

REPUBLIC OF KENYA



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**REPORT**



**OF**

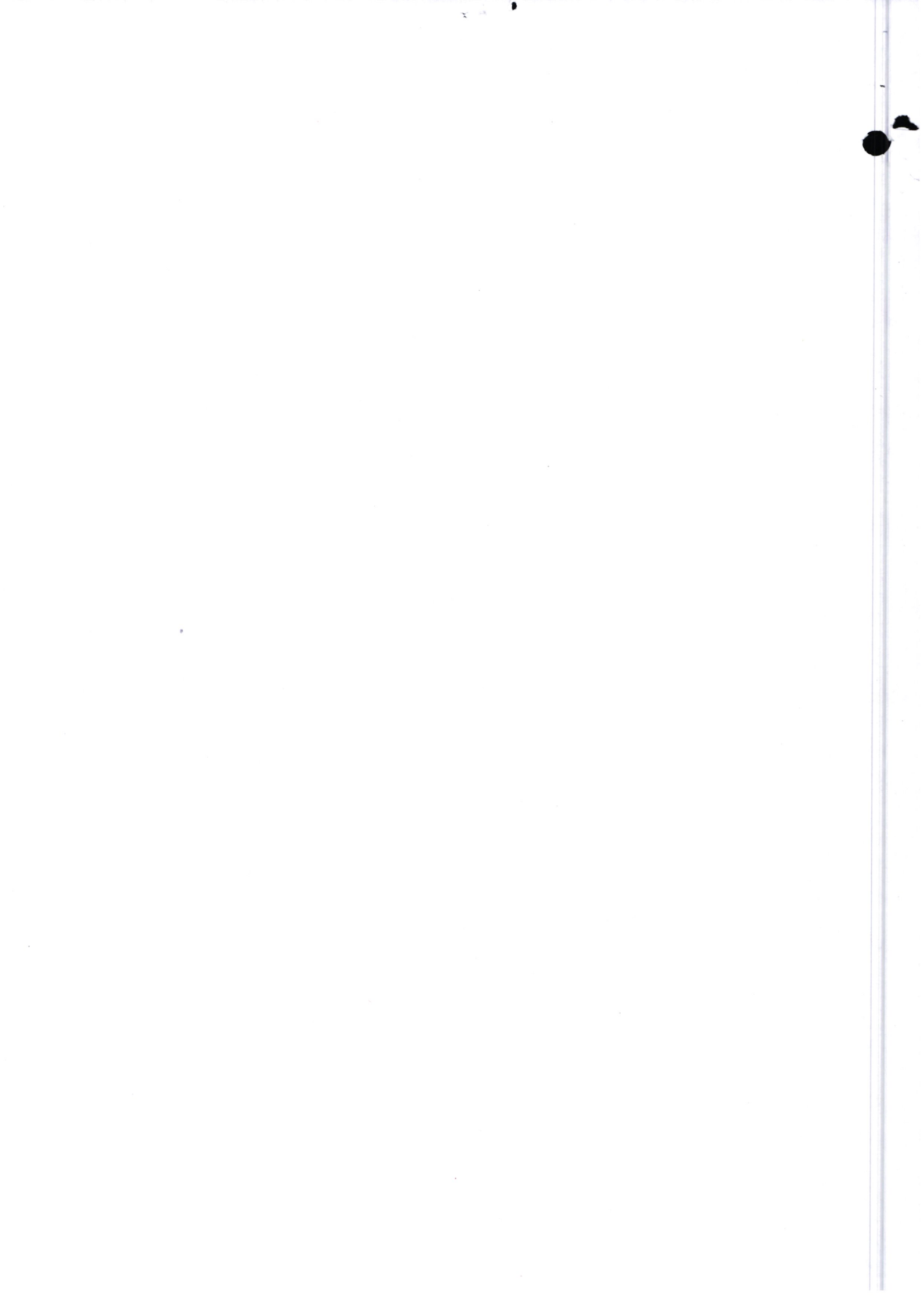
**THE AUDITOR-GENERAL**

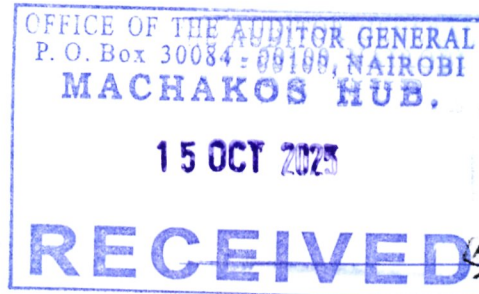
**ON**

**MACHAKOS COUNTY REFERRAL HOSPITAL**

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

**COUNTY GOVERNMENT OF MACHAKOS**





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**Machakos County Referral HOSPITAL  
(Machakos County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

10/10/10



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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
CECM	County Executive Committee Member
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
CPA	Certified Public Accountant
ICPAK	Institute of Certified Public Accountant
PSASB	Public Sector Accounting Standard Board
IPSAS	International Public Sector Accounting Standards
FIF	Facility Improvement Financing

## **2. Key Entity Information and Management**

### **(a) Background information**

Machakos Level 5 Hospital is a regional referral hospital and registered by the Kenya Medical Practitioners and Dentists Council under reference number GK-014119 and is domiciled in MACHAKOS County in the HEALTH Department. The hospital is governed by the Department of Health under Chief Executive Committee member for Health, Chief Officer Medical Services, the Board of Management, Health Management Team under the Chief Executive Officer (CEO).

### **(b) Principal Activities**

The principal activity of the hospital is to provide curative and rehabilitative HEALTH SERVICES. The Hospital has also undertaken to train Medical Officers and other health workers, as well as Management trainees on their practical experience from various higher institutions of learning eg KMTC, Amref University, Kenyatta University, South Eastern University, Machakos University, Mt: Kenya University, Day star University among others.

#### **Mission**

Provision of comprehensive health care to all by offering quality services to all patients and clients.

#### **Vision**

Provision of timely, Accurate, Efficient and Effective client friendly healthcare to patients

#### **Core Objective;**

Commitment by all to provide high quality health care services to all our clients with dignity, professionalism and within the shortest time possible.

### **(c) Key Management**

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

- County department of health
- Board of Management
- Chief Executive Officer
- Medical Superintendent
- Health Management Team
- Executive Expenditure Committee

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Chief Executive Officer	<b>Ms Winfred Nzuki</b>
2.	Medical Superintendent	<b>Dr. Daniel Katua</b>
3.	Head of Finance And Accounts	<b>CPA Charles Wanderi</b>
4.	Head of Supply Chain	<b>Mrs. Mary Kamili</b>
5.	Hospital Administrative Officer	<b>Mr. Richard Yotta</b>
6.	Nursing Services Manager	<b>Mrs. Juliana Muendo</b>

**(e) Fiduciary Oversight Arrangements**

- **County Assembly**  
County Assembly Committee on Health oversees operations in all hospitals and health facilities in County Health Sector.
- **Clinical Research Committee**  
This committee is involved in co-ordination and regulating research activities in the Hospital. The committee links with an ethics review committee done jointly between the hospital and Machakos University.
- **Finance and General Purpose Committee**  
The committee reports to the full Board on matters relating to Finance and hospital's funding. It identifies the gaps in funding and advises the Board accordingly
- **Executive Expenditure Committee**  
The executive committee is the hospital committee that rationalizes budgets for all funds received in the hospital.
- **Hospital Management Committee/ Hospital Management Team (HMT)**  
It is made up of departmental heads and is responsible for operations and management of the hospital.
- **Waiver Committee**  
The committee is mandated to oversee and evaluate the needy patients through the social worker who conducts an interview of patient's social status

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

**(f) Entity Headquarters**

P.O. Box 19-90100  
Machakos-Wote Highway  
MACHAKOS, KENYA

**(g) Entity Contacts**

Telephone: (+254) 045 4420 575  
E-mail: machakoshospital@gmail.com  
Website:

**(h) Entity Bankers**

KCB Bank  
Kenya Account No. 1312775874  
Machakos Branch

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**(k) County Attorney**

The County Attorney  
County Law Office P.O.  
Box 1996-90100  
Mwatu Wa Ngoma Road  
Machakos, Kenya

### 3. The Board of Management

Board of Management	Details
 <p><b>Bsp. Charles Kababu</b> (Chairman of BoM)</p>	<p>He is the Founder, Bishop and Overseer of the Gospel Confirmation Centre Churches of Kenya. He is a seasoned leader, pastor and preacher for the last 47 years. Has diverse international experience in missions in 8 African Countries, Asia, South Korea and USA. He is currently the chairman of the Machakos Pastors Fellowship, chairman of the Machakos Pastors Alliance, Member of the United Clergy Alliance, Member of the Ukambani Leadership Forum, and the Association of Pentecostal and Evangelical Clergy of Kenya. Holds honorary Doctor of Divinity Degree from Honolulu State University, Master of Arts in Theaology, Leadership and Ministry from Grace Leadership Bible University, Bachelor of Arts in Theaology, Leadership and church Ministry from Grace Leadership Bible University, and Diploma in Theology from Scott Theological College.</p>
 <p><b>Malcom Mwololo</b> (Member of BoM)</p>	<p>Holds Degree in Sales and Marketing from Moi University, Diploma in Sales and Marketing from Kenya Institute of Management and Certificate of Proficiency from the College of Insurance. Is a licensed member of the Insurance Regulatory Authority. Has 25 years experience in various leadership positions - The Kenya Red Cross Society, Youth representative in the Kenya National Chamber of Commerce, Current chairman of the Machakos Municipality, Director of Max &amp; Sirch Insurance group, Chairman of Splash Hub Ltd, Director of Lush Hub International Ltd and Member of the Bomani AIC Development Board.</p>



**Rehema Ahmed**  
**(Member of BoM)**

A recently retired Headteacher, having served in a similar position for the last 26 years. She has a teaching experience of 40 years. Holds a Bachelor of Education from the University of Nairobi and Certificate in Primary Teacher Education from Kingari Teachers College .



**Gregory M. Kavua**  
**(Member of BoM)**




Holds Bachelor of Science from Nairobi University, Post graduate diploma in Education from Nairobi University, Executive Master of Education from Moi University, and Currently a PhD candidate in Mount Kenya University. Has done School Management Induction Course, Diploma in Education Management, and Certificate in Education Management. Has attended Guidance and Counselling Workshop, Reconciliation and Peace Building seminar, and certificate in Public Legal Education training for head teachers. Has 43 years in teaching, 23 years of which have been as a Principal in various secondary schools.



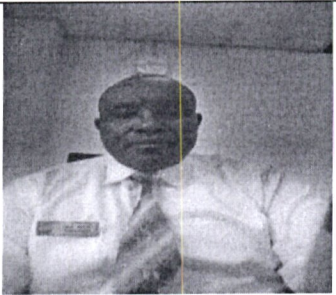


**Elizabeth Mboko**  
**(Member of BoM)**

Holds various certificates in Business Management; Leadership; Church Ministry; Leadership in Substance abuse and HIV/AIDS Prevention and Rehabilitation; Prayer and Spiritual Warfare. Has 25 years experience in Christian pastoral work and leadership. Seasoned mentor and motivator with achievements in providing spiritual and administrative leadership. Highly adept in preparing sermons and providing pastoral care.

