REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

CHEPTALAL LEVEL 3B HOSPITAL

FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNEMENT OF BOMET

CHEPTALAL Level 3B HOSPITAL
(Bomet 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)

TABLE OF CONTENTS

NSSF	National Social Security Fund
SHA	Social Health Authority
MEDS	Mission for Essential Drugs
KEMSA	Kenya Medical Supplies Agency
PFM(A)	Public Finance Management Act
PPE	Property, Plant and Equipment
AIE	Authority to Incur Expenditure
PSK	Pharmaceuticals Society of Kenya
PPB	Pharmacy and Poison Board
CGOB	County Government of Bomet
MSc	Master of Science
SHIF	Social Health Insurance Fund
PHC	Primary Health Care
CECM	County Executive Committee Member
CPSB	County Public Service Board
CCC	Comprehensive Care Clinic
CHP	Community Health Promoter
PSASB	Public Sector Accounting Standards Board
ECL	Expected Credit Loss

No.	Designation	Name
14.	Radiology	**Ronald Rono**
15.	Public Health	**Patricia Chepkorir**
16.	ICT	**Caroline Chepkemoi**
17.	Matenity	**Paul Likwop**
18.	Theatre	**Joseph Tangus**

(e) Fiduciary Oversight Arrangements

Fiduciary oversight arrangements are mechanisms established to ensure accountability, transparency, and compliance in the management of financial and operational resources. The following committees and bodies play a critical role in safeguarding institutional integrity and promoting sound governance practices:

1. Clinical Research and Standards Committee

This committee is responsible for ensuring that all clinical and research activities comply with established medical, ethical, and professional standards. It reviews and approves research protocols, monitors implementation, and ensures the protection of participants' rights and welfare. The committee also promotes adherence to quality standards in clinical practice and research outcomes.

2. Audit Committee

The Audit Committee provides independent oversight of the institution's financial management systems. It reviews financial statements, internal control frameworks, and audit reports to ensure accuracy, transparency, and accountability. The committee also follows up on audit recommendations and ensures the implementation of corrective actions to address identified weaknesses.

3. Risk Committee

The Risk Committee is mandated to identify, assess, and monitor institutional risks that may affect performance, resources, or reputation. It develops and oversees the implementation of risk mitigation strategies, ensuring that risk management is integrated into all planning and operational processes. The committee supports proactive decision-making to minimize potential threats to service delivery.

4. County Assembly

The County Assembly exercises oversight over the county executive's financial and operational activities. It approves budgets, reviews expenditure reports, and ensures that public funds are utilized efficiently and in accordance with the law. Through its sectoral committees, the Assembly holds officers accountable and ensures that audit and performance reports are acted upon.

3. The Board of Management

Ref	Directors	Details
1.	**Stephen Sitonik** **Chairman, HMB** 	Born in 1943, Retired Senior Lecturer, holder of Bachelor of Education – Arts, Member of Land control Board Konoin, former Director and Chair Tililbei and Chemosit Water Companies respectively and member of several other public institution.
2.	**Dr. Stephen Omondi** **Secretary, HMB** 	Born in 1985, Secretary to the board and accounting officer/ medical superintendent of the hospital. He is a PSK member, a Pharmacist with B. Pharm from Kenyatta university. Has served in various capacities in both public and private sector.
3.	**Sarah Ngeno** 	Born in 1961, Member HMB, Chair Quality of Health Services and Executive Committee, Retired nurse with a higher diploma in Reproductive health. Served as a Health facility in charge, a Reproductive Health coordinator and a Sub-county Public Health Nurse.
4.	**Robert Maritim** 	Born in 1969, Chair Finance and Audit, Member HMB and Executive Committee, he holds a diploma in supply chain management from Kisii University, works at KETEPA

10.	**Beatrice Chepkoech Langat** 	Born in 1994, Member HMB and Finance and Audit Committee, she holds a certificate in education from Bondo teachers college, currently a teacher at Nokirwet primary school.
11.	**Johana Kipkirui Rotich** 	Born in 1980, Member HMB and Quality of Health Services Committee, O levels, representing PWDs.
12.	**Kipronoh Victor Sang** 	Born in 1991, Member HMB and Executive committee, holds an MSc in Health Management from Kenyatta University. Served in various capacities in the health sector both public and private.

