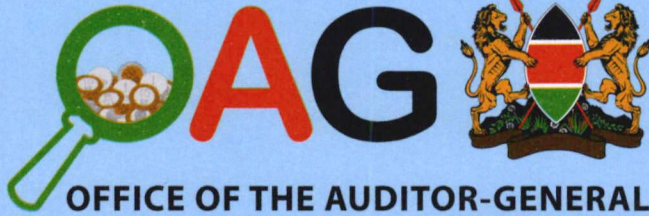
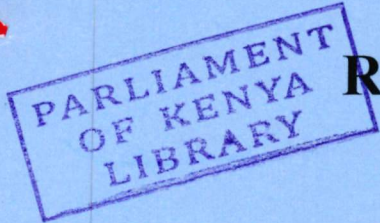


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

PAPERS LAID	
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**ON**

**SULTAN HAMUD SUB-COUNTY  
LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF MAKUENI**



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OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.

28 NOV 2025

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**SULTAN HAMUD SUB COUNTY LEVEL 4 HOSPITAL  
(Makueni 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)**

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

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**1. Acronyms & Glossary of Terms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
HMC	Hospital Management Committee
HMT	Hospital Management Team
HOD	Head of Department
HCW	Health Care Worker
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
UHC	Universal Health Coverage
NTDs	Non-Transmissible Diseases
FS	Financial Statements
AIE	Authority to Incur Expenditure

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

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

Sultan Hamud Sub County Hospital is a level (4) hospital established under gazette notice number 16 of 24<sup>th</sup> January, 2010 and is domiciled in Makueni County under the Health Services Department. The hospital is governed by a Board of Management/Hospital Management Committee (HMC).

The hospital initially started as a Dispensary way back in 1963 on a single block which now houses the current Administration block. Later in 1974, it was expanded into a Health Centre and gazetted on 1/04/1977 Vol L-IX-NO 14 page 335.

The hospital was upgraded to its current status in August 2008. The hospital has a Catchment population of 29,700 persons featuring approximately 7425 households bordering and serving the whole of Kilome Sub County, Kibwezi West sub county to the Eastern, Kaiti Sub County to the North, Kajiado county to the west and the major Nairobi – Mombasa highway.

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

The principal activity/mission/ mandate of Sultan Hamud Sub-County hospital is the provision of integrated and efficacious promotive, preventive, curative and rehabilitative health care services to all Kenyan Citizens.

#### **VISION**

An efficient and high quality care system that is accessible, equitable and affordable for all Kenyans.

#### **MISSION**

Promote and participate in the provision of integrated and efficacious promotive, preventive, curative and rehabilitative health care services to all Kenyans.

#### **CORE OBJECTIVES**

1. To promote provision and progressive realization of universal access to the preventive, promotive, curative and rehabilitative services addressing major causes of the disease burden due to communicable and non-communicable conditions.
2. To Enhance comprehensive control of communicable conditions by designing and applying integrated health service provision tools, mechanisms, and processes such as, but not limited to, combatting existing public health concerns
3. To Control vaccine-preventable diseases by offering immunization services.
4. To promote good hygiene and sanitation to control food and water- and food-borne diseases through health education.

5. To Eradicate vector- and insect-borne diseases and other NTDs
6. To Promote rational use of antimicrobials and other drugs, and the control of drug resistance to pathogens
7. To promote disease surveillance, epidemic preparedness and response.
8. To strengthen health information systems for complete and timely reporting of communicable disease incidences.
9. To scale up implementation of high-impact health interventions and integrate them with the community health Strategy.
10. To increase knowledge to all people in order to improve control over their health and social health determinants.
11. Provide essential health services
12. Inter-sector collaboration.

**(c) Key Management**

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

- County Department of Health which oversees the running of all the county health activities.
- Board of Management/Hospital Management Committee whose mandate is to formulate and ensure implementation of policies within the facility. Within this committee, there are sub committees namely, the Primary Healthcare and Quality Control Committee and the Finance and General Purpose Committee.
- Accounting Officer/ Medical Superintendent who is in charge of the hospital as a whole and oversees the day today running of the hospital in line with its mission statement.
- The Hospital Management Team Comprising of all departmental heads.
- Executive Expenditure Committee which is a subcommittee involved in central decision making in the budgeting process and also implementing approved expenditure plans and policies.
- Other Hospital Committees like Infection Prevention Committee, Medicines and Therapeutics Committee, Quality Improvement Committee etc

**(d) Fiduciary Management**

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

No	Designation	Name
1.	Medical Superintendent	Dr Jane Mwendu
2.	Head of finance	Mr. Dominic Kasanga
3.	Head of supply chain	Mr. Leonard Maingi
4.	Health Administrative Officer	Mrs. Winnie Nyerere
5.	Pharmacist In Charge	Dr Charles Mulwa

(e) **Fiduciary Oversight Arrangements**

- **Makueni County Assembly;** The County Assembly enacted the various legislation and performed the oversight required. They also reviewed the external audit reports and financial statements of the County Government as required by the law.
- **Makueni County Treasury;** Provided guide lines in preparation of hospital annual reports and financial statements.
- **Makueni County Audit Committee;** The Committee supported the hospital by reviewing internal audit reports shared by the department of health services and ensured corrective actions were taken to safeguard the internal controls of the County's financial operations. It also spearheaded preparation of the county risk management framework which was disseminated to the hospital.
- **Public Sector Accounting Standards Board;** The board developed the financial reporting templates and provided guidance on the accounting standards to be adopted by level 4 and 5 county hospitals.
- **County Department of Health (Authority to Incur Expenditure-AIE) Committee.** The committee has been reviewing hospital budget, implementation, hospital operations and pending bills report to ensure that funds received are accounted for, suppliers are paid in good time and the hospital continues to offer high quality health care services. It also ensured prioritization of expenditure lines to avoid a crisis.
- **Hospital Management Team.** This committee consists of the heads of departments. They ensured key departmental requests and budget proposals were tabled for consideration in budgeting. Meetings are done monthly and, in each meeting, departmental reports, challenges, requests and achievements are tabled.
- **Finance, Audit and General-Purpose Committee.** This is a subcommittee under the hospital management committee whose primary function is to provide an independent and objective view of the hospital's financial reporting process, management of financial risks, value for money management and internal and external audit processes. This committee approves the Executive and Expenditure committee budget before it is presented to HMC.
- **Professional bodies** – for example the medical board, pharmacy and poisons board and nursing council whose primary function is to license health facilities and health care workers to ensure only qualified HCWs attend to clients.
- **Medicines and therapeutic committee** - whose primary function is to oversee medication safety and management and pharmacy regulation.

*Sultan Hamud Sub County Hospital (Makueni County Government)*  
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- **Executive Expenditure committee.** This committee consists of the executive managers who meet on a monthly basis to review the hospital expenditure. They also allocate funds based on bills and priority departmental and hospital requests.
- **Primary and Quality Health Care Committee** – meets on quarterly basis to review and ensure quality delivery of services.
- **Hospital Management Committee.** Meets on quarterly basis to oversee and approve budget plans for the hospital and also monitoring and evaluation of service delivery, ensure prudent use of resources and equipment.
- **Trade Unions-** there to safeguard the welfare of the concerned health care workers.

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

**(f) Entity Headquarters**

SULTAN HAMUD SUB-COUNTY HOSPITAL,  
P.O. Box 253-90132,  
SULTAN HAMUD,  
MAKUENI-KENYA.

**(g) Entity Contacts**

Telephone: (+254) 740 139 281  
Telephone 2: (+254) 717 340 138  
E-mail: [sultan.hospital@makueni.go.ke](mailto:sultan.hospital@makueni.go.ke)

**(h) Entity Bankers**

Kenya Commercial Bank Limited  
Emali Branch

**(i) Independent Auditors**

Auditor General  
Office of Auditor General  
Anniversary Towers, University 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



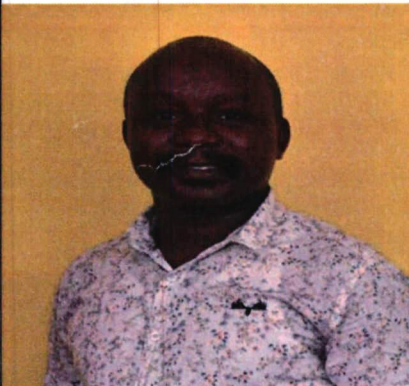
**(k) County Attorney**

P.O. Box. 78-90300  
Makueni, Kenya

**3. The Board of Management**


Ref	Directors	Details
1.	<p><b>Major Leonard Kasyoka Kyengo</b></p> 	<p>He is the Chairperson of the Hospital Management Committee. He is non-executive chairman. He holds a Bachelor of Arts in Leadership and Management from St Pauls University, a Diploma in Education, Diploma in Chaplaincy, Theology and Problem Solving and Psychology. He has served in various capacities including being a high school teacher, Pastor, Human Resource, Community Development officer, among others. He is currently the External Ecumenical Relations Officer in the Salvation Army and also the Chairman, National council of churches NCKK, Lower Eastern Region.</p>
2.	<p><b>Dr Jane Mwende</b></p> 	<p>She is the Medical Superintendent and Secretary to the Hospital Management Committee. She holds a Bachelor of Dental Surgery (BDS) from the University of Nairobi, she is a Certified Mediator with a certificate from DCRI-Dispute and Conflict Resolution International. She has also worked as Branch Treasurer (2016-2021) for Kenya Medical Practitioners, Pharmacists and Dentist's Union. She has attended Senior Management at the Kenya School of Government. She previously worked in West Pokot Referral Hospital- Kapenguria as a Dental Officer and in Sultan Hamud Sub-County Hospital as the HOD Dental Department and now as the Medical Superintendent. Not a member of ICS.</p>
3.	<p><b>Winnie Mwangeli Nyerere</b></p> 	<p>She is the health administrative officer III and holds a diploma in business administration from the Technocal University of Kenya . Three years of working experience in several Hospitals including Makindu medical hospital, Kibwezi sub county hospital and Makindu sub county hospital.</p>

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<p>4.</p>	<p><b>Christopher Kyengo Kitili</b></p> 	<p>He is a member of the Committee.          He has a Bachelor of Science Degree in Computer Science from Egerton University, Masters in Business Administration in Strategic Management from Jomo Kenyatta University of Arts and Technology, Senior Management Course and Strategic Leadership and Development Program from the Kenya School of Government.          He has a vast knowledge in ICT. Non executive member.</p>
<p>5.</p>	<p><b>Margaret Mutete</b></p> 	<p>She is a member of the Hospital Management Committee. She did A levels and has a Diploma in Sales and Marketing.          She has served as a Director at Jeyspark Works Investment Limited - construction works where she has participated in several development projects benefitting the community at large.          She served previously as a board member in other government institutions including schools.          She is also a Gender Based Violent Champion in Kilome Sub county and has helped many victims.</p>
<p>6.</p>	<p><b>Dr Charles Mulwa</b></p> 	<p>He is an ex-official member of the board and the Medical Officer of Health Kilome Sub County.          He is 41 years old and has a M.Pharm (UON) - Pharmacoepidemiology &amp; Pharmacovigilance.          He also has a B.Pharm (UON).          Pharmacist in-charge, Sultan Hamud SC Hospital.          Sub-County Pharmacist, Kilome.          Sub-County MOH, Kilome.          County Vigilance Focal Person, Makueni County.          A Deputy Director of Pharmaceutical Services, with 17 years of experience.          Worked in Kitale District Hospital, Makueni County Referral Hospital, Mbooni Sub County Hospital and Sultan Hamud SC Hospital.</p>

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7.	<p><b>Duncan Nziu</b></p> 	<p>He is a member of the committee since 2023.</p> <p>He has served in other boards as a member of the board.</p>
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**4. Key Management Team**

Ref	Management	Details
1.	<p><b>Dr Jane Mwendu</b></p> 	<p>She is the Medical Superintendent and Secretary to the Hospital Management Committee. She holds a Bachelor of Dental Surgery (BDS) from the University of Nairobi, a Certified Mediator with a certificate from DCRI- Dispute and Conflict Resolution International. She has also worked as Branch Treasurer (2016-2021) for Kenya Medical Practitioners, Pharmacists and Dentist's Union.</p> <p>She has attended Senior Management at the Kenya School of Government. Previously worked in West Pokot Referral Hospital- Kapenguria as a Dental Officer and in Sultan Hamud Sub-County Hospital as the HOD Dental Department and now as the Medical Superintendent.</p>
2.	<p><b>Winnie Mwangeli Nyerere</b></p> 	<p>She is the health administrative officer III and holds a diploma in business administration from the Technical University of Kenya .</p> <p>Three years of working experience in several Hospitals including Makindu medical hospital, Kibwezi sub county hospital and Makindu sub county hospital.</p>
3.	<p><b>Mrs Regina Kiragu</b></p> 	<p>She is the Hospital Nursing Officer in charge.</p> <p>She holds a Bachelor of Science in Nursing and has over 15 years working experience in the Nursing Field.</p>

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<p>4.</p>	<p><b>Mr Dominic Kasanga Nzioka</b></p> 	<p>Holder of Master of Business Administration Degree in Finance from the University of Nairobi, Bachelor of Commerce (Hons) also from the University of Nairobi and member of ICPAK No. 19171. Has over 15 years' experience in Private sector as an Accountant.</p> <p>Currently Hospital Chief Accountant.</p>
<p>5.</p>	<p><b>Mr Leonard Maingi</b></p> 	<p>He is the procurement officer and a certified member of the Kenya Institute of Supplies Management as well as the chartered Institute of Procurement and Supply (UK).</p> <p>He holds a Bachelor's degree in purchasing and supplies Management. He has over 8 years' experience as a supply chain Management Officer.</p>
<p>6.</p>	<p><b>Dr Charles Mulwa</b></p> 	<p>He is an ex-official member of the board and also the Medical Officer of Health Kilome Sub County. Holds M.Pharm (UON) - Pharmacoepidemiology &amp; Pharmacovigilance.</p> <p>He also has a B.Pharm (UON). Pharmacist in-charge, Sultan Hamud SC Hospital. Sub-County Pharmacist, Kilome. Sub-County MOH, Kilome. County Vigilance Focal Person, Makueni County. A Deputy Director of Pharmaceutical Services, with 17 years of experience. Worked in Kitale District Hospital, Makueni County Referral Hospital, Mbooni Sub County Hospital and Sultan Hamud SC Hospital.</p>

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

The board has a leadership and governance role assisted by the Hospital Management Team. We are accountable for the delivery of safe and quality health care services to Kenyan citizens.

The board acts as a bridge between the community and the hospital whereby community interests, complaints and concerns are handled.

The board meets on a quarterly basis to review performance, primary health care and budget approvals, but can also meet on need basis. We also approve departmental work plans developed by the heads of departments. These work plans are derived from the annual work plans of the facility.

This year has seen the hospital consolidate its operations towards improving in the following areas.

1. Human resource management thus serving people with a servant's heart. This means to help others in love without expecting something in return, serving in appreciation of the gifts God has already given us.
2. Service delivery enhancement towards our clients (patients) satisfaction hence healing and curing them of various ailments that they were suffering from.
3. Two New reliable external borehole water sources were connected to the hospital courtesy of the collaboration between Makueni County government and Water Mission, a non-governmental organization.
5. A New digital x-ray processor machine has been realized courtesy of the able county government of Makueni.
6. Revenue collection during the year went up. This has been attributed to transparency, integrity, honesty of the hospital management as well as teamwork between the hospital committee and the staff. Much gratitude goes to the management and the health care workers.

Despite the above achievements, we have faced our fair share of challenges.

1. Increased breakages of working tools like the x ray, generator etc
2. Many citizens cannot afford health care leading to waivers and exemptions.
3. Limited resources to cater for the large number of growing population and workload.
4. Public expectations have been once in a while be more than the hospital can cater for.
5. Infrastructure deficiency that half of our buildings are old and dilapidated thus space challenges are experienced in most departments considering the growing number of HRH and workload.
6. Staff shortage has been of major concern. The hospital has employed casuals and contracted professionals hence a huge wage bill and little money for development. On the future outlook of the facility, the dream of having a new fully equipped modern Maternity courtesy of His Excellency the Governor will soon be realized through MPESA Foundation and this will go a long way in alleviating the huge demand of maternity services across the region.

For 

For **Major Leonard Kasyoka Kyengo.**  
**Chairman to the Board,**  
**Sultan Hamud Sub County Hospital.**

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

The period ended 30<sup>th</sup> June 2025 has seen Sultan Hamud Sub County Hospital involvement in continuous improvement in service delivery and maintenance of the hospital transformational agenda.

The hospital maintained a steady growth throughout the period through the efforts of the Hospital Management Committee, Hospital Management team and the health care workers.

These teams have overtime embraced a commendable team work spirit, empathy when serving clients and increased level of accountability.

The hospital managed to achieve its goals for the year which included improvement in service delivery, increased revenue collection and reduced the hostility which existed between the community and the facility.

There are three main sources of revenue i.e., FIF, Universal Health Care and SHIF/SHA and Madison Insurance.

F.I.F is money paid via MPESA to the facility by clients before, during or after service delivery. In the period under review, the facility collected Kshs. 30,028,640.00 compared to Kshs. 23,242,588.00 collected the previous period under review which translates to a 30% increase. This tremendous increase can be attributed to an increase in the workload and internal financial controls within the organization. SHA/SHIF funds are funds reimbursed to the facility by SHA for services provided after claims are approved. For the period ending 30<sup>th</sup> June 2025, Defunct NHIF reimbursed Ksh. 7,016,008.00 while SHA/SHIF reimbursed Ksh. 22,371,477.00 totaling to Ksh 29,387,477 the amount the insurer reimbursed to the facility, compared to Kshs 21,643,045.00 the previous period. This can be described by the payment patterns in NHIF and now SHA/SHIF.

