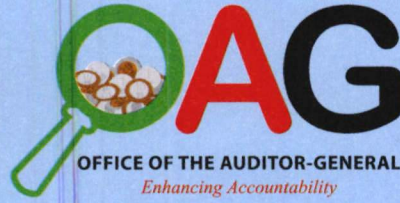


REPUBLIC OF KENYA



PARLIAMENT OF KENYA LIBRARY REPORT

Handwritten signature

OF

THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	18/02/2026
TABLED BY	LELENGE
COMMITTEE	
CLERK AT THE TABLE	C. CHEROP

KIGUMO LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU

Handwritten scribble or signature in the upper left quadrant.





*Revised 30<sup>th</sup> June 2025*



---

# **KIGUMO LEVEL 4 HOSPITAL (Kiambu County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

---

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

**Table of Contents**

1. Acronyms & Glossary of Terms .....	ii
2. Key Entity Information and Management .....	iii
3. The Board of Management .....	vi
4. Key Management Team .....	viii
5. Chairman’s Statement .....	x
6. Report of The Medical Superintendent .....	xii
7. Statement of Performance Against Predetermined Objectives .....	xiv
8. Corporate Governance Statement .....	xv
9. Management Discussion and Analysis .....	xvi
10. Environmental And Sustainability Reporting .....	xvii
11. Report of The Board of Management .....	xxi
12. Statement of Board of Management’s Responsibilities .....	xxii
13. Report of the Independent Auditor (Kigumo Level 4 hospital, Kiambu County Government) .....	xxiii
14. Statement of Financial Performance for The Year Ended 30 June 2025 .....	1
15. Statement of Financial Position As At 30 June 2025 .....	3
16. Statement of Changes in Net Asset for The Year Ended 30 June 2025 .....	5
17. Statement of Cash Flows for The Year Ended 30 June 2025 .....	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025 .....	8
19. Notes to the Financial Statements .....	10
20. Appendices .....	43

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

List of all acronyms and glossary of terms used in the preparation of this report

HMT	Hospital Management Team
OAG	Office of the Auditor General
RCO	Registered Clinical Officer
MBChB	Bachelor of Medicine and Bachelor of Surgery
SHIF	Social Health Insurance Fund
AGPO	Access to Government Procurement Opportunities
IPSAS	International Public Sector Accounting Standard
KL4H	Kigumo Level 4 Hospital
FY	Financial Year
FIF	Facility Improvement Fund
SRC	Salary & Remuneration Commission
CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent

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

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

Kigumo Hospital is a level 4 hospital established under gazette notice number 13617 and is domiciled in Kiambu County under the Health Department. The hospital is governed by a Board of Management. The hospital is located in Komothai ward, Githunguri Sub-county in Kiambu.

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

The principal activity/mission/ mandate of the hospital is to provide affordable health services to all.

#### **Vision**

An efficient, effective and high-quality health care system that is accessible  
Equitable and affordable for every individual in Kiambu County.

#### **Mission**

To provide health services that is equitable, accessible and accountable to the  
People of Kiambu County through participatory leadership.

#### **Core Functions**

- Policy formulation and implementation
- Preventive and promote health services
- Curative and rehabilitative health services
- Standards and Regulations
- Monitoring and Evaluation of provision of Health care services

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

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Health Administrative Officer
- Nursing Service Manager
- Hospital Accountant
- Clinical Officer

### **(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. Warda Hassan</b>
2.	Accountant In Charge	<b>Mr. George Gichuru</b>
3.	Health Administrative Officer	<b>Mr. Jese Mwaura</b>
4.	Nursing Service Manager	<b>Esther Mwangi</b>
5.	Clinical Officer in Charge	<b>Rose Wanja</b>
6.	Laboratory Technician	<b>Mr. Paul Kinuthia</b>
7.	Physiotherapist	<b>Rosemary Wanja</b>
8.	Pharmacist	<b>Mr. Stanley Ndungu</b>
9.	Procurement Officer	<b>Sylvia Njenga</b>
10.	Dentist	<b>Mary Kuria</b>

**(e) Fiduciary Oversight Arrangements**

**1. HMT Mortality audit committee**

This committee investigates on any death in the facility. The chairman is the medical superintendent. The committee meets on needs basis.

**2. Finance committee**

This confirms the budget and evaluates the financial status of the facility against its needs. The chairman is the Medical Superintendent.

**3. Invention prevention committee**

This committee responds fast in case of any outbreak and advice on the right measures. The chairman is the Nursing Service Manager. The committee meets on needs basis but a minimum of once quarterly.

**4. Non communicable diseases**

This committee makes follow-up on non- communicable diseases like high blood pressure, diabetes. Ensures that drugs are available and patients are regular in their clinics. The chairman is the Medical Officer. The committee meets on needs basis but a minimum of once quarterly.

**5. Continuous medical Education committee**

Conducts medical education to staffs in the facility. The chairman is the Clinical Officer in Charge. The committee meets on needs basis but a Minimum of once quarterly.