6.	**Richard Kilel** 	Head nursing services and member- HMT,Nursing council of Kenya, MTC, disciplinary, training and MPDSR commitees.He is a Senior Nursing officer
7.	**Cosmas Maritim** 	Head of Health records and information and member- HMT, Training, MPDSR, QIC and disciplinary Committees
8.	**Zeddy Chemutai** 	Head of pharmaceuticals and non pharmaceuticals Member - pharmacy and poisons board , HMT and MTC
9.	**Chebet Korir** 	Head of Biomedical engineering and member HMT. Holder of Diploma in Biomedical Engineering
10.	**Kelvin Moi** 	Head of laboratory and member – HMT, Training, IPC and QIC
11.	**Zaddock Cheruiyot** 	Head of Nutrition and Dietetics and member - HMT,MTC and CME

5. Chairman's Statement

Cheptalal Sub County Hospital serves as the main referral hospital in Konoin Sub County.

It is a level 3 hospital with significant impact in provision of curative health services, rehabilitative and preventive health.

It is staffed with staff employed by the County Government of Bomet, UHC, support from Walter Reed Program in the HIV clinics and other support staff engaged by the facility on short term contracts.

The hospital depends on user fees reimbursements from SHA and a monthly AIE from the department of Health services.

This amount though inadequate has enabled the hospital carry out its operations. I continue to request the department to increase the allocation due to prevailing economic situation and call for expansion of service delivery. There is need to expand the hospital to match the ever increasing demand for inpatient services.

This year has seen tremendous improvements in the facility, from service delivery to infrastructure and equipment. Most notable is strides made in land ownership to enable the facility expand its infrastructure to match the needs and to become a fully-fledged sub-county hospital at level IV.

With continued support from all stakeholders, the year has been a success and this is to thank the Board of Management, Staff and community for the unity of purpose. Gratitude also goes to the county of Bomet leadership for supporting developments in the facility.

Sitonik Stephen
Chairman to the Board

the hospital lands was under the land succession at Sotik law courts and the hospital was required to participate in all the processes and yet the hospital had scanty documents relating to the same.

.....

Dr. Stephen Omondi

Secretary to the Board

8. Corporate Governance Statement

Cheptalal Sub-County hospital is constituted as per the Constitution of Kenya, 2010 and Kenya Health Act 2017. The hospital is headed by a Medical Superintendent, who is responsible for the general policy and strategic direction of the hospital. The hospital is operates on the framework of Bomet County Hospital Management Boards and Health Facility Management Committee policy, 2018. This policy guides on how the Hospital Boards of management are appointed and removed, the qualifications and composition, their roles and trainings, how they conduct their meetings and overall performance management.

Composition of the Sub-County Hospital Board

The total membership of the sub-county hospital board is twelve who are nominated and appointed by the CECM. The board consists of: -

a) A chairperson from among the ten persons from the wards who are be appointed by the CEC Medical Services and Public Health
b) The officer in-charge of Sub-County hospital who is the secretary and ex- officio member
c) The Sub-County Hospital Administrator who is an ex- officio member
d) Representative from the Sub-County medical services office
e) Two persons per ward consisting of the following -

- One person who has knowledge and experience in management or administration.
- One person who has knowledge and experience in finance and procurement.
- One person with medical background and must not be a public servant
- One person to represent people with disability.
- One person to represent recognized None State Actors
- One person representing Women
- One person representing Youths
- Other three person who meet the eligibility of being a board member

Eligibility

1. All the elected members of the County Board possess a post KCSE certificate or equivalent from recognized institution and at least a Degree for the chairperson.
2. The board members apart from ex-officio hold office for a period of three (3) year and are eligible for re-appointment/re-election for one further and final term.
3. All the board members are persons of integrity.

Board and members' performance

The Bomet county Hospital Boards and Health Facilities Management Committees policy 2018 provides a performance monitoring and evaluation framework that is based on the primary objectives of the board. The deliverables the board is assessed on include:

- number of meetings and their minutes
- financial and audit reports
- hospital plans
- funding reports
- project reports
- lists of partners engaged
- training reports

Number of board meetings held and their attendance by members

The board members had four full board meetings as envisaged in the policy in the financial year 2024-2025. In these meetings, the quorums were met. The first meeting in the financial year had everyone attending. The second quarter had nine out of the twelve members. In the third quarter, seven members attended and the last quarter had ten out of twelve members attending.