UHC funds are money paid by the county government of Makueni to pay for services rendered to patients under the program, during this financial year, we received Kshs 4,317,310 as reimbursement from the Makueni County Government.

### **Challenges**

Despite the above financial performance, the facility faces a myriad of challenges including but not limited to:

- Inadequate supply of drugs and other commodities, this has forced the hospital to purchase through the hospital procurement system.

- Staff shortage i.e., departments are combined due to staff shortage, e.g., OPD/Male ward are manned by same staff. The staff shortage has also prompted the hospital to employ more staff hence increasing the wage bill.
- Lack of enough space in most departments. This includes the outpatient, inpatient and even the offices. It has led to congestion in these areas and hindered the ability to offer quality services.
- Underfunding and delayed funds. The facility was underfunded this last financial year as reimbursements were not paid as expected.
- The hospital has been operating with only one ambulance 17CG 397A to cover referrals to and from the hospital and also to cover the sub county. This has led to challenges in timely referral of patients especially when the workload increases.

### **Achievements**

The above challenges notwithstanding, the facility managed to achieve the following

- ✓ The facility also received a new digital processor machine and printer. This has made work easier for the health care workers and reduced the waiting time as the processing is automatic.
- ✓ The facility now has adequate supply of water, both from the Muswii borehole, Kasanga borehole through Water Mission and Nolturesh Water Company.
- ✓ On matters oxygen, piping to OPD, Wards, maternity and newborn was done. The manifold was completed and is now operational. We also received flow meters and 38 oxygen cylinders through AMREF. This was done through AMREF Africa sponsorship.
- ✓ On FIF collections the facility managed to achieve Ksh 30,028,640 as compared to the previous year, Ksh 23,242,588 representing an increase of 30%, equivalent to Kshs 6,786,052.
- ✓ On infrastructure, through the partnership with the county government, MPESA Foundation, offered to construct of a maternity unit worth Kshs 60,000,000. This unit is a one storey building with a 50 bed capacity with one theatre. Currently, construction is ongoing at the stage of roofing and finishing.
- ✓ The facility received a Pediatrician and a obstetrician/gynecologist.

### **Way Forward/Future Outlook of the Hospital**

- ☐ Face-lifting of the hospital. To include repainting, removal of asbestos and renovations, covered walkways, cabros.

**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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- ☒ Perimeter fencing around the hospital with two gates, one as the main entrance to the facility, and another for the mortuary side. Currently the sharing affects patients coming to seek for services.
- ☒ Expansion of outpatient departments – a casualty is needed, and to include a Rehabilitation department i.e. Occupational Therapy, Physiotherapy, Orthopedic Trauma and Plaster
- ☒ Recruitment of more staff by the County Government.
- ☒ Timely and adequate reimbursement of funds to the hospital.
- ☒ Increase in own source revenue collection e.g. with the new SHIF and SHA, we expect to improve on revenue collection and other insurance companies, improvement of the billing systems etc.
- ☒ Automation of services through the County Government and Taifa care.
- ☒ An additional ambulance.

.....  
JA

**Dr. Jane Mwendu,**  
**Medical Superintendent and Secretary to the Board,**  
**Sultan Hamud Sub-County Hospital**



**7. Statement of Performance Against Predetermined Objectives**

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

Sultan Hamud Sub County Hospital has six strategic pillars/ themes/issues and objectives within the annual work Plan for the FY 2024 - 2025. These strategic pillars/ themes/ issues are as follows:

- a) Reduce communicable conditions
- b) Stop and reverse the rising burden of non-communicable conditions
- c) Provide essential health services
- d) Financial Stewardship
- e) Service Delivery

Sultan Hamud Sub County hospital develops its annual work plans based on the above 6 pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its five strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Reduce communicable conditions	Reducing transmission of HIV/AIDS.	The number of newly tested HIV clients.	The number of newly tested and counselled HIV clients as at FY 23/24 was 2133 and for FY 24/25 was 1545.  Sensitize the community on HIV/AIDS.  Screening of all the	In 23/24 FY 1545 clients were tested for HIV an achievement of 72%  One radio campaign was done to

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	Reduce the transmission of TB	OPD Cards with the filled active case finding tool.	patients attending the hospital  Increase the number of early identified TB cases from 147 to 153.	sensitize the community.  163 TB cases were identified hence 98% achievement rate.
Stop and reverse the rising burden of non- communicable conditions	Prevention of Alcohol and substance Abuse  Reduce the burden of Diabetes and hypertension	Number of community outreaches/clients done/reached.  Number of outreaches done.  Number of MOPC clinics done	Increase the number of clients reached from 1067 people to 700 through counselling services  Creating awareness to the community through health education and outreaches  Holding Medical outpatient clinics once a week	1795 clients were reached hence Achievement rate of 99%  MOPC clinics held each week
Provide essential health services	Reducing average length of hospital stay	Patient files with daily medical officer/clinician reviews.	Conducting daily ward rounds and 2 major ward rounds per week.  Reduce the average length of hospital	100% achievement  Monthly reports done

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		Commodity monthly reports	stay from 5 days to 4 days	The hospital supplemented commodities supplied by the county.
	Reducing facility based maternal mortality rate	Number of maternal mortalities and near misses reviewed and audited.	Reduce facility Maternal mortality rate from 1 to 0 by strengthening MPDSR. Ensuring all near misses are reviewed and all mortalities are audited.	Feedback reports and audits available All maternal mortalities and near misses were reviewed.
		Number of maternity open days done	Hold open maternity days on quarterly bases and daily health talks to sensitize mothers and community on danger signs.	Two open maternity days done.
	Increase the % of WRA receiving family planning services.	Number of women receiving FP services at the MCH department/monthly departmental reports.	To increase the WRA receiving FP services from 2341 to 2675. Sensitization of all health workers on FP methods	2429 clients received FP Services in the year translating to 97% achievement

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<p>Financial stewardship</p>	<p>To increase FIF collection from ksh 23Million the previous year to Ksh25 Million.</p> <p>Absorb all allocated funds</p>	<p>Bank statements Funsoft report</p> <p>Expenditure reports AIEs issued</p>	<p>Daily Monitoring of banking. Boosting the network from 15mbps to 40mbps. Employment of ICT clerk to trouble shoot issues</p> <p>Procured goods and services as per the budget plans</p>	<p>Over 100% achievement</p> <p>Network boosted by department of ICT. ICT clerk employed through the department.</p>
<p>Service delivery</p>	<p>Display and implementation of citizen service charter and hospital signage</p> <p>Resolution of all public complaints received.</p>	<p>Display service charter with services offered against the charges Improved signage to the hospital departments</p> <p>Minutes from the committee, suggestion box well displayed and customer desk in place</p>	<p>Provision of the hospital charter well displayed Signage of the hospital</p> <p>Formation of resolution committee, avail suggestion boxes and a customer care desk.</p>	<p>100% Achievement</p> <p>Over 95% of the public complaints were handled.</p>

## **8. Corporate Governance Statement**

At Sultan Hamud Sub County Hospital, the practice of good corporate governance ensures the delivery of sustainable services as well as meeting the needs of our stakeholders. Sultan Hamud Sub County Hospital is committed to ensuring that the needs of our customers and the expectations of our stakeholders are met while safeguarding the investments of the government of Kenya through the adoption of ethically driven business policies, procedures and processes.

We believe that our business affairs should be carried out in a fair, transparent and accountable manner. It is our integral responsibility to disclose timely and accurate information on our financials and performance as well as provide leadership and effective governance for the Hospital.

### ***Governance Principles and Guidelines***

#### **Appointment of board members**

The board members are appointed via a gazette notice.

The following was the appointment criteria for the facility HMC members.

<b>S/NO</b>	<b>TITLE</b>	<b>OFFICE</b>	<b>NAME</b>
1.	Chairperson	Non Executive	Major Leonard Kasyoka Kyengo
2.	Secretary	Facility in Charge	Dr Jane Mwendu
3.	Member	Sub County Medical officer of health	Dr Charles Mulwa
4.	Member	FBO	Margaret Mutia
5.	Member	Professional Body	Mr Christopher Kyengo
6.	Member	FBO	Mr Duncan Nziu

#### **Roles and Functions of the HMC- Board**

The Sultan Hamud Sub County Hospital Board of Management is responsible for the overall governance of the Hospital and is accountable to the Government of Makueni County for ensuring that the Hospital complies with the law and the highest standards of best practices corporate governance and business ethics.

The members of the Board are committed to fostering a culture that values ethical behavior, integrity and respect and the need to conduct business and operations of the Hospital in accordance with generally accepted corporate practices. The Members believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

The Board is vested with powers and authority as provided in Legal Notice and other relevant laws of Kenya. In discharging its mandate, the Board is guided by the Board Charter, Code of Conduct and Ethics, and Board Manual to effectively fulfill its corporate governance responsibility towards stakeholders.

The Board provides oversight to the Management and ensures the employees operate within the Code of Conduct and Ethics; Public Officers and Ethics Act; Leadership and Integrity Act.

### **Board Organization and Structure (Hospital Management Committee HMC)**

#### **Board Size, Composition and Appointment**

The Sultan Hamud Sub County Hospital Board of Management comprises eleven (6) members including the Medical Superintendent who is also the secretary to the board. After selection, the board members are gazetted.

The Board is well composed in terms of range and diversity of skills, knowledge, academic qualifications, gender, age and experience in various sectors which makes it effective and provides balance for the oversight role of the Board's mandate.

The chairperson of the committee is non-executive appointed by the County Executive Committee member Department of Health. His duties and responsibilities are well stipulated in the Makueni County Health Service Act 2017.

#### **Independence, Separation of Roles and Responsibilities**

The primary responsibility of the Board is to provide leadership and strategic direction to the Hospital to enhance value. They link the facility to the community and also help foster the agenda of the institution to the community members. The Board Members are expected to exercise the highest degree of care, skill and diligence in discharging their duties.

The roles and responsibilities of the Board and the Medical Superintendent remain distinct and separate which ensures a balance of power of authority and provides for checks and balances such that no one individual has unfettered power of decision making. The Board provides oversight to the Hospital's top management and has unrestricted access to timely and relevant information. The members are also empowered to seek independent professional advice on Hospital business at its expense where necessary.

The Chairman provides overall leadership without limiting the principles of collective responsibility for Board's decisions. The Chairman builds an effective Board and sets the Board agenda in consultation with the Secretary/ Medical Superintendent and ensures effective communication to stakeholders.

The Medical Superintendent is responsible to the Board and takes the overall responsibility for the day to day management of the Hospital. The medical Superintendent recommends the strategy of operations to the Board and implements it and makes operational decisions. In addition, as Secretary to the Board, the Medical Superintendent ensures appropriate and timely information flows within the Board, its committees and management.

The Board Secretary is in attendance of all Board meetings to provide guidance to the Board on their duties and responsibilities; on matters of governance; and to provide efficient services including coordinating induction and training of new members, preparation for board meetings and maintaining a record of the same, disseminating action material for management.

### **Principal Board Activities**

**1. Strategy and business plans:** The Board is responsible for establishing short and long-term goals of the Hospital and develops strategies to achieve these goals and monitor the hospital's performance against these set goals. During the year, the Board considered progress against the 2024/2025 Hospital strategic themes and reviewed the 2024/2025 strategic objectives, business plans, budgets and one year forecast.

**2. Clinical services:** The Board oversees the business affairs of the Hospital in light of emerging issues, risks and opportunities. During the year, the Board considered reports from clinical services on a regular basis, focusing on matters such as the review and development of clinical indicators, patient safety, infection prevention and control, accreditation and clinical information systems across the Hospital.

**3. Financial performance, accountability and reporting:** The Board is responsible for spearheading preparation, approving and reviewing quarterly budgets.

### **Board Membership and Attendance of Meetings**

The Board holds regular meetings at least once in three months and supplementary meetings are held as and when necessary. In case of non-attendance due to other commitments, such information is communicated to the Chairman prior to the date of the scheduled meeting.

### **Board Committees and Responsibilities**

- The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.
- Each committee is guided by the Committee Charter/Terms of Reference, which outlines its responsibilities as mandated by the Board and is reviewed on a yearly basis. The committees are appropriately constituted, drawing membership from amongst the Board members with appropriate skills and experience.
- The committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the Board. Matters deliberated by the committees are presented to the Board by the respective Chairman during the next board meeting.
- The Board has the following two (2) standing committees, which hold regular meeting four (4) times a year and supplementary meetings as and when necessary.

These committees are:-

- Finance and General-Purpose Committee
- Quality Health Care/ Primary Health Care National Hospital

The responsibilities and attendance of meetings during the year is as summarized below: -

#### ***Finance and General-Purpose Committee***

The Committee which is comprised of six members is charged with the responsibility of advising the board as well as scrutinizing the Hospital quarterly expenditure.

#### ***Quality Health Care / Primary Health Care Committee***

The Committee is tasked with identifying health care service problems in the Hospital and ensuring that they are resolved; review any changes on policy issues on standards, quality assurance and research;

liaise with the Medical Superintendent on matters of quality health care delivery; and undertake comprehensive quarterly evaluation of standards, quality assurance programs in the hospital.

The Committees held quarterly meetings during the year and on top also attended meetings to discuss emergency AIE allocations in the year under review. These AIE meetings were over and above the quarterly meetings. This ensured that the members were well versed with the expenditures.

#### **Board members Remuneration**

During every Board meeting, present members are entitled to a sitting allowance, lunch allowance (in lieu of lunch) and transport reimbursement as per the circular of 2<sup>nd</sup> November 2010 ref number MSPS/2/1A VOL. XL (121).

#### **Ethics and conduct**

The Board members and Hospital staff have a fiduciary duty to act honestly and in the best interest of the Hospital. Business transactions with all parties must be carried out at arm's length and with integrity. The Board provides effective leadership based on ethical foundation and ensures all deliberations, decisions and actions are based on the Boards' core values underpinning good governance.

The Board members enhance good relationships to foster teamwork among Board members and staff and to build respect, confidence and credibility within the community.

The Board members and staff are expected to adhere to ethical and acceptable behavior in conducting their duties and responsibilities. All members and employees are expected to avoid activities and financial interests that could undermine their responsibilities to the Hospital.

The Board also handles matters of Public complaints that are aimed at protecting staff who act in good faith to disclose or report any acts of malpractice, alleged dishonesty, corruption, illegality, wrong-doing or omissions by employees.

### **Relationship with Stakeholders**

The Board appreciates that stakeholder perception affects the organization's reputation. The Board therefore strives to achieve an appropriate balance between its various stakeholders in the best interest of the organization by taking into account their legitimate interest and expectations in decision making.

The Board values the importance of complete, timely, transparent and effective communication with its stakeholders for building and maintaining their trust and confidence by providing regular information on its performance, activities and addressing their concerns whilst having regard to legal and strategic considerations.

Additionally, the Board has dedicated staff to deal with complaints and public relations effectively, efficiently and as expeditiously as possible. The Board has an established mechanism of receiving, resolving and giving feedback on complaints referred to it from stakeholders.

The Hospital's Service Charter has been cascaded to all staff and displayed at a strategic location, which is monitored on a regular basis. The Charter stipulates the service delivery timelines, commitments and expectations of Sultan Hamud Sub County Hospital customers. During the year, the level of customer satisfaction on the Hospital's services was good. The Board is committed to continually improve access to information by the public and provision of efficient and quality specialized healthcare services to the public.

### **Succession plan**

The board members are engaged on a three year renewable term. After their term is over, they are vetted and gazetted a fresh.

**9. Management Discussion and Analysis**

In the financial year ended 30<sup>th</sup> June 2025, facility fared very well in terms of workload and financial performance. The following is the performance report both operational and financial performance of the organization during the period.

The information is presented using tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible. The information also should show trend for the last three years.

**Compliance with statutory requirements**

During the year under review, the entity complied with the statutory requirements. These include KRA taxes, NSSF, SHIF and Housing Levy deductions were paid adequately.

