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REPORT

OF

THE AUDITOR-GENERAL

ON

KENNETH MATIBA EYE AND DENTAL  
HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF MURANG'A

PAPERS LAID	
DATE	17/02/2026
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COMMITTEE	—
CLERK AT THE TABLE	T. O. Omondi

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# **Kenneth Matiba Eye and Dental Level 4 HOSPITAL (Murang'a County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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**1. Acronyms & Glossary of Terms**

AIE	Authority to Incur Expenditure
CRF	County Revenue Fund
CSR	Corporate Social Responsibility
EEC	Executive Expenditure Committee
FIF	Facility Improvement Finance Bill
HMT	Hospital Management Team
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
KMEDH	Kenneth Matiba Eye and Dental Hospital
KMPDU	Kenya Medical Practitioners and Dentists Act
MED SUP	Medical Superintendent
NHIF	National Health Insurance Fund
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
SHA	Social Health Authority
USSD	Unstructured Supplementary Service Data
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

**2. Key Entity Information and Management**

**(a) Background information**

Kenneth Matiba Eye and Dental Hospital is a level 4 hospital established under healthcare regulations, register under KMPDU Act Reg No. GK-008670, domiciled in Murang'a county regulated by the Ministry of Health and Sanitation. The hospital has been registered as a medical institution in accordance with rule 4(3) of the Medical Practitioners and Dentists (Medical institution) Rules.

**(b) Principal Activities**

The principal activity of the hospital is to offer basic and Specialised Dental Services, Ophthalmic Services, Outpatient Preventive and curative Services, Inpatient Services and Accident & Emergency Services.

**(c) Key Management**

The Kenneth Matiba Eye and Dental Hospital management is under the following key organs:

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

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	<b>Dr. Tessa Semo Oranga</b>
2.	Head of finance	<b>Ms. Susan Mwangi</b>
3.	Head of supply chain	<b>Mr. Eugene Mukui Gititu</b>
4.	Health Administrative Officer	<b>Mr. Joel Gitau Kimani</b>
5.	Dentist In Charge	<b>Dr. Fidelis Mbaka</b>
6.	Nursing Services Manager	<b>Mr. Stephen Kagwi</b>

**(e) Fiduciary Oversight Arrangements**






- Clinical Research and Standards Committee.
- Executive Expenditure Committee (EEC)
- Waiver Committee
- Procurement Committee (Bidder Evaluation & Supply Inspection)
- Audit Committee
- County Assembly Parliamentary committees

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





- (f) **Entity Headquarters**  
P.O. Box 376-01020  
Kenol  
Nairobi-Nyeri Highway  
KENOL, KENYA
- (g) **Entity Contacts**  
Telephone: (+254) 102186778  
E-mail: kmedh2014@gmail.com  
Website: www.kennethmatiba.go.ke
- (h) **Entity Bankers**  
  
Kenya Commercial Bank (KCB)  
A/C No 1310105294  
  
Kenya Commercial Bank (KCB)  
A/C No 1324422424
- (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**  
County Headquarter  
P.O. Box. 52-10200  
Murang'a, Kenya

*Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

**3. The Board of Management**





Ref	Directors	Details
1.	 <b>Dr. Kenneth Mungai</b>	Chairman  Masters in Obstetrics and Gynaecology
2.	 <b>Dr. Tessa Semo Oranga</b>	Secretary  Medical Superintendent Bachelors of Pharmacy. Masters in Tropical and Infectious Diseases. Researcher and Epidemiologist.
3.	 <b>Mr. Obadiah Mwaniki Ngugi</b>	Member  Bsc in Mathematics, & Physics
4.	 <b>Mr. Joseph Muiruri Gichui</b>	Member  Representing PLWD
5.	 <b>Ms. Rachael Nguribu Nyaguthii</b>	Member  Registered Mathematics and Chemistry Teacher

*Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*






6.	 <p><b>Mr. Andrew Kamau</b></p>	<p>Member</p> <p>Representing the Financial expert</p>
7.	 <p><b>Ms. Jane Njeri Kuria</b></p>	<p>Member</p> <p>Women representative</p>
8.	 <p><b>Mr. Joseph Kamau Ngugi</b></p>	<p>Member</p> <p>Accountant</p>
9.	 <p><b>Mr. Jeremiah Maina Mwangi</b></p>	<p>Member</p> <p>Veterinary Technologist</p>
10.	 <p><b>Mrs. Mary W. Mugo</b></p>	<p>Member</p> <p>Community Representative</p>

*Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*





**4. Key Management Team**

Ref	Management	Details
1.	 <p><b>Dr. Tessy Semo Oranga</b></p>	<p>Medical Superintendent</p> <p>Bachelors of Pharmacy.  Masters in Tropical and Infectious Diseases.  Researcher and Epidemiologist.</p>
2.	 <p><b>Mr. Joel Gitau Kimani</b></p>	<p>Health Administrative Officer</p> <p>Bachelor of Arts in political science and public administration</p>
3.	 <p><b>Mr. Eugene Mukui Gititu</b></p>	<p>Procurement Officer</p> <p>Diploma in Supply Chain Management</p>
4.	 <p><b>Ms. Susan Mwangi</b></p>	<p>Hospital Accountant</p> <p>Bachelor of Commerce Finance option  Certified Investment and Financial Analyst (CIFA)</p>

*Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

Ref	Management	Details
5.	 <b>Mr. Frank Kibe</b>	<p>Laboratory In charge</p> <p>Medical Laboratory Technologist Bachelor's Degree in Medical Laboratory Science</p>
6.	 <b>Ms. Brenda Ndunge Peter</b>	<p>Clinician In Charge</p> <p>Diploma in clinical medicine and Surgery</p>
7.	 <b>Dr. Eutyclus Muchira Muguku</b>	<p>Pharmacist In Charge</p> <p>Bachelor of Pharmacy</p>
8.	 <b>Mr. Stanley Kagwi</b>	<p>Nurse In Charge</p> <p>Senior Registered Nurse Higher Diploma Ophthalmic Nursing</p>
9.	 <b>Ms. Veronica Njoki</b>	<p>Health Records In Charge</p> <p>Health Record &amp; Information Officer Diploma in Health Records and Information Management</p>

**Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Ref	Management	Details
10.	 <b>Dr. Agnes Wangechi</b>	<p>Ophthalmic / Eye Department In Charge</p> <p>Ophthalmologist  Masters of Medicine Ophthalmology</p>
11.	 <b>Dr. Fidelis Mbaka</b>	<p>Dentist In Charge</p> <p>Dentist  Bachelors of Dental Surgery</p>
12.	 <b>Mr. James Nduru Kahiro</b>	<p>Optometry Department In Charge</p> <p>Optometrist  Diploma in Optometry</p>
13.	 <b>Ms. Sharleen Wanjiku Wamaru</b>	<p>ICT Department In Charge</p> <p>Bachelor of Business with information technology.  Google Data analytics Certificate.  Power BI masterclass Certificate</p>

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

The health care space at Murang'a County has continued to improve and excel in order to assist the common mwananchi. Kenneth Matiba Eye and Dental Hospital operate as a complex healthcare institution that offers specialized eye and dental treatment. The hospital functions with a multidisciplinary approach, involving medical professionals, nurses, administrative staff and support personnel that all inclusively make the hospital to be one of a kind in the county at large.

However, the challenging operating environment and changing consumer preferences have impacted on the hospital and necessitated positive changes in how we do things. These have been opportunities for learning and adapting.

During the year, the county has digitized all the hospital IT systems in the county which have enabled Kenneth Matiba Eye and Dental Hospital to increase its revenue collections during the year. The hospital was relocated from Kenol town to Makenji therefore reducing the burden of rent to the county government. This was a great move and will enable the hospital to expand in future.

I, and on behalf of the board remain positive that the hospital will remain to be the best specialized hospital not only in Murang'a county but also in the country as a whole.



.....  
**Dr. Kenneth Mungai**  
**Chairman to the Board**

## **6. Medical Superintendent Report**

I am pleased to present to you the key highlights of the Annual Report and Financial Statements for the financial year 2024-2025.

Kenneth Matiba Eye and Dental Hospital management team prioritized the strengthening of governance frameworks, provision of quality health care, progressing infrastructure projects as well as playing an active role in managing the financial performance of the hospital. To achieve this, the hospital engaged the right people into a revamped organizational structure. We believe that the right transformational initiatives will continue yielding results, even in a highly dynamic operating environment.

Patient satisfaction is at the centre of what we do. We achieve this with a wide array of staff, cutting across different health disciplines. We pride ourselves for a seamless integration of all these medical services to deliver the highest standards of healthcare.

We have reviewed our existing processes, policies and procedures to respond better to our clients' preferences.



**Dr. Tessa Semo**  
**Secretary to the Board**

## 7. Statement of Performance Against Predetermined Objectives

Kenneth Matiba Eye and Dental Hospital has three strategic pillars and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars are as follows:

Pillar 1: Service delivery

Pillar 2: Information, Communication & Technology

Pillar 3: Infrastructure projects

Kenneth Matiba Eye and Dental Hospital developed its annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kenneth Matiba Eye and Dental Hospital achieved its performance targets set for the FY 2024/2025 period under these strategic pillars, as indicated in the diagram below:

Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Service delivery	Quality Improvement of Services	Provision of quality and functional medical equipment	Skills training	85%
			Procure and maintain essential equipment	65%
			Quality assurance monitoring	70%
			Enhanced patient experience	90%
Pillar 2: Information, Communication & Technology	Digitization of all the hospital's system at patients service points	Digitized patients records and Payments are made through M-pesa services	Efficient service delivery	100%
Pillar 3: Infrastructure Projects	Construction of an accident and trauma centre	Construction of the referral trauma centre in the hospital.	A new facility is being constructed and will be in use soon.	20%

## **8. Corporate Governance Statement**

Kenneth Matiba Eye and Dental Hospital has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the hospital. The Board of Management recognizes the importance of corporate governance and as such as it carries out its mandate with honesty, openness and integrity.

The Board of Management is responsible for the provision of oversight to the operational activities of the hospital. They are also entrusted with the responsibility of ensuring strong corporate governance and ethical practices within the hospital. Their role extends to ensuring that the hospital complies with the relevant laws. The Board members attach great importance to the need to conduct the business and operations of the hospital with integrity and in accordance with generally accepted corporate best practices.

Kenneth Matiba Eye and Dental Hospital is in conformity with the Health Act 2017, Murang'a County Health Act 2022 and Mwongozo code of governance for state corporations in the conduct of the board of management.

During FY 2024/2025 the board of management met three times as illustrated below:

- 30<sup>th</sup> August 2024
- 24<sup>th</sup> January 2025
- 27<sup>th</sup> June 2025

## 9. Management Discussion and Analysis

### Financial performance that includes: -

The main sources of revenue for the hospital are from the revenue collected by the hospital in terms of payment for medical services rendered. The hospital operated two bank accounts; a revenue account where all monies are received and FIF account for expenditure.

Monies are paid into revenue account through a USSD Mpesa Code (\*267#) registered by the county government of Murang'a. The money is then transferred to the FIF account through approval of fund transfer and AIE by Chief Officer public health and sanitation. The funds are then transferred to the hospital's FIF account which makes payments for the hospital's expenses.

The following table highlights the amount of money transferred to the hospital FIF Account as authority to incur expenditure (AIE) by the chief officer public health.

