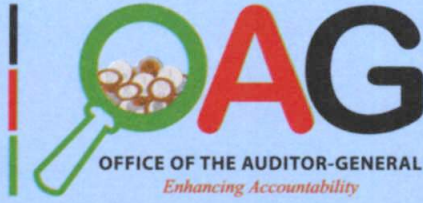


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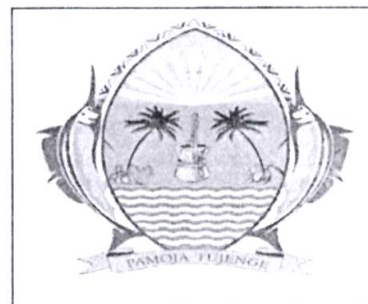
RABAI SUB – COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KILIFI

105

Revised 30th June 2025



RABAI SUB COUNTY LEVEL 4 HOSPITAL (Kilifi County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. Acronyms & Glossary of Terms

PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
RSCH	Rabai Sub County Hospital
HMT	Hospital Management Team
HMB	Hospital Management Board
CECM	County Executive Committee member
DOH	Department Of Health
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
HSIF	Health Services Improvement Fund
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

(a) Background information

Rabai Sub County Hospital (**RSCH**) is a level 4 hospital established under gazette notice number 6340 dated, 3rd June 2022 and is domiciled in Kilifi County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

i. VISION

The Vision of RSCH is to be an Excellent, Vibrant patient centred, quality care referral hospital for a healthy population.

ii. MISSION

The principal activity/ mission of the hospital is to provide high quality, dynamic, wellness oriented promotive, preventive, curative and rehabilitative healthcare services in an organized cost sensitive and customer oriented environment.

iii. CORE VALUE

1. Professionalism and integrity.
2. Customer focus.
3. Teamwork.
4. Improved corporate governance.
5. Innovative creativity.
6. Relevance and impact.
7. Equity and Equality.
8. Security and safety.

(c) Key Management



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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Hospital Management




(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr.Andrew Folonzi Nzai
2.	Head of finance	Mr. Fredrick Mumba
3.	Head of supply chain	Mrs Janet Mutula
4.	Fund Administrator	CPA Racheal Bahati
5.	Head of Administration	Mrs. Judy Kinya
6.	Head of Nursing services	Mrs. Sophia Onsare

No.	Name	Details of qualifications and experience
1.	 <p>Dr.Andrew Folonzi Nzai</p>	Dr.Andrew Folonzi Nzai is the Medical superitendant in Rabai sub county Hospital with experience of 3 Years.He holds a Bachelor in medicine and surgery from Kenya Methodist University
2.	 <p>Fredrick Mumba</p>	Mr.Fredrick Mumba has more than 10years' experience as an accomplished accountant with strong background in Tax and Tax healthchecks and Internal control systems, Fred is currently an accountant at the County Government of Kilifi. He holds a Masters of Business Administration (Finance Major) and also a Certified Public Accountant – Kenya.

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3.	Mrs. Jane mutula	Mrs. Jane Mutula is the Principal Procurement Officer in the department of health. She has 6 years' experience. She holds Bachelor in business management (Purchasing & supplies management) from Mount University and she's also a member ofKISM.
4.	CPA Racheal Bahati 	Mrs. Racheal is a Chief Accountant at County Government of Kilifi. She has Ten years' professional experience as an Accountant. She holds Bachelor of Commerce (Accounting) fromThe University of Nairobi and also a Certified Public Accountant(CPA). Racheal also holds MBA from the University of Nairobi.
5.	Mrs.Judy Kinya 	Miss.Judy kinya Has over 10 years professional experience as a Registered Clinical officer and over 5 years has a hospital administrator. She holds a Diploma in Clinical Medicine and surgery from Nakuru MTC. Holds a bachelor degree in Health system Management from Kenya Methodist University.
6.	Mrs. Sophia Onsare 	Mrs. Sophia Onsare has25 years professional experience as a Registered Nurse. She holds a Bachelor Degree in Nursing from The Pwani University, Holds a higher Diploma in Health Promotion from KMTC Nairobi campus and Diploma in KRCHN from KMTC Mombasa Campus.

(e) Fiduciary Oversight Arrangements

i. Audit committee

The Audit Committee ensures that the internal controls exist and are adhered to

ii. County Assembly

The County assembly, pursuant to the constitution of Kenya, 2010 and the County Government Act, 2012 under Article 8(1) has fiduciary oversight role over the execution of the functions of the County Government, it approves the budget and expenditure of the County Government in accordance with article 207 of the constitution of Kenya. It also approves the borrowings of the County Government in accordance of the constitution 212 of the Constitution of Kenya 2010.

iii. Risk committee

Risk Management Committee comprising of HMT Members. The committee reports to the Medical superintendent. Risk Management Committee in healthcare is a strategic initiative that significantly bolsters patient safety, regulatory compliance and financial stability. In the high-stakes environment of healthcare, effective risk management is essential for delivering quality care and ensuring organizational resilience

iv. Clinical Research and Standard committee

Currently Hospital does not have a clinical research and standard committee

v. County Assembly committee

A County Assembly Committee is a group of Members of the County Assembly designated to do the detailed work of the County Assembly. The Members are expected to work together toward a common goal, and may work without the restrictions of formality. Section 14 (1)(b) of the County Governments Act, 2012 provides that subject to the standing orders, a county assembly “may establish committees in such a manner and for such general or special purposes as it considers fit, and regulate the procedure of any committee so established”.

vi. Parliamentary committees

Committees of the Senate operate pursuant to the provisions of the Constitution of Kenya, 2010; The provisions of Article 124 of the Constitution allow each House of Parliament to establish committees and make Standing Orders for the orderly conduct of proceedings at the sittings of both the plenary and the committees. The Senate, as well as the National

Key Entity Information and Management (continued)

Assembly, is facilitated in conducting their work by the Parliamentary Service Commission (PARLSCOM), established by the Constitution under Article 127.

(f) Entity Headquarters

P.O. Box 13 -80114
Mazeras –Kaloleni Highway
Shika Adabu, KENYA

(g) Entity Contacts

Telephone: (+254) 701018377
E-mail: rabaihospital@gmail.com

(h) Entity Bankers

Cooperative Bank
kilifi branch
P.O Box 96-80108
kilifi.

Kenya Commercial Bank
Mariakani Branch
P.O Box 83534
Mombasa.

(i) Independent Auditors

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






(j) Principal Legal Adviser

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

(k) **County Attorney**

Kilifi Plaza
Hospital Road
P.O Box 519-80108
Kilifi, Kenya





3. The Board of Management

Ref	Directors	Qualifications
1	 Sammy Kavutsu Chairperson	Mr. Sammy K. Akilimali holds a Bachelors Degree in Business Administration (Entrepreneurship) from Kenya Methodist University , Higher Diploma in Catering & Hotel Management Diploma in Institutional Management from Technical University of Nairobi and Diploma in Business Management from University of Nairobi. He has a Wealth of 29 Years Experience in Airline Catering. He Served as Airline Catering Manager for 23 Years with NAS Airport Services, until 31st December 2019. He is Currently a Consultant in Airline Catering & a Businessman.
2	 Dr. Andrew Folonzi Secretary	D. O.B 1994 Dr. Andrew Folonzi Nzai is the Medical superitendant in Rabai sub county Hospital with experience of 3 Years. He holds a Bachelor in medicine and surgery from Kenya Methodist University
3	 Lennox Kalu Member	D.O.B 1977 Mr. Lennox Kalu is a Minister and coast region oversear of psalms Christian ministry of Kenya for 20 years studied Biblical Studies at Faith college Kiambu county.
4	 Peceline Mose Member	D.O.B 23 July 1965 Pecelina Mose Kobe is a primary school Teacher ,with and experience of 29 years, holds a certificate of teaching from kamwenga teaching training college
5	 Juma Nzaro Mtsonga Member	D.O.B 8 June 1996 Mr. Juma Nzaro Mtsonga is a Liaison Officer at Kenya Electricity Transmission Company. Holds a Diploma in Community development and social work from Coast institute of technology






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6	 Dr. Angela Koech Vice chairperson	D.O.B Feb 1984 Dr. Angela Koech is a research scientist and an obstetrician at the Aga Khan University's Centre of Excellence in Women and Child Health, East Africa. With over 10 years' experience as a medical practitioner in various public and private hospitals in Kenya. Holds a Bachelor of science from University of Nairobi and a masters of medicine from Aga Khan University.
7	 Idd Dzombo Member	D.O.B 23 June 1972 Mr. Idd Dzombo is a Bursar Shimo la tewa school, with an experience of 12 years. holds a BCOM from Pwani University.
8	 Ali Dzombo Member	D.O.B 1996 Mr. Ali Dzombo is a Economic Statician at Nation construction Authotiry , holds Holds a Bachelor of Arts in Economics and Mathematics from Machakos University.
9	 Tom Ojwang Member	D.O.B 23 November 1978 Mr. Tom Ojwang is a Human Resource & Legal Manager at Rabai Power Limited, Mombasa (Independent Power Producer) Holds a Bachelor of Science degree from Egerton University, post graduate diploma in Human Resource Management from Kenya Institute of Management. Masters of Business Administration in Human Resource Management from University of Nairobi. Nairobi.