**Major risks facing the organization**

Like any other organization, the facility faces major risks, these include but not limited to:

<b>Category</b>	<b>Specific Challenges</b>
Funding & Finance	Delayed reimbursements, waivers and exemptions, UHC programs not funded, budget unpredictability.
Human Resources	Acute staff shortages, turnover, burnout, lack of specialization
Infrastructure & Equipment	Limited ICU/HDU capacity, diagnostic gaps, unreliable power, poor facility standards, Machine breakdowns
Transport & Referrals	No reliable transport, poor roads, delayed transfers, inadequate ambulances
Disease Burden	High maternal/child mortality, infectious diseases, lack of mental health services, rising burden of NCDs
Governance & Leadership	Negative political Interference.
Socioeconomic & Geographic	Poverty, low health literacy, long travel times, language barriers
Land Issues	Lack of a title deed, encroachment

### Clinical/operational performance

Years	2021	2022	2023	2024	2025
<b>Population Total</b>	22,629	22,901	23,800	29,700	30,383
<b>Population Female</b>	11,405	11,542	11,996	15,444	15,799
<b>Population Male</b>	11,224	9,520	11,805	14,256	14,583
<b>Households</b>	5,627	5,725	5,825	7,425	7,596
<b>Population under 1 year</b>	453	458	476	653	668
<b>Population under 5 years</b>	2,209	2,235	2,309	4,217	4,314
<b>Population under 15 years</b>	7,886	7,969	8,283	13,068	13,368
<b>Population 15-24 years</b>	4,644	4,695	4,879	5,049	6,077
<b>Women of childbearing age (15–49yrs)</b>	5,569	5,635	5,855	6,831	6,988
<b>Estimated Number of Pregnant Women</b>	520	527	548	713	729
<b>Estimated Deliveries</b>	498	504	524	683	710
<b>Estimated live births</b>	475	481	500	683	710
<b>Neonates 0-28 days</b>	59	60	62	416	91
<b>Population 25-59 years</b>	7,956	8,052	8,354	9,177	9,692
<b>Population over 60 years</b>	2,143	2,169	2,238	2,049	2,066

### Bed capacity of the hospital

	Maternity	Post C/S	Female	Male	Paeds	Nbu	Isolation	Casualty	Totals
<b>Authorized beds</b>	8	18	18	9	4	0	1	2	60
<b>Physical beds</b>	8	17	18	9	4	0	1	2	59
<b>Authorized cots</b>	0	0	0	0	2	2	0	0	4
<b>Physical cots</b>	0	0	0	0	2	0	0	0	2
<b>Authorized incubator</b>	0	0	0	0	0	5	0	0	5
<b>Physical incubator</b>	0	0	0	0	0	4	0	0	4

**Bed capacity =67**

**Physical beds =65**

**HOSPITAL BED CAPACITY**

	Maternity	Post C/S	Female	Male	Paeds	Nbu	Isolation	Casualty	Totals
Authorized beds	8	18	18	9	4	0	1	2	60
Physical beds	8	17	18	9	4	0	1	2	59
Authorized cots	0	0	0	0	2	2	0	0	4
Physical cots	0	0	0	0	2	0	0	0	2
Authorized incubator	0	0	0	0	0	5	0	0	5
Physical incubator	0	0	0	0	0	4	0	0	4

**Bed Capacity = 67, Physical Beds = 65**

**TOP TEN > 5 YEARS CONDITIONS**

<b>DISEASES (New Cases Only)</b>	<b>Number of cases</b>
Upper Respiratory Tract Infections	2729
Other injuries	2698
Dental Disorders	1836
Urinary Tract Infections	1779
Arthritis, Joint pains etc.	1123
Diseases of the skin	601
Eye Infections/Conditions	581
Muscular skeletal conditions	495
Pneumonia	478
Amoebiasis	406
Sexual Violence	356

**TOP TEN < 5 YEARS CONDITIONS**

<b>DISEASES (New Cases Only)</b>	<b>Number of cases</b>
Upper Respiratory Tract Infections	1719
Pneumonia	547
Tonsillitis	462
Diarrhoea with no dehydration	397
Diseases of the skin	282
Other injuries	273
Eye Infections	191
Neonatal Sepsis	171
Other Convulsive Disorders	106
Amoebiasis	98
Diarrhoea with some dehydration	82

**TOP TEN MORTALITY CAUSE -NEONATES**

	<b>DIAGNOSIS</b>	<b>Number of cases</b>
1	Pneumonia	3
2	Birth Asphyxia	3
3	Sepsis	2
4	Cardiopulmonary Failure	2
5	meningitis	1
6	Meconium Aspiration	1
7	Hypoxic scheme encephalopathy	1
8	Respiratory Distress Syndrome	1

**TOP TEN MORTALITY CAUSE –PAEDS**

	<b>DIAGNOSIS</b>	<b>Number of cases</b>
1	Malnutrition	8
2	Pneumonia	7
3	Anaemia	6
4	Cardiopulmonary Failure	5
5	Dehydration	5
6	Shock	5
7	Sepsis due to Gum cutting	3
8	Severe Acute Malnutrition	3
9	Meningitis	3
10	Septicaemia	3

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**TOP TEN MORTALITY CAUSE ADULTS**

	<b>DIAGNOSIS</b>	<b>Number of cases</b>
1	Cardiopulmonary/heart disease	33
2	Pulmonary tuberculosis	28
3	Anaemia	22
4	Diabetes	19
5	Hypertension	19
6	Pneumonia	19
7	Retroviral Disease	16
8	Bedsore/pressure sores	15
9	Cancer	8
10	Septicaemia	8
11	Meningitis	7

**GENERAL OPD CLIENTS**

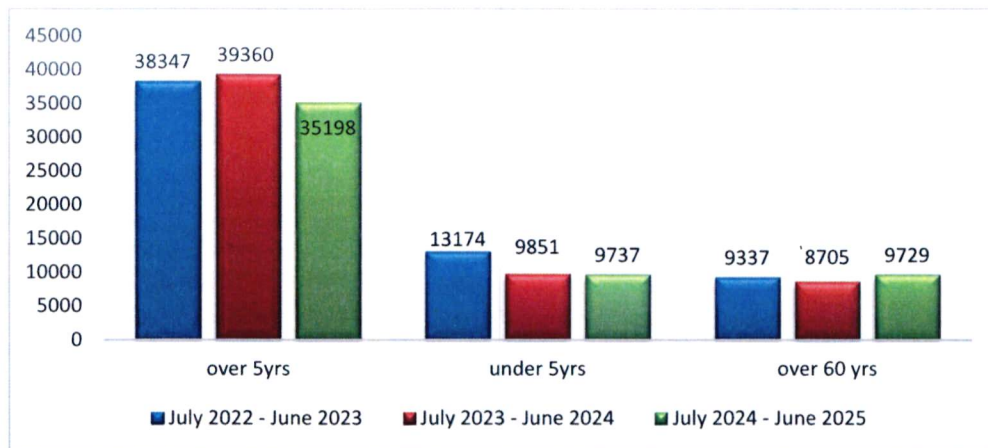
	<b>Jul-24</b>	<b>Aug-24</b>	<b>Sep-24</b>	<b>Oct-24</b>	<b>Nov-24</b>	<b>Dec-24</b>	<b>Jan-25</b>	<b>Feb-25</b>	<b>Mar-25</b>	<b>Apr-25</b>	<b>May-25</b>	<b>Jun-25</b>	<b>TOTALS</b>
<b>over 5yrs</b>	3782	3209	3389	3267	2438	2245	2967	2655	2570	2699	3187	2790	<b>35198</b>
<b>under 5yrs</b>	869	838	991	923	619	600	685	843	861	792	903	813	<b>9737</b>
<b>over 60 yrs</b>	783	796	797	776	764	699	827	719	742	939	1019	868	<b>9729</b>
<b>TOTALS</b>	<b>5434</b>	<b>4843</b>	<b>5177</b>	<b>4966</b>	<b>3821</b>	<b>3544</b>	<b>4479</b>	<b>4217</b>	<b>4173</b>	<b>4430</b>	<b>5109</b>	<b>4471</b>	<b>54664</b>

The above table demonstrates the total OPD workload for the FY 2024/2025.

	<b>over 5yrs</b>	<b>under 5yrs</b>	<b>over 60 yrs</b>
July 2022 - June 2023	38347	13174	9337
July 2023 - June 2024	39360	9851	8705
July 2024 - June 2025	35198	9737	9729

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**TOTAL OPD WORKLOAD**



The attendance for patients over 5 yrs in FY 2024/25, the data went down as compared to the previous financial years. This could be attributed to disease trends and with introduction of SHA, this has enabled patients to seek services in either public or private hospitals.

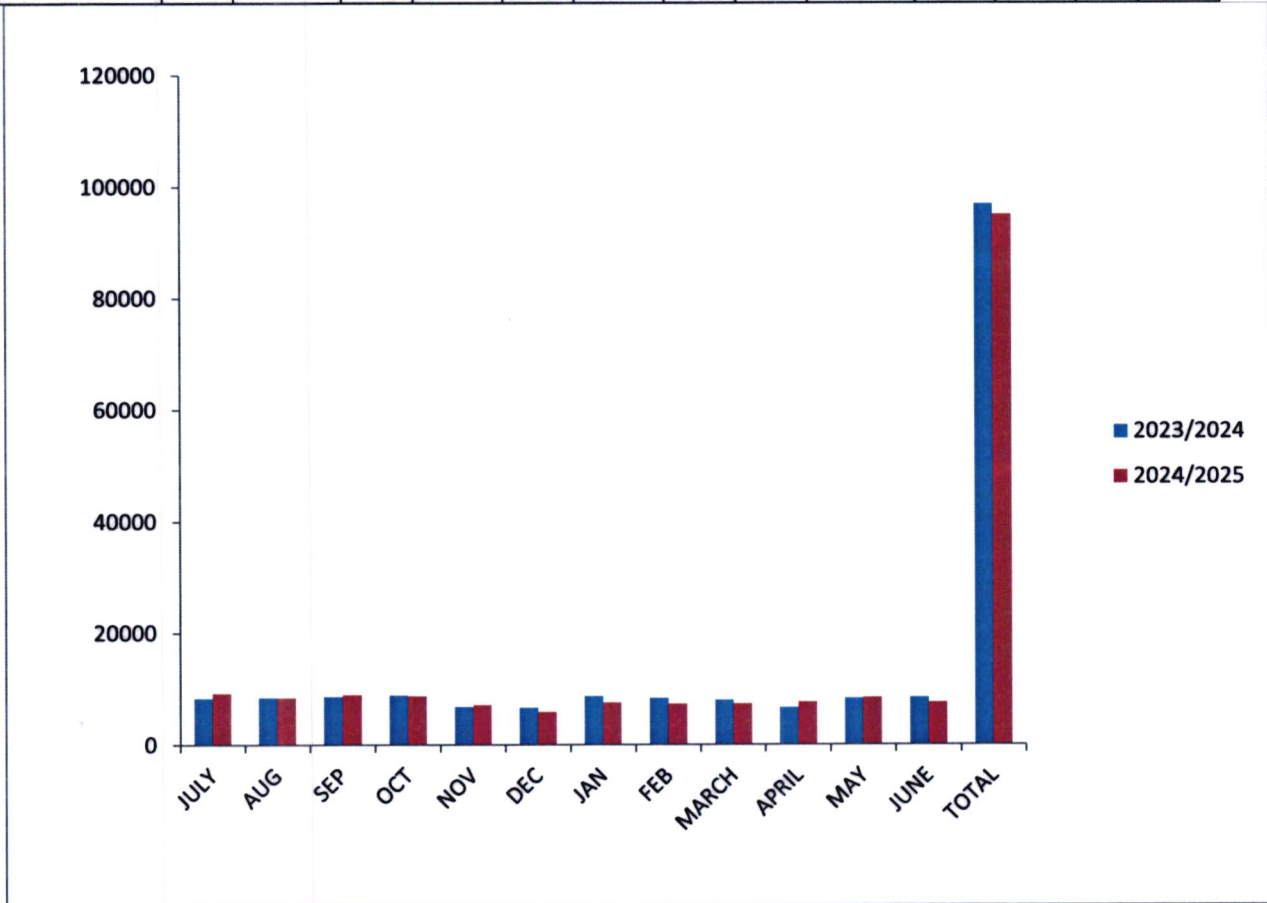
Under 5 yrs and over 65 yrs had minor variations in the financial years stated.

**TOTAL OPD SERVICES**

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	TOTAL S
General OPD	5434	4843	5177	4966	3821	3544	4479	4217	4173	4430	5109	4471	54664
Special Clinic	1701	1471	1542	1652	1515	956	1399	1380	1360	1504	1529	1340	15807
MCH/FP	1970	1918	2025	1945	1624	1259	1501	1556	1653	1591	1695	1613	18325
Dental Services	224	279	272	217	228	198	261	221	202	172	215	234	2723
<b>TOTAL OPD SERVICES</b>	<b>9329</b>	<b>8511</b>	<b>9016</b>	<b>8780</b>	<b>7188</b>	<b>5957</b>	<b>7640</b>	<b>7374</b>	<b>7388</b>	<b>7697</b>	<b>8548</b>	<b>7658</b>	<b>86070</b>

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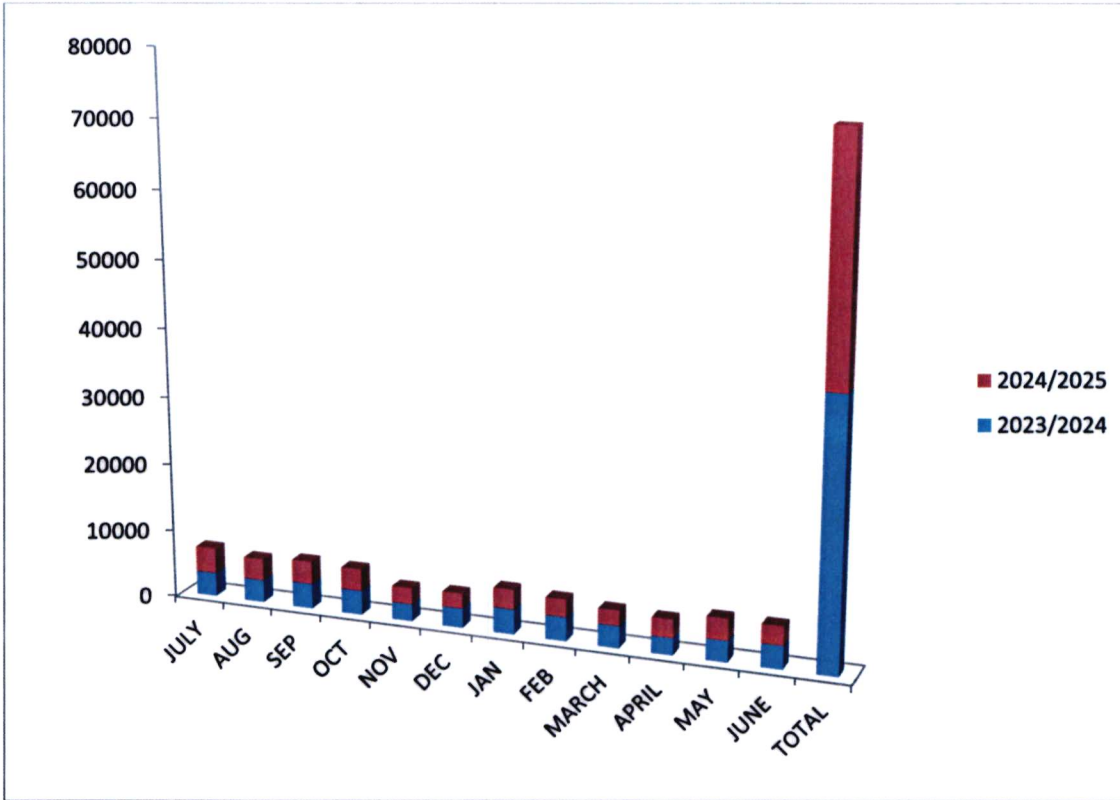
	JUL Y	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARC H	APRI L	MAY	JUN E	TOT AL
<b>2023/2024</b>	8441	8544	8705	8896	6848	6668	8737	8425	8036	6661	8363	8518	96842
<b>2024/2025</b>	9329	8511	9016	8780	7188	5957	7640	7374	7388	7697	8548	7658	95086



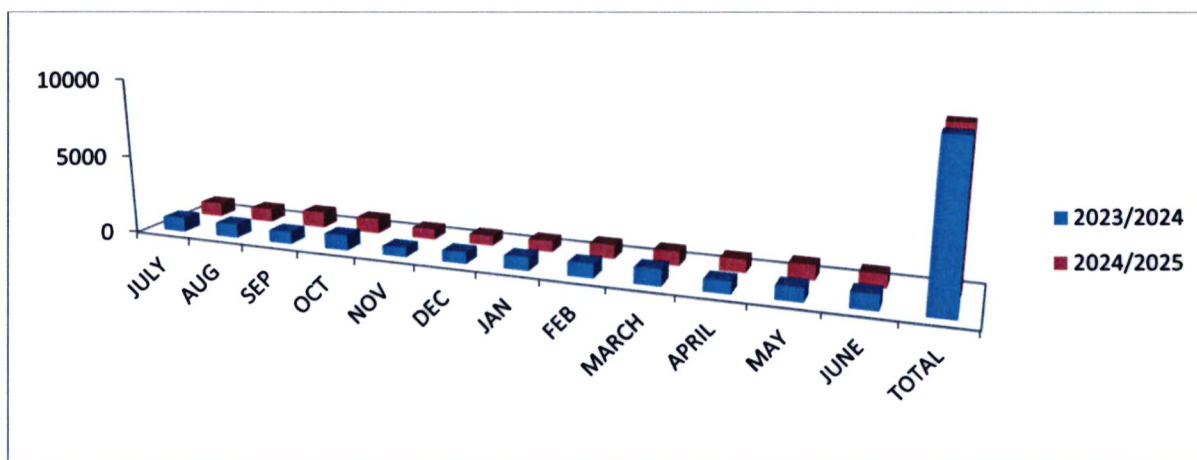
**OVER 5  
YEARS**

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
<b>2023/2024</b>	3555	3383	3761	3649	2561	2882	3721	3541	3238	2506	3133	3430	39360
<b>2024/2025</b>	3782	3209	3389	3267	2438	2245	2967	2655	2303	2699	3187	2790	34931