The hospital further had two sub-committee meetings of the executive sub-committee which had the full membership of five members.

Succession Planning

The board members are appointed for a three-year term and eligible for reappointment for one final term. To allow seamless transition, members are appointed at different times such that they do not all have their time lapsing at once. This allows for the business of the board to continue as replacements are being done by the CECM in charge of health services.

Ethics and Conduct

Members are expected to:

- Maintain confidentiality of hospital information.
- Declare conflicts of interest.
- Act professionally and with integrity.
- Promote teamwork, transparency, and respect.
- Avoid interference with routine operations unless necessary.

9. Management Discussion and Analysis

The hospital continued to provide essential health services to the community with a bed capacity of 23 beds.

Over the reporting period, the Hospital registered a total of 29,656 patient attendances, which reflects a significant level of service utilization.

In addition to general care, the hospital recorded 6,114 specialized clinic attendances, covering areas such as dental, eye, CCC (Comprehensive Care Clinic), medical, and TB services.

The average length of stay for inpatients was reported at 6 days, indicating a balance between quality care and timely discharges.

The bed occupancy rate stood at 21%, while the mortality rate was maintained at 0.6%, an encouraging measure of the effectiveness of care provided.

The surgical theatre also remained a vital component of hospital operations, with a total of 60 surgeries (both minor and major) successfully performed during the year

Financial performance that includes: -

Revenue sources,

Hospital generates its revenue from two sources; 1% i.e kshs 5,853,220 on exchange and 99% i.e kshs 97,811,195 on non-exchange transactions. In exchange transaction, revenue is generated from rendering of medical services by the hospital to its clients. Patients often pay for the services through SHA/ NHIF, AON Minet or pay cash on Paybill. During the period 511 claims were submitted of Kshs 6,180,6400 to SHA of which 22 were under review, 8 were sent back for correction and successfully returned for approval. 163 claims were rejected. 210 claims of Kshs 2,970,000 was approved and paid. Kshs 1,436,240 remained unpaid.

On cash payment, Hospital raised a total of Kshs 578,030 which is 30% for laboratory, 15% dental, 34% pharmacy, 11% health records,7% radiology and the rest on medical exam and dressing services.

During first quarter, Hospital submitted 245 claims to NHIF worth kshs 837,300 which remained unpaid. 18 patients received treatment and AON Minet was billed Kshs 31,650 which is yet to be paid.

82% of exchange transactions revenue is generated from SHA despite working for only 9 months. 10% is from NHIF, 8% from Paybill and the rest from AON Minet.

10. Environmental And Sustainability Reporting

Cheptalal Sub-county Hospital exists to offer holistic care to its population. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Environmental performance

Cheptalal sub-county hospital uses Kaizens policy, i.e. (5s) the five (s) is for: sort, set, shine standardize and sustain. The policy has been shared with every department, with a clear wall chart within the hospital. The health care staffs are provided with personal protective equipment (PPEs) such as clean and sterile gloves, and masks. Health care workers are advised to minimize waste originating from their departments as much as possible. Each department (MCH, Maternity, CCC, and OPD) is provided with bin liners (RED, YELLOW & BLACK) and safety boxers.

RED BIN LINERS are for highly infectious waste such as placentas

YELLOW BIN LINERS are for infectious waste such as gloves

BLACK BIN LINERS are for general waste such as papers food etc.

SAFETY BOXES are for sharp objects such as syringes and needles

The success has been seen in the minimal and reduced infection transmission amongst the healthcare workers within the hospital, and the general public. However, challenges do exist when it comes to waste segregation, disposal and also timely availability of all the bin liners and safety boxes, as this is a function of the department of health services through our suppliers.

ii) Employee welfare

Hiring process for health care workers is mainly done by the CGOB (County government of Bomet) through the CPSB (County Public Service Board). This is with an exception of the staff hired under the hospital's AIE, who goes through the hospital's board of management on a contractual basis. The hiring is done according to the public serve act on hiring that takes into account the 2/3 gender rule. Routine on job trainings and CMES are done to further strengthen the knowledge and skill base.\

11. Report of The Board of Management

The board members submit their report together with the audited financial statements for the year that ended June 30, 2025, which show the state of the Cheptalal Sub County Level 3B Hospital affairs.