4. Key Management Team

Ref	Management	Details
1.	<p>Dr.Andrew Folonzi Nzai</p>  <p>Medical Superintendent</p>	<p>Dr.Andrew Folonzi Nzai is the Medical superitendant in Rabai sub county Hospital with experience of 2 Years.He holds a Bachelor in medicine and surgery from Kenya Methodist University.</p>
2.	<p>Judy Kinya</p>  <p>Hospital Administrator</p>	<p>Miss.Judy kinya Has over 10 years professional experience as a Registered Clinical officer and over 5 years has a hospital administrator. She holds a Diploma in Clinical Medicine and surgery from Nakuru MTC. Holds a bachelor degree in Health system Management from Kenya Methodist University.</p>
3.	<p>Sophia Onsare</p>  <p>Nursing Officer Incharge</p>	<p>Mrs. Sophia Onsare has25 years professional experience as a Registered Nurse. She holds a Bachelor Degree in Nursing from The Pwani University, Holds a higher Diploma in Health Promotion from KMTC Nairobi campus and Diploma in KRCHN from KMTC Mombasa Campus.</p>
4.	<p>Dorcas Mnyazi</p>  <p>Hospital Accountant</p>	<p>Mrs Dorcas Mnyazi is an Accountant with more than 7 years' experience and holds a Degree in BMIT (Management option) from Kabarak University and a CPA part II and has completed her MBA course work (Strategic management) from Jomo Kenyatta university due for graduation this year (2025)</p>
5.	<p>Dr. Warda Nassir Omar</p>	<p>Dr. Warda Nassir Omar,Pharmacist with over 5 years of professional experience, registered by the Pharmacy and Poisons Board of Kenya. Graduated with a Bachelor's Degree in Pharmacy from Jawaharlal Nehru Technological University, India.</p>

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	 <p>Pharmacist</p>	
6.	<p>Iren Nzivo</p>  <p>Laboratory in charge</p>	<p>Miss Iren Nzivo is a Lab.Technologist with 9years experience holds Degree in medical lab sciences from Technical Unniversity of Mombasa</p>
7.	<p>Japhet Obura</p>  <p>Nutritionist in charge</p>	<p>Mr.Japhet Obura is a Nutritionist with Over ten year experience and Certificate in Nutrition from KMTC</p>
8.	<p>Regina Kipesha</p>  <p>Health Records</p>	<p>Miss Regina Naisae Kipesha is a Records officer with more than 8 years of experience and holds a Certificate in Health Records and Information Technology from KMTC</p>
9.	<p>Patrick Leposo</p>  <p>Bio med Engineer</p>	<p>Mr.Patrick Leposo is a chief biomedical engineering technologist with 27 year experience. Holds a Diploma in medical engineering technology From KMTC.</p>

5. Chairman's Statement

Rabai Sub County Hospital is a level 4 Public health facility within Kilifi County. It serves patients from Kaloleni, Rabai sub counties well as some parts of Mombasa, Kwale and Mombasa Counties.

The Hospital Management Board began with clear plans to sustain, improve and initiate different operations as indicated here below;

a) Provisions of quality healthcare services

The board endeavoured to sustain and expand existing services and initiate new ones.

b) Human Resource Management

Rabai Sub County Hospital has grown tremendously in the last three years due to improved service delivery. This has however caused challenges among the healthcare workers whose growth in number is not matched by the growth in workload. The board has therefore spearheaded engagement on contract of several healthcare workers under different cadres (I.e. Nurses and clinical officers through the HSIF programs. This has slightly brought relieve to the workers in these department and also improved customer care relations due to reduction of waiting time.

c) Health care Financing and Resource Mobilization

Members of Hospital Management Board (HMB) have engaged in different operations to help boost the hospital Kitty for improved service delivery and growth.

Plans to hold and engage hospital stakeholders are underway and this is expected to realise more funding for future growth and development.

d) Leadership and governance

The Hospital Management Board (HMB) Engaged in formulation of several plans all aimed at guiding the team in its activities. Among items were;

- i. Annual Work plan 2024-2025FY

e) Challenges being faced

In its effort to grow and develop the facility the HMB has encountered several Challenges

- i) Low FIF collection due to the high poverty levels in the catchment area.

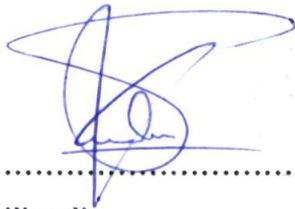
ii) Public- Private Partnership; Most Private organisations situated within the catchment area are yet to embrace Public- Private Partnership Concept.

iii) Rabai Sub County Hospital was initially constructed to offer healthcare services as a level 3 Facility. There is a great challenge of working space, thus causing congestions in certain operating areas I.e. OPD and Casualty.

f) Future On look

Members of the HMB are optimistic and hopeful that current challenges will be met with time and the dream to make the hospital the centre of excellence realised.

In future, the team hopes to get into working networks with other minded organisations to help grow and develop this facility.



.....
Sammy Akilimali

Chairman to the Board

6. Report of The Medical Superintendent

Background Information

Rabai Sub County Hospital (RSCH) is a level 4 public health facility that began in 1972 as a dispensary. The facility has developed to its status through the years. Currently the facility boasts of two (2) wards, two (2) operating theatre, and a wide of services at the OPD level.

During the year in focus (2024-2025), the hospital management prioritized to work on the below given pillars due to constrain in financing;

i. Provision of quality health care services

The hospital Management team prioritized this pillar and put systems in place to improve on the patient flow, reduce waiting time, minimise public complaints and increase on customer experience at the facility.

These efforts have realised an increase in the OPD service uptake significantly. Key challenges of the pillar remains the size of the OPD which has limited working space thus affecting the comfort of both the health caregiver and the client. Plans are underway to put up a more spacious modern Centre at the facility.

ii. Challenges Facing the Hospital

RSCH is faced with several challenges including but not limited to;

- lack of adequate working space including male ward and Emergency unit, Being a facility along the highway, there's urgent need for an Emergency Department
- Lack of water supply, the hospital depends on well-wishers and sometimes buying water boozers.
- Lack of an ideal kitchen for the hospital, Lack of call rooms and lack of modern medical equipment's like CT- Scan, XRAYs, Plaster Rooms etc. MRI (comprises most of the referrals out) etc.
- Staff demotivation due to delayed promotions and overworking.

iii. Human Resource

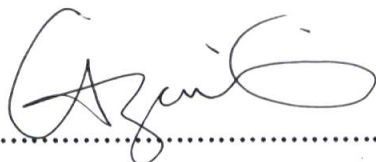
The hospital has a total of 86 personnel that includes Medical Officers (5), consultants(1) nurses (33),Registered clinical officers (5), Pharmacists (1), Pharmaceutical technologists (4) lab personnel (6) ,Accountant (1),Administrator (1),PHO (1),Nutritionist (1),Radiologist (1),Procurement officer (1), Clerical officers(6),HTS Counselor(1),Store manager(1),Medical engineering technologists (1),Anesthetists(2),Health records & information officers (1),Community health extension workers (2) and 20 support staff. Due to the continued demand of services, the hospital management team has been forced to engage on locum employees under the most desperate situations i.e. nurses, Registered clinical officers, pharmacist and lab technicians to curb malpractices and reduce errors in service delivery. All this has been done through the HSIF.

The HMT is in constant communication with the DOH Kilifi for support in providing more skilled personnel particularly in the following cadres: - Nurses, Registered clinical officers, Medical Officers, consultants, Radiographer, Occupational therapists, nurses and specialized personnel in family medicine, oncology, psychiatry, urology. These are categorized in relation to the morbidity cases in the region.

iv. Healthcare Financing and Resource Mobilization

The hospital has two main sources of revenue;

- Health Service Improvement Fund (HSIF)
- County Financing which is in terms of service and supply



.....
Dr.Andrew Folonzi Nzai

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Rabai Sub county Hospital has six strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024- FY 2025. These strategic pillars/ themes/ issues are as follows:

- Eliminate communicable conditions
- Halt and reverse increasing burden of non-communicable diseases
- Reduce the burden of violence and injuries
- Provide essential medical services
- Minimize exposure to health risk factors
- Strengthen collaboration with health related sectors

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

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Provide essential medical services	To strengthens emergency Preparedness	Emergency Preparedness.	<ul style="list-style-type: none"> • Capacity building on gender-based violence (CHV and HCW), Strengthen the referral/linkage mechanisms • Recruitment and training of more staff for outpatient and inpatient services. • Hold quarterly review meetings. 	

	Expand and improve existing healthcare services	Improve patient flow system to avoid long waiting time. <ul style="list-style-type: none">• Maintain a disciplined, motivated workforce.• Maintain a vibrant referral system (incoming/outgoing)		
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<p>2. Eliminate communicable conditions</p>	<ul style="list-style-type: none"> To ensure consistent drug stocks and Knowledge among HCWs 	<ul style="list-style-type: none"> Ensure continuous supply of non-pharmaceuticals, pharmaceuticals and reagents. 	<ul style="list-style-type: none"> Increase the supply for drugs Conduct CMEs and mentorship on communicable diseases. Sensitization meetings both to community and hospital and chemist staffs, CMEs 	
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*Rabai sub county Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

<p>3.Halt and reverse increasing burden of non-communicable conditions</p>	<p>Brings Awareness of Non communicable conditions</p>	<p>Ensure Patient have adequate information on the conditions</p> <p>Awareness among HCWs</p>	<ul style="list-style-type: none"> • Create awareness and understanding of respiratory illness to both healthcare workers and public. • Health education to patients. 	
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<p>4.Minimize exposure to health risk factors</p>	<p>Maintain a clean, hygiene environment.</p>	<ul style="list-style-type: none"> • Waste collected. • Waste segregated. • Waste disposed 	<ul style="list-style-type: none"> • Supply of waste collections bins, buckets and bin liners. • Maintain the waste holding area. • Strengthen IPC policy implementation • Treatment of waste. 	
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<p>5. Reduce the burden of violence & injuries</p>	<p>Ensure a health community</p>	<ul style="list-style-type: none"> ● Ensure adequate space(ortho pedic works hop and hypert ensio n clinic) ● Ensure adequate equip ment' s for monit oring patien ts with NCDs 	<ul style="list-style-type: none"> ● Provide adequate space for orthope dic and hyperte nsion clinic. ● purchase of Bp machines, thermoguns, glucometer, glucosticks, weighing scale , heightometer. 	
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6. Strengthen collaboration with health-related sectors	Strengthen collaborations.	Ensure adequate reporting and documentation of QI activities	<ul style="list-style-type: none">• Disseminate QI reporting tools.	
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8. Corporate Governance Statement

- i. RSCH has a non-executive board comprising of nine members. The board is responsible to the CECM Health Services, Kilifi. The current HMB was elected with its first meeting held on 2nd March 2023.