<b>RECEIPTS IN FIF A/C NO 1324422424 FROM REVENUE A/C NO 1310105294</b>	
<b>DATE</b>	<b>AMOUNT</b>
1/2/2024	799,286
16/10/2024	1,470,000
5/11/2024	260,000
18/12/2024	3,440,000
26/2/2025	2,200,000
24/4/2025	2,450,000
7/5/2025	1,200,000
26/6/2025	2,060,000
	<b>13,879,286</b>

<b>TRANSFERS FROM COUNTY TO FIF A/C NO 1324422424</b>	
<b>DATE</b>	<b>AMOUNT</b>
7/5/2025	1,400,000
26/6/2025	220,000
	<b>1,620,000</b>

**Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

MONTH	CASH	NHIF/SHA SUMMARY				TOTAL REVENUE
		INPATIENT	OUTPATIENT	TOTAL	PAYMENT BY SHA	
Jul-24	162,276	34,000	-	34,000	-	196,276
Aug-24	807,367	128,000	-	128,000	-	935,367
Sep-24	1,086,017	124,000	-	124,000	-	1,210,017
Oct-24	1,272,597	-	-	-	-	1,272,597
Nov-24	1,226,106	-	415	415	-	1,226,521
Dec-24	1,087,458	-	8,195	8,195	-	1,095,653
Jan-25	1,315,158	90,000	100,455	190,455	-	1,505,613
Feb-25	1,213,822	210,000	208,687	418,687	150,000	1,632,509
Mar-25	1,317,402	390,000	150,311	540,311	210,000	1,857,713
Apr-25	1,331,453	150,000	277,542	427,542	210,000	1,758,995
May-25	1,456,416	300,000	442,485	742,485	30,000	2,198,901
Jun-25	1,106,573	423,600	527,890	951,490	180,000	2,058,063
<b>TOTAL</b>	<b>13,382,645</b>	<b>1,849,600</b>	<b>1,715,980</b>	<b>3,565,580</b>	<b>780,000</b>	<b>16,948,225</b>

The above table below shows a summary of the revenue collected by the facility on a monthly basis in the FY 2024/2025.

**Cash**

- Kshs **13,383,645** as per bank statement

**Insurance claims**

- Kshs **286,000** for inpatient claimed through NHIF
- Kshs **1,563,600** for inpatient claimed through SHA
- Kshs **1,715,980** for outpatient claimed through SHA

However, the SHA claims portal, highlights a total sum of **kshs 780,000** was paid back to the facility which we are yet to receive as a hospital.

***Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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The total revenue collected by the hospital was **ksh 16,948,225** for the FY 2024/2025 which was a shortfall from what we expected as per the hospital's FY 2024/2025 budget. This was attributed by the transition from NHIF to SHA in the second quarter of the year.

**Clinical/operational performance**

<b><u>CLINICAL/OPERATIONAL PERFORMANCE FY 2024-2025</u></b>		
1	Bed capacity	19
2	Over all patient's attendance	48,481
	Outpatient	48,099
	Inpatient	382
3	Accident and emergency	740
4	Specialized clinic attendance	3,500
5	Average length of stay for inpatient	2 days
6	Bed occupancy rate	17%
7	Mortality rate	0.002%
8	Surgical theatre utilization	731

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

### **1. Sustainability strategy and profile**

The principal activity of the hospital is to offer basic and Specialised Dental services, Ophthalmic services, Outpatient Preventive and Curative services, Inpatient Services and Accident & Emergency Services. To be able to provide this, the hospital through the Facility Improvement Financing bill was able to maintain its sustainability strategy.

### **2. Waste management**

The hospital's waste management is handled within the public health policies and guidelines. Having its incinerator still under construction, Kenneth Matiba Eye and Dental Hospital has its waste collected every two weeks for incineration at Maragua Sub-County Hospital. However, the hospital's incinerator construction is still ongoing.

### **3. Infection prevention**

Kenneth Matiba Eye and Dental Hospital has an established Infection Prevention and Control (IPC) committee. Healthcare workers are provided with preventive protective gears, inclusive of masks, surgical gloves and sterile gloves. Additionally, waste segregation protocols and other IPC standards are adhered to.

### **4. Employee welfare**

The recruitment of human resource is done by the Murang'a Public Service Board. The facility, through the approval of the county government has engaged volunteers in the delivery of service. Skills and managing careers are done by the County Human Resource Administration Committee situated at the county headquarters. Appraisal of employees is done at the facility but rewarding is done at the county level. The hospital is in the process of adopting the Occupational Safety and Health policy, according to the Occupational Safety and Health Act of 2007.

### **5. Procurement and Tendering**

Tendering is done through the county procurement which follows the Procurement Act. Responsible competition is enhanced by open tendering, clear evaluation criteria, and devolution of opportunities to small medium enterprises, youth and women. The procurement encourages long term frameworks, timely payments and supplier monitoring to enhance supply chain and supplier relations.

**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 affairs.

**Principal activities**

The principal activities of the board include providing oversight over the administration of the hospital, promoting the development of hospital, and approving plans and programs for implementing county health strategies in the hospital.

**Results**

The results of Kenneth Matiba Eye and Dental Hospital for the year ended June 30 2025 are set out pages 1 to 7.

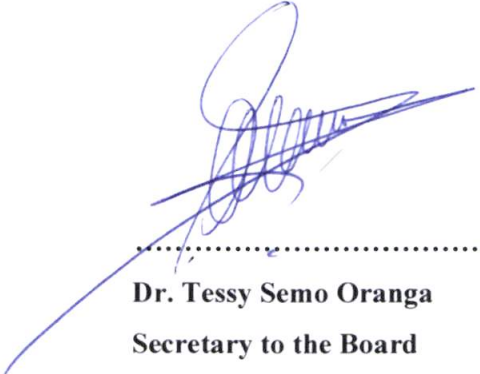
**Board of Management**

The Board has members representing Faith Based Organizations, Non- Governmental Organizations, Persons with Disabilities, Financial expert and one nominated by women organizations. The members of the Board who served during the year are shown on page v.

**Auditors**

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

By Order of the Board



.....  
**Dr. Tessy Semo Oranga**  
**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 the hospital, which give a true and fair view of the state of affairs of the hospital at the end of the financial year/period and the operating results of the hospital for that year/period. The Board of Management is also required to ensure that the hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the hospital. The council members are also responsible for safeguarding the assets of the hospital.

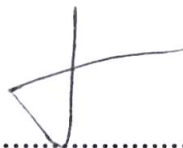
The Board of Management is responsible for the preparation and presentation of the hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining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

The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and FIF Act 2023 Section 24. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of the hospital's transactions during the financial year ended June 30, 2025, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

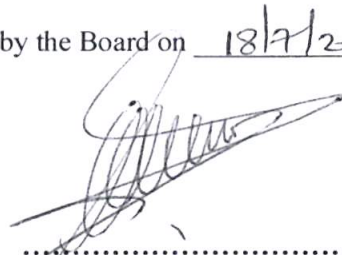
Nothing has come to the attention of the Board of management to indicate that the hospital will not remain a going concern for at least the next twelve months from the date of this statement.