Principal activities

The principal activities of the Hospital are:

1. Treatment services
2. Rehabilitative services
3. Reproductive health services
4. Theatre services
5. Immunization and MCH services

Results

The results of the Hospital for the year ended June 30 2025 are set out on pages 1 to 29

Board of Management

The members of the Board who served during the year are shown on page vii to ix. During the year, 2025, no member retired/ resigned, and no member was appointed with effect from 1st July, 2024 to date.

Auditors

The Auditor General is responsible for the statutory audit of the Cheptalal Sub County Level 3B Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

.....

Dr. Stephen Omondi

Secretary to the Board

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON CHEPTALAL LEVEL 3B HOSPITAL FOR THE YEAR ENDED 30 JUNE 2025 – COUNTY GOVERNMENT OF BOMET

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Cheptalal Level 3B Hospital - County Government of Bomet set out on pages 1 to 32, 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

4. Inaccuracies in the Statement of Cash flows

The statement of cash flows and as disclosed in Note 23 to the financial statements reflects net cash flows from operating activities amounting Kshs.23,049. The amount comprise of working capital adjustment amounting to Kshs.2,102,902 in respect of decrease in receivables as reflected in Note 23 to the financial statements. However, the decrease in receivables differs with the recomputed amount of Kshs.4,559,380 resulting in unexplained variance of Kshs.2,456,478.

Further, the statement reflects net increase in cash and cash equivalents by Kshs.18,873. However, the amount differs with the recomputed increase in cash and cash equivalents of Kshs.23,049 resulting in unexplained variance of Kshs.4,176. Similarly, the statement reflects cash and cash equivalents as at 30 June 2025 totalling Kshs.23,049 which differs with the recomputed amount of Kshs.27,225 resulting in an unreconciled variance of Kshs.4,176. However, the recomputed amount of Kshs.27,225 also differs with cash and cash equivalents balance of Kshs.23,049 reported in the statement of financial position.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

5. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to the financial statements reflects receivables from exchange transactions totalling Kshs.4,575,390. However, the detailed schedule indicating particulars of the patients, services rendered and amount owed by each patient was not provided for audit review.

Further, the amount includes medical services receivables – Social Health Authority (SHA) totalling Kshs.1,436,240. However, records on SHA billings, the amount claimed, amount paid, outstanding balances and monthly reconciliations were not provided for audit review.

In addition, the amount includes receivables totalling Kshs.3,007,500 due from the defunct National Health Insurance Fund (NHIF). The amount had remained unpaid for over one year. However, no provision has been made for bad and doubtful debts and evidence of efforts made by Management to recover the balances was not provided for audit review.

In the circumstances, the accuracy, completeness and recoverability of receivables balance of Kshs.4,575,390 could not be confirmed.

6. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment totalling Kshs.63,671,934. The amount is net of depreciation charge for the year amounting to Kshs.3,760,617 as disclosed in Note 20 to the financial statements. However, the depreciation policy and rates have not been disclosed in the financial statements. The valuation and ownership documents for the property, plant and equipment including land

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Engagement and Payment of Casual Employees

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects employee costs amounting to Kshs.85,924,448. The amount includes Kshs.2,172,001 in respect of casual wages. However, approved staff establishment showing deficiency of staff to be filled by the casuals, formal requests done by the Departmental Heads on the need for engaging casuals, and the Hospital Management Board's approval were not provided for audit review. This implies that Management irregularly engaged and paid the casual employees during the year.

Further, the casual employees were engaged for a period of twelve (12) months consecutively without review of their terms contrary to Section 37(1)(b) of the Employment Act, 2007 which provides that where a casual employee performs work for more than three (3) months, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly.