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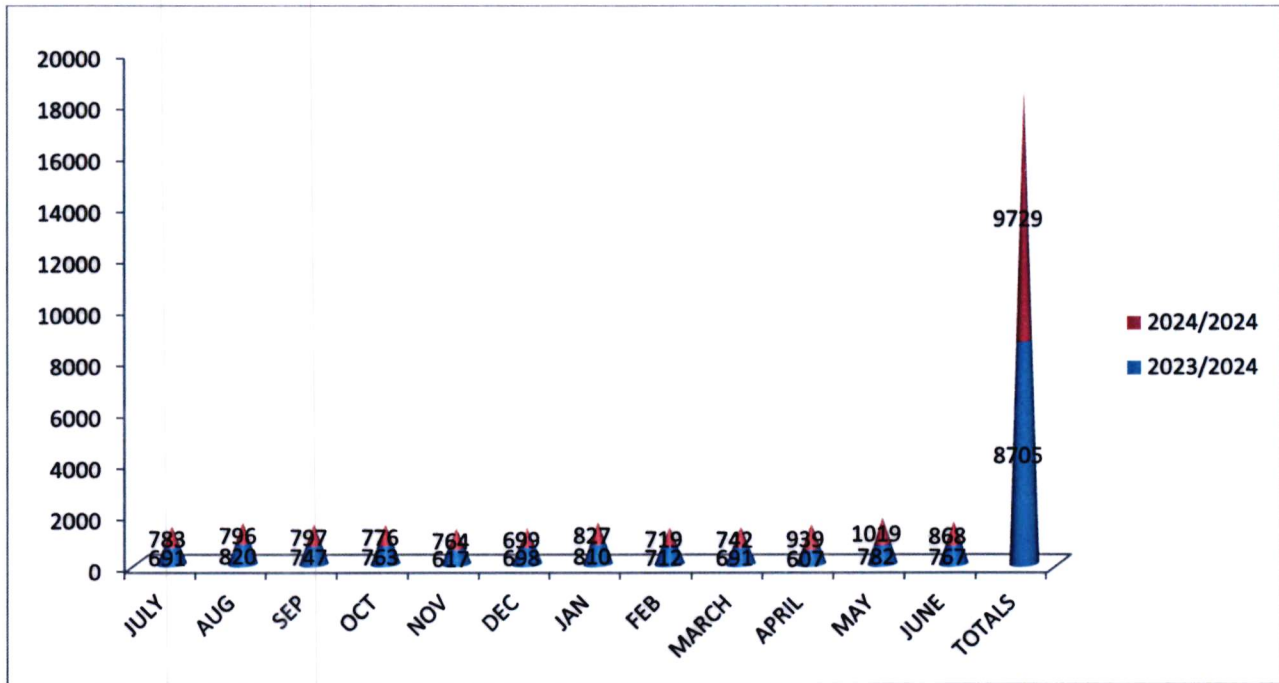
UNDER 5 YEARS													
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
<b>2023/2024</b>	878	843	758	940	568	701	814	859	991	735	825	939	9851
<b>2024/2025</b>	869	838	991	923	619	600	685	843	861	792	903	813	9737



**OVER 60 YEARS**

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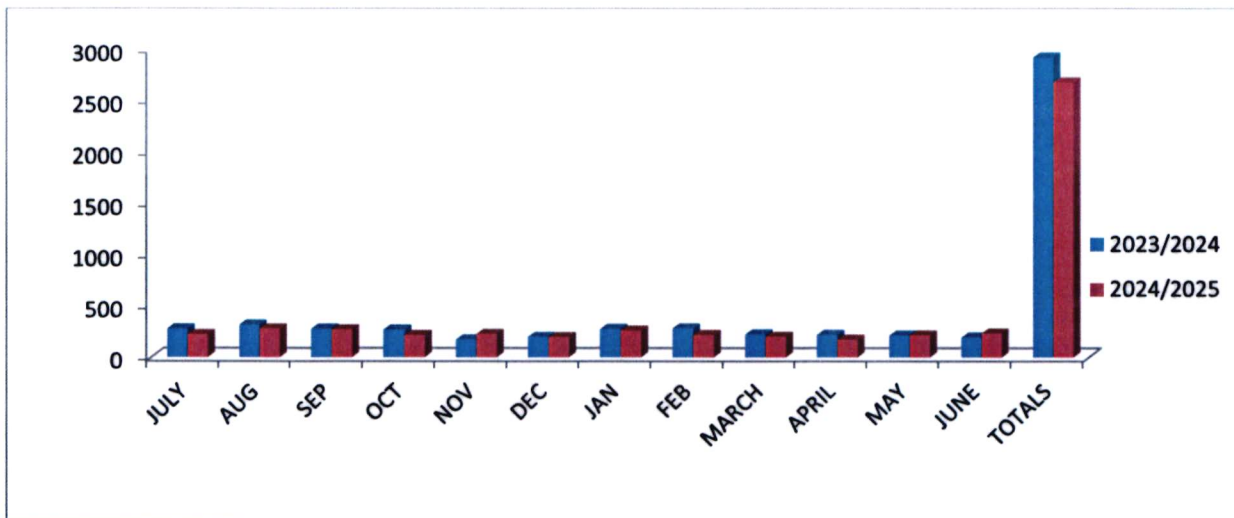
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTALS
<b>2023/2024</b>	691	820	747	763	617	698	810	712	691	607	782	767	8705
<b>2024/2024</b>	783	796	797	776	764	699	827	719	742	939	1019	868	9729



**DENTAL**

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MA	JUN	TOTAL
									CH	IL	Y	E	S
<b>2023/2024</b>	278	317	277	269	173	198	275	283	223	219	212	194	2918
<b>2024/2025</b>	224	279	272	217	228	198	261	219	202	172	215	234	2676

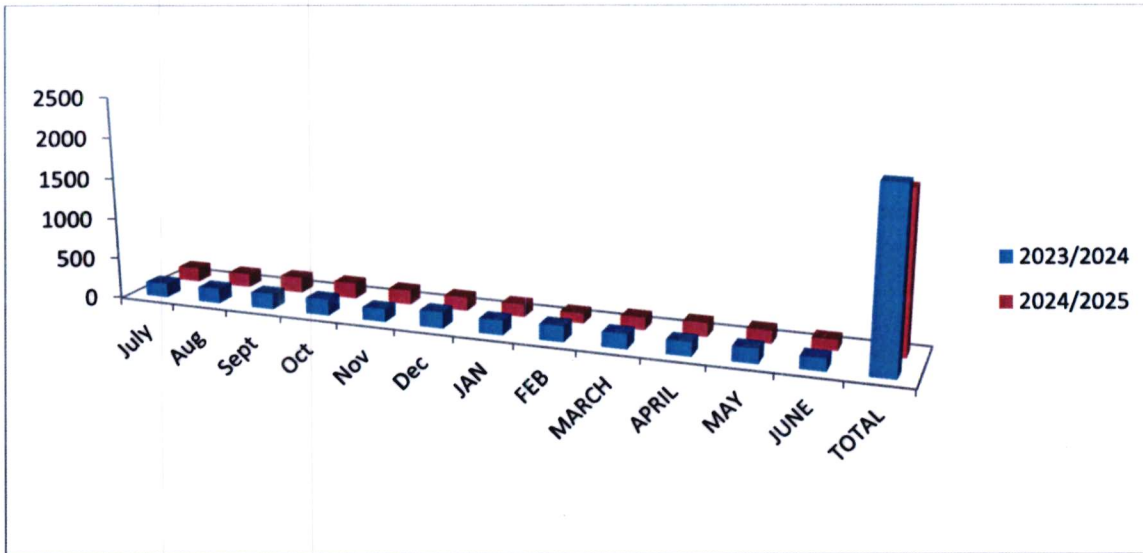
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**DELIVERIES**

MONTH	2023/2024	2024/2025
<b>July</b>	170	170
<b>Aug</b>	181	166
<b>Sept</b>	188	190
<b>Oct</b>	195	190
<b>Nov</b>	155	175
<b>Dec</b>	198	162
<b>JAN</b>	177	151
<b>FEB</b>	191	120
<b>MARCH</b>	180	148
<b>APRIL</b>	170	165
<b>MAY</b>	177	157
<b>JUNE</b>	150	128
<b>TOTAL</b>	2132	1922

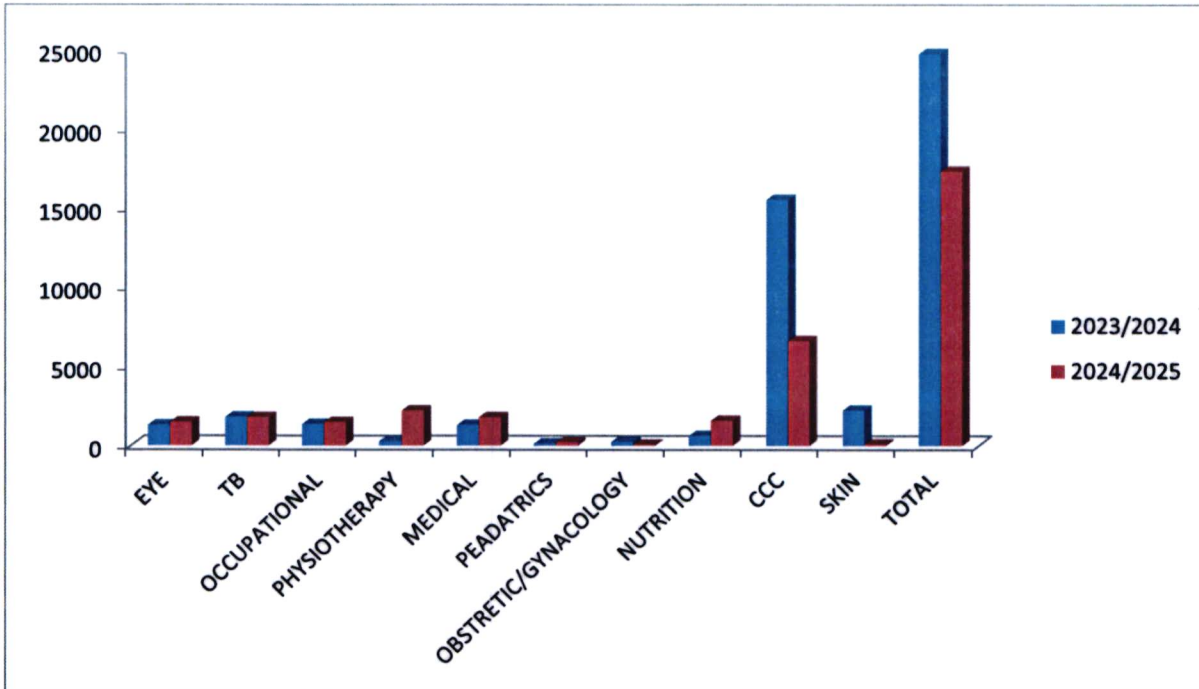
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**SPECIAL CLINCS**

CLINIC	2023/2024	2024/2025
EYE	1295	1487
TB	1802	1788
OCCUPATIONAL	1355	1484
PHYSIOTHERAPY	262	2218
MEDICAL	1292	1795
PEADATRICS	115	209
OBSTRETIC/GYNACOLOGY	238	61
NUTRITION	618	1584
CCC	15559	6639
SKIN	2234	93
TOTAL	24770	17358

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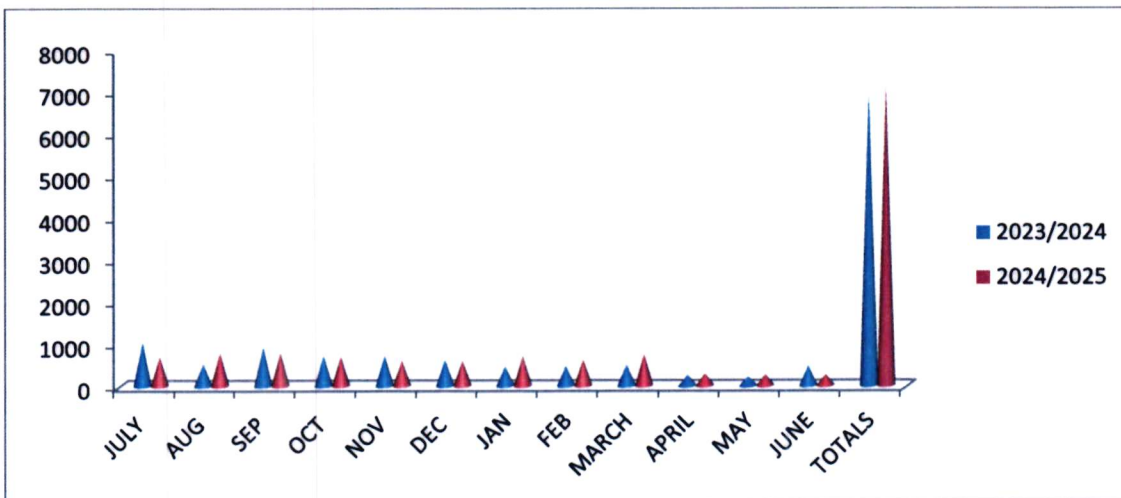
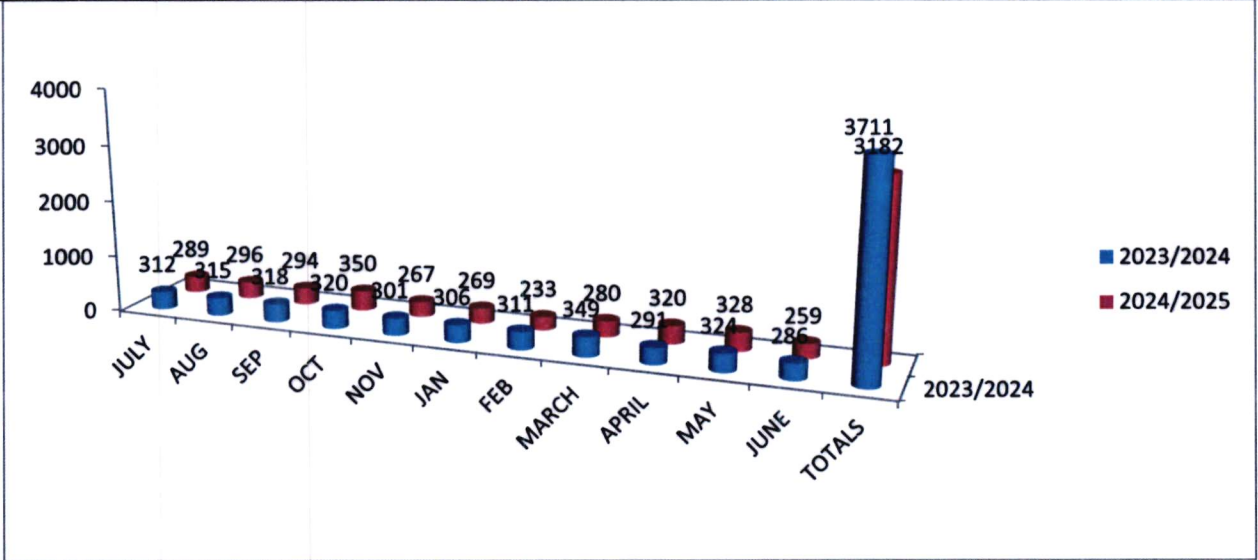
**ADMISSIONS**

	JULY	AUG	SEP	OCT	NOV	JAN	FEB	MARC H	APR IL	MA Y	JUN E	TOTA LS
<b>2023/2024</b>	312	315	318	320	301	306	311	349	291	324	286	3711
<b>2024/2025</b>	289	296	294	350	267	269	233	280	320	328	259	3182

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**X-RAY DEPARTMENT**

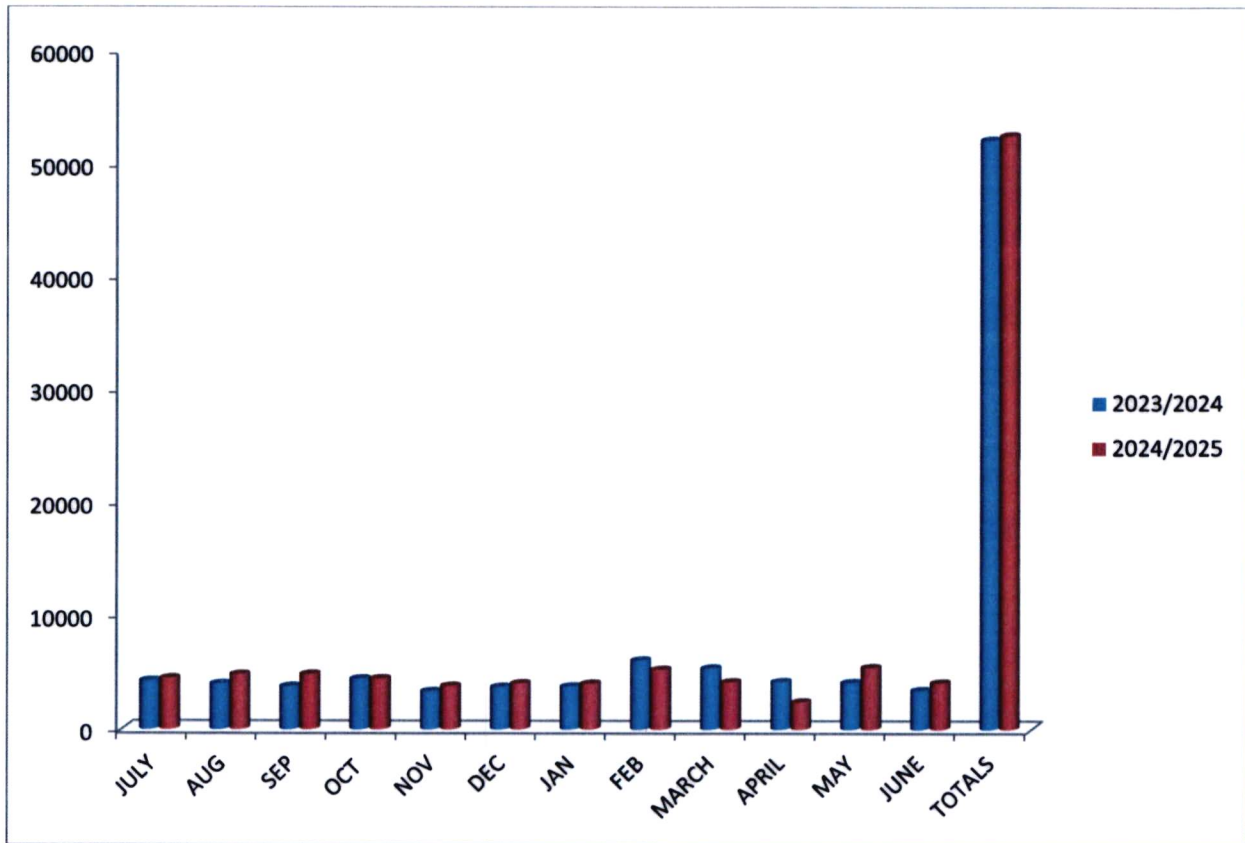
	JUL Y	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARC H	APR IL	MA Y	JUN E	TOTA LS
<b>2023/2024</b>	1025	522	920	713	713	613	466	465	489	258	214	466	6864
<b>2024/2025</b>	694	790	792	703	601	599	715	618	755	288	273	262	7090