Process of appointment and Removal

Members of the HMB are appointed by the CECM Health. They can be removed following recommendation to the CECM by the chairperson or secretary.

ii. Roles and functions of the board

- Approve budgets, programs and plans of Rabai sub county Hospital;
- Prepare RSCH annual budget and plan to be adopted by the RSCH Board.
- Formulate strategies on resource mobilization by RSCH management committees;
- Resolve any conflicts that arise amongst RSCH whose nature is the allocation of resources, membership of the committees or joint programs;
- Identify implementation challenges and seek corrective actions;
- Make policy recommendations on cost sharing, public awareness on health and administration of the RSCH through the chairman to the Management Committee

iii. Induction, training, and development

On appointment members of the HMB went for induction on 3rd September 2024.

iv. Board and members' performance

Member's performance is monitored through attendance patterns and contributions during meetings. In case of conflict of interest, the Board legislative expects the member to resign.

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

During the F/Y 2024-2025, the HMB met 4) times.

Table below indicating the no of meetings and attendance:

Date of meeting	No. of HMB members present	No. of HMB members sent Apology.	No. of HMB members absent.
22/08/2024	6	1	2
17/11/2024	6	0	3
11/03/2025	6	2	1
24/6/2025	5	1	2

vi. Succession plan

Members have been of organised in structured manner to ensure smooth running of the board so as to actualizetheir purpose in overseeing operations in the facility.

vii. Policy to manage conflict of interest.

Our Policy on Related Party Transactions is designed to prevent conflicts of interest and ensure that all transactions involving directors, key management, or their related entities are conducted ethically and in the best interest of the hospital.

viii. Board remuneration

Members of the board are entitled to allowance as stipulated in the HSIF Act of Kilifi County Government and SRC.

ix. Ethics and Conduct

The HMB are overseen by the member of the County Health Management Boardwho strive to ensure compliance to ethical issues and code of conduct of public officers.

x. Governance audit

HMB is committed to upholding the highest standards of corporate governance.

xi. Communication policy

The Board prioritize clear, honest, and timely communication with all stakeholders. Our Communication Policy outlines the principles for internal and external communication, ensuring consistency and accuracy. This includes guidelines for disclosing information related to patient care outcomes, financial performance, and operational changes. The policy emphasizes the need

to protect patient confidentiality and personal data in all communication. We believe that transparent communication builds trust with our patients and the community, fostering a collaborative environment that supports our mission of providing compassionate care.

xii. Terms of Reference of Committees

To effectively manage its responsibilities, the Board has established several committees, each with a specific mandate. The Terms of Reference (ToR) for each committee—such as the Executive Committee, Quality of Healthcare Committee, Finance and general purpose Committee, and special allocation Committee—are formally approved and reviewed periodically. These ToRs clearly define the purpose, authority, and composition of each committee. This structure ensures that critical areas, particularly those related to patient safety, clinical quality, and financial oversight, receive dedicated expert attention, enabling the Board to fulfil its fiduciary and ethical duties effectively.

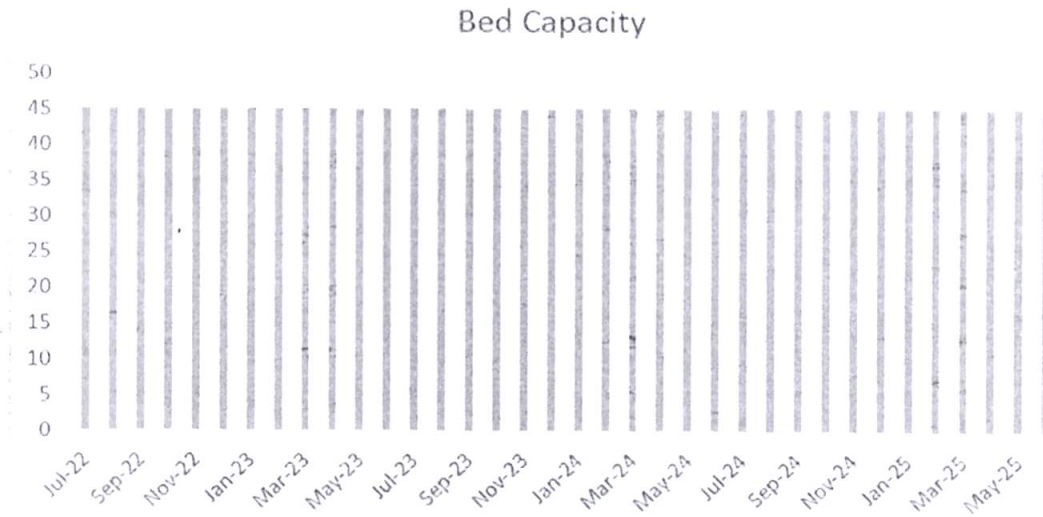
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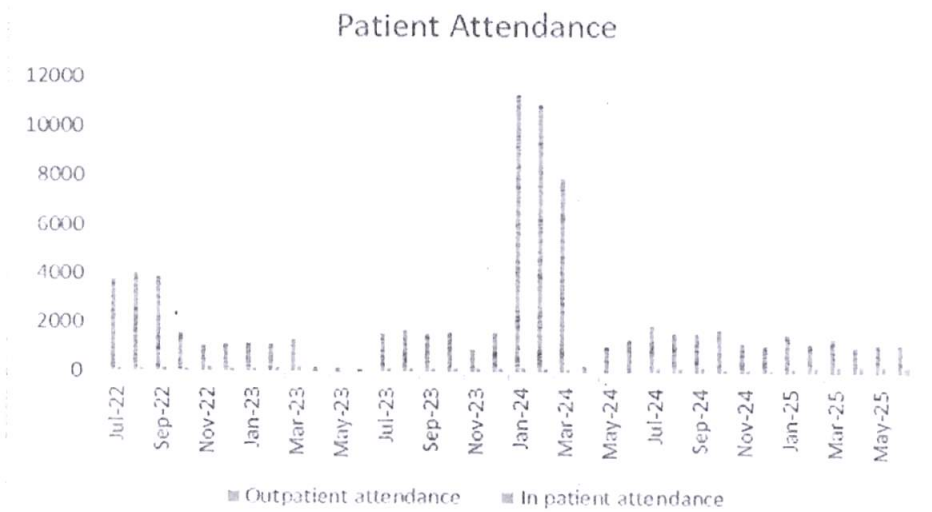
9. Management Discussion and Analysis

Clinical/operational performance

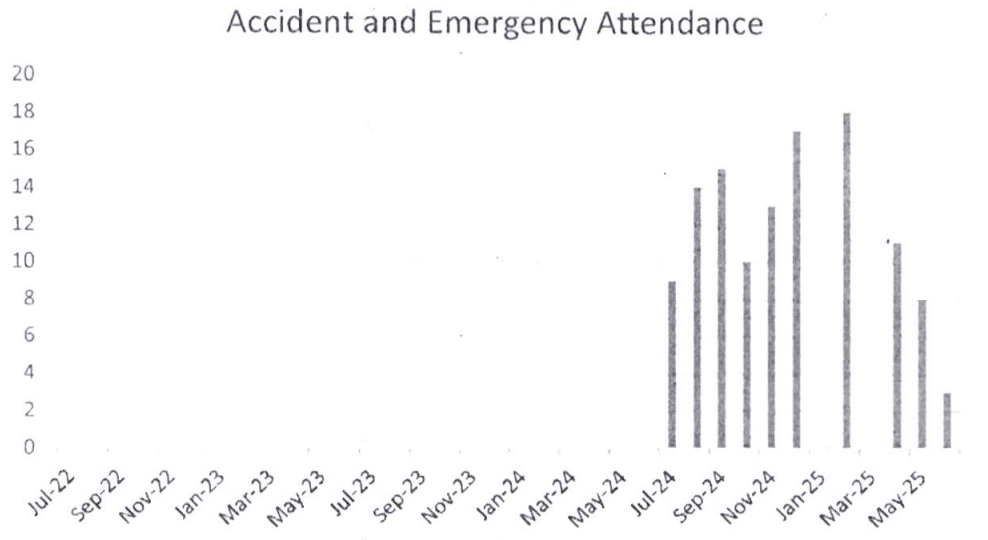
- Bed capacity of the hospital.



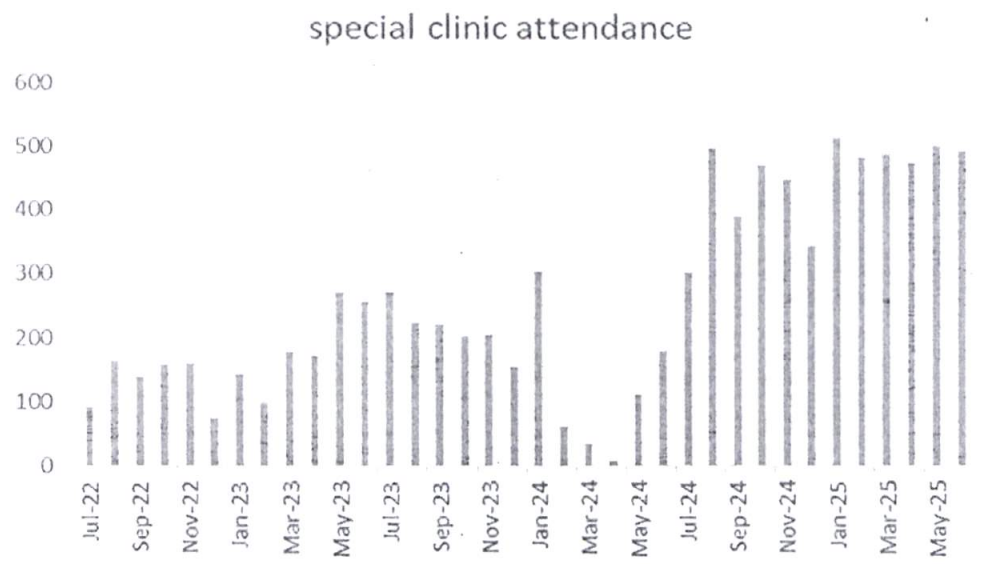
- Overall patient attendance during the year for both inpatient and outpatient.