Criteria	Minimum Required	In place	Shortfall/ Variance
Land or office space of approximately 2,500 square meters	5 Acres	3 Acres	2 Acres
Beds in male ward, female ward, pediatric ward, antenatal ward and postnatal ward	150	15	135
Resuscitative bed	3	0	3
New born unit incubator	5	0	5
New born baby cots	5	0	5
Dialysis machines	5	0	5
Magnetic Resonance Imaging (MRI) machine	1	0	1
Computer Technology (CT) scan machine	1	0	1
Mammography machine	1	0	1
Dental X-ray machine	1	0	1
Defibrillators (for Accident and Emergency, theatre and ICU)	3	0	3
High Dependence Unit (HDU)	1	0	1
Waiting rooms	8	1	7
Consultation rooms	8	2	6
Registration rooms	8	1	7
Injection room	1	0	1
Functional operating theaters for maternity and general wards	2	1	1
Plaster room	1	0	1
Medical engineering unit	1	0	1
Mortuary/cold room (mandatory)	1	0	1
Cloak rooms	4	1	3
Protected Incinerator	1	0	1

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

In the circumstances, the ability of the Hospital to deliver on its mandate is doubtful.

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.

made on bank statements derived from M-Pesa Paybill transactions as the primary source document for revenue recognition. Manual entries were recorded from patients' phone payment messages without any verification to confirm whether the amounts paid were actually credited to the hospital's bank account.

Further, Management maintained its revenue records in manual form and there was no evidence of any plan to transition from the current manual revenue recording process to an automated revenue management system. A walkthrough of the hospital's billing process revealed that patients were billed manually using undefined and inconsistent criteria thus lacking a standardized billing framework, making it impossible to generate reliable billing and revenue reports.

In addition, there was no evidence of daily reconciliations of revenue collected manually verses mobile payment transactions used in banking and Management did not conduct daily or periodic reconciliations of mobile revenue collections.

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

4. Lack of Internal Audit Review and Audit Committee

During the year under review, there was no internal audit review of the Hospital's activities. This was contrary to Regulation 153(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires internal auditors to review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in County Government entities and review the effectiveness of the financial and non-financial performance management systems of the entities.

Further, the Hospital did not have an audit committee as required by Regulation 155(5) of the Public Finance Management (County Governments) Regulations, 2015.

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

5. Unconfirmed Appointment and Meetings of the Hospital Management Committee

The Hospital's Management Committee is composed of twelve (12) members against the maximum number of nine (9) members as stipulated in Section 17(1) of the Facilities Improvement Financing Act, 2023 resulting in overrepresentation of the Committee by three (3) members. The Gazette Notice appointing the members was also not provided for audit review. This was contrary to Section 1.1 (11) of Mwongozo Code of Governance which states that each Board member shall be formally appointed to the Board through a Gazette Notice and there after an appointment letter.

Further, work plans and minutes of Committee meetings as proof that the Committee met and executed its mandate during the year under review were not provided for audit.

In the circumstances, effectiveness of the governance controls put in place could not be confirmed.

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

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

Description	Note	FY 2024 - 2025	FY 2023 - 2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	5,834,000	13,877,250
In- kind contributions from the County Government	7	91,977,195	**8,568,120**
		97,811,195	**22,445,370**
Revenue from exchange transactions			
Rendering of services- Medical Service Income	8	5,853,220	3,050,976
Revenue from exchange transactions		**5,853,220**	**3,050,976**
Total revenue		**103,664,415**	**25,496,346**
Expenses			
Medical/Clinical costs	9	11,268,293	11,198,228
Employee costs	10	85,924,448	2,244,633
Board of Management Expenses	11	390,300	150,400
Depreciation and amortization expense	12	3,760,616	3,760,616
Repairs and maintenance	13	1,582,597	2,971306
Grants and subsidies	14	252,000	3,554,996
General expenses	15	2,073,718	3,574,198
Total expenses		**105,251,972**	**27,454,377**
Other gains/(losses)			
Gain on revaluation of non-Current assets		0	1,738,333
Total other gains/(losses)		**0**	**1,738,333**
Net Surplus / (Deficit) for the year		**(1,587,557)**	**(209,698)**

(The notes set out on pages 18 to 24 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 21st July, 2025 and signed on its behalf by:

.....	.....	.....
Stephen Sitonik	**Peter Ngeno**	**Dr. Stephen Omondi**
Chairman	**Head of Finance**	**Medical Superintendent**
Board of Management	**ICPAK No: 14244**	