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

The Hospital's financial statements were approved by the Board on 18/7/25 and signed on its behalf by:



.....  
**Name: Dr. Kenneth Mungai**  
**Chairperson**  
**Board of Management**



.....  
**Name: Dr. Tessy Semo Oranga**  
**Accounting Officer**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON KENNETH MATIBA EYE AND DENTAL HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MURANG'A

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### PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenneth Matiba Eye and Dental Hospital set out on pages 1 to 50, which comprise of the statement of financial position

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*Report of the Auditor-General on Kenneth Matiba Eye and Dental Hospital for the year ended 30 June, 2025 - County Government of Murang'a*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenneth Matiba Eye and Dental 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Revenue from Rendering Services**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects rendering of services – medical service income amounting to Kshs.16,948,225 which was not supported by detailed schedules indicating the collections from all the revenue streams.

In the circumstances, the accuracy and completeness of revenue from rendering services amounting to Kshs.16,948,225 could not be confirmed.

#### **2. Long Outstanding Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 29 to the financial statements reflects receivables from exchange transactions balance of Kshs.10,822,380, which relates to medical services receivable from unpaid NHIF and SHA claims. Included in the balance is an amount of Kshs.7,256,800 that has remained outstanding for more than one year and no provision for impairment was provided for it.

In the circumstances, the accuracy, completeness and existence of the receivables from exchange transactions balance of Kshs.10,822,380 could not be confirmed.

#### **3. Doubtful Ownership and Non - Valuation of Property Plant and Equipment**

The statement of financial position and as disclosed in Note 35 to the financial statements reflects property plant and equipment balance of Kshs.3,413,100 which excludes a parcel of land where the Hospital is built and whose value has not been determined and disclosed in the financial statements. Further, Management did not provide ownership documents (Land title deed) for the land.

In the circumstances, the accuracy, ownership and completeness of property, plant and equipment balance of Kshs.3,413,100 could not be determined.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis of Kshs.18,509,244 and Kshs.15,900,267 respectively, resulting in an under performance of Kshs.2,608,977 or 14% of the budget. The under-performance of the budget may have impacted negatively on the delivery of services to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

The progress on follow-up on Auditor's recommendations section of the financial statements reflects that the following four issues raised in the previous year's audit report remained unresolved as at 30 June, 2025;

- i. Accuracy and presentation of financial statement
- ii. Inadequacies in UHC as per Kenya Quality Model for Level 4 in terms of Staffing, Services and Equipment Criteria
- iii. Doubtful Ownership and Non-Valuation of Property, Plant and Equipment
- iv. Failure to provide Cashbook

## **Other Information**

Management is responsible for the Other Information set out on page iii to xviii which comprise of Key Entity Information and Management, Chairman Statement, Medical superintendent report, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Reports of 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 Kenneth Matiba Eye and Dental Hospital financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Fixed Asset Register**

Review of the documents provided for audit revealed that Management does not maintain a fixed asset register of the assets owned by the Hospital contrary to Regulation 136 of the Public Finance Management Regulation (County Government), 2015.

In the circumstances, Management was breach of the law.

#### **2. Failure to Tax Board Allowances**

The statement of financial performance revealed that the Board of Management drew allowances totaling to Kshs.228,000. However, it was observed that the Board allowances were not taxed contrary to the provisions of the Income Tax Act (CAP 470).

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

### **3. Failure to Provide Contract Monitoring Reports**

Monthly progress reports of all procurement contracts prepared by the head of procurement function and submitted to the Accounting Officer for the year under audit was not provided for audit review contrary Section 152 of the Public Procurement and Asset Disposal Act, 2015.

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 effect of the matters 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**

#### **1. Lack of Memorandum Cash Book**

Review of the Hospital documents and records revealed that Management had a total of Kshs.690,129 as standing imprest to facilitate operations. However, no memorandum cash book was maintained to record respective transaction and no board of survey reports was provided for audit review.

In the circumstances, the effectiveness of the controls in the maintenance of the memorandum cash book could not be confirmed.

#### **2. Lack of Imprest Register for Travel and Subsistence Allowance**

The Hospital did not maintain an Imprest Register to record the issuance, utilization, and surrender of imprests related to travelling expenses.

In the circumstances, the existence and effectiveness of the imprest management system could not be confirmed.

### **3. Lack of an Internal Audit Function**

The Hospital does not have an internal audit function in place contrary to Regulation 155(2) of the Public Finance Management (County Government) Regulation, 2015.

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

### **4. Unqualified Board Members**

Review of board records, revealed that one (1) member of the board of the Hospital does not meet the minimum qualifications of a board member. This contravenes Mwongozo, the code of governance for state corporations dated January 2015, which clearly outlines the qualifications of board members.

In the circumstances, the existence and effectiveness of a system of good governance could not be confirmed.

### **5. Lack of a Board Charter and a Board Work Plan**

The Hospital board of Management did not have an approved board charter and workplan to guide the board members on their duties and functions as laid out in Part E 4 of Mwongozo January 2015.

In the circumstances, the existence and effectiveness of a system of oversight and good governance could not be confirmed.

### **6. Lack of a Finance and Accounting Policy Manual**

The Hospital has not developed its own finance and accounting manual among other policy manuals to guide Management in processing financial transactions contrary to Section 68 (2)(e) of Public Finance Management Act, 2012.

In the circumstances, the existence and effectiveness of the internal controls 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 the Management and the 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.