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

 <p><b>Maureen W. Kivuti</b> (Member of BoM)</p>	<p>Enthusiastic, optimistic, focused, goal-oriented Bachelor’s degree in Communication holder from Zetech University. Currently working as a Director with the CPF Foundation Projects and donor mapping.</p>
 <p><b>Josephat Malei</b> (Member of BoM)</p>	<p>Is currently the Machakos Sub-County Administrator. Holds Bachelor of commerce Degree from the South Eastern University and has served in leadership positions in Ukwala Trading company and Maanzo Enterprises.</p>
 <p><b>Anne Mwende Ndolo</b> (Member of BoM)</p>	<p>Experienced and Licensed Public Health Specialist: Combining Expertise in Epidemiology with a Decade of Impactful Health Solutions. Holds Master’s in Public Health (MPH) Global Control of Infectious Diseases- Yonsei University – South Korea; Bachelor of Science (Environmental Health)Kenyatta University; Certificate in Medical and Humanitarian Emergency- John Hopkins Bloomberg School of Public Health;Leadership and Management in Health - University of Washington; Certificate in Epidemiological Intelligence and Management, National Health Institutes (NIH) Malaysia; and Certificate in Monitoring and Evaluation, Nilerd (India)</p>




 <p><b>Ms Winfred Nzuki</b>  <b>(CEO and Member of the Board)</b></p>	<p>The Chief Executive Officer, Machakos L5 Hospital and a full member of the Kenya Institute of Management. Is a PhD candidate in the Kenya Methodist University, holds a Master in Business Administration (Strategic Management) from the Catholic University of Eastern Africa, and Bachelor of Commerce from the University of Nairobi. Certificates in Quality Assurance, Leadership and Governance, Customer Care, Basic Life Support, Senior First Aid, Security Services. Has 25 years experience in Senior Healthcare Management in both Private and Public Sectors, and 10 years middle level management experience. Has previously served as the Secretary of the Board in 2 private hospitals (St. Lukes Orthopaedic and Trauma hospital and the Living Room International). Also served as a Board member of the Kenya ECLOF Ltd and the Magereza GK Prison High School.</p>
 <p><b>Dr. Katua K. Daniel</b>  <b>The Medical Superintendent</b>  <b>(BoM Secretary)</b></p>	<p>Deputy Director of Medical Services, Bachelor of Medicine and Surgeries (MBCh.b) University of Nairobi, Master of Medicine (MMed-Fam.Med) Moi University. Nineteen (19) years in practice of both Medicine and Surgery as well as Health Management. Others, Consultant, Certificate in Strategic Leadership and Management in Health, Certificate in adult and Paediatric HIV/AIDS Management, Certificate in non-operative management of fractures.</p>
 <p><b>Mr. Richard Yotta</b>  <b>Health Administrative Officer</b>  <b>(Co-opted Member)</b></p>	<p>Pursuing Masters in Science in Health Systems Management from Kenya Methodist University, Bachelor of Arts University of Nairobi, Several Courses in Leadership and Human Resource Management, Financial Management, Procurement and Performance Contracting from Kenya School of Government, Certificate in Health Leadership from Human Children Hospital- China</p>





CPA Charles Wanderi  
**Head of Finance and Accounts**  
**(Co-opted Member)**

A Certified Public Accountant of Kenya CPA (K) member No. 12002 of the Institute of Certified Public Accountants of Kenya (ICPAK). Has been appointed in ICPAK Counsel committee member of Finance and Strategy Committee 2021- 2023, Board of Management BoM Highridge High School (An-extra County School). Holder of Masters in Business Administration-Finance MBA-Finance from Moi University, Strategic Leadership Development Program (SLDP) from KSG, Senior Management Course (SMC) from KSG among other Leadership and Management Courses. Was the President of the Senior Management Course (SMC-156 of 2022).A seasoned leader, experienced in Matters of Finance and Accounts for more than 25 years in Telecommunication industry, Financial Services, Manufacturing industry as well as Health Sector .

**4. Key Management Team**

Ref	Management	Details
1.	 <p><b>Ms Winfred Nzuki (CEO and Member of the Board)</b></p>	<p>The Chief Executive Officer, Machakos L5 Hospital and a full member of the Kenya Institute of Management. Is a PhD candidate in the Kenya Methodist University, holds a Master in Business Administration (Strategic Management) from the Catholic University of Eastern Africa, and Bachelor of Commerce from the University of Nairobi. Certificates in Quality Assurance, Leadership and Governance, Customer Care, Basic Life Support, Senior First Aid, Security Services. Has 25 years experience in Senior Healthcare Management in both Private and Public Sectors, and 10 years middle level management experience. Has previously served as the Secretary of the Board in 2 private hospitals (St. Lukes Orthopaedic and Trauma hospital and the Living Room International). Also served as a Board member of the Kenya ECLOF Ltd and the Magereza GK Prison High School.</p>
2.	<p><b>Dr. Katua K. Daniel The Medical Superintendent</b></p> 	<p>Deputy Director of Medical Services, Bachelor of Medicine and Surgeries (MBCh.b) University of Nairobi, Master of Medicine (MMed-Fam.Med) Moi University. Nineteen (19) years in practice of both Medicine and Surgery as well as Health Management. Others, Consultant, Certificate in Strategic Leadership and Management in Health, Certificate in adult and Paediatric HIV/AIDS Management, Certificate in non-operative management of fractures.</p>
3.	<p><b>Mr. Richard Yotta Health Administrative Officer</b></p> 	<p>Pursuing Masters in Science in Health Systems Management from Kenya Methodist University, Bachelor of Arts University of Nairobi, Several Courses in Leadership and Human Resource Management, Financial Management, Procurement and Performance Contracting from Kenya School of Government, Certificate in Health Leadership from Human Children Hospital- China</p>

<p>4.</p>	<p>CPA Charles Wanderi <b>Head of Finance and Accounts</b></p> 	<p>Certified Public Accountant of Kenya CPA(K) and member No. 12002 of the Institute of Certified Public Accountants of Kenya (ICPAK). Has been appointed in ICPAK Counsel committee member of Finance and Strategy Committee 2021-2023, Board of Management BoM Highridge High School (An-extra County School). Holder of Masters in Business Administration-Finance MBA-Finance from Moi University, Strategic Leadership Development Program (SLDP) from KSG, Senior Management Course (SMC) from KSG among other Leadership and Management Courses. Was the President of the Senior Management Course (SMC-156 of 2022).A seasoned leader , experienced in Matters of Finance and Accounts for more than 25 years in Telecommunication industry, Service Industry and Manufacturing industry as well as Health Sector.</p>
<p>5.</p>	<p>Mrs. Juliana Muendo <b>Nursing Service Manager</b></p> 	<p>Bsc Nursing from Mount Kenya University School of Nursing and Mid-Wifery. Eight (8) years Nurse Manager in Peadiatric, Five (5) years in Maternal Child Health Clinic , Departmental Manager in Medical for two (2) years and two (2) years in Maternity Department. Currently Nursing Service Manager.</p>

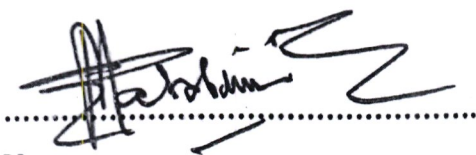
## 5. Chairman's Statement

Machakos Level 5 Hospital is a regional referral hospital and registered by the Kenya Medical Practitioners and Dentists Council under reference number GK-014119. The hospital history dates back from 1922 when it was established as health center for world war 1 casualties and over the years it has grown to be a regional hospital having been upgraded to be Machakos County Referral hospital. The hospital is governed by the Department of Health under County Executive Committee Member for Health, Chief Officer Medical Services, the Hospital Management Board and The Hospital Management Team under the Chief Executive Officer.

The principal activities of the hospital is to provide preventive, promotive, curative and rehabilitative health services. The Hospital has also undertaken to train Medical as well as Management trainees on their practical experience from various higher institutions of learning to mention the few; KMTC, Amref University, Kenyatta University, South Eastern University, Daystar University, Machakos University, Strathmore University, Egerton University, Mt: Kenya University among other higher learning institutions.

The hospital's diverse and specialized services are charged and paid through social health authority (SHA) re-imburements and cash payments. In the year 2024/2025 the Hospital generated a total revenue of **Kshs.436,292,249**. The total of **Kshs. 436,292,249** Claims, SHA reimbursed the hospital a total of **Kshs. 258,450,913**, while **Kshs. 86,432,665** was swept to County Health Revenue Account, leaving **Kshs. 172,018,248** for use. The hospital received a grant of **Kshs 33,318,500** from the exchequer through County Treasury. The total available funds therefore for the Hospital's use during the year under review was **Kshs. 205,336,748**.

The Hospital Annual report has been prepared in accordance to the International Public Sector Accounting Standards (IPSAS) as guided by the Public Sector Accounting Standards Board (PSASB).



Name

**Chairman to the Board of Management**

## **6. Report of The Medical Superintendent**

Machakos County Referral Hospital is a 530-bed Level 5 public Hospital and baby's coats . It is in Machakos town, Machakos county. It was started in 1922 and has grown over the years to a level 5 facility. It's a specialist hospital used as training and regional referral hospital.

Services offered include specialized services such as out-patient services, general in-patient services, general surgery, orthopaedic surgery, plastic and reconstructive surgery, cardiothoracic surgery, renal replacement services, oncology & cancer treatment, radiology with MRI/CT scan/x-rays/OPG/ECG-ECHO/mammography and ultrasound, obstetrics & gynaecology services, ICU and HDU services, dental and maxillofacial surgery and accident, emergency with a 24-hour ambulance service (A&E), occupational therapy and physiotherapy, pharmacy services, laboratory and pathology services, and preventive/promotive/rehabilitative services.

In the human resource pillar, we have 52 doctor specialists, 23 medical officers (general doctors), 10 dental officers (dentists), 11 pharmacists, 347 nurses, 77 registered clinical officers and other many professional cadres totaling to work force of 728 staff. With 500 in-patient beds capacity – maternity and gynaecology has (153 beds), surgery – general surgery & surgical sub-specialities (145 beds), medical (76 beds), paediatrics and newborn unit (97 beds), psychiatry/mental (20 beds), ICU (5 beds) and HDU (2 beds). The renal and casualty have a total of 30 beds. The hospital has 4 fully equipped and functional theatres. There is a class E laboratory that is ISO certified and which also acts as a regional referral lab. All the above specialized services are housed in independent silo departments. Other significant infrastructure in the hospital are a 24 body mortuary, a waste disposal shredder plant, backup generator, oxygen tank with piping system, commodity stores, laundry and central sterilization services department. The hospital is partially automated.

The hospital's diverse and specialized services are charged and paid through social health authority (SHA) re-imburements and cash payments. In the year 2024/2025 the Hospital generated a total revenue of **Kshs.436,292,249**. However, among the total of **Kshs. Kshs.436,292,249**, SHA reimbursements paid to the hospital were a total of **Kshs. 258,450,913**. The hospital received a grant of **Kshs 33,318,500** from the exchequer through County Treasury. The total available funds for the Hospital's use during the year under review was **Kshs. 205,336,748**. The Hospital Annual report has been prepared in accordance to the

International Public Sector Accounting Standards (IPSAS) as guided by the Public Sector Accounting Standards Board (PSASB).

..... *Dr. KATIA IGISI* *[Signature]*

Name

Secretary to the Board

**7 Statement of Performance Against Predetermined Objectives**

As required by Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012, for the accounting officer to include in the financial statement, a statement of the County Government entity's performance against predetermined objectives, the facility managed to undertake activities in all areas of health care; Promotive, Preventive, Curative and Rehabilitative.

Under Promotive services, key activities included: -

- Occasional health talks at the outpatient clinic
- Weekly continuous medical education forums
- Occasional Sensitization Programmes within the town and it's environment
- Installation of a television set at outpatient area to air educative programs

In the preventive category, the facility managed to achieve the following: -

- Conducting continuous immunizations within the peri-urban areas
- Conducting immunization exercises for routine vaccines continuously
- Screening exercises at the facility and village level for non-communicable diseases
- Administration of de-wormers and vitamin A at Nursery schools

Curative programme entailed: -

- Daily attendance to patients at out-patient department
- Admitting the very sick for in-patient management
- Conducting weekly out-patient clinics
- Performing surgical and obstetric procedures to the deserving
- Ensuring availability of necessary commodities for patient management
- Timely referral for critical cases requiring further management
- Accident and Emergency Services
- High Dependency (HDU) and Intensive Care Unit Services (ICU)
- Psychiatric Services

Rehabilitative services: -

- Provision of physiotherapy and orthopaedic services to patients within the hospital
- Physiotherapy and occupational therapy outreaches to health centres.
- Psychiatric Rehabilitative Services

Counselling services for liable clients either individually or as a group

## 8 Corporate Governance Statement

### *i. Introduction*

The Machakos County Referral Hospital has an established Hospital Management Board as per the Machakos County Health Services (Amendment) Bill, 2023, consisting of the following individuals:

	Name	Description	Role in Board
1	Bsp. Charles Kababu	Appointed Member	Chairman
2	Dr. Daniel Katua	Director, Medical Services/ Medical Superintendent	Secretary
3	Maureen Kivuti	Appointed Member	Member
4	Elizabeth Mboko	Appointed Member	Member
5	Malcom Mwololo	Appointed Member	Member
6	Gregory Kavua	Appointed Member	Member
7	Rehema Ahmed	Appointed Member	Member
8	Josphat Malei	Sub-County Administrator	Member
9	Ann Ndolo	Sub-County MoH	Member
10	Winfred Nzuki	Chief Executive Officer	Member
11	Richard Yotta	Health Administrative Officer	Co-opted Member
12	Charles Wanderi	Head of Finance	Co-opted Member

Board Charter shall be drafted in the first quarter of the year 2025/2026.

### *ii. Roles and functions of the board*

- a) To prepare strategic plans, Annual Work plans and budgets;
- b) To oversee the implementation of strategic plans, annual work plans and budgets;
- c) To mobilize resources for the hospital;
- d) To review and approve quarterly and annual reports for upward submission;
- e) To review books of accounts for the hospital;

f) To undertake such other activities as are necessary for the effective management of the hospital.