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

Description	Note	FY 2024 - 2025	FY 2023 - 2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	23,049	4,176
Receivables from exchange transactions	17	4,575,390	2,691,020
Receivables from non-exchange transactions	18	0	6,443,750
Inventories	19	2,919,262	2,127,782
Total Current Assets		**7,517,701**	**11,266,728**
Non-current assets			
Property, plant, and equipment	20	63,671,934	67,505,900
Biological Assets	21	73,350	0
Total Non-current Assets		**63,745,284**	**67,505,900**
Total assets (A)		**71,262,985**	**78,772,628**
Liabilities			
Current liabilities			
Trade and other payables	22	3,146,441	6,607,873
Total Current Liabilities		**3,146,441**	**6,607,873**
Total Liabilities (B)		**3,146,441**	**6,607,873**
Net assets (A-B)		**68,116,554**	**72,164,755**
Represented by:			
Revaluation reserve		1,738,333	1,738,333
Accumulated surplus/Deficit		(1,388,289)	(209,698)
Capital Fund		67,766,500	70,636,120
Net Assets		**68,116,544**	**72,164,755**

(The notes on pages 18 to 24 form an integral part of the Annual Financial Statements.)
The Hospital's financial statements were approved by the Board on 21st July, 2025 and signed on its behalf by:

.....	.....	.....
Stephen Sitonik	**Peter Ngeno**	**Dr. Stephen Omondi**
Chairman	**Head of Finance**	**Medical Superintendent**
Board of Management	**ICPAK No:14244**	

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

Description	Note	FY 2024 - 2025	FY 2023 - 2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	5,834,000	9,929,500
Rendering of services- Medical Service Income		4,874,407	1,859,364
Opening balances		-	81,954.5
Total Receipts		**10,708,407**	**11,870,818.5**
Payments			
Medical/Clinical costs		3,276,340	2,676,105
Employee costs		2,693,354	1,815,991
Board of Management Expenses		390,300	150,400
Repairs and maintenance		1,923,767	2,772,689
Grants and subsidies		252,000	2,066,691
General expenses		2,149,597	2,334,865
Total Payments		**10,685,358**	**11,816,741**
Net cash flows from operating activities		**23,049**	**54,077.5**
Cash flows from investing activities		0	0
Net cash flows used in investing activities		**0**	**0**
Cash flows from financing activities		0	**0**
Net cash flows used in financing activities		**0**	**54,075.5**
Net increase/(decrease) in cash and cash equivalents		**18,873**	
Cash and cash equivalents as at 1 July		4,176	81,690.50
Cash and cash equivalents as at 30 June	16	**23,049**	**4176**

19. Notes to the Financial Statements

1. General Information

Cheptalal Level 3B Hospital is established by and derives its authority and accountability from Health Act. The Hospital is wholly owned by the Bomet County Government and is domiciled in Bomet County in Kenya. The Hospital's principal activity is treatment, preventive, reproductive and MCH services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Hospital'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 19 The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Hospital. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Standard	Effective date and impact:
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: 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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	***Applicable 1st January 2026*** 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 Hospital 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.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Hospital 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 Hospital.

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.

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

e. Inventories

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

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

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

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

f. Provisions

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

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

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

g. Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Hospital recognises a social benefit as an expense for the social benefit scheme at the

proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m. Related parties

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

n. Service concession arrangements

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

o. 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.

p. FY 2023-2024 figures

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

6. Transfers from the County Government

Description	FY 2024 - 2025	FY 2023 – 2024
	KShs	KShs
Unconditional grants		
Operational grant	5,834,000	13,877,250
Total government grants and subsidies	**5,834,000**	13,877,250

6 b Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	FY 2023-2024
			KShs	KShs	KShs
Bomet County Government	5,834,000	0	0	5,834,000	13,877,250
Total	**5,834,000**	**0**	**0**	**5,834,000**	13,877,250

7. In Kind Contributions from The County Government

Description	FY 2024 - 2025	FY 2023 – 2024
	KShs	KShs
Salaries and wages	83,718,936	
Medical supplies-Drawings Rights (KEMSA)	5,449,674	2,863,871.57
Pharmaceuticals and Non-Pharmaceutical Supplies – MEDS	0	363,915.55
Utility bills - KPLC	606,651	486,417
Laboratory Reagents including Truenat	2,201,934	4,853,916
Total grants in kind	**91,977,194.68**	**8,568,120.12**

