budgets that constrained service delivery. Conversely, inpatient admissions increased slightly from 5,104 in FY 2023/24 to 5,152 in FY 2024/25, marking a 0.9% rise. This increase is likely due to a higher number of severe and complicated cases being referred from

lower-level facilities, coupled with the hospital’s improved capacity to manage specialized and critical care cases.

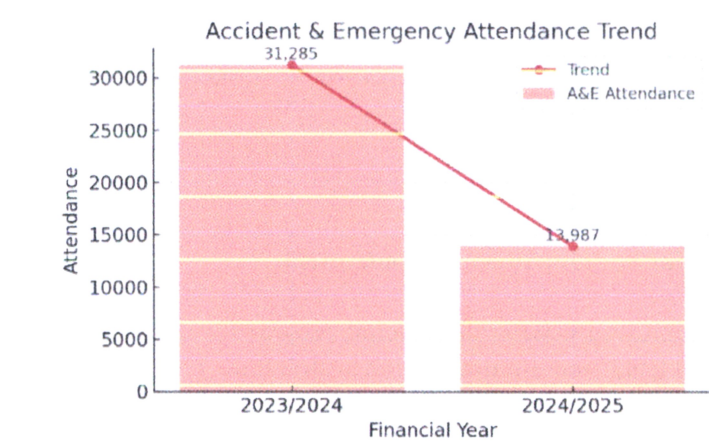
Figure 2: Overall Patient Attendance



Accident and Emergency attendance

Accident and Emergency attendance declined from 31,285 in FY 2023/2024 to 13,987 in FY 2024/2025, representing a decrease of 17,298 visits or approximately 55.3%. This decline could be attributed to factors such as improved community-based care, reduced incidence of emergencies, patient referral pattern changes, or shifts in healthcare-seeking behavior.

Figure 3: Accident & Emergency Trend

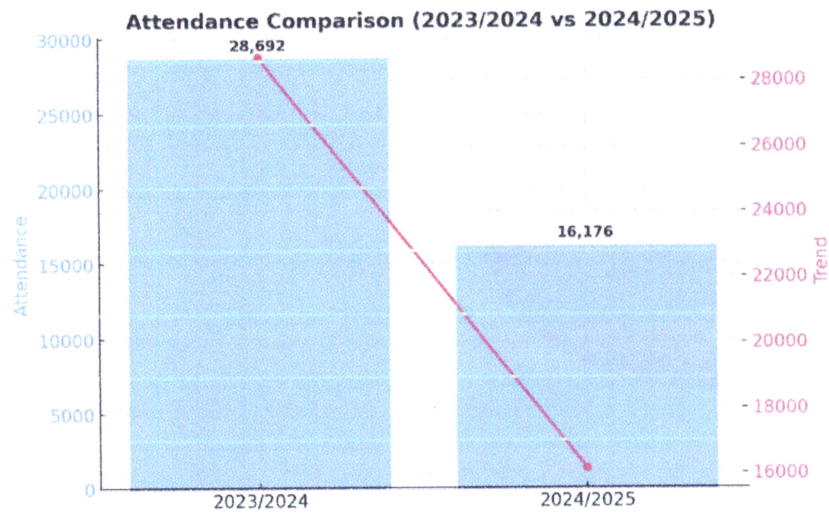


Specialised clinic attendance

Lodwar County Referral Hospital (LCRH) operates specialist clinics to review, treat, and follow up on patients with conditions requiring specialist intervention. These clinics run throughout the year, with a specific emphasis on monitoring patients’ progress. Attendance at the specialist clinics declined from

28,692 in FY 2023/2024 to 16,176 in FY 2024/2025, representing a decrease of 12,516 visits or approximately 43.6%. The chart below illustrates the patient attendance trend in the major specialty clinics.