**6. Facility commodity security committee**

Checks the quality and quantity of commodities for use in the facility. The chairman is the Pharmacist Officer In-Charge. The committee meets on needs basis but a minimum of once quarterly.

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

**(f) Entity Headquarters**

P.O. Box 30 Gathugu via Ruiru  
Along Ruiru Gathugu Road.  
Near Kibicho Police Station.  
Kiambu, Kenya

**(g) Entity Contacts**

Telephone: +254708821341  
E-mail: [subcountyhospitalkigumo@gmail.com](mailto:subcountyhospitalkigumo@gmail.com)

**(h) Entity Bankers Operations Account**  
Kigumo Sub District Hospital  
Account no. 1157609384  
KCB Ruiru.

Kigumo NHIF Collection Account(SHIF)  
Account No. 1256291250  
KCB Ruiru Branch.

Kigumo Revenue Account  
Account No. 001000068740  
Family Bank Githunguri

**(i) Independent Auditors**

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


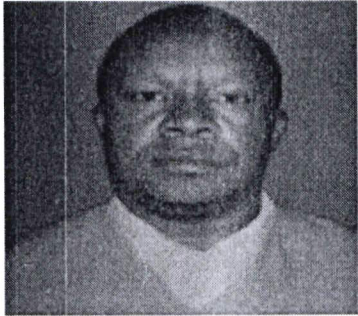
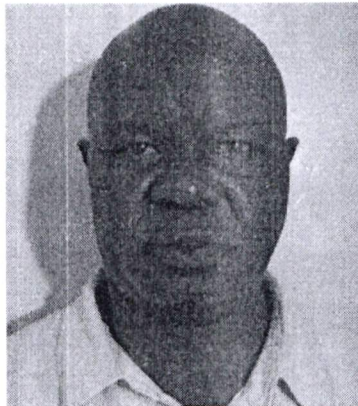
**(j) Principal Legal Adviser**




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

**(k) County Attorney**




P.O. Box.2344-00900  
Kiambu, Kenya

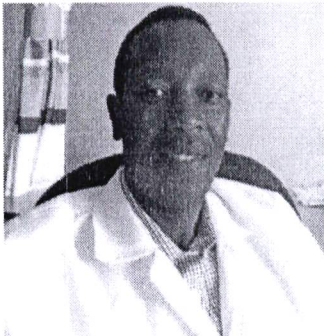



**3. The Board of Management**

Ref	Directors	Details
	<p>Dr. Jemmimah Waititu</p> 	<p>She is the chairperson of hospital board of management.</p> <p>She was born in June 12, 1976</p> <p>Has a PhD in Management.</p> <p>She had previously worked in FMCG &amp; Financial Services sectors in Kenya, UAE &amp; Ghana.</p> <p>Currently working in the Agricultural sector.</p>
	<p>Mr. Samuel Kuria Kamau</p> 	<p>He is a hospital board member</p> <p>Born in 1962 in Githunguri sub-county, Kiambu county</p> <p>He is currently working as a consultancy</p> <p>He is an accountant by professional.</p>
	<p>Mr. Charles Wainaina Mathia</p> 	<p>Date of Birth 1967</p> <p>Occupation; Farmer</p> <p>Education Level- Diploma sales and marketing</p> <p>He is a business man and a hospital board member.</p>

	<p>Mrs. Irene Wanjiru Muiruri</p> 	<p>She is a member hospital board of management.          Born in 1969 in Githunguri, Kiambu county.          Graduated with a 3<sup>rd</sup> division.          She is currently a businesswoman.</p>
	<p>Mrs. Joyce Njeri Mbugua</p> 	<p>She is a member to hospital board of management          Born in 1962          She has a degree from Kenyatta university (Bed Graduate)          She is a retired teacher          She is currently a business person.</p>
	<p>Dr. Warda Hassan</p> 	<p>She is secretary to hospital board of management.          Born in 1987 in Mombasa county.          Has a Master Degree Family Medicine          MBCHB- Bachelor Degree in Medicine          She is not a member of ICS.</p>

**4. Key Management Team**

Ref	Management	Details
	<p>Dr. Warda Hassan</p> 	<p>Medical Superintendent</p> <p>Bachelor's Degree in Medicine and Surgery (MBCChB).</p> <p>He is Chief Administrative officer</p> <p>He direct, supervises and evaluates the activities of medical, nursing, technical, administrative, maintenance and other personnel.</p> <p>He also monitors the use of diagnostic services, facilities and staff to ensure use of resources.</p>
	<p>Mr. Jesece Mwaura</p> 	<p>Health Administrative Officer</p> <p>Masters in operation and technology management.</p> <p>Degree in Bachelor of Commerce.</p> <p>CIPS.</p> <p>Diploma in Business Administration.</p> <p>He direct, supervises and evaluates work activities of medical, nursing, technical, clerical, service, maintenance, and other staff.</p> <p>He plans, implement and administer programs and services including human resource administration, training, and coordination of medical, nursing and physical plant staff.</p>
	<p>Mr. George Gichuru</p> 	<p>Accountant in-charge</p> <p>Certified Public Accountant 11</p> <p>Regular cash book reconciliation</p> <p>Maintenance of various books of accounts</p> <p>Management debtor and supplier accounts</p> <p>Management of patients accounts and billing by ensuring regular invoicing, receive and receipt payment of patients.</p>