**iii. Induction, training, and development**

Board induction was done through the Kenya School of Government in May, 2025. Other Board training and development programs shall be conducted in the year 2025/2026 as per the Annual Work Plan.

**iv. Board and members' performance**

The first Board performance evaluation shall be evaluated in the year 2025/2026.

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

	Name	Role in Board	Date of Board Meeting	
			24/4/2025	26/6/2025
1	Bsp.Charles Kababu	Chairman	✓	✓
2	Dr. Daniel Katua	Secretary	✓	✓
3	Maureen Kivuti	Member	✓	✓
4	Elizabeth Mboko	Member	✓	✓
5	Malcom Mwololo	Member	✓	✓
6	Gregory M. Kavua	Member	✓	✓
7	Rehema Ahmed	Member	✓	✓
8	Josphat Malei	Member	✓	✓
9	Anne Ndolo	Member	✗	✓
10	Winfred Nzuki	Member	✓	✓
11	Richard Yotta	Co-opted Member	✓	✓
12	Charles Wanderi	Co-opted Member	✓	✓

**vi. Succession plan**

The re-appointment of the Management Board shall be staggered to ensure phased transition.

**vii. Policy to manage conflict of interest.**

Policy to manage conflict of interest shall be covered under the board charter. Currently, all board members have no conflict of interest.

**viii. Board remuneration**

Board remuneration was advised by the Salaries and Remuneration Commission via response letter to the request by the board secretary, the Medical Superintendent.

**ix. Ethics and Conduct**

The ethics and conduct of the management board are guided by the Public Service Code of conduct and Ethics, 2016

**x. Governance audit**

The Board of Management shall subject the hospital to an annual governance audit by a member accredited by the Institute of Certified Public Secretaries Kenya.

**xi. Communication policy**

The Machakos County Communication policy is applied by the management board.

**xii. Terms of Reference of Committees**

The Board of Management has four committees with agreed-upon terms of reference.

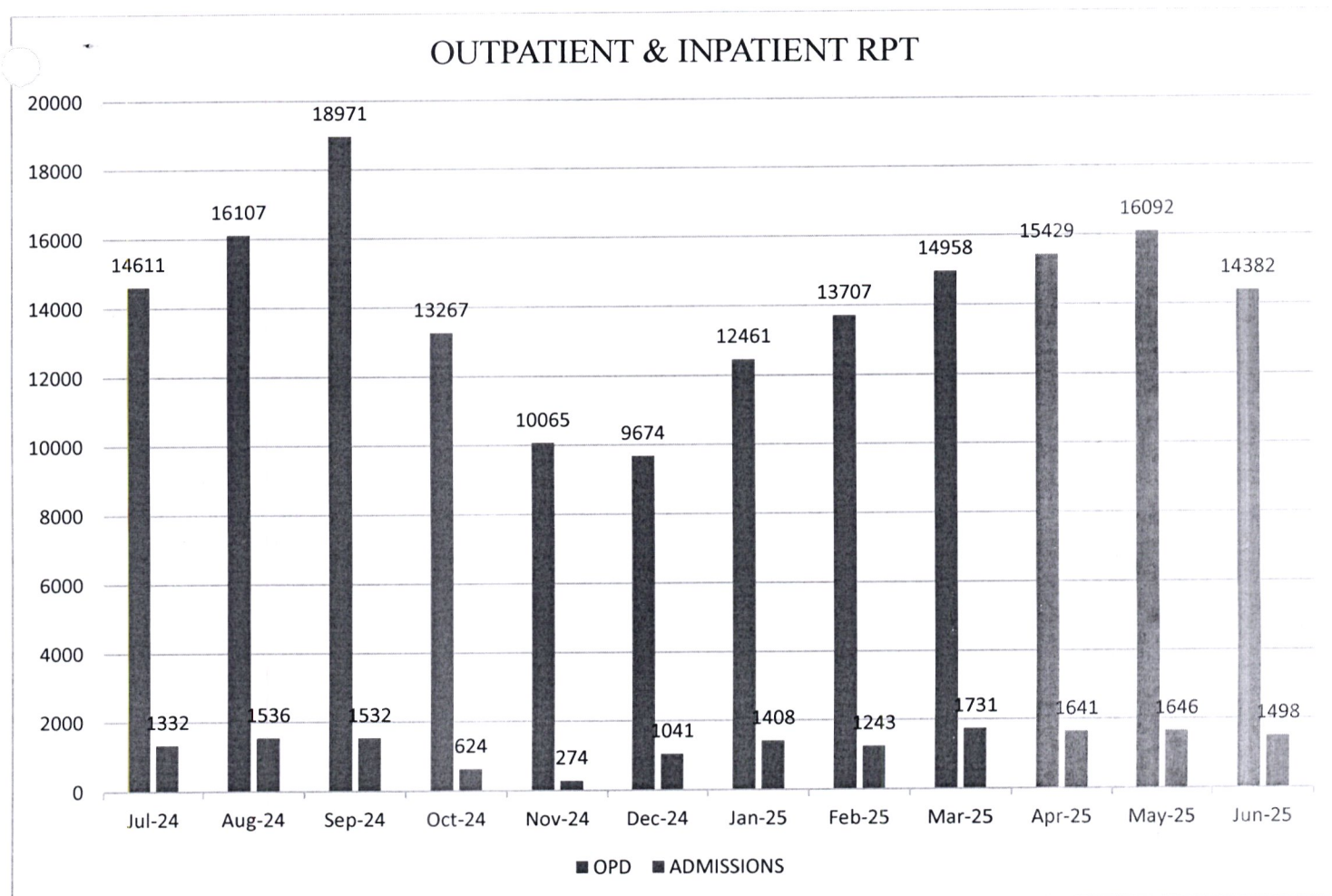
**xiii. Policy on related party transactions**

All related party transactions shall be approved by the board in a special resolution and individuals in related party transactions shall abstain from voting on such resolutions.

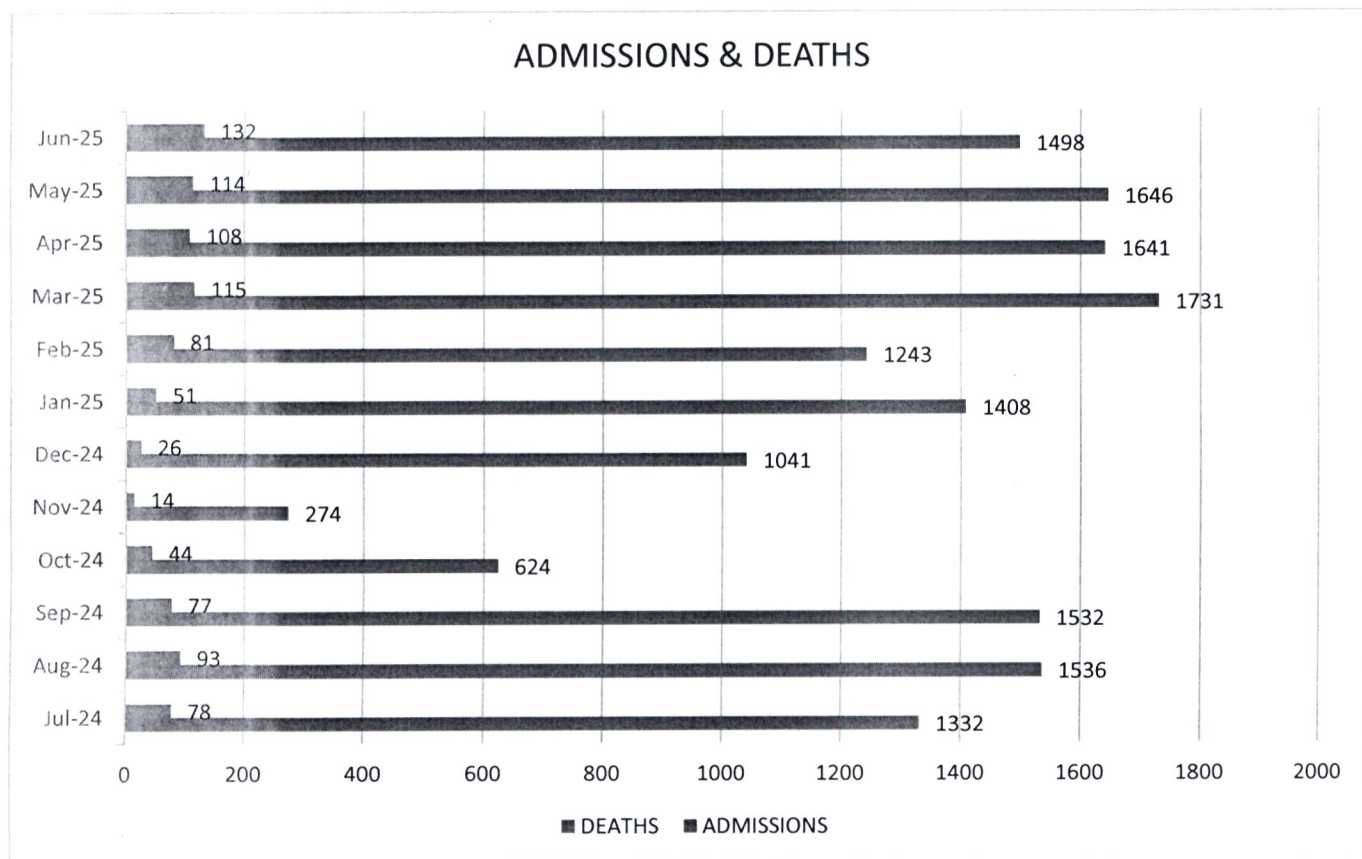
**7. Management Discussion and Analysis**