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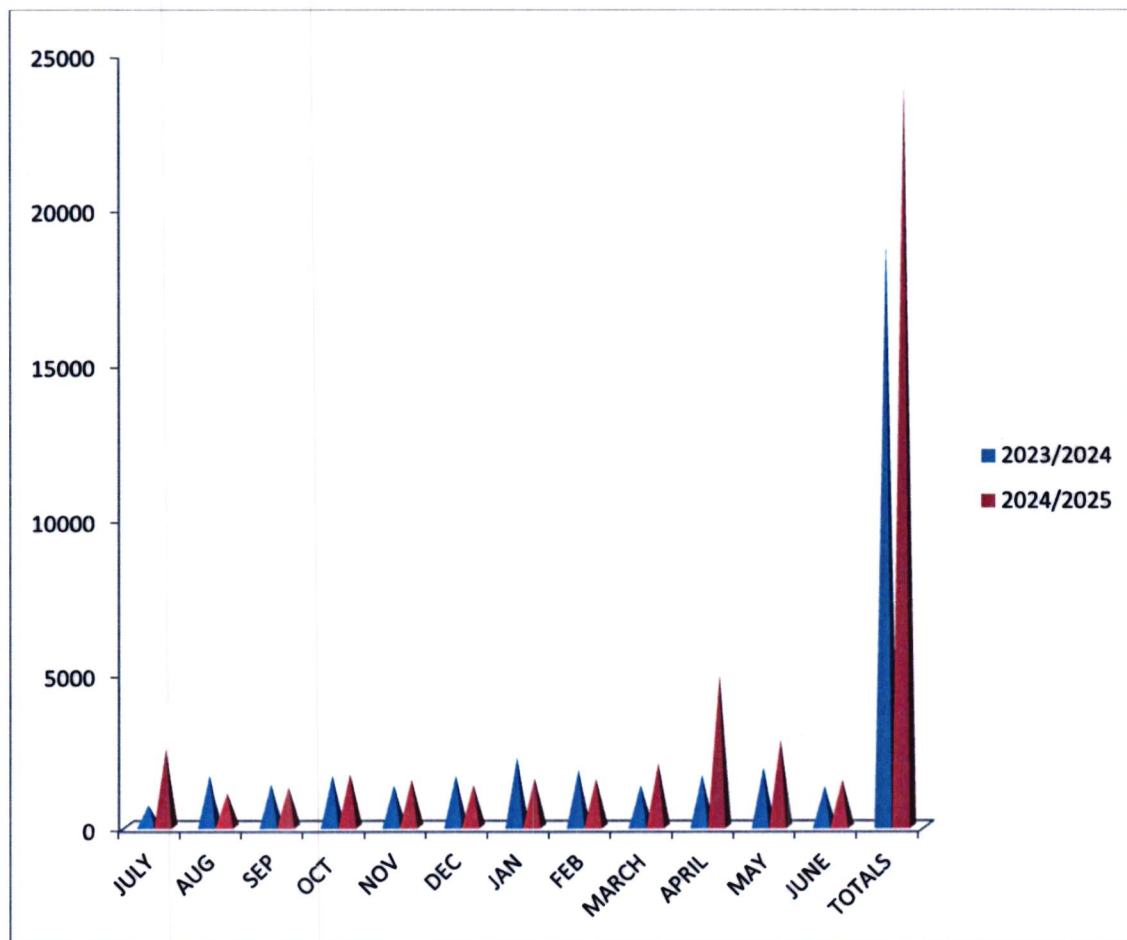
**LABORATORY ROUTINE TESTS**

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTALS
<b>2023/2024</b>	4320	4051	3828	4500	3384	3769	3816	6161	5450	4236	4162	3461	52138
<b>2024/2025</b>	4551	4898	4920	4519	3862	4099	4070	5330	4210	2422	5513	4141	52535



**LABORATORY SPECIAL TESTS**

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTALS
<b>2023/2024</b>	701	1658	1382	1671	1345	1656	2248	1844	1358	1679	1922	1296	18850
<b>2024/2025</b>	2532	1098	1297	1726	1535	1362	1576	1557	2065	4966	2825	1529	24068



		JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTALS
<b>COMMON DRUGS</b>	<b>2023/2024</b>	8685	3383	3781	3649	2561	2882	3721	3721	3238	2506	3133	4030	45290
	<b>2024/2025</b>	3792	3209	3889	3267	3076	2644	2564	2655	2472	2644	3104	2790	36096

**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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<b>ANTIBIOTICS</b>	<b>2023/2024</b>	5211	2029	2268	2554	2304	2594	2604	2604	2266	1754	1879	3022	31089
	<b>2024/2025</b>	2269	2567	2233	2980	2620	1783	887	1043	1040	1060	1311	902	19793
<b>SPECIAL DRUGS</b>	<b>2023/2024</b>	2563	2706	3024	2189	2048	2307	2232	2976	2104	1628	2036	2821	28634
	<b>2024/2025</b>	2269	2567	2233	2980	2620	1783	1402	1484	1150	1125	1019	968	21600
<b>DRUGS FOR CHILDREN</b>	<b>2023/2024</b>	878	844	758	940	568	701	814	859	991	735	1167	939	10194
	<b>2024/2025</b>	869	1181	991	923	619	600	685	843	861	792	903	813	10080

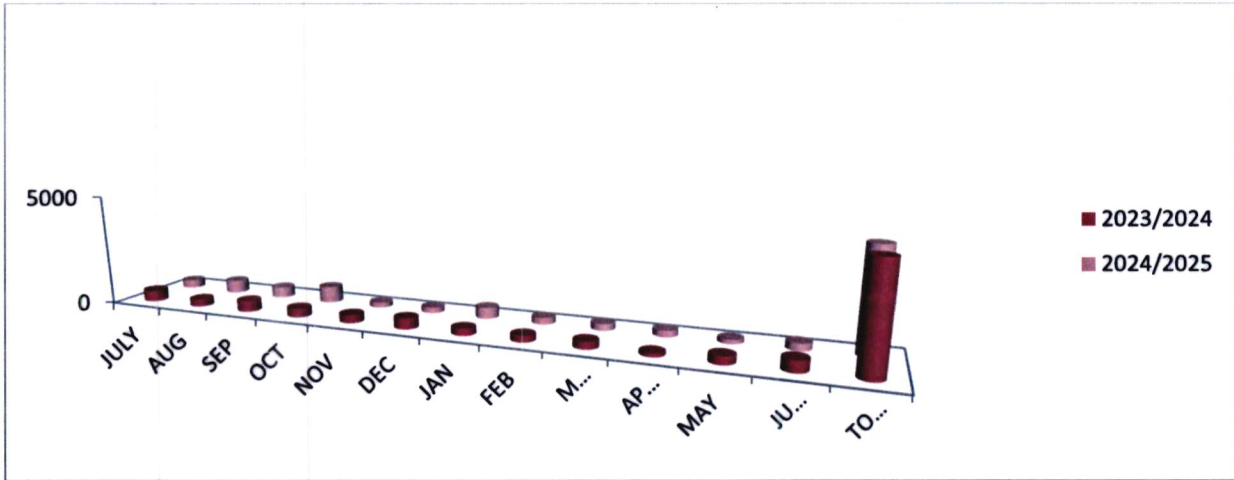
**MORTARITY RATE / BED CAPACITY AND BED OCCUPANCY RATE**

<b>YEAR</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
<b>ALOS</b>	1.7	3	3.2
<b>MORTARITY RATE</b>	4.30%	3.70%	4.80%
<b>BED CAPACITY</b>	61	67	67
<b>BED OCCUPANCY RATE</b>	69%	73%	74%

**ORTHOTRAUMA**

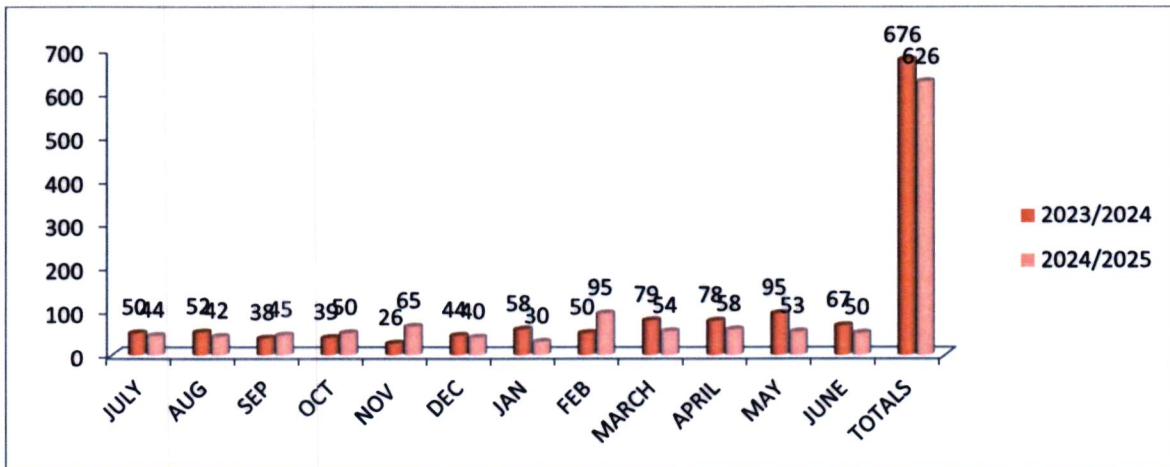
	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MARC</b>	<b>APR</b>	<b>MA</b>	<b>JUN</b>	<b>TOTA</b>
	<b>Y</b>								<b>H</b>	<b>IL</b>	<b>Y</b>	<b>E</b>	<b>L</b>
<b>2023/2024</b>	501	335	504	406	375	488	312	297	335	159	352	515	4579
<b>2024/2025</b>	373	570	470	724	237	254	502	295	297	282	182	312	4498

**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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**OPERATIONS**

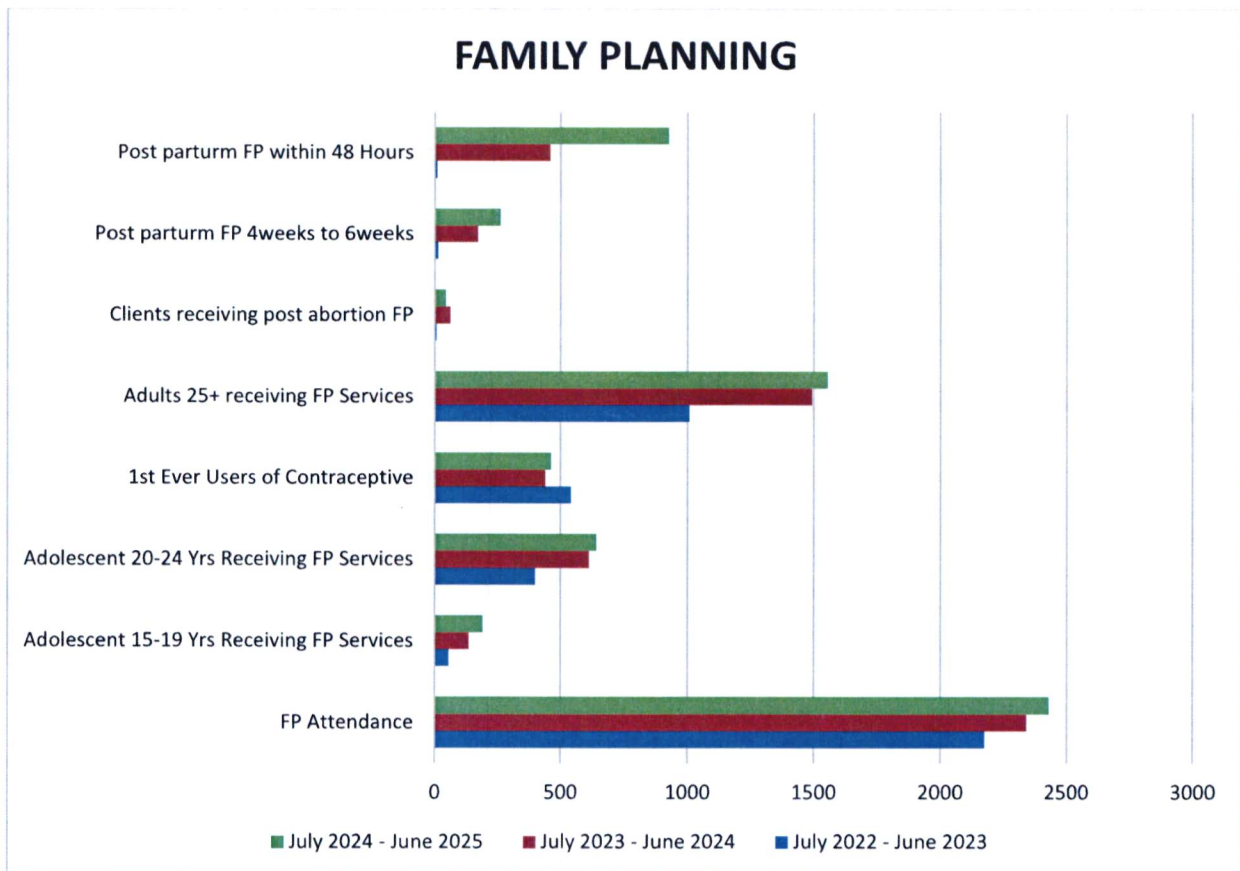
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTALS
<b>2023/2024</b>	50	52	38	39	26	44	58	50	79	78	95	67	676
<b>2024/2025</b>	44	42	45	50	65	40	30	95	54	58	53	50	626



**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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**FAMILY PLANNING**

	FP Attendance	Adolescent 15-19 Yrs Receiving FP Services	Adolescent 20-24 Yrs Receiving FP Services	1st Ever Users of Contraceptive	Adults 25+ receiving FP Services	Clients receiving post abortion FP	Post partum FP 4weeks to 6weeks	Post partum FP within 48 Hours
2022 /2023	2174	55	399	541	1008	6	12	8
2023/ 2024	2341	135	615	441	1493	61	171	460
2024/ 2025	2429	191	641	462	1555	42	261	925



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

**ANC**

	ANC Attendance	ANC Client Supplemented with Combined Iron and Folate	ANC Client tested for syphilis	Clients with Hb <11g/dl	New ANC clients	No. Adolescents (15-19 years) Presenting With Pregnancy at 1st ANC Visit	Pregnant women completing 4 ANC visits	No. clients with 1st ANC contact at 12 or less weeks	No. of clients completed 8th ANC Contact
2022/2023	2964	3171	1023	250	1036	203	534	115	35
2023/2024	4687	4518	1298	349	1048	107	1193	311	224
2024/2025	4235	4234	1288	333	878	83	991	347	380

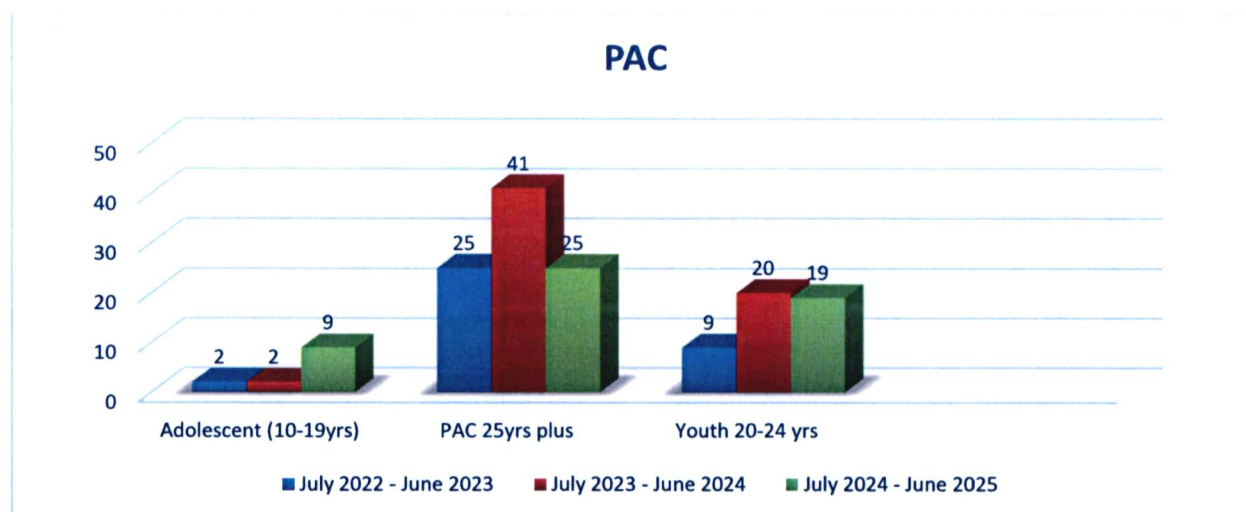
**MATERNITY**

FY	Breach Delivery	Caesarian Sections	Deliveries from HIV+ve Women	Fresh Still Birth	Live birth	Low Birth Weight <2500gms	Macerated still Birth	Normal Deliveries	Pre-term babies	Neonates initiated on Kangaroo Mother Care
2022/2023	15	389	45	8	2001	121	18	1623	82	68
2023/2024	15	464	77	10	2113	135	23	1653	84	174
2024/2025	13	477	70	14	1900	162	23	1432	117	129