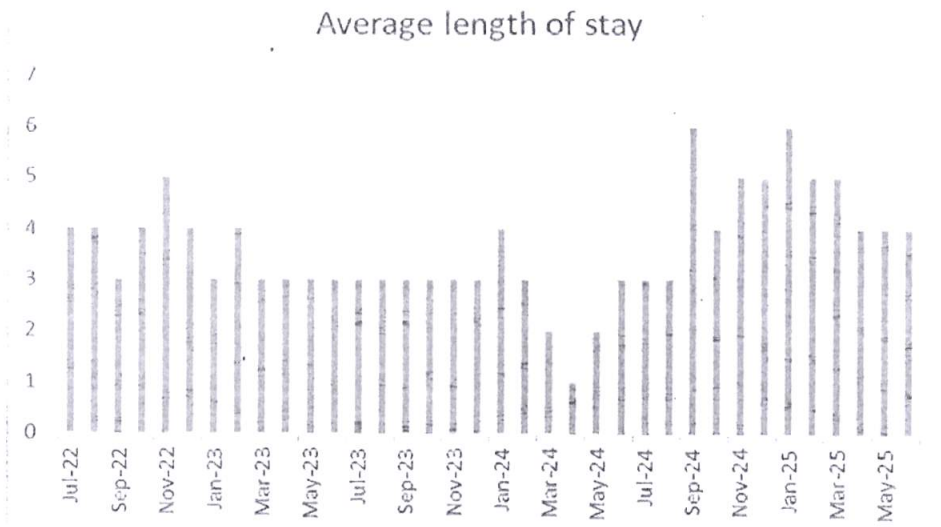
○ Accident and Emergency attendance



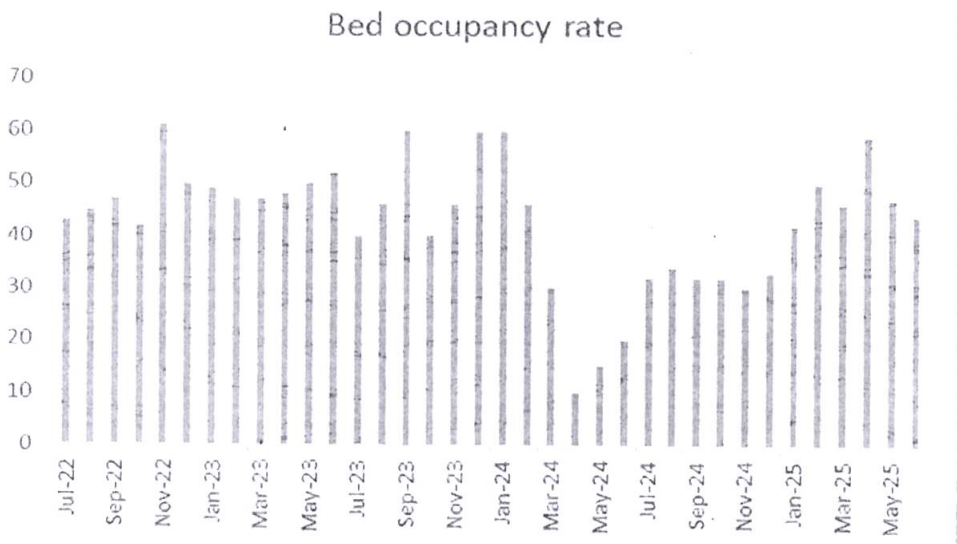
○ Specialised clinic attendance



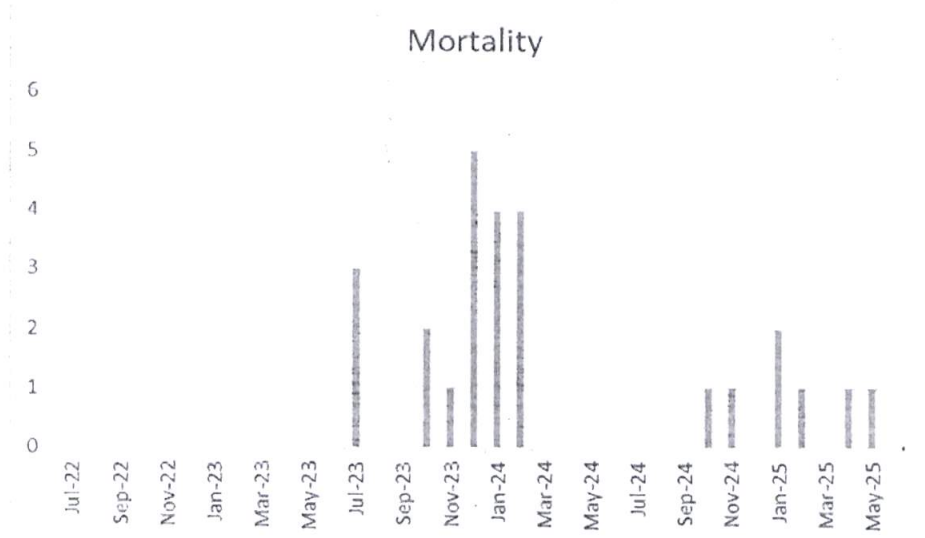
- Average length of stay for in patient.



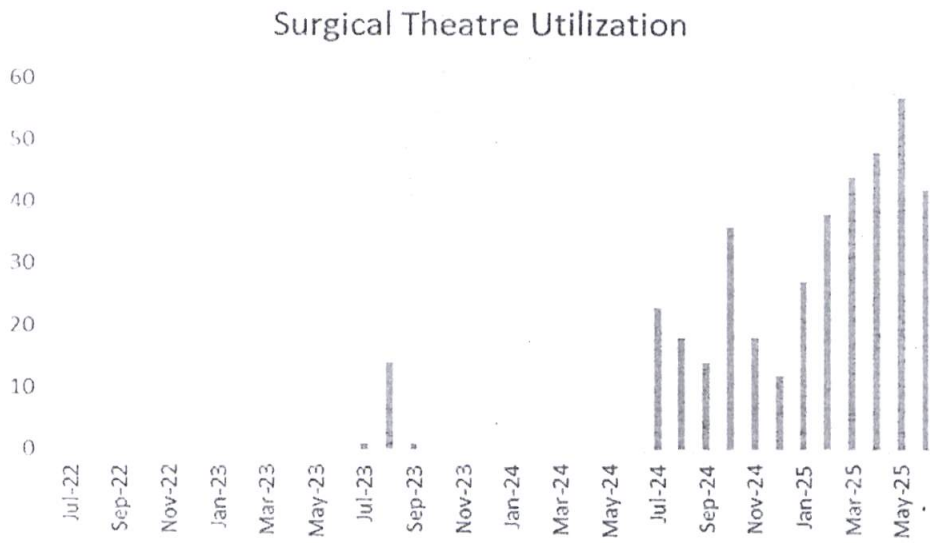
- Bed occupancy rate



○ Mortality rate



○ Surgical theatre utilisation



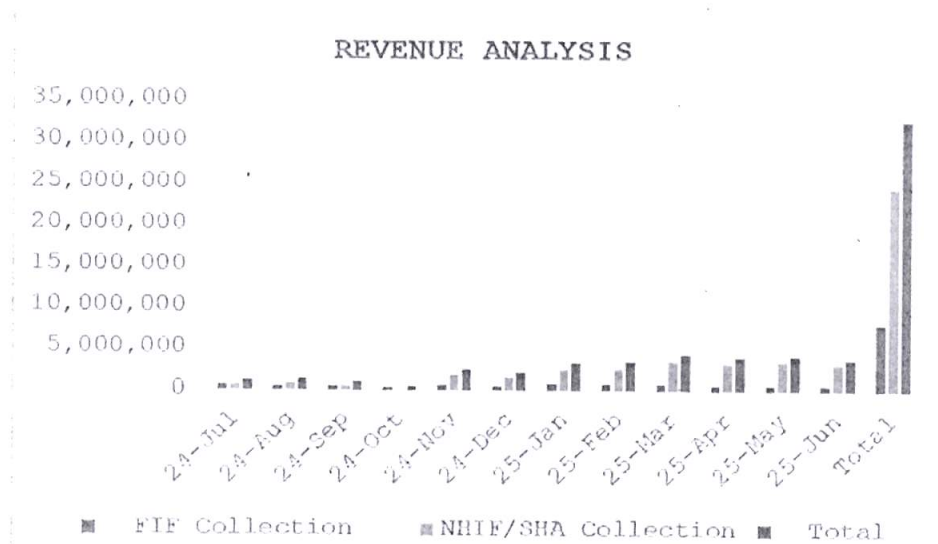
*Rabai sub county Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Financial performance that includes: -

- Revenue sources

FIF
SHA

Month	FIF Collection	NHIF/SHA Collection	Total
24-Jul	608,908	704022.6	1,312,930.60
24-Aug	587,723	893,408.00	1,481,131.00
24-Sep	545,689	555,910.00	1,101,599.00
24-Oct	442,955	30,900.00	473,855.00
24-Nov	741,550	1,860,257.00	2,601,807.00
24-Dec	600,998	1,597,259.00	2,198,257.00
25-Jan	804,367	2,604,737.00	3,409,104.00
25-Feb	779,167	2,667,010.00	3,446,177.00
25-Mar	845,561	3,501,403.00	4,346,964.00
25-Apr	730,236	3,398,149.00	4,128,385.00
25-May	672,947	3,540,365.00	4,213,312.00
25-Jun	682,216	3,160,132.00	3,842,348.00
Total	8,042,317.00	24,513,553.00	32,555,870.00