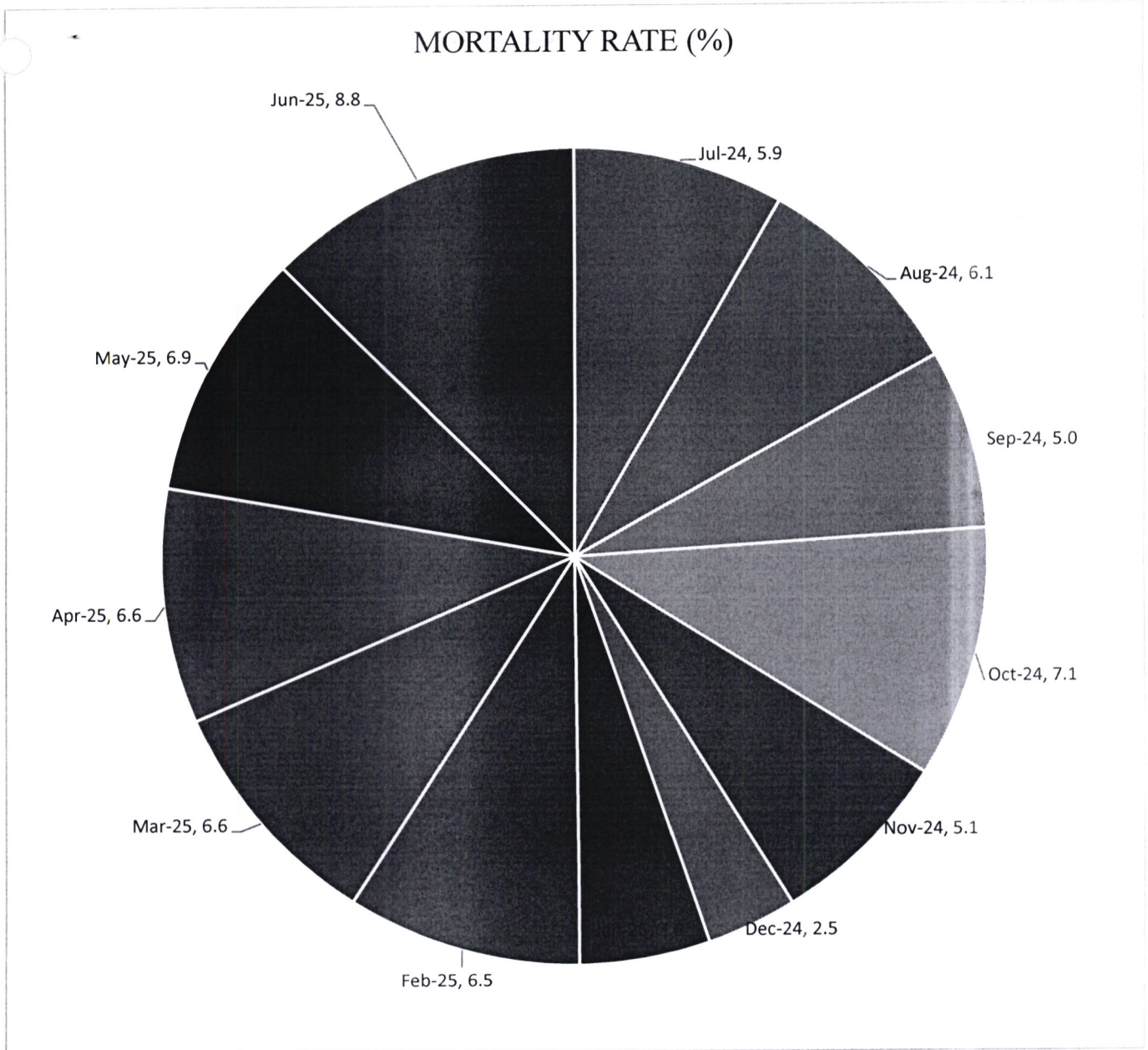
**Clinical/operational performance**

<b>ANNUAL HOSPITAL WORKLOAD REPORT</b>						
<b>MONTH</b>	<b>OPD</b>	<b>A/E ATT</b>	<b>ADMISSIONS</b>	<b>DEATHS</b>	<b>MORTALITY RATE (%)</b>	<b>% OCCUPANCY</b>
<b>Jul-24</b>	14611	1677	1332	78	5.9	89
<b>Aug-24</b>	16107	1834	1536	93	6.1	71
<b>Sept-24</b>	18971	1887	1532	77	5.0	72
<b>Oct-24</b>	13267	1186	624	44	7.1	45
<b>Nov-24</b>	10065	886	274	14	5.1	14
<b>Dec-24</b>	9674	1455	1041	26	2.5	27
<b>Jan-25</b>	12461	1383	1408	51	3.6	58
<b>Feb-25</b>	13707	1474	1243	81	6.5	79
<b>Mar-25</b>	14958	1971	1731	115	6.6	71
<b>Apr-25</b>	15429	1937	1641	108	6.6	75
<b>May-25</b>	16092	1960	1646	114	6.9	69
<b>Jun-25</b>	14382	1791	1498	132	8.8	61
<b>Total</b>	<b>169724</b>	<b>19441</b>	<b>15506</b>	<b>933</b>	<b>6.0</b>	<b>61%</b>



\*N/B: Please note depression on hospital’s workload between October through to November. This was occasioned by health workers strike through that period.





<b>Special Services</b>			
<b>Month</b>	<b>Lab services</b>	<b>Surgeries</b>	<b>X-ray Services</b>
<b>Jul-24</b>	12370	304	2503

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

<b>Aug-24</b>	14306	266	2743
<b>Sept-24</b>	10897	187	3295
<b>Oct-24</b>	7118	92	2277
<b>Nov-24</b>	4039	19	1409
<b>Dec-24</b>	6569	52	1736
<b>Jan-25</b>	8707	176	1872
<b>Feb-25</b>	8771	237	2131
<b>Mar-25</b>	10435	238	3458
<b>Apr-25</b>	10316	263	2483
<b>May-25</b>	11205	296	2681
<b>Jun-25</b>	9667	224	3149
<b>Total</b>	<b>114,400</b>	<b>2,354</b>	<b>29,737</b>

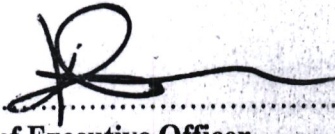
**1ST JULY2024-30TH JUNE 2025**

S/	DEPARTMENT	NEW	REVISIT	TOTAL
1	Cardiothoracic Clinic	3	119	122
2	Child & Youth Psychiatry	23	83	106
3	Dental	2621	2371	4992
4	Diabetic Clinic	504	6492	6996
5	ENT Clinic	1729	2720	4449
6	EYE Clinic	3061	4093	7154
7	Forensic	27	5	32
8	General Surgery Clinic	90	1609	1699
9	GOPC Clinic	694	2078	2772
10	MOPC	71	2358	2429
11	Neurosurgery	17	314	331
12	Occupational Therapy	140	2637	2777
13	Oncology Clinic	1613	5933	7546
14	Orthopaedic Technology DEPT	93	500	593
16	Orthopaedic Clinic	4372	6307	10679
17	Paediatric Neurology Clinic	13	311	324
18	Physiotherapy	279	5830	6109
19	Plastic Surgery	24	391	415
20	POPC Clinic	92	1072	1164

**Machakos County Referral Hospital (Machakos County Government)**  
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21	Psychiatry Clinic	602	2273	2875
2	Psychology	121	243	364
23	Renal Unit	72	3435	3507
24	Skin Clinic	451	1217	1668
25	TB Clinic	466	1352	1818
26	Urology Clinic	40	886	926
27	CCC			
28	SOPC			
28	MCH			
	<b>Total</b>	<b>17,218</b>	<b>54,629</b>	<b>71,847</b>



.....  
**Chief Executive Officer**

## **8.Environmental And Sustainability Reporting**

### **i) Sustainability strategy and profile**

Machakos Level 5 Hospital plays a critical role in the county healthcare ecosystem. We align our priorities and agenda with international health sustainable development goals, national health strategic plans and policies and available evidence based recommendations. A robust sustainability strategy ensures it continues to serve Machakos people efficiently, ethically, and ecologically.

Our social sustainability strategy ensures inclusive, equitable healthcare while improving staff and community well-being. The hospital has been empanelled on the Social Health Authority to increase access and participate in the implementation of Universal Health Coverage. Secondly the hospital focuses on primary healthcare services, human resource welfare, reducing waiting times and customer experience as part of its mandate on social sustainability strategy.

The hospital strives to reduce its carbon foot prints by instituting IPC (infection prevention and control) best practices. We practice medical waste segregation, safe incineration of waste, and we recycle whatever is recyclable. We intend to install solar to save on energy costs and pollution from diesel powered generators.

Plans are underway to harvest all rain water to be used to irrigate trees and flowers in the hospital.

Efficient use of resources is key to us to ensure value for money by going for the highest quality and impact at the cheapest price/cost. In future we intend to digitise all the hospital operations and service delivery to improve revenues and efficiency.

Our expansion plans are dictated by the demand from our clients and patients and also by the workload we continuously generate to ensure our resources are matched with the services demand..

### **ii) Environmental performance**

The hospital has a cleaning policy which gives guidelines on safe waste management to enhance infection prevention control. The hospital has contracted cleaning services from a qualified cleaning services company. Induction is done to all employees recruited to offer cleaning services. The entity

has waste segregation which is sterilized by a microwave shredder machine before disposal. Sharps and other wastes which cannot be handled by the microwaves are destroyed through incinerator which the accepted way of medical waste disposal. The hospital incinerator has been upgraded by adding burners from two to four for efficiency purpose.

### *iii) Employee welfare*

Machakos County Referral Hospital operates within the framework of national labor laws, Health Act Policies 2017, and Human Resource Policies and Procedures for Public Service policies 2016 as guidelines that influence its hiring, management, and operational procedures. Here's an overview based on typical practices and policy standards common in such institutions:

#### **1. Policies Guiding the Hiring Process:**

**Recruitment and Selection:** The hospital follows the Public Service Commission (PSC) guidelines and Human Resource Policies and Procedures for Public Service that emphasize transparency, meritocracy, and fairness. Recruitment processes typically include advert placement, shortlisting, interviews, and verification processes.

**Gender and Inclusivity Considerations:** The hospital aims to promote gender equality in staffing. The policies are designed to ensure gender balance, taking into account the need for equitable representation of males, females, youth, and persons with disabilities (PWD). This aligns with national policies on affirmative action and inclusion.

**Stakeholder Engagement:** The hospital involves relevant stakeholders—including staff unions, professional bodies, and community representatives—in policy development and review processes. Stakeholder consultations are integral during policy updates to ensure diverse perspectives are considered.

**Policy Review and Updates:** Policies are reviewed periodically, typically annually or biennially, to adapt to legislative changes, organizational needs, and best practices. The review process involves management, HR, and sometimes external consultants or stakeholders.

#### **2. Efforts in Skills Development and Career Management:**

**Capacity Building:** The hospital invests in continuous professional development through training, workshops, and seminars. Staff are encouraged to pursue further education and specialized training.

**Career Progression:** Clear career pathways are established, with promotion criteria linked to performance appraisals, skill acquisition, and experience. Mentorship programs and leadership development initiatives are also in place.

**Appraisals and Reward Systems:** Regular performance appraisals are conducted, often annually, to assess staff performance, identify training needs, and recognize excellence. Reward systems include bonuses, certificates, and other incentives aimed at motivating staff and retaining talent.

#### **3. Policies on Safety and OSHA Compliance:**

**Occupational Safety and Health (OSH) Policy:** Machakos County Referral Hospital has a formal OSH policy aligned with the Occupational Safety and Health Act (OSHA) 2007. This policy emphasizes a safe working environment, hazard identification, risk assessment, and control measures.

**Workplace Safety Measures:** The hospital implements safety protocols such as proper waste disposal, sterilization procedures, fire safety measures, and the use of personal protective equipment (PPE).

**Minimization Efforts:** Initiatives include regular safety audits, updating safety procedures, investing in safer equipment, and fostering a safety culture among staff.

**Summary:**

Machakos County Referral Hospital's policies emphasize fairness, inclusivity, continuous improvement, and safety. The institution actively integrates stakeholder input into policy updates, strives for gender and disability inclusivity, and promotes staff development through structured career management and reward systems. Its commitment to occupational safety is demonstrated through adherence to OSHA requirements, ongoing training, and proactive injury prevention strategies.

**iv) Market place practices-**

The organisation should outline its efforts to:

**a) Responsible competition practice.**

Machakos County Referral Hospital is committed in providing quality and efficient health service delivery while prioritizing Public health interest. The Hospital has put in place by set fair prices that accommodates every member of the public regardless their social status. The hospital has been on the forefront in encouraging members of public who seek services from the hospital to enrol with national social insurance which is tailored for even for low economic status. The hospital has a waiver policy for the most vulnerable who can not meet the hospital bills. The goal is to ensure equity in access to care in order to achieve universal health coverage for all members of public as per Constitution of Kenya 2010.

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

The hospital has cultivated a mutual working relationship with suppliers and contractors. As a procurement entity it has maintained a credible and reliable suppliers and contractors who have been selected competitively using various procurement method as outlined in the Public Procurement and Disposal Act 2025 (PPADA).

**c) Responsible marketing and advertisement or Responsible engagement with citizens**

Machakos County Referral Hospital maintains health and responsible patients engagements to create collaborative approach to healthcare service delivery. This involves open communication, shared decision-making, and building trust to empower patients to actively

participate in their health and care decisions, leading to better safety, outcomes, and more people-centered services.

Key Elements of Responsible Patient Engagement employed by Machakos County Referral Hospital;

1. Partnership and Collaboration: Treat patients as partners in their care and in the improvement of health systems.
2. Open Communication: Share information clearly and respectfully, and actively listen to patients' needs and concerns.
3. Shared Decision-Making: Empower patients to make informed choices about their treatment options by providing them with necessary information and involving them in care planning.
4. Patient-Centered Care: Design and deliver care that is tailored to individual patient needs, priorities, and preferences.
5. Building Trust: Foster strong, respectful relationships between healthcare providers and patients to build confidence in the health system.
6. Empowerment: Support patients and families in actively participating in their care, from managing their health to contributing to health policy and safety initiatives.

Benefits of Responsible Patient Engagement

1. Improved Patient Safety: By involving patients in their care, the risk of harm can be reduced.
2. Enhanced Care Outcomes: Engaged patients are more likely to have better experiences and results from their care.
3. More Efficient Resource Use: Aligning healthcare services with patient priorities can lead to more effective use of resources.
4. More Sustainable Health Systems: Patient engagement contributes to building trust and a shared responsibility for health, which is crucial for the sustainability of health systems.
5. Greater Trust: A collaborative approach builds trust in health systems and among healthcare providers and their patients.