**PAC**

MONTHS	Adolescent (10-19yrs)	PAC plus	Youth 20-24 yrs
July 2022 - June 2023	2	25	9
July 2023 - June 2024	2	41	20
July 2024 - June 2025	9	25	19

**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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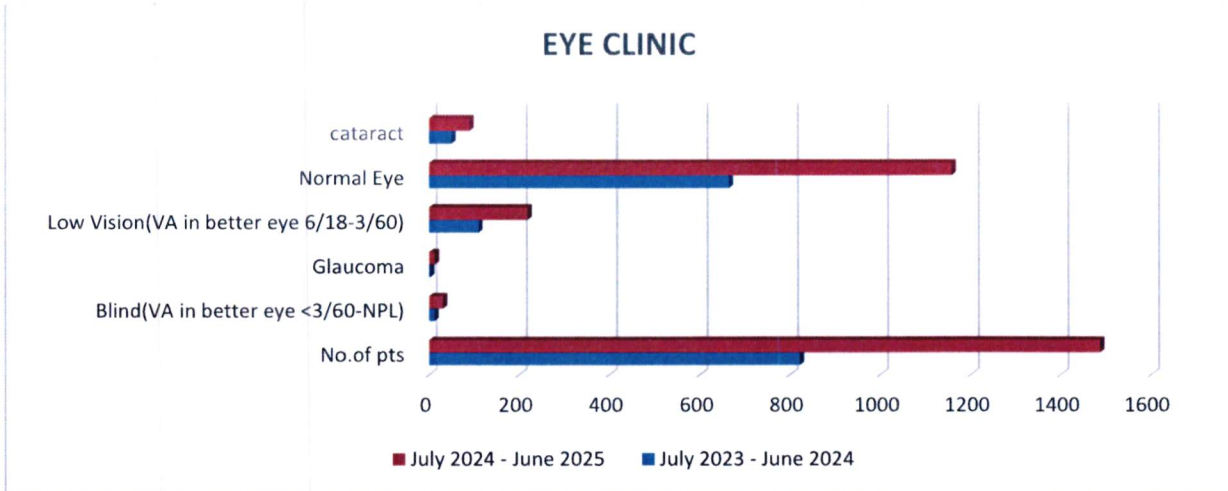
**PNC**

MONT HS	Mothers receiving Postpartum Care 3 days to 6 weeks	Mothers receiving Postpartum Care after 6 weeks	Mothers receiving Postpartum Care within 48 hours	PNC Clients New	PNC Clients revisits	Women counselled on Post Partum FP	PNC clients who received Post Partum FP	Post partur m FP 4weeks to 6weeks	Post partur m FP within 48 Hours
2022/2023	575	0	0	740	1	511	261	12	8
2023/2024	651	78	1269	1847	476	2223	793	171	460
2024/2025	597	1023	1735	2059	1497	3201	1357	261	925

**EYE CLINIC**

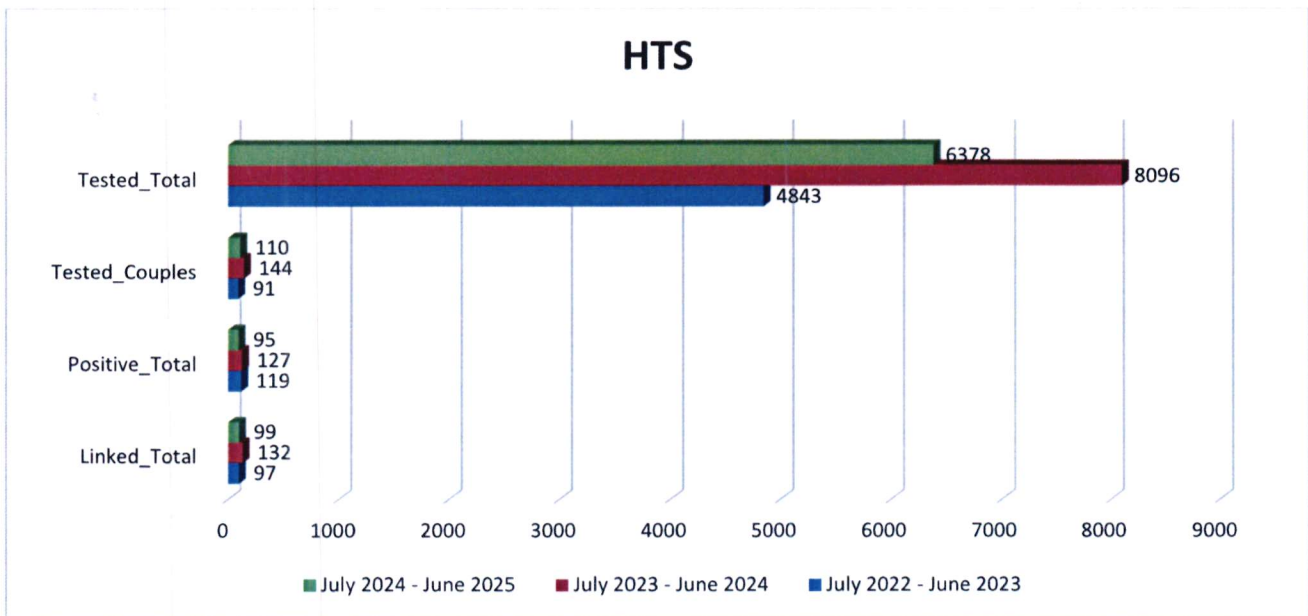
	No.of pts	Blind(VA in better eye <3/60-NPL)	Glaucoma	Low Vision(VA in better eye 6/18-3/60)	Normal Eye	cataract
2023/2024	821	12	2	110	664	50
2024/2025	1487	31	13	219	1157	90

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



**HTS**

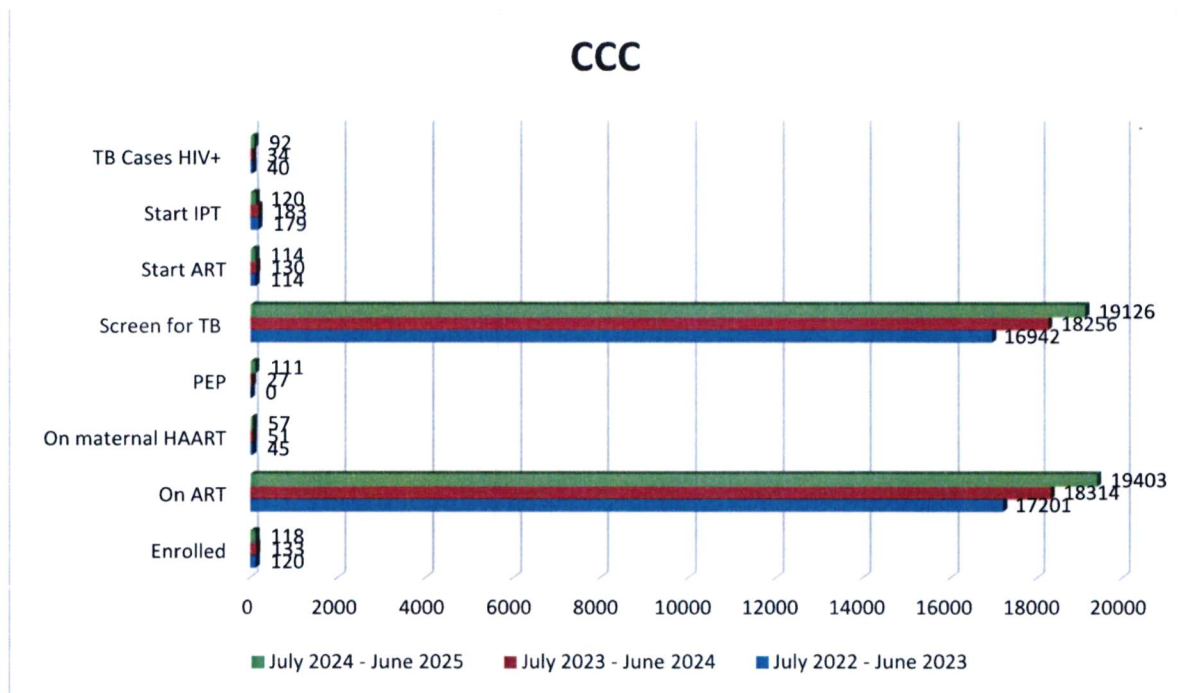
FY	Linked_Total	Positive_Total	Tested_Couples	Tested_Total
2022/2023	97	119	91	4843
2023/2024	132	127	144	8096
2024/2025	99	95	110	6378



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

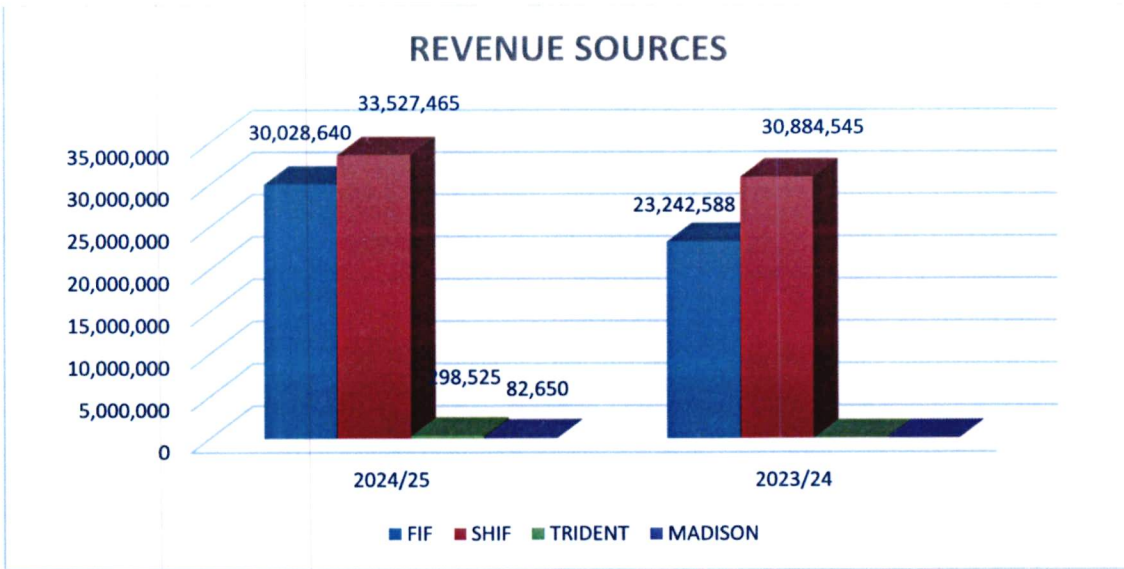
**CCC**

	Enrolled	On ART	On maternal HAART	PEP	Screen for TB	Start ART	Start IPT	TB Cases HIV+
2022 /2023	120	17201	45	0	16942	114	179	40
2023 /2024	133	18314	51	27	18256	130	183	34
2024/ 2025	118	19403	57	111	19126	114	120	92



**Financial performance that includes: -**  
**A) Revenue Sources**

	FIF	SHIF	TRIDENT INSURANCE	MADISON INSURANCE
2024/25	30,028,640	33,527,465	298,525	82,650
2023/24	23,242,588	30,884,545		



**B) Utilization of funds**

The funds collected were utilized in accordance with the Public Finance Management Act 2012 on the approved vote lines. The biggest percentage of funds were used to pay salaries for both contracted employees and casuals, fuel, non-pharmaceuticals, medical drugs, food and rations, contracted cleaning and security services among others.

Signed:

*JH*

.....  
**Dr. Jane Mwende,**  
**Medical Superintendent,**  
**Sultan Hamud Sub-County Hospital**

**SULTAN HAMUD SUB-COUNTY HOSPITAL**  
**P. O. Box 253 - 90132, SULTAN HUMUD**  
**28 NOV 2025**  
**MEDICAL SUPERINTENDENT**

## **10. Environmental And Sustainability Reporting**

### *i) Sustainability strategy and profile*

Sultan Hamud Sub County Hospital takes a long term approach to business, while putting the welfare and interests of the patients at the heart of service delivery. We sustain service delivery through the facility improvement fund, insurance claims and in kind contributions from the county government. Through this, we are able to pay utility bills like water, electricity, and other bills. For continued service delivery, the hospital has recruited various professionals to supplement those employed by the government. By applying preventive maintenance strategies on equipment, plant, machinery and vehicles, this ensures continuous service delivery without interruptions and also it's cheaper to do it than wait for an equipment to stop working and repair it. Benchmarking is a good international best practice whereby one compares their key performance indicators with those who are excelling in performance and it's a continuous process.

Sultan Hamud Sub-County Hospital recognizes that healthcare delivery is intrinsically linked to environmental health and sustainability. As a public health facility serving a large population, the hospital is committed to integrating sustainable practices into its operations.

The hospital's sustainability priorities focus on: a) efficient use of energy, water, and other resources, b) Proper waste segregation and safe biomedical disposal and c) Promotion of equitable procurement with preference for local suppliers and special groups.

The hospital's Service Delivery Charter commits to efficient, transparent, and patient-centered services, while procurement practices follow open tendering and ensure inclusivity of special groups.

### *ii) Environmental performance*

The hospital is guided by an Environmental Policy that emphasizes efficient use of resources, safe waste management, pollution control, and promotion of green practices. The policy commits to compliance with national regulations, including NEMA guidelines, and to continuous improvement in sustainability.

Implementation evidence includes: segregation of medical and non-medical waste using color-coded bins, safe incineration of hazardous waste, and digital system. Bins have been provided within the compound to support recycling and proper disposal.

Successes achieved include safer biomedical waste handling.

Shortcomings remain in the high cost of waste disposal, limited recycling facilities, and occasional equipment breakdowns in the incinerator. Mitigation measures include strengthening partnerships for affordable waste management, and promoting water harvesting to address shortages.

Efforts to reduce environmental impact include:

- Reduce, Reuse, recycle: minimizing printing, adopting biodegradable packaging, and safe reuse of non-hazardous materials.
- Transport management: regular vehicle servicing to reduce emissions.
- Digitalization: automation of claims and reporting systems to move toward a paperless office.

The hospital is also exploring climate-smart initiatives, including eco-friendly toilets, expansion of green spaces, and advocacy for tree planting within the facility and surrounding community.

Through these measures, the hospital continues to integrate environmental responsibility into healthcare delivery while aligning with national climate goals and the SDGs.

On environmental performance, the facility has a modern incinerator where hospital waste is incinerated. We follow the national sustainable waste management act. We ensure that the environment is clean and safe to work in. However, we face some challenges as some of our buildings are roofed with asbestos which is a health hazard, we also experience the challenge of some trees being under power lines. We make sure there are minimal or no expired drugs, and when they are, proper channels of disposal are followed. On asset disposal, we have appointed an Asset Disposal Committee that will ensure proper disposal of the non-usable/obsolete equipment.

We have also participated in tree planting activities that ensured the area benefits from such activities.

*iii) Employee welfare*

The hospital is guided by the Public Service Human Resource Policies and national labor laws in its recruitment and staff management. Hiring processes are transparent and take into account gender balance, inclusion of youth, and persons with disabilities (PWDs) in line with the two-thirds gender rule and affirmative action policies. Stakeholder input, including County Public Service Board guidelines and Ministry of Health standards, is incorporated, and policies are reviewed periodically to align with emerging labor and health sector needs.

Capacity building and career growth are prioritized through continuous medical education (CME), training workshops, and mentorship programs for clinical and support staff. A structured appraisal system is in place to evaluate performance, identify skill gaps, and recommend promotions or further training.

The hospital upholds a strict safety policy in line with the Occupational Safety and Health Act (OSHA) 2007. Safety drills, provision of personal protective equipment (PPE), and regular inspections are conducted to protect staff from occupational hazards. Work-related injuries have remained minimal, with most incidents related to needle-stick injuries, which are mitigated through continuous training on safe handling and the provision of safety boxes for sharps disposal.

Employee welfare is further supported through staff medical cover, Regular staff meetings and open forums ensure that staff concerns are addressed, promoting motivation, retention, and productivity.

Through these measures, Sultan Hamud Sub-County Hospital demonstrates its commitment to a safe, inclusive, and empowering work environment that supports both employee well-being and quality service delivery.

The facility has both Permanent and Pensionable employees employed by the County Government as well as Contracted employees and casuals employed by the hospital. The employment by the hospital is on contract, three months for casuals and six months for the professionals. The process of recruitment puts into account the 70-30 rule so more staff from within the community are considered as a way of giving back to that community but also ensure there is room to recruit staff country wide in order to promote National Cohesion and Integration.

Once Health care workers are employed, they are oriented into the facility. We train them on a regular basis the Principles and values of public service, ethics and the code of regulation for public servants among others. On Job Training also happens within the departments they are deployed. Gender

considerations while employing although for some professionals it might be difficult if only one gender applied. While employing, we engage various stakeholders including but not limited to the heads of departments, the hospital administration and the hospital management Committee. Issues of employee welfare are tabled during the quarterly HMC meetings or as need arises.

*iv) Market place practices-*

Sultan Hamud Sub County Hospital has made efforts to promote good market place practices and this begins with building an effective marketplace, where one must consider both sides of the business. On one side, marketplaces have to ensure that consumers have an easy, user-friendly experience while at the same time providing sellers with a seamless system behind the scenes.