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*Report of the Auditor-General on Kenneth Matiba Eye and Dental Hospital for the year ended 30 June, 2025 – County Government of Murang'a*

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

03 December, 2025

*Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

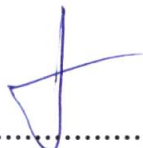
**14. Statement of Financial Performance for The Year Ended 30 June 2025**


Description	Note	2024-2025	Restated 2023-2024	2023-2024
		Kshs	Kshs	Kshs
<b>Revenue from non-exchange transactions</b>				
Transfers from the County Government	6	1,620,000	899,627	899,627
In-kind contributions from the County Government	7	-	-	-
Grants from donors and development partners	8	-	-	-
Transfers from other Government entities	9	-	-	-
Public contributions and donations	10	1,645,250	-	-
		<b>3,265,250</b>	<b>899,627</b>	<b>899,627</b>
<b>Revenue from exchange transactions</b>				
Rendering of services- Medical Service Income	11	16,948,225	9,109,478	9,109,478
Revenue from rent of facilities	12	-	-	-
Finance /Interest Income	13	-	-	-
Miscellaneous Income	14	-	-	-
		<b>16,948,225</b>	<b>9,109,478</b>	<b>9,109,478</b>
<b>Total revenue</b>		<b>20,213,475</b>	<b>10,009,105</b>	<b>10,009,105</b>
<b>Expenses</b>				
Medical/Clinical costs	15	16,553,613	1,671,283	1,125,045
Employee costs	16	-	-	-
Board of Management Expenses	17	228,000	152,000	152,000
Depreciation and amortization expense	18	867,900	-	-
Repairs and maintenance	19	53,000	93,720	93,720
Grants and subsidies	20	-	-	-
General expenses	21	2,617,672	951,395	635,371
Finance costs	22	-	-	-
<b>Total expenses</b>		<b>20,320,184</b>	<b>2,868,398</b>	<b>2,006,136</b>
<b>Other gains/(losses)</b>				
Gain/Loss on disposal of non-Current assets	23	-	-	-
Unrealized gain on fair value of investments	24	-	-	-

***Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

Medical services contracts Gains/Losses	25	-	-	-
Impairment loss	26	-	-	-
Gain on foreign exchange transactions		-	-	-
<b>Total other gains/(losses)</b>		-	-	-
<b>Net Surplus / (Deficit) for the year</b>		<b>(106,709)</b>	<b>7,140,707</b>	<b>8,002,969</b>

The Hospital's financial statements were approved by the Board on 18/7/25 and signed on its behalf by:

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

  
 .....  
**Head of Finance**  
**ICPAK No: 6253**

  
 .....  
**Medical Superintendent**

**Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

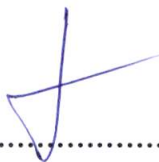
**15. Statement of Financial Position As At 30 June 2025**


Description	Note	Current FY 2024	Restated FY 2023	Comparative FY 2023-2024
		Kshs	Kshs	Kshs
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	27	429,026	897,622	897,622
Receivables from exchange transactions	29	10,822,380	7,256,800	7,256,800
Receivables from non-exchange transactions		-	-	-
Inventories	33	9,709,573	6,282,266	6,282,266
<b>Total Current Assets</b>		<b>20,960,979</b>	<b>14,436,688</b>	<b>14,436,688</b>
<b>Non-current assets</b>				
Property, plant, and equipment	35	3,413,100	2,330,000	2,330,000
Intangible assets	36	-	-	-
Investment property	37	-	-	-
<b>Total Non-current Assets</b>		<b>3,413,100</b>	<b>2,330,000</b>	<b>2,330,000</b>
<b>Total assets (A)</b>		<b>24,374,079</b>	<b>16,766,688</b>	<b>16,766,688</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	38	6,011,377	863,262	863,262
Refundable deposits from customers/Patients	39	-	-	-
Provisions	40	-	-	-
Finance lease obligation	41	-	-	-
Current portion of deferred income	42	-	-	-
Current portion of borrowings	43	-	-	-
Social Benefits	46	-	-	-
<b>Total Current Liabilities</b>		<b>6,011,377</b>	<b>863,262</b>	<b>863,262</b>
<b>Non-current liabilities</b>				
Provisions	40	-	-	-
Non-current Finance lease obligation	41	-	-	-
Non-current portion of deferred income	42	-	-	-
Non-current portion of borrowings	43	-	-	-
Service concession Arrangements	45	-	-	-
Social Benefits	46	-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>6,011,377</b>	<b>863,262</b>	<b>863,262</b>

***Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

Net assets (A-B)		18,362,702	15,903,426	15,903,426
Represented by:				
Revaluation reserve		-	-	-
Accumulated surplus/Deficit		7,033,998	7,140,707	8,002,969
Capital Fund		8,762,719	8,762,719	-
Net Assets		15,796,717	15,903,426	8,002,969

The Hospital's financial statements were approved by the Board on 18/7/25 and signed on its behalf by:

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

  
 .....  
**Head of Finance**  
**ICPAK No: 6253**

  
 .....  
**Medical Superintendent**

***Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	8,002,969	-	8,002,969
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	8,002,969	-	8,002,969
As at June 30, 2024 (Restated)		7,140,707		7,140,707
At July 1, 2024 (current year)	-	7,140,707	-	7,140,707
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year (Restated)	-	(106,709)	-	(106,709)
Capital/Development grants	-	-	8,762,719	8,762,719
At June 30, 2025 (current year)	-	7,033,998	8,762,719	15,796,717

***Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025***

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

Description	Note	2024-2025	Restated 2023-2024	2023-2024
		Kshs	Kshs	Kshs
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Transfers from the County Government	6	1,620,000	899,627	899,627
Grants from donors and development partners	8	-	-	-
Transfers from other Government entities	9	-	-	-
Public contributions and donations	10	-	-	-
Rendering of services- Medical Service Income	11	13,382,645	1,852,678	9,109,478
Revenue from rent of facilities	12	-	-	-
Finance / interest income	13	-	-	-
Miscellaneous receipts( <i>specify</i> )	14	-	-	-
<b>Total Receipts</b>		<b>15,002,645</b>	<b>2,752,305</b>	<b>10,009,105</b>
<b>Payments</b>				
Medical/Clinical costs		12,013,101	1,124,045	1,124,045
Employee costs		-	-	-
Board of Management Expenses		152,000	152,000	152,000
Repairs and maintenance		53,000	93,720	93,720
Grants and subsidies		-	-	-
General expenses		1,602,140	484,918	635,371
Finance costs		-	-	-
Refunds paid out		-	-	-
<b>Total Payments</b>		<b>13,820,241</b>	<b>1,854,683</b>	<b>2,005,136</b>
<b>Net cash flows from operating activities</b>		<b>1,182,404</b>	<b>897,622</b>	<b>8,003,969</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, equipment		1,651,000	-	2,330,000
Purchase of intangible assets		-	-	-
Proceeds from the sale of PPE		-	-	-
Acquisition of investments		-	-	-
<b>Net cash flows used in investing activities</b>		<b>1,651,000</b>	<b>-</b>	<b>2,330,000</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		-	-	-
Repayment of borrowings		-	-	-
Capital grants received		-	-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(468,596)</b>	<b>897,622</b>	<b>5,673,969</b>
Cash and cash equivalents as at 1 July 2024		897,622	-	-
<b>Cash and cash equivalents as at 30 June 2025</b>		<b>429,026</b>	<b>897,622</b>	<b>897,622</b>