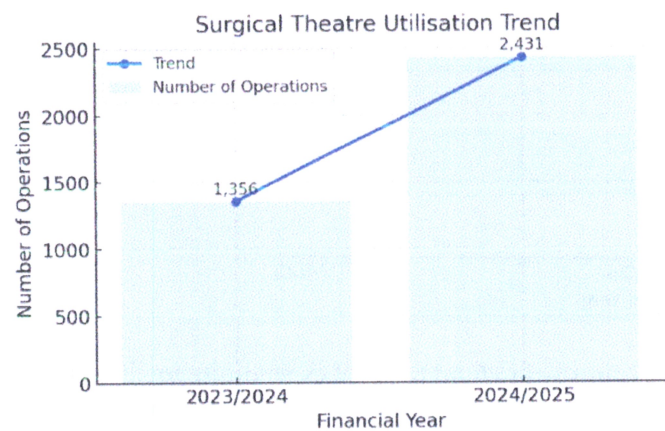
Figure 4: Specialized Clinic Attendance



Surgical theatre utilisation

The number of surgical operations increased from 1,356 in FY 2023/2024 to 2,431 in FY 2024/2025, representing an increase of 1,075 operations or approximately 79.3%. This growth indicates improved theatre utilisation, possibly due to expanded surgical capacity, recruitment of specialised staff, or increased patient demand for surgical services.

Figure 5: Surgical Theatre Utilization



Financial performance that includes: -

The Hospital’s revenue is generated from multiple sources, including transfers from the County Government, fees charged for services rendered, reimbursements from insurance claims, and grants from donors and development partners such as Strathmore University, as well as in-kind contributions. In the year under review, total revenue grew by 34 %, increasing from Ksh 754,786,790 in FY 2023/24 to Ksh 1,010,659,759 in

FY 2024/25. The distribution of revenue sources for the current year, together with the five-year trend, is presented in the charts below.

Figure 6: Revenue Sources

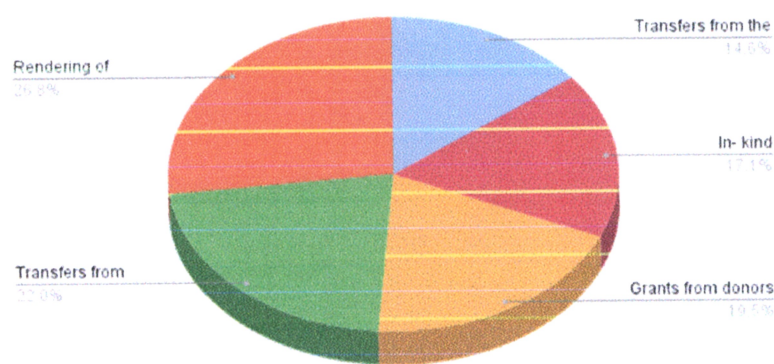
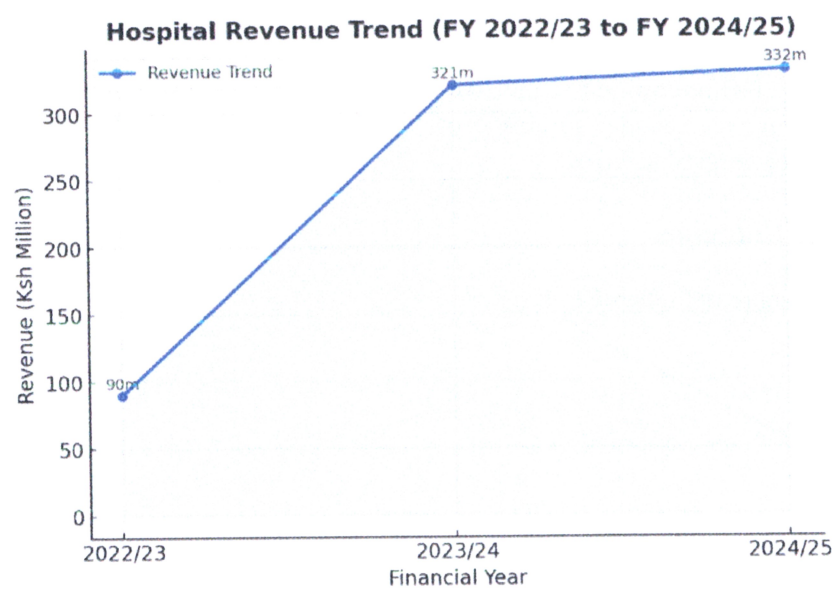


Figure 7: Revenue Trend



Utilisation of funds

The revenue generated during the period was utilized to fund hospital expenditure totalling Kshs. 997,281,365 (approximately Kshs. 997 million). The utilization of funds in the year under review, along with the expenditure trend, is illustrated in the charts below.