**a) Responsible competition practice.**

The facility is a corruption free zone where no one at any given time should give or receive a bribe in order either to receive service or to supply goods and services. We uphold Chapter 6 of the constitution of Kenya as a guide while at work place. Those found violating the law face stern disciplinary action.

Responsible political engagement plays a significant role in shaping the outcomes within the facility and contributing to a more sustainable financial system lobbying for development projects and good relationships with the community.

Fair competition is an essential marketplace driver. Our charges for services rendered are guided by the Finance bill of Makueni County.

We always respect our competitors as we can learn a lot from them even though we are a public entity. Competition helps us to identify our strengths and weaknesses while for consumers it gives them the opportunity to choose where best to seek services from.

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

We understand that having a good relationship with our suppliers is of utmost importance in the delivery of services. We have a supplier database that enables us to choose and

ensure we engage different suppliers to provide goods and services. Only contracted suppliers are engaged in supplying goods and services.

We pay supplier debts based on the aging principle i.e. older debts are paid first.

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

We practice responsible marketing and advertisement by revealing details of the availability of products to customers, ensuring confidentiality in the delivery of services, avoiding deceptive advertisements, offering fair prices according to the Finance act and displaying charges on the service charters with no hidden charges and abiding by the state laws.

To maintain ethical marketing practices, an entity can implement several strategies, focusing on transparency, honesty, and respect for consumer rights, including providing accurate information, avoiding false or exaggerated claims, and ensuring that outreach and sensitization efforts are inclusive and informative, avoiding manipulative tactics or misleading promises.

Giving adequate Information- we clearly explain our products and services and their benefits, provide necessary information for informed decision-making, including pricing, terms, and conditions, address consumer concerns promptly and professionally.

Respecting Diversity: we avoid stereotypes and generalizations and tailor messaging to different cultural groups while maintaining authenticity.

**d) Product stewardship/awareness creation**

Article 46 of the Constitution of Kenya provides for Consumer rights: goods and services of reasonable quality; information necessary to enable consumers to gain full benefit from goods and services; protection of consumer health, safety and economic interests; and compensation for loss or injury arising from defects in goods or services. Outline efforts to safeguard consumer rights and interests.

We have also familiarised ourselves with the consumer protection guidelines by the Competition Authority of Kenya. Once a service is offered clients pay through an Mpesa paybill and they are issued with receipt.

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

Sultan Hamud Sub-County Hospital recognizes its responsibility to contribute positively to the community beyond providing healthcare. CSR activities are aligned with the hospital's core mandate of promoting health and well-being and are designed to strengthen the relationship between the facility and the local community.

Health-related CSR initiatives undertaken during the reporting period include:

- Medical outreach camps offering free check-ups, immunizations, and screening for non-communicable diseases.
- Maternal and child health programs conducted in partnership with community health volunteers. Several maternity open days where mothers came to our facility and were educated on hygiene practices, having a birth plan, risks involved in pregnancies, breastfeeding, and nutrition among others.
- Health education forums on nutrition, sanitation, HIV/AIDS, and reproductive health.

Community empowerment activities include:

- Support for school health programs, including deworming, hygiene sensitization, and first aid training.
- Tree planting drives within the hospital compound during events.
- Collaboration with learning institutions to provide student attachments and support.

Public participation and civic engagement are promoted through regular stakeholder forums and barazas, where community members give feedback on services and contribute to planning future health projects.

The hospital has also participated in charitable donations, including medical supplies during emergencies, blood donation drives, and provision of health services during county events.

Through these CSR initiatives, Sultan Hamud Sub-County Hospital continues to strengthen community trust, promote preventive health, and contribute to the broader socio-economic development of the region.

***Sultan Hamud Sub County Hospital (Makueni County Government)***  
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During the year, we conducted we also engaged children with Type 1 diabetes. Together with their parents, they were able to share their experiences, receive information and also network.

In future, the facility will be engaging in free medical camps and outreaches that the community can engage and receive free treatment.

The facility also participates in public participation meetings.

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

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of Sultan Hamud Sub County hospital affairs.

### **Principal activities**

The principal activities of the entity continue to be elimination of communicable diseases, halting and reversing the rising burden of non-communicable diseases, minimizing exposure to health risk factors, providing essential health services, inter-sector collaboration, reducing exposure to violence and injuries among others.

### **Results**

The results of the entity for the year ended June 30 2025 are F.I.F collections were Kshs.30,028,640.00 compared to Kshs. 23,242,588 collected the previous period under review which translates to a 30% increase. This tremendous increase can be attributed to an increase in the workload and internal financial controls within the organization.

NHIF/SHA revenue reimbursement for services rendered for the period ending 30<sup>th</sup> June 2025, were Kshs.29,387,485 compared to Kshs 31,336,545 the previous period. This can be described by the payment patterns in NHIF.UHC funds are money paid by the county government of Makueni to pay for services rendered to patients under the program, during this financial year, we received Ksh 4,317,310 as reimbursement from the Makueni County Government.

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

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**Board of Management**

The members of the Board who served during the year are shown on page vii to x. During the year, no directors retired/ resigned, and no new directors was appointed.

**Auditors**

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

**By Order of the Board**

.....  
JMT

**Dr Jane Mwendu**

**Secretary to the Board**

**Sultan Hamud Sub County Hospital.**



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

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

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

The Board of Management accepts responsibility for Sultan Hamud Sub County Hospital 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. The Board members are of the opinion that Sultan Hamud Sub County Hospital financial statements give a true and fair view of the state of the hospitals 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 Sultan Hamud Sub County Hospital, which have been relied upon in the preparation of the hospitals financial statements as well as the adequacy of the systems of internal financial control.


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


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

**Approval of the financial statements**

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

*For*   
.....  
**Leonard Kasyoka Kyengo**  
**Chairperson**  
**Board of Management**

  
.....  
**Dr Jane Mwendu**  
**Accounting Officer**



# REPUBLIC OF KENYA

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*Enhancing Accountability*

**HEADQUARTERS**  
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Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON SULTAN HAMUD SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MAKUENI**

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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 Sultan Hamud Sub-County Level 4 Hospital set out on pages 1 to 58, which comprise of the statement of financial position

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Sultan Hamud Sub-County Level 4 Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, the County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Inaccuracies in the Statement of Cash Flows**

The statement of cash flows reflects Kshs.3,070,885 in respect to net cash flows from operating activities which, as disclosed in Note 43 to the financial statements include an adjustment for increase in receivables of Kshs.18,656,410. However, recalculation of the amount revealed an increase of Kshs.19,529,649 resulting in unexplained variance of Kshs.873,239.

In the circumstances, the accuracy of the net cashflow from operating activities of Kshs.3,070,885 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.78,778,750 and Kshs.66,662,781 respectively resulting to under-funding of Kshs.12,115,969 or approximately 15% of the budget. The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## Unresolved Prior Year Audit Matters

In the prior years' audit report several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of Sultan Hamud Sub-County Level 4 Hospital in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Receivables from Exchange Transactions
2	2023.2024	Irregular Engagement of Casuals

## Other Information

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

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

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

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

## **Basis for Conclusion**

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

During the year under review, the total number of employees of the Hospital was thirty-three (33) out of which thirty-one (31) or approximately 94% 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.

### **2. 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 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by forty-one (41) staff or approximately 41% of the authorized establishment excluding nurses and general surgeons.

<b>Staff Requirements</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>Variance Percentage %</b>
Medical Officers	16	4	12	75
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	1	1	50
Pediatrics	2	1	1	50
Kenya Registered Community Health Nurses	75	52	23	31
	<b>99</b>	<b>58</b>	<b>41</b>	<b>41</b>

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

<b>Service</b>	<b>Level Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Variance Percentage %</b>
Beds	150	65	85	56.667
New Born Unit Incubators	5	5	0	0
New Born Unit Cots	5	0	5	100

<b>Service</b>	<b>Level Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Variance Percentage %</b>
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional operational Theatres - Maternity & General	2	1	1	50

These deficiencies contravene the First Schedule of the 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.

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

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

### Conclusion

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

### Basis for Conclusion

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

### Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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


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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**05 December, 2025**

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


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

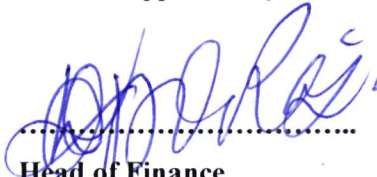
Description	Notes	2024/25	2023/24
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	4,317,310	9,269,754
In- kind contributions from the County Government	7	205,538,235	133,361,290
Grants from donors and development partners	8		
Transfers from other Government entities	9		
Public contributions and donations	10		
<b>Revenue from non-exchange transactions</b>		<b>209,855,545</b>	<b>142,631,044</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	82,377,547	23,242,588
Other Income	14		31,336,545
Medical services contracts Gains/Losses	25	3,065,420	
<b>Revenue from exchange transactions</b>		<b>85,442,967</b>	<b>54,579,133</b>
<b>Total revenue</b>		<b>295,298,512</b>	<b>197,210,177</b>
<b>Expenses</b>			
Medical/Clinical costs	15	23,334,084	39,282,344
Employee costs	16	20,050,803	135,858,141
Board of Management Expenses	17	491,000	590,920
Depreciation and amortization expense	18	3,838,209	3,878,550
Repairs and maintenance	19	6,362,370	4,049,786
Grants and subsidies	20		
General expenses	21	18,619,338	20,913,245
In- kind contributions from the County Government	7	205,538,235	
<b>Total expenses</b>		<b>278,234,039</b>	<b>204,572,987</b>
<b>Other gains /(losses)</b>			
Gain on disposal of non-Current assets	23		
Unrealized gain on fair value of investments	24		
Medical services contracts Gains/Losses	25	3,065,420	2,565,441

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Impairment loss	26		
Gain on foreign exchange transactions			
<b>Total other gains/(losses)</b>		3,065,420	2,565,441
<b>Net Surplus/Deficit for the year</b>		<b>13,999,053</b>	<b>(9,928,251)</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity		13,999,053	(9,928,251)

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

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

  
 .....  
**Head of Finance**  
**ICPAK No:19171**

*JH*  
 .....  
**Medical Superintendent**

**SULTAN HAMUD SUB-COUNTY HOSPITAL**  
**P. O. Box 253 - 90132, SULTAN HUMUD**  
**28 NOV 2025**  
**MEDICAL SUPERINTENDENT**

*Sultan Hamud Sub County Hospital (Makueni County Government)*  
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**15. Statement of Financial Position As At 30<sup>th</sup> June 2025**

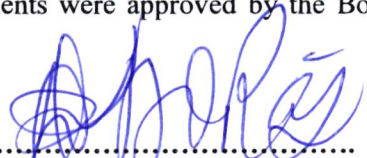
Description	Notes	2024/	2023/24
		25	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	8,813,002	7,999,750
Receivables from exchange transactions	29	36,323,530	16,793,881
Receivables from non-exchange transactions	30		
Inventories	31	5,669,130	5,656,967
<b>Total Current Assets</b>		<b>50,805,662</b>	<b>30,450,598</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	23,111,918	25,519,170
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current assets</b>		<b>23,111,918</b>	<b>25,519,170</b>
<b>Total assets</b>		<b>73,917,580</b>	<b>55,969,768</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	23,479,683	19,577,487
Refundable deposits from customers/Patients	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current Portion of Deferred Income	40	-	-
Current Portion of Borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>23,479,683</b>	<b>19,577,487</b>
<b>Non-current liabilities</b>			

**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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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>23,479,683</b>	<b>19,577,487</b>
<b>Net assets</b>		<b>50,437,897</b>	<b>36,392,281</b>
Revaluation reserve			
Accumulated surplus/Deficit		12,158,541	(1,840,512)
Capital Fund		38,279,356	38,232,793
<b>Net Assets</b>		<b>50,437,897</b>	<b>36,392,281</b>

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

*For*   
 Chairman  
 Board of Management

  
 Head of Finance  
 ICPAK No:19171

*JA*  
 Medical Superintendent

**SULTAN HAMUD SUB-COUNTY HOSPITAL**  
**P. O. Box 253 - 90132, SULTAN HUMUD**  
**28 NOV 2025**  
**MEDICAL SUPERINTENDENT**

***Sultan Hamud Sub County Hospital (Makueni County Government)***  
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**16. Statement of Changes in Net Assets for The Year Ended 30 June 2025**

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2023</b>	-	8,087,739	15,711,093	23,798,832
Revaluation gain	-			
Surplus/(deficit) for the period	-	(9,928,251)		(9,928,251)
Transfer of Assets				
Capital Fund	-		22,521,700	22,521,700
<b>As at 30 June , 2024</b>	-	(1,840,512)	38,232,793	36,392,281
<b>At July 1, 2024</b>	-	(1,840,512)	38,232,793	36,392,281
Revaluation gain	-			
Surplus/(deficit) for the period	-	13,999,053		13,999,053
Capital Fund	-		46,563	46,563
Transfer of Assets				
<b>At June 30, 2025</b>	-	12,158,541	38,279,356	50,437,897

*Sultan Hamud Sub County Hospital (Makueni County Government)*  
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**17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description		2024/25	2023/24
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		4,317,310	7,750,000
Grants from donors and development partners			
Public contributions and donations			
Rendering of services- Medical Service Income		30,028,640	23,242,588
Other receipts-NHIF income		32,316,831	21,643,045
<b>Total Receipts</b>		<b>66,662,781</b>	<b>52,635,633</b>
<b>Payments</b>			
Medical/Clinical costs		20,258,691	16,111,326
Employee costs		19,468,052	17,107,619
Board of Management Expenses		491,000	590,920
Repairs and maintenance		6,530,050	3,433,423
Grants and subsidies			
General expenses		16,735,343	17,649,946
Finance costs			
Transfer to FIF Account		108,760	
<b>Total Payments</b>		<b>63,591,896</b>	<b>54,893,234</b>
<b>Net cash flows from operating activities</b>	43	<b>3,070,885</b>	<b>(2,257,601)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment, & intangible assets		(2,257,633)	(1,270,847)
Proceeds from the sale of property, plant, and equipment			
Acquisition of investments			
<b>Net cash flows used in investing activities</b>		<b>(2,257,633)</b>	<b>(1,270,847)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
Capital grants received			
<b>Net cash flows used in financing activities</b>			

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<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>813,252</b>	<b>(3,528,448)</b>
Cash and cash equivalents at 1 July	27	7,999,750	11,528,197
<b>Cash and cash equivalents at 30 June</b>	<b>27</b>	<b>8,813,002</b>	<b>7,999,750</b>

*Sultan Hamud Sub County Hospital (Makueni County Government)*  
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**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025**

	Original budget	A adjustments	Final budget	Actual on comparable	Performance difference	%
				basis		of utilisation
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c</b>
	<b>Kshs</b>		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Budget carryovers from the previous year	-	-	-	-	-	-
<b>Revenue</b>						
Transfers from the County Government	10,000,000		10,000,000	4,317,310	5,682,690	43%
Grants from donors and development partners	-		-	-	-	%
Transfers from other Government entities	-		-	-	-	%
Public contributions and donations	-		-	-	-	%
Rendering of Medical Services Income	25,000,000		25,000,000	30,258,640	-5,258,640	121%
Revenue from rent of facilities	-		-	-	-	%
Finance / interest income	-		-	-	-	%
Other Receipts-Nhif	43,778,750		43,778,750	32,086,831	11,691,919	73%

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Total Income	78,778,750		78,778,750	66,662,781	12,115,969	85%
<b>Expenses</b>						
Medical/Clinical costs	25,438,480		25,438,480	20,258,691	5,179,789	80%
Employee Costs	24,786,190		24,786,190	19,468,052	5,318,138	79%
Remuneration of directors	700,000		700,000	491,000	209,000	70%
Repairs and maintenance	7,631,438		7,631,438	6,530,050	1,101,388	86%
Grants and subsidies	-		-	-	-	%
General Expenses	20,222,642		20,222,642	16,735,343	3,487,299	83%
Finance costs	-		-	-	-	%
Refunds	-		-	-	-	%
<b>Total Operational Expenditure paid</b>	<b>75,778,750</b>		<b>75,778,750</b>	<b>63,483,136</b>	<b>12,295,614</b>	<b>84%</b>
<b>Capital Expenditure paid</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>2,257,633</b>	<b>742,367</b>	<b>75%</b>
<b>Surplus</b>	-		-	<b>922,012</b>	-	

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	922,012
1	Opening Cash and Cash equivalents balance	7,999,750
2	Transfer from Recurrent Account to FIF Account	(108,760)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>8,813,002</b>

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

### **1. General Information**

Sultan Hamud Sub County is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Makueni County Government and is domiciled in Makueni County in Kenya. The entity's principal activity is to promote and participate in the provision of integrated and efficient promotive, preventive, curative and rehabilitative health care services to all Kenyans.

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

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

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.*

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

**Sultan Hamud Sub County Hospital (Makueni County Government)**  
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Standard	Effective date and impact:
	<p>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>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 for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>

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

Standard	Effective date and impact:
	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	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> 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 data-bbox="427 1048 1299 1126">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="427 1149 1299 1272">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 data-bbox="427 1294 1299 1529">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 2024/2025.

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

The 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.

*Notes to the Financial Statements (Continued)*

**Rental income**

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

**b. Budget information**

The original budget for FY 2024/25 was approved by Board on 10/7/2024. 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 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. 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.

Depreciation on Property, Plant and Equipment is recognized in the income statement on a reducing basis to write down the cost of each asset or the revalued amount to its residual value over its estimated useful life. The annual rates in use are:

<b>Item</b>	<b>Years</b>	<b>Rates</b>
Land	N/A	N/A
Plant and Machinery	20	12.50%
Computers and ICT Equipments	10	33.30%
Furniture and Fittings	8	12.50%
Building and Building Improvements	50	2.5%
Motor Vehicles	8	12.5%

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A full year's depreciation charge is recognized both in the year of asset purchase and in the year of asset disposal.