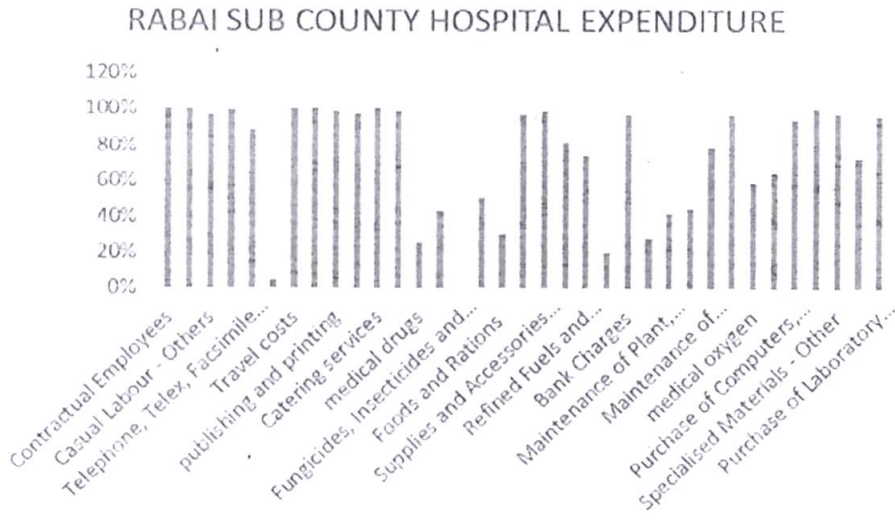


Rabai sub county Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

o Utilisation of funds

RABAI SUB COUNTY HOSP EXPENDITURE FY 2024/2025

ITEM CODE	ITEM DESCRIPTION	APPROVED ESTIMATES	EXPENDITURE/P/	BALANCE
		FY 2024/2025	FY 2024/2025	
2110201	Contractual Employees	2,459,477.60	2,459,477.60	-
2120101	Employer Contributions to National Social Security Fund	145,303.00	145,303.00	-
2110202	Casual Labour - Others	4,780,278.00	4,614,806.00	165,472.00
2210102	Water and Sewerage Charges	783,000.00	776,500.00	6,500.00
2210201	Telephone, Telex, Facsimile and Mobile Phone Services	288,000.00	253,500.00	34,500.00
2210203	courier and postal services	30,000.00	1,458.00	28,542.00
2210301	Travel costs	482,500.00	482,000.00	500.00
2210303	Domestic - Daily Subsistence Allowance	2,944,294.00	2,939,935.00	4,359.00
2210502	publishing and printing	350,000.00	344,412.00	5,588.00
2210504	advertising, awareness and publicity	80,000.00	78,000.00	2,000.00
2210801	Catering services	625,000.00	624,980.00	20.00
2210802	Boards, Committees, Conferences and Seminar	615,000.00	607,100.00	7,900.00
2211001	medical drugs	550,000.00	139,109.00	410,891.00
2211002	Dressings and Other Non-Pharmaceutical Medical Items	1,113,000.00	472,889.00	640,111.00
2211004	Fungicides, Insecticides and Sprays	110,000.00	-	110,000.00
2211008	Laboratory Materials, Supplies and Small Equipment	850,223.38	429,337.00	420,886.38
2211015	Foods and Rations	228,000.00	67,640.00	160,360.00
2211101	General Office Supplies (papers, pencils, forms, small computers)	500,000.00	483,025.00	16,975.00
2211102	Supplies and Accessories for Computers and Printers	390,000.00	383,260.00	6,740.00
2211103	Sanitary and Cleaning Materials, Supplies and Services	10,000.00	8,150.00	1,850.00
2211201	Refined Fuels and Lubricants for Transport	1,400,000.00	1,037,420.00	362,580.00
2211204	Other Fuels (wood, charcoal, cooking gas etc?)	36,000.00	7,100.00	28,900.00
2211301	Bank Charges	4,235.00	4,100.00	135.00
2220105	Routine Maintenance - Vehicles	450,000.00	126,120.00	323,880.00
2220201	Maintenance of Plant, Machinery and Equipment (including)	100,000.00	41,300.00	58,700.00
2220205	Maintenance of Buildings and Stations -- Non-Residential	586,965.00	257,775.00	329,190.00
2220210	Maintenance of Computers, Software, and Networks	65,000.00	51,000.00	14,000.00
3110902	purchase of household and insti app	110,000.00	106,195.00	3,805.00
2211005	medical oxygen	851,000.00	499,892.00	351,108.00
2211021	Purchase of Bedding and linen	297,059.00	192,250.00	104,809.00
3111002	Purchase of Computers, Printers and other IT Equipment	500,000.00	469,200.00	30,800.00
3111101	Purchase of Medical and Dental Equipment	620,000.00	619,550.00	450.00
2211031	Specialised Materials - Other	255,000.00	247,500.00	7,500.00
2220203	Maintenance of Medical and Dental Equipment	290,000.00	211,120.00	78,880.00
3111107	Purchase of Laboratory Equipment	260,000.00	250,000.00	10,000.00
	Total	23,159,334.98	19,431,403.60	3,727,931.38



Signature

.....
Dr. Andrew Folonzi Nzai
Secretary to the Board

10. Environmental And Sustainability Reporting

RSCH exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

RSCH has put in place several sustainable strategies including: Continuous quality improvement of healthcare services, Engage in public-private partnership, Partner with SHA and other insurance firms to enhance UHC clients.

ii) Environmental performance

RSCH uses the National Healthcare Waste management policy control guidelines in managing Hospitalwaste. We have in place colour-coded bins, IPC materials strategically placed at the hand washing centres etc. Segregated waste is treated before being transported to the county centre for incineration in a suitablydesigned motor vehicles.

The hospital has put in place measures to manage waste within the facility so as not to affect thecommunities around.

iii) Employee welfare

Employee hiring process is a reserve of the County Public Service Board but gender ratio is clearly taken into consideration while deploying staff into the facility. The Department of Health (DOH) together with other stakeholders have taken a leading role in improving skills through sensitization meetings, workshops, trainings, CMEs etc. staff performance routinely implemented each year. There is a clear policy on further training to skill not available in the facility e.g. Master courses.

iv) Market place practices-

a) Responsible competition practice.

- RSCH has structured in place to deal with anti-corruption. HMT's subcommittee has been constituted to deal with the vice through information gathering, sharing date, monitoring and evaluation.

- As is the norm, the employee in RSCH have been sensitized on how to remain politically neutral and taught to serve all clients with integrity without regard to their political affiliations.
- RSCH maintain a healthy relationship with all our competitors. We realise that we need the competitors as much as they need this facility and therefore we respect our competitors and even invite some of them to our stakeholder meetings. Competition is appreciated and taken as a challenge to continually improve on the quality of the service that we offer.

b) Responsible Supply chain and supplier relations

- The hospital honours and maintains good relations with her suppliers through being transparent in all supply chain services.
- Suppliers are paid promptly and where delay are unavoidable, prior communication is done to avoid conflict.

c) Responsible marketing and advertisement or Responsible engagement with citizens

RSCH does the marketing of her services through ethically and culturally acceptable means such as community Barazas, radios, social media, medical camps, Maternity Open Days and partners.

d) Product stewardship or Awareness Creation

Several efforts have been put in place to safeguard consumer rights and interest i.e.

- Display of patient service charters, patient rights, are placed on all strategic points of the hospital. These are written both in Kiswahili and local dialect for ease of understanding.
- The hospital management monitors a good working relation with opinion leaders to ensure service delivery practice is acceptable to the community.
- Through the HMB, patients' rights and interests are safeguarded.

v) Corporate Social Responsibility / Community Engagements

None was done during the year under review.

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services across the county.

Results

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

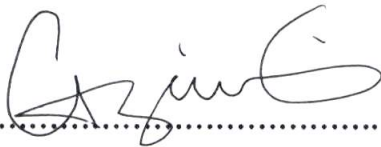
Board of Management

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

Auditors

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

By Order of the Board



.....
Dr. Andrew Folonzi Nzai
Secretary to the Board

12. Statement of Board of Management's Responsibilities

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

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


The Board of Management accepts responsibility for the RSCH 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 the RSCH financial statements give a true and fair view of the state of RSCH transactions during the financial year ended June 30, 2025, and of the RSCH financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the RSCH, which have been relied upon in the preparation of the RSCH financial statements as well as the adequacy of the systems of internal financial control.

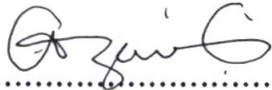
In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern.

Nothing has come to the attention of the Board of management to indicate that the RSCH 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 3/12/25 and signed on its behalf by:


.....
Sammy Akilimali
Chairperson
Board of Management


.....
Dr. Andrew Folonzi Nzai
Accounting Officer

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RABAI SUB - COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF KILIFI

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 Rabai Sub – County Level 4 Hospital – County Government of Kilifi set out on pages 1 to 46 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 Rabai 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

Undisclosed Grants and Inventories Balance

The statement of financial position has not disclosed any inventories balance. Review of inventory records revealed that the Hospital received assorted pharmaceutical and non-pharmaceutical items from the County Government in the year under review. However, the Hospital did not recognize the value of these items in the financial statements. In addition, the Hospital did not conduct inventory stock take to ascertain the inventory balance as at 30 June, 2025.

In the circumstances, the accuracy, completeness and existence of inventories could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Rabai Sub – County Level 4 Hospital – County Government of Kilifi 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 approved final revenue budget and actual on comparable basis of Kshs.23,159,335 and Kshs.32,555,870 respectively, resulting to an excess receipt of Kshs.9,396,535 or 41% of the budget. Similarly, the Hospital spent Kshs.18,985,664 against actual revenue of Kshs.32,555,870 resulting to under-utilization of Kshs.13,570,206 or 42% of the receipts.

The under-utilization 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 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.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Hospital in 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccurate total asset balance
2	2023/2024	Inaccurate conference and delegation expenditure
3	2023/2024	Budgetary control and performance
4	2023/2024	Expired Medical drugs
5	2023/2024	Noncompliance with the Kenya Quality model for health guidelines

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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

Non-Compliance with Kenya Quality Model for Health Policy Guidelines

As previously reported, verification of services offered, equipment used and number of staffing at the Hospital revealed that during the year under review, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines. In addition, the number of services, personnel engaged and equipment available were not as per Kenya Quality Model for Health Policy Guidelines contrary to the provisions of the First Schedule of the Health Act, 2017 which sets out the technical classification of the levels of healthcare and the Ministry of Health Kenya Quality Model for Health Policy Guidelines, 2016 which defines resourcing requirements in terms of facilities, infrastructure, services offered and personnel requirements for each category of hospital.