*Kenneth Matiba Eye and Dental Level 4 Hospital (Murang'a County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	897,622	897,622	897,622	-	-
<b>Revenue</b>						
Transfers from the County Government	1,700,000	-	1,700,000	1,620,000	80,000	95
Grants from donors & development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Rendering of services- Medical Service Income	15,014,000	897,622	15,911,622	13,382,645	2,528,977	84
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total income</b>	<b>16,714,000</b>	<b>1,795,244</b>	<b>18,509,244</b>	<b>15,900,267</b>	<b>2,608,977</b>	<b>86</b>
<b>Expenses</b>						
Medical/Clinical costs	13,000,000	-	13,000,000	12,013,101	986,899	92
Employee costs	-	-	-	-	-	-
Remuneration of directors	304,000	-	304,000	152,000	152,000	50
Repairs and maintenance	60,000	-	60,000	53,000	7,000	88
General expenses	1,650,000	-	1,650,000	1,602,140	47,861	97
Purchase of PPE	1,700,000	-	1,700,000	1,651,000		
Finance costs	-	-	-	-	-	-
<b>Total Expenses</b>	<b>16,714,000</b>	<b>-</b>	<b>16,714,000</b>	<b>15,471,241</b>	<b>1,193,759</b>	<b>93</b>
<b>Surplus for the period</b>	<b>-</b>	<b>1,795,244</b>	<b>1,795,244</b>	<b>429,026</b>	<b>1,415,218</b>	<b>24</b>
<b>Capital expenditure</b>	<b>1,700,000</b>	<b>-</b>	<b>1,700,000</b>	<b>429,026</b>	<b>1,270,974</b>	<b>25</b>

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	429,026
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	429,026

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

### **1. General Information**

Kenneth Matiba Eye and Dental Hospital is established by and derives its authority and accountability from FIF Act. The entity is wholly owned by the Murang'a County Government and is domiciled in Murang'a County in Kenya. The entity's principal activity is to offer basic and specialised Dental and Ophthalmic services, outpatient, curative inpatient and accident and emergency services.

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

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

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

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard has not been adopted.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard has not been adopted.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard has not been fully implemented.
IPSAS 46 Measurement	<i>Applicable 1<sup>st</sup> January 2025</i> The standard has not been fully implemented.
IPSAS 47- Revenue	<i>Applicable 1<sup>st</sup> January 2026</i> This standard has not been adopted.
IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> The standard has not been adopted.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The standard has not been adopted.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The standard has not been adopted.

*iii) Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b. Budget information**

The original budget for FY 2024-2025 was approved by the hospital's Board on **25<sup>th</sup> August 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 hospital recorded additional appropriations on the FY 2024-2025 budget following the Board's approval. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

**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 time. 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. Leases**

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

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

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

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

**g. Intangible assets**

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

**h. Biological Assets**

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

**i. Research and development costs**

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

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

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

**j. Financial instruments**

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

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

**Financial assets**

**Classification of financial assets**

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

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

#### **Subsequent measurement**

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

#### **Amortized cost**

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

#### **Fair value through net assets/ equity**

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

#### **Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

## **Financial liabilities**

### **Classification**

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

#### **k. Inventories**

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

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

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

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

#### **l. Provisions**

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

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

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

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements

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

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

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

**u. Related parties**

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

**v. Service concession arrangements**

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

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

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

**Notes to Financial Statements Continued**

**6. Transfers from the County Government**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	1,620,000	899,627
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants ( <i>specify</i> )	-	-
	<b>1,620,000</b>	<b>899,627</b>
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	<b>1,620,000</b>	<b>899,627</b>

**6 b Transfers from The County Government**

Name of the Entity sending the grant	Amount recognized to Statement of financial performance*  KShs	Amount deferred under deferred income  KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Murang'a County Government	1,620,000	-	-	1,620,000	899627
<b>Total</b>	<b>1,620,000</b>	<b>-</b>	<b>-</b>	<b>1,620,000</b>	<b>899627</b>

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

Description	Insert Current FY 2024/2025	Insert Comparative FY 2023/2024
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
<b>Total grants in kind</b>	-	-

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

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

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount 24ecognized in capital fund.	Total grant income during the year	Compa rative Period
	KShs	KShs	KShs	KShs	KShs
DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**9. Transfers From Other Government Entities**

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

**10. Public Contributions and Donations**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Public donations	1,645,250	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organizations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortized	-	-
<b>Total donations and sponsorships</b>	<b>1,645,250</b>	<b>-</b>

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

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

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

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	-	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services And Optical Services	16,948,225	9,109,478
Reproductive health	-	-
Paediatrics services	-	-

Farewell home services	-	-
Ambulance services	-	-
Other medical services income (specify)	-	-
<b>Total revenue from the rendering of services</b>	<b>16,948,225</b>	<b>9,109,478</b>

**12. Revenue From Rent of Facilities**

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

**13. Finance /Interest Income**

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

**14. Miscellaneous Income**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-

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<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

**15. Medical/ Clinical Costs**

Description	Current FY 2024/2025	Restated FY 2023-2024	Comparative FY 2023/2024
	Kshs	Kshs	Kshs
Dental costs/ materials	322,482	493,680	270,430
Laboratory chemicals and reagents	649,295	155,569	75,181
Medical Supplies (Optical Hard Cases)	114,000	-	-
Food and Ration	793,559	211,199	135,599
Dressing and non-pharmaceuticals	4,447,841	50,280	50,280
Pharmaceutical supplies	6,967,136	333,950	333,950
Health information stationery	-	-	-
Reproductive health materials	-	-	-
Sanitary and cleansing Materials	51,600	99,405	55,605
Specialised Medical Optical (Special Lenses)	3,207,700	327,200	203,000
X-Ray/Radiology supplies	-	-	-
Other medical related clinical costs (specify)	-	-	-
<b>Total medical/ clinical costs</b>	<b>16,553,613</b>	<b>1,671,283</b>	<b>1,124,045</b>