8. Rendering of Services-Medical Service Income

Description	FY 2024 - 2025	FY 2023-2024
	Kshs	Kshs
Pharmaceuticals, non Pharms	201,820	
Health Records	64,410	
Laboratory	176,115	
Radiology- Ultrasound	41,900	
Dental services	86,135	
OPD, injections, dressings	7,650	560,676
NHIF	837,300	2,490,300
SHA	4,406,240	0
AON MINET	31,650	0
Total revenue from the rendering of services	**5,853,220**	**3,050,976**

13. Repairs And Maintenance

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Property- Buildings - Renovations	309,650	296,396
Medical equipment	530,800	568,900
Office equipment	0	42,100
Furniture and fittings	35,000	328,110
Computers and accessories	0	19,000
Motor vehicle expenses	545,584	1,189,500
Maintenance of civil works	161,563	527,300
Total repairs and maintenance	**1,582,597**	**2,971,306**

14. Grants And Subsidies

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Other grants and subsidies- Kitala	252,000	504,000
Total grants and subsidies	**252,000**	**504,000**

15. General Expenses

Description	FY 2024 - 2025	FY 2023-2024
	Kshs	Kshs
Catering expenses	20,400	158,700
Bank charges	19,197	20,831
Electricity expenses	606,651	486,417
Fuel and Lubricants	241,000	436,400
Travel and accommodation allowance	774,900	2,205,000
Courier and postal services	9,450	9,450
Printing and stationery	133,500	190,800
Telephone and mobile phone services, TVs	200,220	0
Internet expenses, computer accessories	68,400	66,600
Total General Expenses	**2,073,718**	**3,574,198**

16. Cash And Cash Equivalents

Description	FY 2024 - 2025	FY 2023 – 2024
	KShs	KShs
Current accounts	23,049	4,176
Total cash and cash equivalents	**23,049**	**4,176**

18.a Analysis of Receivables From Non-Exchange Transactions

Description	FY 2024 - 2025		FY 2023-2024	
	Kshs		Kshs	
	FY 2024-2025	% of the total	FY 2023-2024	% of the total
Less than 1 year	0	100%	6,443,750	100%
Total (a+b)	**0**	**100%**	**6,443,750**	**100%**

19. Inventories

Description	FY 2024 – 2025	FY 2023 - 2024
	KShs	KShs
Pharmaceutical supplies	1,438,632	1,416,816
Laboratory supplies	1,102,240	455,184
Food supplies, cutleries	153,790	45,912
Linen and clothing supplies	196,500	178,500
Cleaning materials supplies	14,100	15,350
General supplies	14,000	16,020
Less: provision for impairment of stocks	**0**	**0**
Total	**2,919,262**	**2,127,782**

19.a Detailed disclosure on inventories

	FY 2024-2025	FY 2023-2024
Opening balance	2,127,782	1,416,816
Additional Inventory in the year	9,892,168	11,389,020
Inventory expensed in the year	9,100,688	10,678,054
Write-downs in the year	-	-
Others specify	0	-
Closing balance	2,919,262	2,127,782

20. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Furniture , fitting	ICT, medical , office Equipment	Plant	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost						
At 1 July 2023 (previous year)	**5,100,000**	**45,000,435**	**389,880**	**15,001,403**	**157,500**	**65,649,218**
Additions	-	-	-	-	-	-

21. Biological Assets

Description	*FY 2024 - 2025*	FY 2023-2024
	Kshs	Kshs
Trees in a plantation forest- Tea Bushes	73,350	73,350
Total	**73,350**	**73,350**

22. Trade and other Payables

Description	FY 2024 – 2025		FY 2023 - 2024	
	KShs		KShs	
Trade payables		2,763,529		5,819,046
Employee dues		382,912		788,827
Total trade and other payables		**3,146,441**		**6,607,873**
Ageing analysis:	**FY 2024-25**	**% of the Total**	**FY 2023-24**	**% of the total**
Under one year	3,146,441	100%	6,607,873	100%
Total	**3,146,441**	**100%**	**6,607,873**	**100%**