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

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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Risk Management Plan

Review of records revealed that an approved risk management policy and risk assessment was not developed and performed during the year under review and

disaster recovery plan was not in place. Further, there is no evidence of staffing, arrangements of the risk management unit and an approved risk management plan.

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

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

Responsibilities of Management and Board of Management

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

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

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

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

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

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

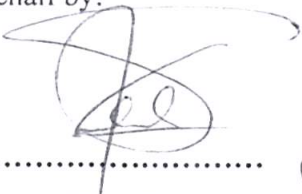
Rabai Sub County Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

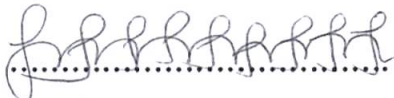
	Note	FY2024/2025	Restated FY2023/2024
		KShs	KShs
Revenue from exchange transactions			
Rendering of Services-Medical Service Income	6	32,555,870	8,057,993
Total revenue		32,555,870	8,057,993
Expenses			
Medical/ Clinical Costs	7	2,926,317	322,574.00
Employee costs	8	7,219,587	6,853,715
General Expenses	9	7,928,985	3,592,491
Board of Management Expenses	10	200,000	193,000
Repair and Maintenance	11	687,315	491,040
Depreciation	12	23,460	
Total expenses		18,985,664	11,452,820
Surplus/(deficit) for the period		13,570,206	(3,394,827)

(The notes set out on pages 19 to 21 form an integral part of the Annual Financial Statements.)

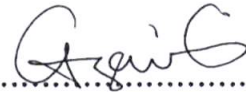
The Hospital's financial statements were approved by the Board on 31/2/25 and signed on its behalf by:



.....
Sammy Akilimali
 Chairman
 Board of Management



.....
Fredrick Mumba
 Head of Finance
 ICPAK No: 30736



.....
Dr. Andrew Folonzi Nzai
 Medical Superintendent

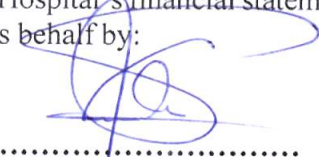
Rabai Sub County Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

	Note	FY2024/2025	Restated FY2023/2024
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	13	2,078,118	7,328
Receivables from exchange transactions	14	10,152,964	1,108,313
Total Current Assets		12,231,082	1,115,641
Non-current assets			
Property, plant, and equipment	15	445,740	-
Total Non-current Assets			
Total assets		12,676,822	1,115,641
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	16	289,345.00	2,298,370
Total liabilities		289,345	2,298,370
Net assets		12,387,477	1,182,729
Represented by:			
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		12,387,477	1,182,729
Net assets		12,387,477	1,182,729

(The notes on pages 21 to 24 form an integral part of the Annual Financial Statements.)

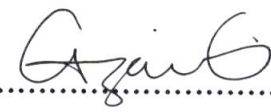
The Hospital's financial statements were approved by the Board on 31/12/25 and signed on its behalf by:



.....
Sammy Akilimali
 Chairman
 Board of Management



.....
Fredrick Mumba
 Head of Finance
 ICPAK No: 30736



.....
Dr. Andrew Folonzi Nzai
 Medical Superintendent

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

	Capital Fund	Revaluation Reserve	Accumulated surplus	Total
Balance as at 1 July 2023	-	-	2,210,348	2,210,348.00
Adjustments			1,750.00	1,750.00
Surplus/(deficit) for the period	-	-	3,394,827	- 3,394,827.00
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2024(Restated)	-	-	1,182,729	- 1,182,729.00
				-
Restated Balance as at 1 July 2024	-	-	1,182,729	- 1,182,729.00
Surplus/(deficit) for the period	-	-	13,570,206	13,570,206.00
Revaluation gain	-	-	-	-
Balance as at 30 June 2025	-	-	12,387,477	12,387,477.00

(Note:

1. No movements occurred in the Capital Fund during the years ended 30 June 2024 and 30 June 2025.
2. The balance reflects the difference between the carrying amount and the revalued amount of assets. No revaluation was undertaken in the reporting periods ended 30 June 2024 and 30 June 2025; hence, no movements were recorded.
3. Adjustments represent prior period corrections and/or changes in accounting policies, recognised in accordance with the relevant financial reporting framework. Adjustments were made during the years ended 30 June 2024 and 30 June 2025.

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

	Note	FY2024/2025	Restated FY2023/2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Rendering of Services-Medical Service Income	6	23,515,749	7,991,316
Total Receipts		23,515,749	7,991,316
Payments			
Medical/ Clinical Costs	7	2,678,157	322,574.00
Employee costs	8	9,146,167	5,218,856.00
General Expenses	9	8,214,590	3,303,351.00
Board of Management Expenses	10	245,000	148,000.00
Repair and Maintenance	11	687,315	491,040.00
Bank Charges		4,529	7,190.00
Total Payments		20,975,758	9,491,011
Net cash flows from operating activities		2,539,991	(1,499,695)
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets	15	- 469,200	
Net increase/(decrease) in cash and cash equivalents		2,070,791	(1,499,695)
Cash and cash equivalents at 1 JULY 2024		7,328	1,507,023
Cash and cash equivalents at 30 June 2025	13	2,078,119	7,328

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable Basis	Performance difference	% utilisation
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Transfers from County Govt & FIF Revenue	8,869,656	14,289,679	23,159,335	32,555,870	(9,396,535)	141%
Total income	8,869,656	14,289,679	23,159,335	32,555,870	(9,396,535)	141%
Expenses						
Medical/ Clinical Costs	583,000	4,661,282	5,244,282	2,926,317	2,317,965	56%
Employee costs	2,195,730	5,189,329	7,385,059	7,219,587	165,472	98%
Board of Management Expenses	200,000	-	200,000	200,000	-	100%
General Expenses	2,950,029	5,858,000	8,808,029	7,928,985	879,044	90%
Repair and Maintenance	2,910,897	(1,418,932)	1,491,965	687,315	804,650	46%
Depreciation	30,000.00	-	30,000	23,460	6,540	78%
Total expenditure	8,869,656	14,289,679	23,159,335	18,985,664	4,173,671	82%
Surplus for the period		-	-	13,570,206	(13,570,206)	

Budget notes

1. Medical/Clinical Costs

- Variance: KShs 2,317,965 (56% utilisation). The under-expenditure was mainly due to delays in procurement of medical supplies due to late reimbursements by SHA.

Repair and Maintenance

- Variance: KShs 804,650 (46% utilisation). Planned maintenance activities were deferred to the subsequent financial year following a reprioritization of funds to medical and staffing needs. Only critical maintenance was undertaken in the year.

Depreciation

- Variance: KShs 6,540 (78% utilisation). Some assets expected to be capitalized early in the year were only procured late in the financial year due to late reimbursements by SHA, resulting in a lower depreciation charge.

Total Expenditure

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- Variance: KShs 4,173,671 (82% utilisation). The combined effect of lower spending on medical, repair, general expenses and prior year payables of Kshs 2,298,370 led to under- utilisation of the Budget. This under-spending contributed to the year's surplus of KShs 4,173,671.

2. The original budget was approved by the Board/County Government at KShs 8,869,656. During the year, adjustments amounting to KShs 14,289,679 were made, resulting in a final budget of KShs 23,159,335. Increase of KShs 14,289,679 arising from supplementary allocations from the County Government and upward revision of Facility Improvement Fund (FIF) revenue projections, due to increased patient service demand.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	13,570,206
1	Less: Non-cash item – Depreciation	(23,460)
2	Less: Working capital / accrual adjustments	(11,006,755)
3	Net cash flows from operating activities (per Cash Flow Statement)	2,539,991
4	Less: Net cash flows from investing activities	(469,200)
5	Net increase in cash and cash equivalents	2,070,791
6	Opening Cash and Cash Equivalents (1 July 2024)	7,328
7	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,078,119

The Hospital's financial statements were approved by the Board on 31/12/25 and signed on its behalf by:

.....
Sammy Akilimali
Chairman
Board of Management

.....
Fredrick Mumba
Head of Finance
ICPAK No: 30736

.....
Dr. Andrew Folonzi Nzai
Medical Superintendent

19. Notes to the Financial Statements

1. General Information

RSCH entity is established by and derives its authority and accountability from PFM Act 2012. The RSCH is wholly owned by the Kilifi County Kenya and is domiciled in Kilifi Kenya. The entity's principal activity is to provide quality and affordable preventive, promotive, rehabilitative and curative health services across the country.

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 RSCH 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 The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the RSCH. The financial statements have been prepared in accordance with the PFM Act 2012, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></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 statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. 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. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

b. Budget information

The original budget for FY 2024/2025 was approved by Board on *17 September 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. Accordingly, the *entity* recorded additional appropriations of **3,988,653** on the FY 2024/2025 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also

Notes to the Financial Statements (Continued)

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.

d. Investment property

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

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

e. Property, plant and equipment

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

f. Financial instruments

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

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

Financial assets

Classification of financial assets

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

flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the Principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless 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.

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.