*Payables for FY 23/24 had not been expensed*

**16. Employee Costs**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	-	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (specify)	-	-
<b>Employee costs</b>	<b>-</b>	<b>-</b>

**17. Board of Management Expenses**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	228,000	152,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>228,000</b>	<b>152,000</b>

**18. Depreciation and Amortization Expense**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	867,900	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>867,900</b>	<b>-</b>

**19. Repairs And Maintenance**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Property- Buildings	53,000	-
Medical equipment	-	44,420
Kitchen equipment	-	15,621
Furniture and fittings	-	3,000
Computers and accessories	-	3,249
Electricity Repairs	-	25,480
Office Equipment	-	1,950
Maintenance of plant machinery	-	-
<b>Total repairs and maintenance</b>	<b>53,000</b>	<b>93,720</b>

**20. Grants And Subsidies**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ Subsidized medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies( <i>specify</i> )	-	-
<b>Total grants and subsidies</b>	-	-

**21. General Expenses**

Description	Current FY 2024/2025	Restated FY 2023/2024	Comparative FY 2023/2024
	Kshs	Kshs	Kshs
Advertising and publicity expenses	-	-	-
Catering expenses	190,700	41,700	41,700
Casual Labour Costs	21,000	-	-
Airtime	-	-	-
General Expenses	16,000	-	-
Bank charges	17,638	5,941	5,941
Refunds	11,000	-	-
Cooking Gas	94,800	-	-
Audit Fees	-	3,000	3,000
Electricity expenses	367,614	270,879	217,465
Fuel and Lubricants	129,600	154,577	154,577
Insurance	-	-	-
Research and development expenses	-	-	-
Travel and accommodation allowance	327,570	17,000	17,000
General Utilities - IMPRESTS	740,129	-	-
Licenses and permits	-	-	-
Courier and postal services	-	100	100
Printing and stationery	523,115	333,517	78,767
Water and sewerage costs	-	15,360	7,500
Rent expenses	-	-	-
Water and sewerage costs	178,506	69,125	69,125
Skills development levies	-	-	-
Telephone and mobile phone services	-	17,000	17,000
Internet expenses	-	23,196	23,196
Staff training and development	-	-	-

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Subscriptions to professional bodies	-	-	-
Library books/Materials	-	-	-
<b>Total General Expenses</b>	<b>2,617,672</b>	<b>951,395</b>	<b>635,371</b>

*Payables for FY 23/24 had not been expensed*

**27. Cash And Cash Equivalents**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Current accounts	429,026	897,622
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>429,026</b>	<b>897,622</b>

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

Description		Current FY 2024/2025	Comparative FY 2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1324422424	180,071	98,335
Kenya Commercial bank	1310105294	248,955	799,287
<b>Sub- total</b>		<b>429,026</b>	<b>897,622</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(<i>specify</i>)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>429,026</b>	<b>897,622</b>

**28. Prepayments**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**29. Receivables From Exchange Transactions**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Medical services receivables	10,822,380	7,256,800
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>10,822,380</b>	<b>7,256,800</b>

**30. Analysis of Receivables from Exchange Transactions**

Description	Current FY 2024/2025		Comparative FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,565,580	33	-	-
Between 1- 2 years	7,256,800	67	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	<b>10,822,380</b>	<b>100</b>	<b>-</b>	<b>-</b>

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

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors ( <i>non-exchange transactions</i> )	-	-
Less: impairment allowance	-	-
<b>Total</b>	-	-

**32. Analysis of Receivables From Non-Exchange Transactions**

Description	Current FY 2024/2025		Comparative FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	-	-	-	-

**33. Inventories**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	2,900,000	4,389,351
Non-Pharmaceuticals	6,327,366	1,514,974
Food supplies	53,010	85,476
Dental supplies	415,497	204,315
Cleaning materials supplies	-	-
general supplies	13,700	88,150
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>9,709,573</b>	<b>6,282,266</b>

**34. Detailed disclosure on inventories**

	<b>Current FY 2024/2025</b>	<b>Comparative FY 2024/2025</b>
Opening balance	6,282,266	-
Additional Inventory in the year	3,427,307	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	9,709,573	-

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**Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>					-			-
At 1 July 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	2,330,000	-	-	2,330,000
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2024</b>	-	-	-	-	2,330,000	-	-	2,330,000
								-
At 1 July 2024	-	-	-	-	2,330,000	-	-	2,330,000
Additions	-	-	-	-	300,000	1,651,000	-	1,951,000
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2025</b>	-	-	-	-	2,630,000	1,651,000	-	4,281,000
<b>Depreciation and impairment</b>								-



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**35. Intangible Assets-Software**

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

**36. Investment Property**

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

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**37. Trade and other Payables**

Description	Current FY 2024/2025		Comparative FY 2023/2024	
	KShs		KShs	
Trade payables	6,011,377		863,262	
Employee dues	-		-	
Third-party payments ( <i>e.g. unremitted payroll deductions</i> )	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>6,011,377</b>		<b>863,262</b>	
<b>Ageing analysis:</b>	<b>Comparative FY 2023/2024</b>	<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the total</b>
Under one year	-	5,771,597	-	
1-2 years	-	239,780	-	
2-3 years	-		-	
Over 3 years	-		-	
<b>Total</b>	-	<b>6,011,377</b>	-	

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

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others ( <i>specify</i> )	-	-
<b>Total deposits</b>	-	-

**39. Provisions**

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

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**40. Finance Lease Obligation**

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

**41. Deferred Income**

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

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

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

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**42. Borrowings**

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

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

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

**44. Service Concession Arrangements**

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

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**45. Social Benefits**

Description	Comparative FY 2023/2024	2022-2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with Disabilities benefit Scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