**d) Product stewardship or Awareness Creation**

Machakos County Referral hospital engages its patients/clients based on international recognised rights by World Health Organization (WHO) and adopted by Kenya National Patients Charter 2013 that ensures patients receives care , that is, safe , effective and centred care on their needs and preferences. These are detailed list ten patients' rights that are in place at Machakos County Referral Hospital

1. Timely, effective, and appropriate care: Patients have the right to receive healthcare that is suitable for their condition, delivered promptly and with the expected level of quality.
2. Safe health care processes and practices: Care should be provided in ways that minimize risks and promote patient safety.
3. Qualified and competent health workers: Patients are entitled to be treated by healthcare professionals who possess the necessary skills, knowledge, and experience.
4. Safe medical products and their safe and rational use: The medications, devices, and other products used in healthcare should be safe and used appropriately for the patient's condition.
5. Safe and secure health care facilities: The environment in which care is provided should be safe and secure for patients.
6. Dignity, respect, non-discrimination, privacy, and confidentiality: Patients must be treated with respect, without facing discrimination, and their personal information and healthcare records must be kept private and confidential.
7. Information, education, and supported decision-making: Patients have the right to receive comprehensive information about their health, treatment options, risks, and benefits to make informed choices.
8. Access to medical records: Patients are entitled to access and obtain copies of their own health information and medical records.
9. To be heard and fair resolution: Patients' concerns and feedback should be listened to, and there should be a process for addressing any complaints or grievances fairly.
10. Patient and family engagement: Patients and their families should be involved in the care planning and decision-making process.

v) **Corporate Social Responsibility / Community Engagements**

The hospital has been involved in Community health initiative that ensures the community especially the most vulnerable in the society access quality healthcare services. The hospital has collaborated with partners in organizing various free medical camps in different aspects of healthcare. Recently the hospital has conducted eye surgery camps, hands surgery, fistula repair camps, cancer screening among others.

## 9. Report of The Board of Management

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

### Principal activities

The principal activity of the hospital is to provide curative and rehabilitative HEALTH SERVICES. The Hospital has also undertaken to train Medical Officers and other health workers, as well as Management trainees on their practical experience from various higher institutions of learning eg KMTC, Amref University, Kenyatta University, South Eastern University, Machakos University, Mt: Kenya University, Day star University among others.

### Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 56

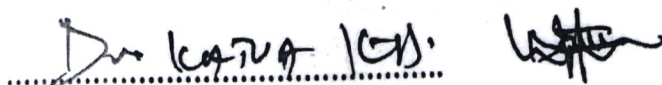
### Board of Management

The members of the Board who served during the year are shown on page vi, vii, viii and ix. During the year, no director retired or resigned, and there was no additional director was appointed with effect.

### Auditors

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

By Order of the Board

  
.....

Name

Secretary to the Board

### **10. Statement of Board of Management’s Responsibilities**

Section 164 of the Public Finance Management Act, 2012 Facility Improvement Financing Act 2023 requires the Board of Management to prepare financial statements in respect of that Machakos County Referral Hospital, which give a true and fair view of the state of affairs of the facility at the end of the financial year/period and the operating results of the facility for the 30<sup>th</sup> June 2025. The Board of Management is also required to ensure that the facility keeps proper accounting records which disclose with reasonable accuracy the financial position of the Machakos County Referral Hospital. The board members are also responsible for safeguarding the assets of the Hospital.

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


The Board of Management accepts responsibility for the Hospital’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Facility Improvement Financing Act 2023. The Board members are of the opinion that the facility’s financial statements give a true and fair view of the state of entity’s transactions during the financial year ended June 30, 2025, and of the hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Hospital’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Board of Management have assessed the Fund’s ability to continue as a going concern and nothing has come to the attention of the Board of Management to indicate that the hospital will not remain a going concern for at least the next twelve months from the date of this statement.

#### **Approval of the financial statements**

The Hospital’s financial statements were approved by the Board on 15/10/2025 and signed on its behalf by:

.....  
Name:   
Chairperson  
Board of Management

.....  
Name: ICATUA  
Accounting Officer 



# REPUBLIC OF KENYA



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON MACHAKOS COUNTY REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MACHAKOS

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### 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 Machakos County Referral Hospital set out on pages 1 to 69, which comprise of the statement of financial position

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*Report of the Auditor-General on Machakos County Referral Hospital for the year ended 30 June, 2025 - County Government of Machakos*

as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Machakos County Referral Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, Machakos County Health Services Act, 2021 and the Public Finance Management Act, 2012,

### **Basis for Qualified Opinion**

#### **1. Unsupported Rendering of Services - Medical Service Income**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect rendering of services-medical service income of Kshs.79,529,593. However, the amount was not supported by a detailed ledger indicating individual transactions.

Further, review of the Hospital's Information Management System (APHIA ONE) which also supports the Revenue Management System revealed that the system could not generate transaction ledgers hence limiting the ability to track and reconcile revenue. In addition, it was not possible to reconcile the revenue collected through Mpesa paybill as the bank statements for the revenue account were not provided for audit review.

In the circumstances, the accuracy and completeness of the rendering of services-medical service income amounting to Kshs.79,529,593 could not be confirmed.

#### **2. Uncollected Revenue from National Hospital Insurance Fund (NHIF)**

The statement of financial position and as disclosed in Note 29 to the financial statements reflect receivables from exchange transactions balance of Kshs.197,622,080. Included in the balance is Kshs.68,259,496 in respect to NHIF claims which have been outstanding for more than one year. Although Management issued demand letters to recover the amount, no response had been received from NHIF hence raising doubts on its recoverability.

In the circumstances, the completeness and recoverability of the NHIF claims amounting to Kshs.68,259,496 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Machakos County Referral Hospital Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other

ethical responsibilities in accordance with the ISSAIs and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Long Outstanding Trade and Other Payables**

The statement of financial position and as disclosed in Note 36 to the financial statements reflect trade and other payables balance of Kshs.70,319,945. Included in the balance are payables totalling Kshs.25,754,713 which have been outstanding for more than three (3) years. Although Management indicated that the payables had been outstanding for long due to financial constraints, no measures had been put in place to clear the payables.

Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

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

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

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

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

### Basis for Conclusion

#### 1. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of the Hospital's records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit in September, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits of 150 or approximately 41 % of the authorized establishment.

Staff Requirements	Level 5 Standard	Number in Hospital	Variance	Percentage % Variance
Medical Officers	50	19	(31)	62
Anesthesiologists	7	2	(5)	71
Radiologists	4	2	(2)	50
Registered Community Health Nurses	308	196	(112)	36
<b>Total</b>	<b>369</b>	<b>219</b>	<b>(150)</b>	<b>41</b>

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

Service	Level 5 Hospital Standard	Actuals in the Hospital	Variance	Percentage % Variance
Resuscitaire in Labour Ward	12	6	(6)	50
Functional ICU Beds	12	5	(7)	58
Functional HDU beds	12	0	(12)	100

*Report of the Auditor-General on Machakos County Referral Hospital for the year ended 30 June, 2025 - County Government of Machakos*

<b>Service</b>	<b>Level 5 Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Percentage % Variance</b>
Incubators in New born unit	10	7	(3)	30
Operating theatres (General & Maternity)	7	3	(4)	57
Renal Unit with Dialysis Machines	20	7	(13)	65

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

In the circumstances, the Hospital will not be able to deliver on its mandate.

## **2. Non-Remittance of Statutory Deductions**

Review of records revealed that Management did not remit statutory deductions totalling Kshs.2,433,742 which were due to Kenya Revenue Authority (KRA), National Social Security Fund (NSSF) and the Social Health Insurance Fund (SHIF). This is contrary to Section 19(4) of the Employment Act, 2007 which stipulates that an employer who deducts an amount from an employee's remuneration shall pay the amount so deducted in accordance with the time period and other requirements specified in the law.

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

## **3. Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees of the Hospital was seventy-eight (78), out of which sixty-seven (67) or approximately 86% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community".

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

## **4. Irregular Engagement of Casual Workers**

The statement of financial performance and as disclosed in Note 16 to the financial statements reflect employee costs of Kshs.884,481,052 which includes Kshs.20,458,189 in respect to casuals and contractual workers. Review of documents revealed that Management engaged casual workers for more than three (3) months. This is contrary to Section B.16(1) of the County Public Service Human Resource Manual of May, 2013 which states that casual workers shall be engaged only on urgent short-term tasks with

the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act, 2007.

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

#### **5. Lack of a Procurement Plan**

During the year under review, Management did not have a procurement plan to provide guidance on procurement process. This is contrary to Section 45(3)(a) of the Public Procurement and Assets Disposal Act, 2015 which stipulates that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an Annual Procurement Plan.

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

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Expired Medical Supplies**

The statement of financial position and as disclosed in Note 31 to the financial statements reflect inventories balance of Kshs.61,538,280. Review of records on pharmaceuticals and non-pharmaceutical supplies revealed that two hundred and fifty-nine thousand, five hundred and eighty-five (259,585) units of various drugs of undetermined value had expired.

In the circumstances, the effectiveness of internal controls on management of pharmaceutical and non-pharmaceutical supplies could not be confirmed.

## **2. Stock Outs of Essential Medical Supplies**

The statement of financial position reflects inventories balance of Kshs.61,538,280. Review of the Hospital's stock cards for controlling stores indicated that the Hospital experienced stock outs of medical supplies lasting up to thirty (30) days.

In the circumstances, the effectiveness of internal controls on management of pharmaceutical and non-pharmaceutical inventories to achieve the Hospital's mandate could not be confirmed.

## **3. Inadequacies in the Hospital's Information Management System (APHIA ONE)**

Review of the Hospital's Information Management System (APHIA ONE) revealed several weaknesses that compromise the integrity, reliability, and accountability of revenue collection processes as listed below;

- i. The system is partially automated, with some Hospital operations still handled manually like the human resource modules.
- ii. The system cannot generate ledgers for transactions, limiting the ability to reconcile and track revenue.
- iii. Frequent system downtimes force staff to process transactions manually, increasing the risk of errors and revenue leakages.
- iv. The Service Level Agreement (SLA) was not provided for audit review to confirm system performance standards and support commitments.
- v. User management controls are inadequate, as specific users are either not properly identified or restricted, resulting in weak accountability.
- vi. The system lacks a comprehensive audit trail, making it difficult to trace and verify transactions.

In the circumstances, the existence of effective internal controls on the Hospital's Information Management System (APHIA ONE) could not be confirmed.

## **4. Failure to Approve Appointment of the Board of Management**

The statement of financial performance and as disclosed in Note 17 to the financial statements reflect Board of Management expenses totalling Kshs.2,230,200. Review of documents revealed that the Board of Management was appointed in March, 2025. However, approval of the appointments by the County Assembly and the gazettelement Notice to confirm formal appointment was not provided for audit review. This is contrary to Section 11 (5) of the Machakos County Health Services Act, 2021 which stipulates that the Chairperson of the County Public Service Board shall present the names of the persons appointed under Sub-Section 2 to the County Assembly for approval. In addition, the governance Parameter 1.1 (3) of the Mwongozo Code of Governance states that each

Board Member shall be formally appointed to the Board through a Gazette Notice and thereafter an appointment letter.

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

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

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

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

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

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

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

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

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*Report of the Auditor-General on Machakos County Referral Hospital for the year ended 30 June, 2025 - County Government of Machakos*

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**

**06 November, 2025**



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

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

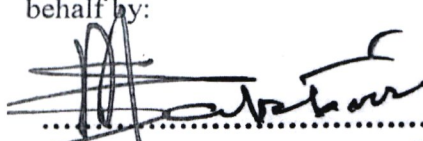
Description	Note	2024/25	2023/24
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	33,318,500	19,533,000
In- kind contributions from the County Government	7	1,083,840,156	205,892,474
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	4,221,895
		<b>1,117,158,656</b>	<b>229,647,369</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	79,529,593	56,514,862
Revenue from rent of facilities	12		-
Finance /Interest Income	13		-
Miscellaneous Income	14	<b>356,762,656</b>	91,706,732
<b>Revenue from exchange transactions</b>		<b>436,292,249</b>	<b>148,221,594</b>
<b>Total revenue</b>		<b>1,553,450,905</b>	<b>377,868,963</b>
<b>Expenses</b>			
Medical/Clinical costs	15	269,246,651	124,326,225
Employee costs	16	884,481,052	95,860,484
Board of Management Expenses	17	2,230,200	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	31,734,976	12,014,571


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


Description	Note	2024/25	2023/24
		Kshs	Kshs
Transfer to Other Government Entities	20	200,000	-
General expenses	21	189,519,447	39,789,334
Finance costs	22		-
Transfer to HRFA		166,098,100	65,682,008
<b>Total expenses</b>		<b>1,543,510,425</b>	<b>337,672,622</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24		-
Medical services contracts Gains/Losses	25	<b>4,715,104</b>	4,435,455
Impairment loss	26		-
Gain on foreign exchange transactions			-
<b>Total other gains/(losses)</b>		<b>4,715,104</b>	<b>4,435,455</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>5,225,376</b>	<b>35,760,886</b>

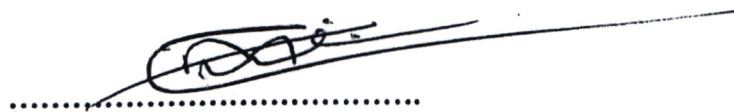
The notes set out on pages 10 to 56 form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on 15/10/2025 and signed on its behalf by:

  
 .....  
**Chairman**  
**Board of Directors**

  
 .....  
**Chief Executive Officer**

  
 .....  
**Medical Superintendent**

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

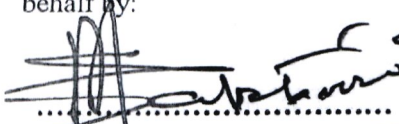
**13. Statement of Financial Position As At 30<sup>th</sup> June 2025**

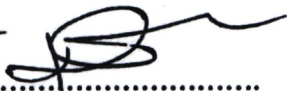
Description	Note	2024/25	2023/24
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	15,334	1,770
Prepayments	28		
Receivables from exchange transactions	29	197,622,080	49,409,815
Receivables from non-exchange transactions	30	200,000	-
Inventories	31	61,538,280	45,078,881
<b>Total Current Assets</b>		<b>259,375,694</b>	<b>94,490,466</b>
			-
<b>Non-current assets</b>			-
Property, plant, and equipment	32	1,513,790	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>1,513,790</b>	
<b>Total assets (A)</b>		<b>260,889,484</b>	<b>94,490,466</b>
			-
<b>Liabilities</b>			-
<b>Current liabilities</b>			-
Trade and other payables	36	70,319,945	30,611,675
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>70,319,945</b>	<b>30,611,675</b>
			-
<b>Non-current liabilities</b>			-


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


Description	Note	2024/25	2023/24
		Kshs	Kshs
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
<b>Total non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>70,319,945</b>	<b>30,611,675</b>
			-
<b>Net assets (A-B)</b>		<b>190,569,539</b>	<b>63,878,791</b>
<b>Represented by:</b>			
Revaluation reserve		-	
Accumulated surplus/Deficit		<b>5,225,376</b>	
Capital Fund		185,344,163	
<b>Net Assets</b>		<b>190,569,539</b>	<b>63,878,791</b>

The Hospital's financial statements were approved by the Board on 15/10/2025 and signed on its behalf by:

  
 .....  
**Chairman**  
**Board of Directors**

  
 .....  
**Chief Executive Officer**

  
 .....  
**Medical Superintendent**

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

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2024</b>		-		-
Revaluation gain	0	0	-	-
Surplus/(deficit) for the year	<b>35,760,886</b>	0	-	<b>35,760,886</b>
Capital/Development grants	0	0	-	-
<b>As at June 30, 2025</b>	<b>35,760,886</b>	0	-	<b>35,760,886</b>
<b>At July 1, 2024</b>	<b>35,760,886</b>	0	-	<b>35,760,886</b>
Revaluation gain			<b>0</b>	-
Surplus/(deficit) for the year	5,225,376		-	5,225,376
Capital/Development grants				
<b>At June 30, 2025</b>	<b>40,986,262</b>			<b>40,986,262</b>

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

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

Description	Note	2024/25	2023/24
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		33,318,500	19,533,000
Grants from donors and development partners			-
Transfers from other Government entities			-
Public contributions and donations			157,000
Rendering of services- Medical Service Income		258,450,913	
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts( <i>specify</i> )		1,918,388	42,296,917
<b>Total Receipts</b>		<b>293,687,801</b>	<b>61,986,917</b>
<b>Payments</b>			
Medical/Clinical costs		110,805,178	26,914,590
Employee costs		23,303,998	14,694,943
Board of Management Expenses		2,230,200	-
Repairs and maintenance		31,734,976	12,014,571
General Expenses		125,399,886	-
Transfer to other Government Entities		200,000	8,416,248
Finance costs		-	-
<b>Total Payments</b>		<b>293,674,238</b>	<b>62,040,352</b>
<b>Net cash flows from operating activities</b>		<b>13,563</b>	<b>(53,435)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment			
Purchase of intangible assets			-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

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

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Capital grants received		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		13,563	(53,435)
Cash and cash equivalents as at 1 July 2024	27	1,771	55,206
<b>Cash and cash equivalents as at 30 June 2025</b>	<b>27</b>	<b>15,334</b>	<b>1,771</b>

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

**16. Statement of Comparison of Budget and Actual Amounts for Yr Ended 30<sup>th</sup> June 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	
<b>Receipts</b>						
Transfers from the County Government	55,543,670	0	55,543,670	33,318,500	22,225,170	60%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
In- kind contributions from the County Government	1,083,840,156		1,083,840,156	1,083,840,156	-	100%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	74,235,680	-	74,235,680	79,529,593	(5,293,913)	%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts ( <i>specify</i> )	16,600,000	-	16,600,000	356,623,458	(340,162,656)	%
<b>Total receipts</b>	<b>1,230,219,506</b>	-	<b>1,230,219,506</b>	1,553,450,905	(323,231,399)	%
<b>Payments</b>	-	-	-	-		
Medical/Clinical costs	74,235,680	-	74,235,680	269,246,651	195,010,971	(363)%
Employee costs	884,481,052	-	884,481,052	884,481,052	-	100%
Remuneration of BoM	0	-	-	2,230,200	(2,230,200)	0%
Repairs and maintenance	20,663,306	-	-	31,734,976	(11,071,670)	(154)%
Transfers to other County Entities	0	-	-	200,000	(200,000)	0%
General expenses	58,736,694	-	-	189,519,447	(130,782,753)	(323)%

Finance costs	0	-	-	-	-	0%
Transfer to HRFA	166,098,100	-	166,098,100	166,098,100	-	
Exemption and Waivers	4,715,104		4,715,104	4,715,104	-	0%
<b>Total Operational Expenditure paid</b>	<b>1,208,929,936</b>	-	<b>1,208,929,936</b>	<b>1,548,225,529</b>	<b>(339,295,593)</b>	<b>(128)%</b>
<b>Capital Expenditure paid</b>		-	-	-		
<b>Surplus</b>	<b>21,289,569</b>		<b>21,289,569</b>	<b>5,225,376</b>	-	<b>25%</b>

***Budget notes***

1. The budget was partly utilized for the Hospital operations because it's controlled at the departmental level.
2. Funding was not adequate and thus scaling down her operations.
3. The difference between the original and final budget is due to Re-allocations.

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

### **1. General Information**

Machakos County Referral Hospital is established by and derives its authority and accountability from the Constitution of Kenya 2010, which devolved health services to county Government and the Health Act 2017, which provides a framework for the health systems. The Facilities Improvement Financing Act (2023) further supports the management, while Public Health Act (1921) provides fundamental regulations. The entity is wholly owned by the Machakos County Government and is domiciled in Machakos County in Kenya. The entity's principal activity is to offer Medical Services as well as training health workers and management trainees.

### **2. Statement of Compliance and Basis of Preparation**

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

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

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>As at the date of this report IPSAS 43 has no impact to the entity since were no leases to report.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>As at the date of this report IPSAS 44 impact to the entity could not be ascertained since the entity is yet to allocate values to the assets and also there were no assessment for disposal at the date of the report.</p>

Standard	Effective date and impact:
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>As at the date of this report IPSAS 45 impact to the entity could not be ascertained since the entity is yet to allocate values to the assets owned by the entity.</p>
<p>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting</p>

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

*iii) Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

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

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

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

**e. Property, plant and equipment**

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

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

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

**i. Research and development costs**

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

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

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

**j. Financial instruments**

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

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

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that

is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date

## **Financial liabilities**

### **Classification**

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

#### **k. Inventories**

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

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

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

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

#### **l. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

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

**q. Changes in accounting policies and estimates**

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

*Notes to the Financial Statements (Continued)*

r. **Employee benefits**

**Retirement benefit plans**

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

s. **Foreign currency transactions**

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

t. **Borrowing costs**

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

**u. Related parties**

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

**v. Service concession arrangements**

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

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

#### **5. Significant Judgments and Sources of Estimation Uncertainty**

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

##### **Estimates and assumptions.**

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

##### **Useful lives and residual values**

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

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

##### **Provisions**

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

**Notes to Financial Statements Continued**

**6. Transfers from the County Government**

Description	2024/2025	2023/2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Machakos County Government	33,318,500	19,533,000
	<b>33,318,500</b>	<b>19,533,000</b>
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	<b>33,318,500</b>	<b>19,533,000</b>

**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	2023/2024
			KShs	KShs	KShs
xx County Government	33,318,500	-	-	-	19,533,000
<b>Total</b>	<b>33,318,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,533,000</b>

**Notes to Financial Statements Continued**

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

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	861,177,054	81,165,541
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	90,748,679	48,159,969
Radiology Supplies		5,948,390
Laboratory Reagents		6,905,850
Medical Oxygen	19,533,242	
Food and Ration	48,159,552	32,976,838
Utility bills	29,013,356	30,735,886
Contracted Cleaning Services	35,208,272	
<b>Total grants in kind</b>	<b>1,083,840,156</b>	<b>205,892,474</b>

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

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

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023/2024
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

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

10. (a) Public Contributions and Donations

Description	2024/2025	2023/2024
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	4,064,895
Other donations	-	157,000
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	<b>4,221,895</b>

10 (b) Reconciliations of amortised grants

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

**Notes to Financial Statements Continued**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	6,643,090	8,614,496
Non-Pharmaceuticals	10,161,709	5,076,316
Laboratory	20,509,385	22,300,373
Radiology	16,812,994	17,137,450
Orthopedic and Trauma Technology	554,141	379,457
Theatre	11,551,767	659,970
Accident and Emergency Service	633,657	129,610
Anesthesia Service	0	-
Ear Nose and Throat service	195,818	305,630
Nutrition service	7,122	-
Cancer centre service	199,703	-
Dental services	244,140	87,450
Reproductive health	100,646	-
Paediatrics services	433,543	-
Farewell home services	638,307	7,000
Ambulance services	-	-
Other medical services income ( <i>Medical Records, Services, Referral and other income</i> )	10,843,571	1,817,110
<b>Total revenue from the rendering of services</b>	<b>79,529,593</b>	<b>56,514,862</b>

**Notes to the Financial Statements (Continued)**

**12. Revenue From Rent of Facilities**

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

**13. Finance /Interest Income**

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

**14. Miscellaneous Income**

Description	2024/2025	2023/2024
	KShs	KShs
Insurance recoveries	354,844,268	90,872,532
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	101,200
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
Other Income - Attachment Fee - Transfer from higher learning institutions, AMREF University, Kenyatta University, SEKU, Redcross etc	1,918,388	733,000
<b>Total Miscellaneous income</b>	<b>356,762,656</b>	<b>91,706,732</b>

**Notes to the Financial Statements (Continued)**

**15. Medical/ Clinical Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	7,239,530	8,970,395
Public health activities	-	527,900
Food and Ration	56,717,956.00	34,317,644
Uniform, clothing, and linen	170,000	30,000
Dressing and Non-Pharmaceuticals	135,367,112	29,009,263
Pharmaceutical supplies	25,903,163	37,797,438
Health information stationery	5,204,846	2,811,284
Reproductive health materials	-	-
Sanitary and cleansing Materials	17,659,802	271,270
Purchase of Medical gases	19,533,242	4,071,445
X-Ray/Radiology supplies	1,451,000	6,192,040
Other medical related clinical costs (postmoterm charges, therapy materials, orthopaedic supplies, electrical appliances, security gadgets, batteries etc )		327,546
<b>Total medical/ clinical costs</b>	<b>269,246,651</b>	<b>124,326,225</b>

**16. Employee Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	884,481,052	81,165,541
Contributions to pension schemes	-	14,363,943
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-

Social contribution	-	-
Other employee costs ( <i>specify</i> )	-	331,000
<b>Employee costs</b>	<b>884,481,052</b>	<b>95,860,484</b>

**Notes to the Financial Statements (Continued)**

**17. Board of Management Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	264,000	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	1,586,000	-
Travel and accommodation allowance	380,200	-
Airtime allowances	-	-
<b>Total</b>	<b>2,230,200</b>	<b>-</b>

**18. Depreciation and Amortization Expense**

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

**19. Repairs And Maintenance**

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	12,764,867	4,575,682
Medical equipment	13,356,155	6,564,478
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	2,154,356	482,895
Motor vehicle expenses	1,264,749	391,516
Maintenance of civil works	-	-
Maintenance of Other Equipment	2,194,849	-
<b>Total repairs and maintenance</b>	<b>31,734,976</b>	<b>12,014,571</b>

**Notes to the Financial Statements (Continued)**

**20. Grants And Subsidies to other Entities**

Description	2024/2025	2023/2024
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies( <i>transfer to Athi River Health Centre</i> )	200,000	-
<b>Total grants and subsidies</b>	<b>200,000</b>	<b>-</b>