Notes to the Financial Statements (Continued)

Financial liabilities

Classification

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

g. 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.

h. 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)

i. 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.

j. 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.

k. Comparative figures

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

l. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Rendering of Services-Medical Service Income

Description	FY2024/2025 KShs	FY2023/2024 KShs
Pharmaceuticals	1,824,137.00	8,057,993.00
Records	419,210.00	
Inpatient	22,783,716.00	
Laboratory	2,412,016.00	
Radiology	898,094.00	
Accident and Emergency Service	4,218,697.00	
Total	32,555,870.00	8,057,993.00

7. Medical/ Clinical Costs

Description	FY2024/2025 KShs	FY2023/2024 KShs
Sanitary and cleaning Materials	8,150.00	7,960.00
Dressing and Non-Pharmaceuticals	472,889.00	105,350.00
Laboratory chemicals and reagents	429,337.00	196,964.00
Food and Ration	67,640.00	2,300.00
Pharmaceutical supplies	139,109.00	10,000
Purchase of Lab Equipment	250,000.00	
Chemical and industrial gases	499,892.00	
Purchase of Medical and Dental Equipment	619,550.00	
Specialised Materials - Other	247,500.00	
Purchase of Bedding and linen	192,250.00	
Total	2,926,317.00	322,574.00

Notes to Financial Statements Continued

8. Employee Costs

Description	FY2024/2025 KShs	Restated FY2023/2024 KShs
Salaries, wages, and allowances	2,421,828.00	6,480,863.00
Casual labour	4,614,806.00	-
Employer Contributions to Compulsory National Social Security Schemes	145,303 .00	222,252.00
Staff medical expenses and Insurance cover	37,650.00	150,600.00
Total	7,219,587.00	6,853,715.00

9. General Expenses

Description	FY2024/2025 KShs	Restated FY2023/2024 KShs
Telephone and mobile phone services	253,500.00	278,700.00
Water and sewerages costs	776,500.00	442,500.00
Catering Expenses	624,980.00	120,865.00
Travel and accommodation allowance	3,421,935.00	947,580.00
Computer accessories	383,260.00	82,220.00
Printing, advertising and information supplies & services	422,412.00	59,231.00
Conferences and delegations	407,100.00	203,040.00
Office and general supplies and services	483,025.00	286,730.00
Purchase of Household and Institutional Appliances	106,195.00	11,980.00
Courier and postal services	1,458.00	25,258.00
Fuel expenses	1,037,420.00	1,116,837.00
Bank charges	4,100.00	2,650.00
other fuel	7,100.00	14,900.00

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Total	7,928,985.00	3,592,491.00
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10. Board of Management Expenses

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Sitting allowance	200,000.00	193,000.00
Total	200,000.00	193,000.00

11. Repairs And Maintenance

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Motor vehicle expenses	126,120.00	192,150.00
Maintance of machinery	41,300.00	80,070.00
Computers	51,000.00	74,200.00
Buildings	257,775.00	144,620.00
Medical Equipment	211,120.00	
Total	687,315.00	491,040.00

12. Depreciation and Amortization Expense

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Property, plant and equipment	23,460.00	-
Total	23,460.00	-

13. Cash And Cash Equivalent

Description	FY2024/2025	Restated
	KShs	FY2023/2024
		KShs
Current account	2,078,118.00	7,328.00
Total cash and cash equivalent	2,078,118.00	7,328.00

Notes to the Financial Statements (Continued)

13.(a). Detailed Analysis of Cash and Cash Equivalents

Description	Account number	FY2024/2025	Restated FY2023/2024
		KShs	KShs
Co-Operative Bank			
KCG-HSIF EXPENDITURE ACCOUNT	1141654805000	1,271,845.00	5,578.00
RABAI HEALTH CENTRE COMMITTEE	1102295698	806,273.00	1,750
Grand total		2,078,118.00	7,328.00

14. Receivables From Exchange Transactions

Description	FY2024/2025 KShs	FY2023/2024 KShs
Medical services receivables	10,152,964.00	1,108,313.00
Total receivables from exchange transactions	10,152,964.00	1,108,313.00

Analysis of Receivables From Non-Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	FY 2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	9,461,695.00	93%	414,594.00	37%
Between 1- 2 years	-	-	-	0%
Between 2-3 years	691,269.00	7%	693,719.00	63%
Over 3 years	-	-	-	0%
Total (a+b)	10,152,964.00	1.00	1,108,313.00	100%

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Notes to the Financial Statements (Continued)

15. Property, Plant and Equipment

Description	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical	Total
			equipment	
Cost	Shs	Shs	Shs	Shs
Depreciation Rate	12.50%	30%	12.50%	
At 1st July 2023	-	-	-	-
Additions	-	-	-	-
At 30th June 2024	-	-	-	-
At 1 st July 2024	-	-	-	-
Additions	-	469,200	-	469,200
At 30th June 2025	-	469,200	-	469,200
Depreciation and impairment				
At 1 July 2023	-	-	-	-
Depreciation for the year	-	-	-	-
At 30 June 2024	-	-	-	-
At July 2024	-	-	-	-
Depreciation	-	23,460.00	-	23,460.00
At 30th June 2025	-	23,460.00	-	23,460.00
Net book values				
At 30 th June 2024	-	-	-	-
At 30 th June 2025	-	445,740	-	445,740

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Notes to the Financial Statements (Continued)

16. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	289,345.00		2,298,370.00	
Total trade and other payables	289,345.00		2,298,370.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	289,345.00	100%	2,298,370.00	100%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	289,345.00	100%	2,298,370.00	100%

17. Medical Services Contracts Gains /Losses

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF		
Non- Comprehensive contracts care with NHIF	24,513,533.00	3,505,000.00
Total Gain/Loss	24,513,533.00	3,505,000.00

18. Cash Generated from Operations

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Surplus for the year before tax	13,570,206.00	3,394,827.00
Adjusted for:		
Depreciation	23,460.00	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	9,044,651.00	72,008.00
Decrease in payables	2,009,025.00	1,968,999.00
Net cash flow from operating activities	2,539,990.00	1,497,836.00

Notes to the Financial Statements (Continued)

19. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions				
Receivables from –non-exchange transactions	1,108,313.00	414,594.00	693,719.00	
Bank balances	7,328.00			
Total	1,115,641	414,594.00	693,719.00	
At 30 June 2025 (current year)				
Receivables from exchange transactions				
Receivables from –non-exchange transactions	10,152,964.00	9,461,695.00	691,269.00	
Bank balances	2,078,118.00			
Total	12,231,082.00	9,461,695.00	691,269.00	

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from July 2024. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade payables	118,160.00	130,000.00	41,185.00	289,345.00
Total	118,160.00	130,000.00	41,185.00	289,345.00

Rabai Sub County Hospital (Kilifi County Government)
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Notes to the Financial Statements (Continued)

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	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	13,570,206.00	- 3,394,827.00
Capital reserve	-	-
Total funds	13,570,206.00	- 3,394,827.00
Total borrowings	-	-
Less: cash and bank balances	5,580,784	-9,786
Net debt/ (<i>excess cash and cash equivalents</i>)	7,989,422.00	3,385,041
Gearing	59%	0.9%

Notes to the Financial Statements (Continued)

20. 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.

Kilifi 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	Jun-24	FY2023/2023
	Kshs	Kshs
Transactions with related parties		
a) Grants from the HSIF Fund		
Grants from HSIF Fund	32,555,870	8,057,993
Total	32,555,870	8,057,993
b) Key management compensation		
Directors' emoluments	200,000	193,000
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	200,000	193,000

21. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

22. Contingent Liabilities

(Non during the year)

23. Capital Commitments

(Non during the year)