*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 amortized 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. There were no critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

## **Financial liabilities**

### **Classification**

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

#### **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 -. 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.

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**Notes to Financial Statements Continued**

**6. Transfers from the County Government**

Description	2024/25	2023/24
	KShs	KShs
<b>Unconditional grants</b>		
Makueni Care Billings		9,269,754
Operational Grant-Makueni County	4,317,310	-
Other grants		-
		-
<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>4,317,310</b>	<b>9,269,754</b>

**6 b Transfers from The County Government**

Name of the Entity sending the grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
- County Government	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to Financial Statements Continued**

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

Description	2024/25	2023/24
	Kshs	Kshs
Salaries and wages-Permanent Staff	191,545,003	117,751,572
Pharmaceutical Supplies	10,532,712	13,858,501
Non Pharmaceutical Supplies	1,764,961	
Utility bills-Electricity	1,695,559	1,751,217
<b>Total grants in kind</b>	<b>205,538,235</b>	<b>133,361,290</b>

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

Description	Insert Current FY	Insert Comparative FY
	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	Comparative Period
	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	Insert Current FY	Insert Comparative FY
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from - National Hospital	-	-
Transfer from - Institute	-	-
<b>Total Transfers</b>	-	-

**10. Public Contributions and Donations**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	-

**10 (a) Reconciliations of amortised grants**

Description	Insert Current FY	Insert Comparative FY
	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>	-	-

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Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2024/25	2023/24
	KShs	KShs
Pharmaceuticals	4,379,138	4,362,236
Laboratory	6,612,961	5,697,961
Radiology	3,563,398	2,784,181
Orthopedic and Trauma Technology	1,511,000	1,177,602
Theatre	83,603	37,000
General Ward	4,502,916	3,143,087
Health Records	1,398,584	1,424,168
Eye Department	88,100	97,450
Dental services	770,350	715,948
Reproductive health	340,950	5,700
Farewell home services	1,306,750	1,461,000
Physiotherapy	207,700	124,500
Occupational Therapy	84,700	88,712
Outpatient	3,468,566	2,039,843
Medical Exam	50,800	83,200
Referrals and Ambulance	1,510,064	
Clinics	149,060	
SHIF Billings	33,527,465	
UHC Registration-Makueni Care -Mpesa	250,000	
NHIF Billings	7,628,400	
Trident Insurance Billings	298,575	
Madison Insurance Billings	82,650	
MPESA Revenue Receivable-Day 30th June 2025	70,330	
Makueni Care Billings	10,491,487	
<b>Total revenue from the rendering of services</b>	<b>82,377,547</b>	<b>23,242,588</b>

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Notes to the Financial Statements (Continued)

**12. Revenue From Rent of Facilities**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	-	-

**13. Finance /Interest Income**

Description	Insert Current FY	Insert Comparative FY
	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	2024/25	2023/24
	KShs	KShs
SHIF Billings		
UHC Registration-Makueni Care		452,000
NHIF Billings		30,884,545
Trident Insurance Billings		
Madison Insurance Billings		
<b>Total other income</b>		<b>31,336,545</b>

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

**15. Medical/ Clinical Costs**

<b>Description</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>KShs</b>	<b>KShs</b>
Dental costs/ materials	258,000	129,500
Laboratory chemicals and reagents	2,230,268	3,012,146
Public health activities		
Food and Ration	4,845,693	5,873,334
Uniform, clothing, and linen	88,379	29,100
Dressing and Non-Pharmaceuticals	4,838,234	6,423,000
Pharmaceutical supplies	3,204,116	15,978,424
Health information stationery	2,407,342	2,913,744
Reproductive health materials		
Sanitary and cleansing Materials	555,595	989,669
Purchase of Medical gases	4,083,957	2,722,427
X-Ray/Radiology supplies	822,500	1,051,000
Disposal of Unclaimed bodies		160,000
<b>Total medical/ clinical costs</b>	<b>23,334,084</b>	<b>39,282,344</b>

**16. Employee Costs**

<b>Description</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>KShs</b>	<b>KShs</b>
Salaries, wages, and allowances(Casuals and Contracted Employees)	15,109,975	13,406,383
Salaries and Wages of Permanent Employees		117,751,572
Staff welfare,team building		400,000
Employer Contributions to NSSF	884,280	
Employer Contributions Housing Fund	223,605	
Contributions to pension schemes (NSSF)		1,222,200
Staff medical expenses and Insurance cover		447,950
Other employee costs -Locums	3,832,943	2,630,036
<b>Employee costs</b>	<b>20,050,803</b>	<b>135,858,141</b>

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

**17. Board of Management Expenses**

Description	2024/25	2023/24
	KShs	KShs
Chairman's Honoraria	-	-
Sitting allowance	260,000	328,200
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	231,000	262,720
Airtime allowances	-	-
<b>Total</b>	<b>491,000</b>	<b>590,920</b>

**18. Depreciation and Amortization Expense**

Description	2024/25	2023/24
	KShs	KShs
Property, plant and equipment	3,838,209	3,878,550
Investment property carried at cost	-	-
Intangible Assets	-	-
<b>Total Depreciation and amortization</b>	<b>3,838,209</b>	<b>3,878,550</b>

**19. Repairs And Maintenance**

Description	2024/25	2023/24
	KShs	KShs
Property- Buildings	2,567,346	2,428,252
Purchase of Electricals	1,004,725	
Medical equipment	716,286	551,260
Computers and accessories		60,000
Furniture and fittings	109,620	94,550
Motor vehicle expenses	632,342	160,367
Maintenance of Plant, Machinery and Equipment	1,332,051	755,357
<b>Total repairs and maintenance</b>	<b>6,362,370</b>	<b>4,049,786</b>

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

**20. Grants And Subsidies**

Description	2024/25	2023/24
	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>specify</i> )	-	-
<b>Total grants and subsidies</b>	<b>-</b>	<b>-</b>

**21. General Expenses**

Description	2024/25	2023/24
	KShs	KShs
Advertising and publicity expenses		60,000
Catering expenses	473,502	558,314
Bank charges	34,561	39,107
Courier services		9,450
Electricity expenses	534,802	2,594,717
Supplies and accessories for Computers	1,687,274	1,468,996
Other fuels-Cooking Gas	955,900	843,400
Refined Fuels & Lubricants for transport	3,000,000	4,017,370
Refined Fuels & Lubricants for Production	1,200,000	1,809,593
General office Supplies-stationery	1,613,044	1,922,672
Purchase of households	130,000	115,400
Water and sewerage costs	432,466	655,650
Subscriptions to Professional bodies	179,468	108,268
Telephone and mobile phone services	660,000	477,000
Internet expenses	103,216	201,413
Guarding Services	1,200,000	900,000
Cleaning Services	2,505,600	2,088,000
Domestic travel and Subsistence, & other Transportation	3,707,455	3,043,895

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Staff Welfare	170,050	
Hire of Machinery	32,000	
<b>Total General Expenses</b>	<b>18,619,338</b>	<b>20,913,245</b>

**22. Finance Costs**

Description	Insert Current FY	Insert Comparative FY
	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	Insert Current FY	Insert Comparative FY
	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	Insert Current FY	Insert Comparative FY
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

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**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	3,065,420	2,565,441
<b>Total Gain/Loss</b>	<b>3,065,420</b>	<b>2,565,441</b>

**26. Impairment Loss**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	<b>-</b>	<b>-</b>

**27. Cash And Cash Equivalent**

Description	2024/25	2023/2024
	KShs	KShs
Current accounts	8,813,002	7,999,750
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total</b>	<b>8,813,002</b>	<b>7,999,750</b>

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

**27 (a). Detailed Analysis of Cash and Cash Equivalents**

Description		2024/25	2023/24
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank- FIF A/c	1147172730	8,805,869	7,983,636
Kenya Commercial bank-Recurrent A/c	1147172978	7,133	16,114
Equity Bank, etc		-	
<b>Sub- total</b>		<b>8,813,002</b>	<b>7,999,750</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	
Equity Bank – etc		-	
<b>Sub- total</b>		<b>-</b>	
<b>c) Fixed deposits account</b>			
Bank Name		-	
		-	
<b>Sub- total</b>		<b>-</b>	
<b>d) Others(specify)</b>			
cash in hand		-	
Mobile money- Mpesa, Airtel money		-	
<b>Sub- total</b>		<b>-</b>	
<b>Grand total</b>		<b>8,813,002.00</b>	<b>7,999,750</b>

**28. Prepayments**

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

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

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**29. Receivables From Exchange Transactions**

Description	2024/25	2023/24
	KShs	KShs
Medical services receivables-Unpaid NHIF	20,398,677	9,693,500
Medical services receivables-Unpaid SHIF	11,155,988	
UHC Billings receivables	4,317,310	7,100,381
Trident Insurance Billings Receivables	298,575	
Madison Insurance Billings Receivables	82,650	
MPESA Revenue Receivable-Day 30th June 2025	70,330	
Less: impairment allowance		
<b>Total receivables</b>	<b>36,323,530</b>	<b>16,793,881</b>

**Analysis of Receivables From Exchange Transactions**

Description	2024/25		2023/24	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	15,924,853	36%		100%
Between 1- 2 years	20,398,677	64%	16,793,881	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>36,323,530</b>	<b>100%</b>	<b>16,793,881</b>	<b>100%</b>

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Notes to the Financial Statements (Continued)

30. Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

31. Inventories

Description	2024/25	2023/24
	KShs	KShs
Pharmaceutical supplies	2,456,630	2,903,360
Non Pharmaceuticals	1,973,074	1,059,161
Food	48,310	120,680
Stationery	562,950	416,630
Laboratory Supplies	628,166	1,157,136
Maintenance supplies		
Less: provision for impairment of stocks		
<b>Total</b>	<b>5,669,130</b>	<b>5,656,967</b>

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

**Detailed disclosure on inventories**

	<b>2024/25</b>	<b>2023/24</b>
	Kshs	Kshs
Opening balance	5,656,967	-
Additional Inventory in the year	34,245,695	-
Inventory expensed in the year	(34,233,531)	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	<b>5,669,130</b>	<b>5,656,967</b>

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*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT	Plant and Medical Equipment	Capital Work in Progress	
	Shs		Shs	Shs	Shs	Shs	Shs	Shs
<b>Cost</b>								
At 1 July 2023	-	947,163	-	401,250	890,339	3,520,550	-	5,759,302
Additions	-		-	2,527,035	1,211,000	20,204,512		23,942,547
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	<b>-</b>	<b>947,163</b>		<b>2,928,285</b>	<b>2,101,339</b>	<b>23,725,062</b>		<b>29,701,849</b>
			-				-	-
At 1 <sup>st</sup> July 2024	-	947,163		2,928,285	2,101,339	23,725,062		29,701,849
Additions	-	-	-		1,405,220	852,413	-	2,257,633
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments		-	-	-	-	-	-	-
<b>At 30 June 2025</b>		<b>947,163</b>		<b>2,928,285</b>	<b>3,506,559</b>	<b>24,577,475</b>		<b>31,959,482</b>
<b>Depreciation and impairment</b>			-				-	-
At 1 July 2023	-	47,358		56,378	191,801	835,538		1,131,075
Depreciation for the period	-	22,495		358,988	635,876	2,861,191		<b>3,878,550</b>

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Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	-	<b>69,853</b>	-	<b>415,366</b>	<b>827,677</b>	<b>3,696,729</b>	-	-	-	<b>5,009,625</b>
At 1st July 2024	-	69,583	-	415,366	827,677	3,696,729	-	-	-	5,009,355
Depreciation for the period	-	21,933	-	314,115	892,067	2,610,094	-	-	-	3,838,209
Disposals	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 30 June 2025</b>	-	<b>91,516</b>	-	<b>729,481</b>	<b>1,719,744</b>	<b>6,306,823</b>	-	-	-	<b>8,847,564</b>
<b>Net book values</b>	-	-	-	-	-	-	-	-	-	-
At 30th June 2024	-	<b>877,310</b>	-	<b>2,512,919</b>	<b>2,100,608</b>	<b>20,028,333</b>	-	-	-	<b>25,519,170</b>
At 30th June 2025	-	<b>855,647</b>	-	<b>2,198,804</b>	<b>1,786,815</b>	<b>18,270,652</b>	-	-	-	<b>23,111,918</b>

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

**33. Intangible Assets-Software**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. Investment Property**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposals during the year	(-)	(-)
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	(-)	(-)
Impairment	(-)	(-)
<b>At end of the year</b>	-	-

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

**35. Biological Assets**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
<b>Total</b>	-	-

**36. Trade and other Payables**

Description	2024/25		2023/24	
	KShs		KShs	
Trade payables	23,275,872		19,577,487	
Unremitted June 2025 PAYE Deductions on Salaries	7,916		-	
Unremitted June 2025 PAYE Deductions on Locums	195,895		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>23,479,683</b>		<b>19,577,487</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the total</b>
Under one year	18,441,265	79%	19,577,487	100%
1-2 years	5,038,418	21%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>23,479,683</b>	<b>100%</b>	<b>19,577,487</b>	<b>100%</b>

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

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-

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Others ( <i>specify</i> )	-		-	
<b>Total deposits</b>	-		-	
	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>				
Under one year	-	%	-	%
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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

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

**40. Deferred Income**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

**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	Insert Current FY	Insert Comparative FY
	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>	-	-

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

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

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

**42. Service Concession Arrangements**

Description	Insert Current FY	Insert Comparative FY
	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	13,999,053	(9,928,251)
<b>Adjusted for:</b>		
Depreciation	3,838,209	3,878,550
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		

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Contribution to provisions		
Contribution to impairment allowance		
<b>Working Capital adjustments</b>		
Increase in inventory	(12,163)	(3,436,869)
Increase in receivables	(18,656,410)	(1,921,372)
Increase in deferred income		
Increase/(decrease) in payables	3,902,196	10,127,287
Increase in payments received in advance		
<b>Net cash flow from operating activities</b>	<b>3,070,885</b>	<b>(1,280,655)</b>

**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:

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Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	16,793,881	16,793,881	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	7,999,750	7,999,750	-	-
<b>Total</b>	<b>24,793,631</b>	<b>24,793,631</b>	-	-
At 30 June 2025				
Receivables from exchange transactions	36,323,530	27,870,420	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	8,813,002	8,813,002	-	-
<b>Total</b>	<b>45,136,532</b>	<b>36,683,422</b>	-	-

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 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.

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

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	1,725,000	7,528,000	10,324,487	19,577,487
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>1,725,000</b>	<b>7,528,000</b>	<b>10,324,487</b>	<b>19,577,487</b>
<b>At 30 June 2025</b>				
Trade payables	1,580,000	5,325,000	16,370,872	23,275,872
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>1,580,000</b>	<b>5,325,000</b>	<b>16,370,872</b>	<b>23,275,872</b>

**(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.

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

**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 2024</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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**Notes to the Financial Statements (Continued)**

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 (previous year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2025 (current year)</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.

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**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.

**iii) 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	Current Period	Comparative Period
	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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**Notes to the Financial Statements (Continued)**

**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.

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

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

Description	2024/25	2023/24
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to -	-	-
Sales of services to -	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for - employees	-	-
Payments for goods and services for -	-	-

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Description	2024/25	2023/24
	Kshs	Kshs
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	491,000	590,920
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	<b>491,000</b>	<b>590,920</b>

**46. Segment Information**

**47. Contingent Liabilities**

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court case - against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**48. Capital Commitments**

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

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**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

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

**51. Currency**

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

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**20. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/MRO/SULTAN L4H/2023/2024/ (15)	Inaccuracies in the financial statement – Note 42	Issue addressed as a prior year adjustment.	Resolved	Resolved
OAG/MRO/SULTAN L4H/2023/2024/ (15)	Unconfirmed Property, Plant and Equipment.	Awaiting Inter-Governmental Relations Technical Committee (IGRTC)	Not Resolved	6 Months
OAG/MRO/SULTAN L4H/2023/2024/ (15)	Long Outstanding Receivables	Two Follow up letters requesting for settlement of the outstanding amounts done	Not Resolved	6 Months
OAG/MRO/SULTAN L4H/2023/2024/ (15)	Unconfirmed Trade and other Payables balance.	Aging analysis done.	Resolved	Done

..... **JPT** .....  
 Accounting Officer

**SULTAN HAMUD SUB-COUNTY HOSPITAL**  
 P. O. Box 253 - 90132, SULTAN HUMUD  
**28 NOV 2025**  
**MEDICAL SUPERINTENDENT**

***Sultan Hamud Sub County Hospital (Makueni County Government)  
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**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**

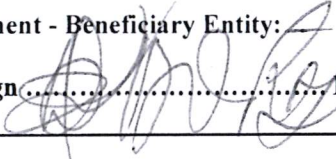
Name of Transferring entity :Makueni County Government-Department of Health

Name of Beneficiary entity : Sultan Hamud Sub County Hospital

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
UHC/HOSP/C1/HVOL/114	5/12/2024	200,000	-	200,000	
UHC/HOSP/C1/HVOL/182	9/12/2024	4,000,000	-	4,000,000	
25/2/2025/001	25/2/2025	8,550	-	8,550	
27/6/2025/002	27/6/2025	108,760	-	108,760	
Total		4,317,310		4,317,310	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name: Eunice Kabwere Sign  Date 28/11/25

**Head of Accounts Department - Beneficiary Entity:**  
 Name: Dominic Nzioka Sign  Date 28/11/25

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**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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**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

**Sudan Hamu**  
**Annual Ref**  
**Appendix**