**21. General Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	2,098,393	30,735,886
Waste management expenses		1,438,410
Insecticides and rodenticides		-
Audit fees		-
Bank charges	385,640	-
Conferences and delegations		38,966
Consultancy fees	3,158,965	-
Contracted services	35,208,272	-
Electricity expenses	29,534,390	16,500
Fuel and Lubricants	3,403,283	3,789,407
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	17,541,837	2,381,000
Legal expenses	-	-
Licenses and permits		-
Courier and postal services	9,450	9,500
Printing and stationery	857,475	394,445
Hire charges	-	-
Other Fuels	2,065,390	-
Water and sewerage costs	736,750	50,000

*Machakos County Referral Hospital (Machakos County Government)*  
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Description	2024/2025	2023/2024
	Kshs	Kshs
Skills development levies		
Telephone and mobile phone services	2,014,000	708,000
Internet expenses	30,400	-
Staff training and development	1,793,479	-
Subscriptions to professional bodies	583,200	227,220
Student Mentorship	1,324,800	-
Security Services	470,800	-
Institutional Appliances	75,190	-
Transfer to HRFA	86,432,666	
VAT/WHT	1,787,568	
Cash Refund	7,500	
<b>Total General Expenses</b>	<b>189,519,447</b>	<b>39,789,334</b>

**22. Finance Costs**

Description	2024/2025	2023/2024
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

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

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

**24. Unrealized Gain On Fair Value Investments**

Description	2024/2025	2023/2024
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements (Continued)**

**25. Medical Services Contracts Gains /Losses**

Description	2024/2025	2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	(4,715,104)	(4,435,455)
<b>Total Gain/Loss</b>	<b>(4,715,104)</b>	<b>(4,435,455)</b>

**26. Impairment Loss**

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

**27. (a) Cash And Cash Equivalents**

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	15,334	1,770
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>15,334</b>	<b>1,770</b>

Notes to the Financial Statements (Continued)

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

Description		2024/2025	2023/2024
Financial Institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1312775874	15,334	1,770
Equity Bank, etc		-	-
<b>Sub- total</b>		<b>15,334</b>	<b>1,770</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(specify)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>15,334</b>	<b>1,770</b>

28. Prepayments

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

**29. (a) Receivables From Exchange Transactions**

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	197,622,080	49,409,815
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>197,622,080</b>	<b>49,409,815</b>

**29. (b) Analysis of Receivables From Exchange Transactions**

Description	2024/2025		2023/2024	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	128,040,895	65%	-	%
Between 1- 2 years	69,581,185	35%	-	%
Between 2-3 years	-	-	-	%
Over 3 years	-	-	-	%
<b>Total (a+b)</b>	<b>197,622,080</b>	<b>-</b>	<b>-</b>	<b>%</b>

**30. Receivables From Non-Exchange Transactions**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Transfers from the County Government	0	0
Undisbursed donor funds	0	0
Other debtors ( <i>non-exchange transactions</i> )	200,000	200,000
Less: impairment allowance	-	-
<b>Total</b>	<b>200,000</b>	<b>200,000</b>

**31. Inventories**

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	14,149,491	14,789,149
Non-pharmaceuticals	35,477,339	
Laboratory	10,143,903	
Radiology	786,800	
Food supplies	876,547	
Maintenance supplies	-	30,289,732
	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	104,200	-
Less: provision for impairment of stocks	(-)	(-)
<b>Total</b>	<b>61,538,280</b>	<b>45,078,881</b>

**Detailed disclosure on inventories**

	2024/2025	2023/2024
Opening balance	45,078,881	
Additional Inventory in the year		
Inventory expensed in the year		
Write-downs in the year		
Others specify		
Closing balance	61,538,280	45,078,881

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**32. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
<b>Cost</b>									
At 1 July 2023	1	1	1	1	1	1	1	1	
Additions									
Disposals	-	-	-	-	-	-	-	-	(-)
Transfers/adjustments	-	-	-	-	-	-	-	-	(-)
Revaluation Adjustments	-	-	-	-	-	-	-	-	1
<b>At 30<sup>th</sup> Jun 2024</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
At 1 July 2024 (current year)	-	-	-	-	-	-	-	-	1
Additions	-	-	-	-	1,513,790	-	-	-	1,513,790
Disposals	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Transfer/adjustments	-	-	-	-	-	-	-	-	1
Revaluation Adjustments	-	-	-	-	-	-	-	-	1
<b>At 30<sup>th</sup> Jun 2025</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,513,790</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,513,790</b>
<b>Depreciation and impairment</b>									
At 1 July 2024(previous year)		1	1	1	1	1	1	-	1
Depreciation for the year		-	-	-	-	-	-	-	1

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Disposals		(1)	(1)	(1)	(1)	(1)	(1)	-	(1)
Impairment		(1)	(1)	(1)	(1)	(1)	(1)	-	(1)
<b>At 30 June 2025</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>
At July 2025 (current year)		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>
Depreciation		1	1	1	1	1	1	-	1
Disposals		(1)	(1)	(1)	(1)	(1)	(1)	-	(1)
Impairment		(1)	(1)	(1)	(1)	(1)	(1)	-	(1)
Transfer/adjustment		1	1	1	1	1	1		(1)
<b>At 30<sup>th</sup> June 2025</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Net book values</b>									
At 30 <sup>th</sup> Jun 2024 (previous)	1	1	1	1	1	1	1	1	1
At 30 <sup>th</sup> Jun 2025 (current)	1	1	1	1	1	1	1	1	1

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33. Intangible Assets-Software

Description	2024/2025	2023/2024
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	1	1
Additions	1	1
Additions-Internal development	1	1
Disposal	(1)	(1)
<b>At end of the year</b>	<b>1</b>	<b>1</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	1	1
Amortization for the period	1	1
Impairment loss	1	1
<b>At end of the year</b>	<b>1</b>	<b>1</b>
<b>NBV</b>	<b>1</b>	<b>1</b>

34. Investment Property

Description	2024/2025	2023/2024
	KShs	KShs
<b>At beginning of the year</b>	<b>1</b>	<b>1</b>
Additions	1	1
Disposals during the year	(1)	(1)
Fair value gain	1	1
Depreciation ( <i>where investment property is at cost</i> )	(1)	(1)
Impairment	(1)	(1)
<b>At end of the year</b>	<b>1</b>	<b>1</b>

**Notes to the Financial Statements (Continued)**

**35. Biological Assets**

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

**36. Trade and other Payables**

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	70,319,945		25,484,822	
Employee dues	-		5,126,853	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>70,319,945</b>		<b>30,611,675</b>	
<b>Ageing analysis:</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>2023/2024</b>	<b>% of the total</b>
Under one year	34,913,725	50%	9,183,503	31%
1-2 years	4,537,860	6%	10,714,086	22%
2-3 years	5,113,647	7%	6,122,335	22%
Over 3 years	25,754,713	37%	4,591,751	26%
<b>Total</b>	<b>70,319,945</b>	<b>100%</b>	<b>30,611,675</b>	<b>100%</b>

**37. Refundable Deposits from Customers/Patients**

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

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1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**38. Provisions**

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

**39. Finance Lease Obligation**

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

**40. Deferred Income**

Description	2024/2025	2023/2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

**Notes to the Financial Statements (Continued)**

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

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

**41. Borrowings**

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

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

Description	2024/2025	2023/2024
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

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42. Service Concession Arrangements

Description	2024/2025	2023/2024
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

43. Cash Generated from Operations

Description	2024/2025	2023/2024
	KShs	KShs
Surplus for the year before tax	-	-
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

**Notes to the Financial Statements (Continued)**

**44. Financial Risk Management**

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

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024 (previous year)</b>				
Receivables from exchange transactions	65,682,008	65,682,008	65,682,008	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>65,682,008</b>	<b>65,682,008</b>	<b>65,682,008</b>	<b>0</b>
<b>At 30 June 2025 (current year)</b>				
Receivables from exchange transactions	128,040,895	128,040,895	65,682,008	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>197,622,080</b>	<b>197,622,080</b>	<b>65,682,008</b>	<b>0</b>

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from 2020. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	-	25,484,822	25,484,822
Current portion of borrowings	-	-	0	0
Provisions	-	-	0	0
Deferred income	-	-	0	0
Employee benefit obligation	-	-	5,126,853	5,126,853
<b>Total</b>	-	-	30,611,675	30,611,675
<b>At 30 June 2025</b>				
Trade payables	12,832,561	17,621,212	39,866,172	70,319,945
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	12,832,561	17,621,212	39,866,172	70,319,945

**Notes to the Financial Statements (Continued)**

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

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

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2024</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2025</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Notes to the Financial Statements (Continued)**

**Sensitivity analysis**

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

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

**iv) Capital Risk Management**

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

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

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**45. Related Party Balances**

**Nature of related party relationships**

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

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

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

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services		
Sales of services		
<b>Total</b>		
<b>b) Grants from the Government</b>		
Grants from County Government	33,318,500	19,533,000
Grants from the National Government Entities	-	
Donations in kind	<b>1,083,840,156</b>	
<b>Total</b>	<b>1,117,158,656</b>	<b>19,533,000</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees		
Payments for goods and services for xxx		
<b>Total</b>		

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Description	2024/2025	2023/2024
	Kshs	Kshs
<b>d) Key management compensation</b>		
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
<b>Total</b>		