**46. Cash Generated from Operations**

Description	Current FY 2024/2025	Comparative FY 2023/2024
	KShs	KShs
Surplus for the year before tax	7,033,998	863,262
<b>Adjusted for:</b>	-	
Depreciation	867,900	-
Non-cash grants received	1,645,250	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
	<b>9,547,148</b>	863,262
<b>Working Capital adjustments</b>	-	
Increase in inventory		-
Increase in receivables	3,216,629	-
Increase in deferred income	-	-
Increase in payables	5,148,115	-
Increase in payments received in advance	-	-
	<b>8,364,744</b>	
<b>Net cash flow from operating activities</b>	<b>1,182,404</b>	<b>863,262</b>

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

**47. 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 20XX (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-			
<b>Total</b>	-	-	-	-
<b>At 30 June 20XX (current year)</b>	-			
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has no significant concentration of credit risk. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

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

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

**Foreign currency sensitivity analysis**

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

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

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**Sensitivity analysis**

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

**iv) Capital Risk Management**

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

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

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**48. 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.

xxx 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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	-	-
Sales of services to xxx	-	-
<b>Total</b>	-	-
	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	-	-
	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-

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Compensation to key management	-	-
	-	-
<b>Total</b>	-	-

**49. 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)*

**50. Contingent Liabilities**

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

**51. Capital Commitments**

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

**52. Events after the Reporting Period**

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

**53. 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 Muranga.

**54. Currency**

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

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**22. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.1	Accuracy and presentation of financial statement	A few anomalies were highlighted	Resolved	N/A
1.2	Inadequacies in UHC as per Kenya Quality Model for Level 4 in terms of Staffing, Services and Equipment Criteria	The hospital was registered as a level 3B hospital and not a level 4 hospital	Resolved	N/A
1.3	Doubtful Ownership and Non-Valuation of Property, Plant and Equipment	Ownership documents to confirm ownership of the land occupied.	Resolved	N/A
1.4	Failure to disclose inventory	Nil balance in respect to inventory	Resolved	N/A
1.5	Failure to provide approved budget	The hospital did not provide an approved budget	Resolved	N/A
1.6	Failure to provide an annual procurement plan	Management did not provide for an audit review, an annual procurement plan in respect to the supplies procured and paid for during the year.	Resolved	N/A
1.7	Failure to provide Cashbook	Cash and cash equivalent of kshs 799,287 in KCB bank a/c no	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		1310105294 was not supported with cashbook and monthly reconciliation statements.		
1.8	Irregular payment of sitting allowance to Non-Board Members	Kshs 48,000 paid to Racheal Nguribu, Andrew Kamau and Obadiah Mwaniki whose appointment to the Board was not supported by a gazette notice and appointment letters.	Resolved	N/A
1.9	Failure to hold required number of board meetings	During the year under review, the hospital held only two board sitting.	Resolved	N/A
1.10	Failure to provide Occupational, Safety and Health policy	The hospital did not provide the Occupational, Safety and Health policy	Resolved	N/A
1.11	Lack of Approved Disaster Recovery Plan, Approved IT Strategic Plan and Approved IT policy	The hospital does not a have an approved information system disaster recovery plan, approved IT strategic plan and a business continuity plan.	Resolved	N/A

**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 the for implementation of each issue.

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(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



.....  
**Accounting Officer**

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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


**Name of Transferring entity: MINISTRY OF HEALTH AND SANITATION, MURANG'A COUNTY GOVERNMENT**

**Name of Beneficiary entity: KENNETH MATIBA EYE AND DENTAL LEVEL 4 HOSPITAL**


Confirmation of amounts received by Kenneth Matiba Eye and Dental Level 4 Hospital as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
CHQ NO 10	07/05/2025	1,400,000	-	1,400,000	
CHQ NO 11	26/6/2025	220,000	-	220,000	
Total				1,620,000	

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

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

Name Eliud Maina Sign  Date 7/6/25  
25/6/25

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

Name Susan Nwangi Sign  Date 7/6/25  
25/6/25

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**Appendix IV Reporting of Climate Relevant Expenditures**

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

**Appendix V: Disaster Expenditure Reporting Template**

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

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**Appendix VI: Bank Reconciliation Statement F.O. 30**

F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF HEALTH & SANITATION

From Date: 01-JULY-2024 TO: 30-JUNE-2025

KENNETH MATIBA HOSPITAL REVENUE A/C

Bank: KENYA COMMERCIAL BANK,

Branch: MURANG'A,

Account Number: 1310105294

Balance as per bank certificate: .....Kshs. 248,954.75

Less --

1. Payment in Cash Book not yet recorded in Bank Statement - 0

(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book - 0


Add --

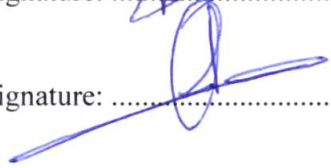
3. Payment in Bank Statement not yet recorded in Cash Book - 0

4. Receipts in Cash Book not yet recorded in Bank Statement - 0

Bank Balance as per Cash Book Kshs. 248,954.75

Reconciled by: Susan Mwangi Signature:  Date: 29/8/25

Reviewed by: Pilius Karuku Signature:  Date: 29/08/2025

Approved by: James Mwangi Signature:  Date: 29/08/25

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F.O.30

REPUBLIC OF KENYA

BANK RECONCILIATION

MURANGA - MINISTRY OF HEALTH & SANITATION

From Date: 01-JULY-2024 TO: 30-JUNE-2025

KENNETH MATIBA EYE AND DENTAL FIF ACCOUNT

Bank: KENYA COMMERCIAL BANK,

Branch: MURANG'A,

Account Number: 1324422424

Balance as per bank certificate: ..... Kshs. 180,071.45

Less --

1. Payment in Cash Book not yet recorded in Bank Statement – Kshs. 155,521.65  
(Unpresented Cheques)


2. Receipts in Bank Statement not yet recorded in Cash Book - 0  
Add --


3. Payment in Bank Statement not yet recorded in Cash Book - 0

4. Receipts in Cash Book not yet recorded in Bank Statement - 0

Bank Balance as per Cash Book Kshs. 180,071.45

Reconciled by: Susan Mwangi Signature:  Date: 29/8/25

Reviewed by: Elise Karuru Signature:  Date: 29/08/2025

Approved by: James Mwangi Signature:  Date: 29/08/25