24. Events after the Reporting Period

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

25. Ultimate and Holding Entity

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

26. Currency

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

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 the issue to be resolved)
OAG/CGK-RSCH/2022/2023(01)	<p>Undisclosed Inventory Balance</p> <p>Undisclosed Inventories Review of records maintained at the facility revealed that Inventories of undetermined value reflected in the inventory records have not been disclosed in the statement of financial position.</p>	<p>The IPSAS 33 agreed that where a first-time adopter takes advantage of the exemption that provides a three year transitional relief period to not recognize and/or measure certain assets:</p> <p>(a) For inventory, current replacement cost; and (b) For investment property of a specialized nature, depreciated replacement cost</p>	Awaiting County Assembly report	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to
OAG/CGK-RSCH/2022/2023(01)	<p>Non-Disclosure of Property, Plant and Equipment The statement of financial position did not include the Hospital's property, plant and equipment as at 30 June, 2023. However, physical verification carried revealed that the Hospital had assets with undetermined value that has not been disclosed in the financial statements.</p>	<p>The entity had not carried out valuation on the property, plant and equipment due to budget constraints hence not recognized property, plant and equipment under previous basis of accounting the entity .Therefore adopted accrual basis IPSASs 33 and took advantage of the three year transitional relief period .</p>	Awaiting County Assembly report	
OAG/CGK-RSCH/2022/2023(01)	<p>Budgetary Controls and Performance The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.5,381,467 and Kshs.7,433,679 respectively, resulting in budget over realization of Kshs.2,052,212 or 38% of the budget. Similarly, the statement reflects an actual expenditure of Kshs.5,223,331 against an approved budget of Kshs 5,381,467 resulting in under-</p>	<p>The Fund is operated through funds collected in health facilities. As such, variances in amount collected against budget are bound to occur. Management has, however, adopted the Kenya Health Information system KHIS to predict revenues more accurately</p>	Awaiting County Assembly report	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
	expenditure of Kshs.158,136 or 2.9% of the budget.	and eliminate the occurrence of variances.		
OAG/CGK-RSCH/2022/2023(01)	<p>Non-Compliance with Kenya Quality Model for Health Policy Guidelines</p> <p>Verification of services offered, equipment used and number of staffing at the Hospital revealed that during the year under review, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines. It was noted that a number of services, personnel engaged and equipment available were not as per Kenya Quality Model for Health Policy Guidelines</p>	<ul style="list-style-type: none"> Plans are underway to expand the hospital infrastructure to increase bed capacity. This includes the construction of new wards and renovation of existing ones i. e Construction of Male ward which is underway. Temporary Solutions: We are also exploring the use of temporary structures as Emergency unit 	Awaiting County Assembly report	
OAG/CGK-RSCH/2022/2023(01)		<ul style="list-style-type: none"> This discrepancy is due to budgetary 	Awaiting County	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to
	<p>During the year under review the hospital had two (2) medical officer against the 16 recommended by the Kenya quality model for health which represents a deficit of fourteen (14) medical officers or 88%, two Anesthesiologists as per Kenya Quality model per health, one (1) Gynecologist against the 2 recommended representing a 50% deficit.</p> <p>Further the hospital had nil general surgeons, Pediatrics and Radiologists against the recommended 2 representing 100% deficit in each category. In addition, the hospital had 25 Kenya Registered Community Health nurses from the recommended 75 representing a deficit of 67%. For details see the table 3.</p>	<p>constraints and the national shortage of specialized medical professionals.</p> <ul style="list-style-type: none"> Recruitment: We have initiated a phased recruitment plan through writing and submitting staffing needs assessment and also done an indent to the department of health to gradually increase staff numbers. Priority is given to critical positions such as Medical Officers, Anesthesiologists, General Surgeons, and Radiologists. <p>We are working with the county government to expedite the recruitment process and secure</p>	<p>Assembly report</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
		additional funding for hiring essential staff.		
OAG/CGK-RSCH/2022/2023(01)	<p>Ineffective Governance by the Board of Management</p> <p>Review of the board operations and activities during the year under review revealed that the facility's board operated without an approved charter and an approved work plan contrary to Section 1.1 1 and section 1.9 of Mwongozo Code of Governance which requires the Board of Directors to develop and adopt a Board Charter which defines the roles, responsibilities and functions of the Board. Further, the board's sub - committees including Risk management and audit committee, Finance/Infrastructure/human resource and service delivery and general performance were none operational as at the time of audit. In addition, review of the hospital board records revealed that the County Executive committee member for health-Kilifi County appointed nine (9) hospital board</p>	The management is waiting for the the county Government of kilifi to do an official Gazettement and induction of Board members,however the members have been meeting for Approval of Budgets.	Awaiting County Assembly report	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to
	<p>members of Rabai sub county hospital on 16th November 2022 on interim basis awaiting gazettelement and induction. However, at the time of this audit in April,2024 gazettelement of the board members had not been done seventeen (17) months after members were issued with interim appointment letters.</p> <p>In the circumstances, the effectiveness of governance in the Hospital could not be confirmed.</p>			
OAG/CGK-RSCH/2022/2023(01)	<p>Expired Medical Supplies A review of management of pharmaceuticals and non-pharmaceuticals at the hospital revealed that sixty-one (61) units of various drugs worth Kshs. 599,322 had expired and in the hospital stores. This could be an indicator of poor stores management practices.</p> <p>In the circumstances, effectiveness of internal controls on management of pharmaceuticals and non-pharmaceuticals could not be confirmed.</p>	<p>The expired drugs housed at the hospital consists of all expired drugs for the Rabai Sub county, this includes drugs from all the dispensaries in Rabai Sub county and Health centers The Expired drugs are not for this financial year, they consist of drugs from the year 2022 up to today. The department of health has not destroyed non pharms and drugs since the year</p>	Awaiting County Assembly report	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to
		2022.The Department of health through the pharmacists asked all the hospitals to collect expired drugs for the facility and Sub county for destruction in Kemri at some point, this was done but the drugs have never been destroyed .The management has written to the Department awaiting disposal for the drugs.		
OAG/CGK-RSCH/2022/2023(01)	<p>Lack of Risk Management Framework</p> <p>During the year under review, the Hospital operated without a documented risk management policy framework. Further, there was no evidence of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on entities' operation.</p>	Currently the hospital uses Risk management system from the Department	Awaiting County Assembly report	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
OAG/KRO-AUD/11/11/2023/2024(9)	1. The statement of financial position reflects total assets balance amounting to Kshs.1,113,891. As previously reported, Management did not make a disclosure of property, plant and equipment even though review of the documents provided for audit revealed that the Hospital owns various class assets including land, buildings, motor vehicles, furniture, computers and equipment. In addition, Management did not make a disclosure on inventories even though review of documents provided for audit revealed that the Hospital had inventories including pharmaceutical and non-pharmaceutical items. A first-time adopter is encouraged, but not required, to	The hospital has established an inventory committee, and the process of asset identification has been initiated by the committee. Attached are the Inventory Management Minutes as Appendix 1a and the Asset Register as Appendix 1b . Upon completion of the asset identification process, the hospital will collaborate with valuers from the Department of Health for valuation.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
	<p>recognize assets, liabilities, revenue and expenses and other exemptions in its first transitional IPSAS financial statements or its first IPSAS financial statements presented in accordance with this IPSAS.</p> <p>In the circumstances, the accuracy and completeness of total assets balance of Kshs.1,113,891 could not be confirmed.</p>	<p>We would also like to confirm that the hospital has implemented systems to conduct stock takes on a monthly and quarterly basis, with the reports submitted to the Department, as detailed in Appendix 1c.</p>		
<p>OAG/KRO-AUD/11/11/2023/2024(9)</p>	<p>2. The statements of financial performance and Note 8 to financial statements reflects expenditure on general expenses totalling Kshs.3,592,491. Included in this expenditure is an amount of Kshs.323,905 in respect to conference and delegations. However, the</p>	<p>Statements of financial performance and note 8 to financial statements reflects general expenses balance of kshs. 3,592,491 . Included in this balance is an amount of Kshs. 323,905 in</p>	<p>Not Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to be resolved)
	<p>supporting schedule reflects expenditure totalling Kshs.396,040 resulting to unreconciled variance amount of Kshs.72,135.</p> <p>In the circumstances, the accuracy of the expenditure on conference and delegations totalling to Kshs.323,905 could not be confirmed.</p>	<p>respect to conference and delegations while note 10 reflects Board of management Expense amount 193,000.ledgers on Boards,committee,conference and Catering Services (receptions), Accommodation, Gifts, Food and Drinks are Kshs 396,040 and 120,865 as shown in the table below.</p>		
OAG/KRO-AUD/11/11/2023/2024(9)	3. The statement of comparison of budget and actual amounts reflects approved final revenue budget and	The hospital's budget ceiling is determined based on revenue	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
	<p>actual on comparable basis amount of Kshs.11,497,180 and 8,057,993 respectively, resulting to an under-performance of an amount of Kshs.3,439,187 or 30% of the budget.</p> <p>Similarly, the Hospital spent an amount of Kshs.11,458,820 against actual receipts amount of Kshs.8,057,993 resulting to over-utilization of Kshs.3,400,827.</p> <p>The underperformance may have negatively impacted on the planned activities of the Hospital which affected service delivery to the public.</p>	<p>projections from previous years. However, the hospital was unable to meet these revenue targets due to the doctors' and clinical officers' strikes, as well as inconsistent NHIF reimbursements. Attached are the notices for the doctors' and clinical officers' strikes Appendix 3a and 3b.</p>		
OAG/KRO-AUD/11/11/2023/2024(9)	4. As previously reported, review of management of pharmaceuticals and non-pharmaceuticals stores at the	The hospital utilizes the pool system for ordering and conducts	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is resolved)
	<p>hospital revealed that thirteen (13) units of various drugs worth Kshs.96,179 had expired at the time of Audit contrary to Regulation 32 (1) (a) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer of a County Government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.</p>	<p>redistribution if there is an excess of stock. Additionally, a system has been implemented to ensure the First Expiry, First Out (FEFO) method is followed, preventing the expiration of commodities. The hospital has also established a Disposal Committee, and the disposal process has been initiated by the committee. The Disposal Minutes are attached as Appendix 4.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
OAG/KRO-AUD/11/11/2023/2024(9)	5. As previously reported, verification of services offered, equipment used and number of staffing at the Hospital revealed that during the year under review, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines. In addition, the number of services, personnel engaged and equipment available were not as per Kenya Quality Model for Health Policy Guidelines contrary to the provisions of the First Schedule of the Health Act, 2017 which sets out the technical classification of the levels of healthcare and the Ministry of Health Kenya Quality Model for Health Policy Guidelines, 2016 which defines resourcing requirements in terms of	The hospital concurs with the auditor's observation. The county Government of Kilifi has upgraded the Human Resource for Health continuously through yearly recruitment of staff since devolution. The County Government has a recruitment plan that is approved by the County Public Service Board. The County Government implements the specialist's referral strategy. Consultants from Kilifi County has supports specialized health care	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is resolved)
	<p>facilities, infrastructure, services offered, and personnel requirements for each category of hospital.</p>	<p>services in Rabai sub County hospital including specialized clinics and surgical operations. This is a system that increases access of specialized health care services across the county.</p> <p>The hospital acknowledges the observation of the auditor. We wish to explain that the department of health services has continued to upgrade equipment in all health facilities across the County. However, this is done in phases due to the</p>		

Rabai Sub County Hospital (Kilifi County Government)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to
		financial constraints. We confirm that the hospital has submitted a request for X-ray Machine, Dental Chair and incinerator from the Department of Health Services as attached herein as appendix 5.		
OAG/KRO-AUD/11/11/2023/2024(9)	6. As previous reported, management has not developed a strategic plan in conformity with the medium-term fiscal framework and financial object of the county government. section 149(2)(g) of the public finance management Act, 2012 which states that in carrying out a responsibility an Accounting officer shall in respect of the Entity	The management is in the process of developing a strategic plan through the HMT.	Not Resolved	

Rabai Sub County Hospital (Kilifi County Government)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
	<p>concerned prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and financial objectives of the county Government.</p> <p>In the circumstances, the effectiveness of governance in the hospital could not be confirmed.</p>			
OAG/KRO-AUD/11/11/2023/2024(9)	<p>As previously reported, review of the hospital board records revealed that the County Executive committee member for health appointed nine (9) hospital board members of on 16th November, 2022 on interim basis awaiting gazettelement and induction. However, at the time of this</p>	<p>The department of health has submitted a request for gazzement of the board members to the county legal office attached herein as appendix 7a.</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
	<p>audit, gazettelement of the board members had not been done seventeen(17) months after members were issued with interim appointment letters.</p> <p>In the circumstances, the effectiveness of governanee in the Hospital could not be confirmed.</p>			

Appendix 2

TRIAL BALANCE

*Rabai Sub County Hospital (Kilifi County Government)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue to
RABAI SUB COUNTY HOSPITAL				
	30/06/2025			
Account Title	Debit	Credit		
Medical/ Clinical Costs	2,926,317.00			
Employee costs	7,219,586.00			
General Expenses	8,398,185.00			
Repair and Maintenance	687,315.00			
Board of Management Expenses	200,000			
Cash	1,271,845.00			
Receivables	10,957,016.60			

Rabai Sub County Hospital (Kilifi County Government)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when the issue is to be resolved)
	Retained Earnings	(1,184,479.00)		
	Trade payables	289,345.00		
	Revenue	32,555,398.60		
	31,660,264.60	31,660,264.60		
	Balanced	-		

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Rabai Sub County Hospital (Kilifi County Government)
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Accounting Officer



Appendix II: Projects Implemented by The Entity

Projects

No Projects were implemented by the Hospital in the year under review.