23. Cash Generated from Operations

Description	FY 2024 - 2025	FY 2023-2024
	KShs	KShs
Surplus for the year before tax	(1,587,557)	(209,698)
Adjusted for:		
Depreciation	3,760,616	3,760,616
Non-cash grants received	-	(8,568,120)
Working Capital adjustments	2,173,059	(5,017,202)
Increase in inventory	(791,480)	(710,966)
Decrease in receivables	2,102,902	(5,316,620)
Increase in payables	(3,461,432)	2,831,189
Net cash flow from operating activities	**23,049**	**(8,211,674)**

24. Financial Risk Management

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

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

the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	984,140	4,834,906	0	5,819,046
Employee Benefit Obligation	164,898	623,929		788,827
Total	**1,149,038**	**5,458,835**	**0**	**6,607,873**
At 30 June 2025				
Trade payables	1,174,452	983,933	605,144	2,763,529
Employee benefit obligation	155,606	89,760	137,546	382,912
Total	**1,330,058**	**1,073,693**	**742,690**	**3,146,441**

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025	0	0	0

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve	1,783,333	1,783,333
Retained earnings	(1,388,289)	
Capital reserve	67,766,500	
Total funds	**68,116,544**	
Total borrowings	0	
Less: cash and bank balances	23,049	()
Net debt/ (*excess cash and cash equivalents*)		
Gearing	%	%

25. Related Party Balances

Nature of related party relationships

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

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

i) The National Government;
ii) The County Government;
iii) Board of Management;
iv) Hospital Management Team

Description	FY 2024 - 2025	FY 2023 - 2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to Bomet County	-	
Total	-	
b) Grants from the Government		
Grants from County Government	94,451,195	13,877,250
Grants from the National Government Entities- UHC	3,360,000	0
Donations in kind	0	8,568,120
Total	**97,811,195**	**22,445,370**

20. **Appendices**

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
1	Inaccuracies in rendering of medical services income	Corrected	Resolved	FY 2025/2026
2	Inaccuracy of capital fund	Corrected	Resolved	FY 2025/2026
3	Inaccuracies in the statement of cash flows	Corrected	Resolved	FY 2025/2026
4	Inaccuracies in the statements of comparison of budget and actual amounts	Corrected	Resolved	FY 2025/2026
5	Unsupported in kind contribution from County Government	Supplied	Resolved	FY 2025/2026
6	Inaccuracies of receivables from exchange transactions	Corrected	Resolved	FY 2025/2026
7	Unsupported PPE	Corrected	Resolved	FY 2025/2026
8	Unsupported trade and other payables	Supplied	Resolved	FY 2025/2026
1	Irregular engagement and payment of casual wages	Responded	Not Resolved	FY 2025/2026
2	Service delivery gaps	Responded	Not Resolved	FY 2025/2026
3	Lack of approved annual budget	Supplied	Resolved	FY 2025/2026
1	Weak internal control in stores and inventory management	Responded	Not Resolved	FY 2025/2026
2	Lack of SOPs and policies	In progress	Not Resolved	FY 2025/2026
3	Weakness in revenue management system	Responded	Not Resolved	FY 2025/2026
4	Lack of internal Audit function and audit committee	In progress	Not Resolved	FY 2025/2026
5	Unconfirmed appointment and meetings of HMC	Responded	Resolved	FY 2025/2026
6	Use of Manual Accounting Records	In progress	Not Resolved	FY 2025/2026
7	Lack of risk management policy and disaster recovery plan	In progress	Not Resolved	FY 2025/2026

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Accounting Officer

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring Entity: County Government of Bomet

Name of Beneficiary Entity: Cheptalal Level 3 B Hospital

Confirmation of amounts received by Cheptalal Level 3B Hospital as at 30th June,2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT242224B0ZL	9.8.24	1,288,750	0	1,288,750	
FT24229DJB5S	16.8.24	1,288,750	0	1,288,750	
FT24307DTPXR	1.11.24	2,169,250	0	2,169,250	
FT250499HK8F	18.2.25	1,087,250	0	1,087,250	
Total		**5,834,000**	0	**5,834,000**	

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

Head of Accounts Department - Disbursing Entity: County Government of Bomet

Name Jonah Mutai **Sign** ..... **Date** 21.7.2025

Head of Accounts Department - Beneficiary Entity: Cheptalal Level 3 B Hospital

Name Peter Ngeno **Sign** ..... **Date** 21.7.2025