**46. Contingent Liabilities**

Contingent liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	-	-

*(Give details)*

**47. Capital Commitments**

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

**48. Events after the Reporting Period**

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

**49. Ultimate and Holding Entity**

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

**50. Currency**

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

**18. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p><b>1. Unsupported transfers to CRF</b></p>	<p>The statement of financial performance reflects Ksh. 65,682,008 in relation to transfer to County Revenue Fund, however the MPESA paybill number is not under the control of the hospital rather it is being managed by the County Executive. In addition, the balance was not supported by any note to indicate the breakdown by the transfer amount.</p> <p>In the circumstances, accuracy and completeness of the transfers to CRF balance of ksh 65,682,008 could not be confirmed.</p>	<p><i>The management has amended the financial statement for Fy.2023/2024 under “notes to Financial statements” and “statement of financial performance” to indicate the amount of Ksh.65,682,008. Further, a summary schedule of ksh.65,682,008 is hereby provided for audit review.</i></p> <p><b>Appendix 1 (a).</b></p> <p><i>Unlike previous years, the County Government of Machakos established a dedicated Paybill account</i></p>	<p>In progress</p>	<p>December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>(MPESA Paybill No. 1616161) for the Machakos County Health Department. This Paybill collects revenue from all health facilities within the department. The collected funds are automatically transferred at midnight to a consolidated FIF bank account for the Department of Health and subsequently transferred to the County Revenue Fund (CRF) account. A bank statement, Revenue system statements and summary for the ksh 65,682,008 is attached as Appendix 1(b).</i>		
<b>19. Non-Disclosure and doubtful ownership of</b>	The statement of financial position reflects nil property, plant and equipment balance as disclosed in Note 31 the financial statement. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which	<i>Machakos Level 5 Hospital owns and maintains a comprehensive list of all assets, including property, plant, and equipment (PPE) Appendix 2.0(a).</i>	On-going	31 <sup>st</sup> March 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p><b>Property, Plant and Equipment</b></p>	<p>were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit. In addition, the Hospital operates (3) three motor vehicles whose ownership documents were not provided for audit review. In the circumstances, the accuracy, completeness and ownership of nil property, plant and equipment balance could not be confirmed.</p>	<p><i>However, the hospital is currently awaiting the county-wide asset valuation exercise to be conducted. Attached find correspondences and other relevant documents exchanged between the County Government of Machakos—Ministry of Land, Housing, and Urban Development, the National Treasury, and the Ministry of Lands at the National Government level, requesting for technical support. Appendix 2.0(b).</i></p> <p><i>The management remains committed to ensuring proper documentation and compliance with audit and regulatory requirements. The ownership documentation for the three vehicles(logbooks)</i></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>are hereby provided for audit review. Appendix 2.0 (c).</i>		
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES.</b>				
<b>1. Failure to Dispose Unserviceable Assets</b>	<p>The statement of financial position reflects a nil balance on property, plant and equipment. However, review of status report of equipment of the hospital reveals unserviceable assets that have not been disposed of and the same remain unutilized. This was contrary to the Public Procurement and Asset Disposal Act, 2015 Section 164 (1) which states that the employee in charge of unserviceable, obsolescent, obsolete or surplus assets shall bring the matter to the attention of the Disposal Committee through the Head of the Procurement Function.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>The process of disposing of unserviceable movable assets has commenced across the county in accordance with the Public Procurement and Asset Disposal Act, 2015. The hospital has already initiated the necessary steps, including engaging the relevant authorities and compiling the required documentation. Users have come up with obsolete, obsolescence and unserviceable items. An asset disposal plan for the disposables has been approved and the establishment of asset and</i></p>	<p>On-going</p>	<p>31<sup>st</sup> December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>disposal committees in the departments has been done see attached Appendix 3.</i>		
<p><b>2. Irregular Engagement of Casual Workers</b></p>	<p>The statement of financial performance reflects employee costs of Kshs.95,860,484 as disclosed in Note 16 to the financial statements. Included in the balance is payment made to contracted staff of Kshs. 14,363,943. It was noted that Management engaged casual workers for more than three months. This was contrary to the County Public Service Human Resource Manual, May 2013 Section B. 16(1) which states that (1) Casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act (2007).</p> <p>Further, the rate determined to pay the contractual staff and rates of casuals have not been provided for audit review.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p><i>The engagement of these workers was necessitated by critical service delivery needs, particularly in departments experiencing staff shortages. However, efforts are being made to ensure compliance with the County Public Service Human Resource Manual, May 2013, and the Employment Act (2007). We have attached a letter from Machakos Level 5 Hospital to Machakos County Public Service Board requesting to have the employees absorbed in the Machakos Level 5 Hospital. Appendix 4</i></p>	<p>On-going</p>	<p>31<sup>st</sup> December 2025</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)												
3. Noncompliance with Kenya Quality Model for Health Policy Guidelines	Verification of services offered, equipment used and number of members of staff at the Hospital revealed that during the year under review, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits as analyzed in the table below:	<p>Management has taken steps to address these challenges and ensure the hospital operates optimally as a Level 5 facility.</p> <p>To bridge the human resource gap, funds were allocated in the FY 2024/2025 budget for the recruitment of medical officers, anesthesiologists, radiologists, surgeons, and critical care nurses. Already the County Public Service Board (CPSB) has 358 recruited health workers - <b>Appendix 5</b></p> <p>In addition, the management has already initiated upgrading and equipping of essential hospital units. This includes servicing and replacing outdated or broken-down equipment, as well as procuring additional ICU and</p>	On-going	31 <sup>st</sup> March 2026												
	<table border="1"> <thead> <tr> <th>Item</th> <th>Level 5 Standard</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td>Medical Officers</td> <td>50</td> <td>19</td> </tr> <tr> <td>Anesthesiologists</td> <td>7</td> <td>2</td> </tr> <tr> <td>Radiologists</td> <td>4</td> <td>2</td> </tr> </tbody> </table>				Item	Level 5 Standard	Current	Medical Officers	50	19	Anesthesiologists	7	2	Radiologists	4	2
	Item				Level 5 Standard	Current										
	Medical Officers				50	19										
	Anesthesiologists				7	2										
Radiologists	4	2														
Further, the Hospital had deficits in services and equipment as indicated in the table below:																
<table border="1"> <thead> <tr> <th>Item</th> <th>Level 5 Standard</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td>Functional ICU beds</td> <td>12</td> <td>6</td> </tr> <tr> <td>Functional HDU beds</td> <td>12</td> <td>2</td> </tr> <tr> <td>New Born Unit with ten (10) incubators</td> <td>10</td> <td>6</td> </tr> <tr> <td>Seven (7) operating theatres</td> <td>7</td> <td>3</td> </tr> </tbody> </table>	Item	Level 5 Standard	Current	Functional ICU beds	12	6	Functional HDU beds	12	2	New Born Unit with ten (10) incubators	10	6	Seven (7) operating theatres	7	3	
Item	Level 5 Standard	Current														
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In the circumstances, the classification of the Hospital as a Level 5 Hospital may be irregular and the Universal Health Care may not be effectively delivered at the Hospital.</p>	<p><i>HDU beds, incubators, and upgrading the operating theatres to meet the required standards.</i></p>		
<p><b>4. Unutilized Medical Equipment Service (MES)</b></p>	<p>The statement of financial position reflects property, plant and equipment nil balance the financial statements. Review of the hospital equipment report provided includes Managed Equipment Services (MES) equipment outsourced by the Ministry of Health. However, status report and information given by managements revealed that the contracts between maintenance service providers and the Ministry had expired. Therefore, some equipment including renal dialysis equipment, Intensive Care Unit (ICU) equipment, X-ray and other Imaging equipment were not functioning and had not been serviced by the Ministry of Health.</p> <p>In the circumstances, value for money in respect of Managed Equipment Services (MES) equipment could not be confirmed.</p>	<p><i>Upon the expiry of the medical equipment services contract in June 2023, all machines initially remained operational for some time. However, due to unresolved contractual matters at the national level, some machines eventually became non-functional. To address this, the county engaged bio medical engineers to service the equipment. Attached are job cards as evidence of the machines' functionality. Appendix 6.</i></p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5. Long Outstanding Trade and Other Payables	The statement of financial position reflects Kshs. 30,611,675 in relation to trade and other payables as disclosed in Note 34 to the financial statements. However, included in the figure are trade payables amounting to Kshs 4,591,751 which had been outstanding for more than three (3) years. This is Contrary to Section 53 (8) of the Public Procurement and Disposal Act ,2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.	<i>The hospital management remains committed to ensuring compliance with the Public Procurement and Disposal Act, 2015, by prioritizing settlement of outstanding obligations. The hospital management ensures the principle of First In, First Out (FIFO) applies in settlement of accounts payables.</i>	On-going/ Partially resolved	31 <sup>st</sup> December 2026
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>				
1. Lack of Key policies	During the year under review, the Hospital did not have an approved Risk Management Policy, an Information Technology (IT) Security Policy, Disaster Recovery Plan and Business Continuity policy to mitigate risks. In addition, there was no system in place for preparing, reviewing and approving policy documents.	<i>Management is actively in the process of developing these key policies to strengthen risk mitigation measures and ensure operational resilience. Additionally, efforts are underway to establish a structured system for</i>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Under the circumstances, the existence and effectiveness of controls of the Hospital could not be confirmed.	<i>preparing, reviewing, and approving policy documents to enhance governance and internal controls. Management remains committed to ensuring that all necessary policies are in place to support the hospital's effective operations and compliance with best practices.</i>		
<b>2. Expiry of Medical Supplies</b>	<p>The statement of financial position reflects an inventory balance of Kshs. 45,078,881 as disclosed in Note. 30 to the financial statements. Review of the pharmaceuticals stores report for the month June 2024 revealed that ten (10) categories valued at Kshs 1,316,351 had expired.</p> <p>In the circumstances, the effectiveness of internal controls on the management of pharmaceutical and non-pharmaceutical could not be confirmed.</p>	<i>The Hospital Management adheres to the First Expired, First Out (FEFO) principle in drug administration, with batch numbers and expiry dates duly updated in store records. In FY 2023/2024, the hospital implemented a Health Management Information System (HMIS), enhancing drug inventory management.</i>	On-going	31 <sup>st</sup> Dec 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The expiry of drugs was influenced by factors beyond management's control, including the national health workers' strike, which disrupted drug administration.</p> <p>The county through Machakos L5 hospital receives donation from development partners in form of drugs, non-pharms and lab supplies. Some are donated when treatment protocols have changed and the MoH has new policies. We are therefore left with items which are redundant and end up expiring in our stores. Some drugs are donated with short expiry period and our facilities are unable to consume all donations within valid period thereby rendering them expired.</p>		

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Reference No. in the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>It is important to note that expired drugs are a consolidation of multiple years and disposal of drugs are regulated commodity. Currently disposal of the same is at an advanced stage awaiting just funding after all other drug disposal regulatory procedures undertaken.</i></p>		
<p><b>3. Incomplete Fixed Asset Register</b></p>	<p>The statement of financial position reflects a nil balance in respect to property, plant and equipment. Review of asset register provided by management reflect that asset register provided was incomplete and had no values.</p> <p>In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed and Management was in breach of the regulations.</p>	<p><i>Machakos Level 5 Hospital maintains a comprehensive list of all assets, including property, plant, and equipment (PPE) Appendix 7(a). However, the asset register currently lacks valuations as the hospital is awaiting the completion of the county-wide asset valuation exercise.</i></p> <p><i>To support this, we have attached correspondences and other relevant documents</i></p>	<p>On-going</p>	<p>31<sup>st</sup> March 2026</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>exchanged between the County Government of Machakos, the Ministry of Land, Housing, and Urban Development, the National Treasury, and the Ministry of Lands at the National Government level, requesting technical support Appendix 7(b).</i></p>		
<p><b>4. Failure to appoint a Board of Management</b></p>	<p>During the year under review, the hospital did not have a Board of Management in place to govern the hospital contrary to Section 11 (1) of the Machakos County Health Services Act 2021 states that there is established for every hospital a Board to be known as the Hospital Management Board.</p> <p>In the circumstances, the effectiveness of internal controls on the management of the hospital could not be confirmed.</p>	<p><i>During the FY 2023/2024, Machakos Level 5 Hospital operated without a Board of Management due to the ongoing legislative process for implementing the Facility Improvement Fund (FIF) Act. However, this process has now been completed, and the amended Act has been enacted through the Machakos County Health Services Act 2024, which was passed by the Machakos</i></p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>County Assembly. This has paved the way for the establishment of the Board of Management (BOM), as outlined in <b>Appendix 8</b>.</p> <p>The appointment process for the Board is currently underway, and the Board will be in place shortly to strengthen governance and oversight at the hospital.</p>		

.....  
Accounting Officer

**Appendix II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

**Name of Transferring entity: SOCIAL HEALTH INSURANCE AUTHORITY**  
**Name of Beneficiary entity: MACHAKOS COUNTY REFERRAL HOSPITAL**

<b>Confirmation of amounts received by NHIF/SHIF as at 30<sup>th</sup> June 2025M</b>					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	02-Jul-24	49,700		49,700	NHIF
	16-Jul-24	35,415,660		35,415,660	NHIF
	24-Jul-24	1,433,263		1,433,263	NHIF
	23-Aug-24	18,974		18,974	NHIF
	26-Aug-24	5,741,050		5,741,050	NHIF
	23-Sept-24	66,440		66,440	NHIF
	01-Oct-24	52,093		52,093	NHIF
	03-Oct-24	2,398,660		2,398,660	NHIF
	18-Oct-24	12,645,084		12,645,084	NHIF
	30-Oct-24	2,031,060		2,031,060	NHIF
	04-Nov-24	440,940		440,940	NHIF
	28-Nov-24	3,904,260		3,904,260	NHIF
	01-Dec-24	3,416,498		3,416,498	NHIF
	04-Dec-24	215,304		215,304	NHIF
	10-Dec-24	301,320		301,320	SHA
	13-Dec-24	3,145,485		3,145,485	SHA
	19-Dec-24	3,316,420		3,316,420	SHA
	27-Dec-24	1,123,110		1,123,110	SHA
	16-Jan-25	10,508,790		10,508,790	SHA

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	03-Feb-25	12,572,346		12,572,346	SHA
	25-Feb-25	19,874,717		19,874,717	SHA
	12-Mar-25	1,198,110		1,198,110	SHA
	25-Mar-25	26,697,163		26,697,163	SHA
	03-Apr-25	6,340,919		6,340,919	SHA
	11-Apr-25	6,743		6,743	SHA
	16-Apr-25	41,427,450		41,427,450	SHA
	17-Apr-25	1,324,600		1,324,600	SHA
	19-Apr-25	11,000		11,000	SHA
	23-Apr-25	1,599,664		1,599,664	SHA
	29-Apr-25	6,435,958		6,435,958	SHA
	15-May-25	37,198,284		37,198,284	SHA
	28-May-25	52,918		52,918	SHA
	16-Jun-25	17,478,861		17,478,861	SHA
<b>Total</b>		<b>258,450,913</b>		<b>258,450,913</b>	

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

Name M. PAUL Sign [Signature] Date 15/10/2025

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

Name C. WANDER Sign [Signature] Date 15/10/2025

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Name of transferring entity: County Treasury  
Name of Beneficiary entity: Machakos County Referral Hospital

Confirmation of amounts received by NHIF/SHIF as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
FT24257X1YJV	13.09.2024	7,686,000		7,686,000	
FT243337M76J	28.11.2024	9,000,000		9,000,000	
FT2507797VSC	18.03.2025	10,000,000		10,000,000	
FT25168LBCLB	17.06.2025	6,632,500		6,632,500	
<b>Total</b>		<b>33,318,500</b>		<b>33,318,500</b>	

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

Head of Accounts Department - Disbursing Entity:

Name D. KADU Sign [Signature] Date 15/10/2025

Head of Accounts Department - Beneficiary Entity:

Name C. WANDERU Sign [Signature] Date 15/10/2025

**Appendix IV Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Disaster Expenditure Reporting Template**

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