<p>Mr. Paul Kinuthia.</p> 	<p>Laboratory Manager  Diploma Medical Laboratory Science  He receives, label and analyse samples (blood toxic, tissue).  Designing and executing laboratory testing according to standard procedures.</p>
<p>Mr. Henry Okinyi</p> 	<p>Public Health Officer.  Bachelors Science in Public Health.  Monitoring community health.  Hospital sanitation.  School health education and sanitation.  Ensure public health compliance.</p>
<p>Lydia Mwhaki</p> 	<p>Nursing Service Manage Diploma nursing  Supervising and ensuring delivery of a professional and high standard of nursing care within the hospital while leading a team of nurses and patient attendants in delivering individual and team targets.  Monitor and ensure clients satisfaction and proactively manage their complaints as they arise.</p>
<p>Sylvia Njenga</p> 	<p>Procurement Officer, Diploma in supply chain management  Responsible for sourcing and acquiring goods and services for the hospital.  She also ensure cost-effectiveness, quality, and compliance with hospital policies.  She manages the entire procurement process.</p>

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

It is with pleasure we present the Hospital's 2024/2025 Annual Report and Financial Statements. The report sets the precedence on how the hospital financial affairs will be reported under IPSAS Accruals and under the Public Finance Management Act. The inclusion of community board members as part of the hospital's governance is integral in ensuring that there is community ownership and that the financial affairs are accurate.

Kigumo Level IV hospital was established in 1973 as a level II Health facility. Over the period the hospital has progressively expanded and is now a level IV hospital. This expansion has seen growth in infrastructure that includes a modern maternity theatre.

Other services offered include Universal Health Care through SHIF. This service aims to provide affordable healthcare for all households through SHIF scheme. To align with the agenda the hospital has established a department to ensure that clients are registered as well as processing hospital reimbursement claims.

To enhance service delivery, the hospital has rolled out a Health Management Information System in key points of service which will see a reduction of patient waiting time, minimal use of papers and space through use electronic filing.

I am also pleased to announce that in the financial year 2024/2025 a new maternity unit has been established within the hospital. This has been received with tremendous excitement by the community at large, and with the help of the hospital health management team, i envision seeing the smooth running of operation of the new facility. This endeavor will spare mothers a lot of time spent in referrals reducing morbidity and mortality to both mothers and children.

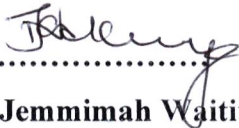
The responsibility of driving good corporate governance and stewardship of the Hospital is vested in the Hospital Board. The Board provides strategic direction while the Medical Superintendent assisted by the Hospital Management is accountable to the Board for implementing the strategy.

## **Appreciation**

First and foremost, I would like to thank our clients for demonstrating their trust in us with their health care needs and being our motivation to service delivery excellence.

I would like to thank my newly gazette fellow Board Members for their unwavering support and for applying their highest professional standards in carrying out the business of the Board and in decision making. Moreover, I wish to express my appreciation to the staff at Kigumo Level 4 Hospital led by the medical superintendent for the commitment to serve the community not forgetting The Mpesa foundation for the new maternity theatre wing which is a huge asset to the community.

I would also like to thank the County Government of Kiambu not only for its continued support of Hospital's development agenda but also for creating an enabling environment for the hospital to meet its objectives. I recognize our partners and stakeholders who continue to strengthen our partnership through financial support which ensures we remain in course to deliver to our clients.



.....  
**Dr. Jemmimah Waititu**

**Chairperson to the Board**

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

I am delighted to present the hospital's annual report and financial statements for the year 2024/2025. The hospital being a first-time adopter of IPSAS accruals has elected to take advantage of the transitional exemptions and provisions that may affect fair presentation.

The report highlights the hospitals operational and financial performance.

### **Operational Performance**

With a catchment population of more than 100,000 people, Kigumo Level IV Hospital was elevated to be one of the level 4 hospitals been in the county.

I am pleased to report that the hospital in the year period 2024/2025, embarked on having a state-of-the-art modern maternity and a theatre unit. The construction is already complete and equipped courtesy of friends of the hospital and particularly The Safaricom Mpesa Foundation. We currently boast a 26 bed capacity unit inclusive of 2 modern delivery beds, a fully furnished NBU unit and a separate Kangaroo Room with over 6 new baby cots equipped with a modern phototherapy kit. In addition, we have a new theatre room that has been equipped with a modern operation bed and a modern anesthetic machine. The whole community remains very excited and is eagerly waiting for the provision of the missing essential surgical service. Previously, this saw over 300 patients being referred yearly to other hospitals posing inevitable logistics challenges. This will not only boost confidence to the community but also the nursing staff in regards to conducting safe delivery practices. The hospital expects to grow not only in maternity but the same will reverberate and trickle to other supporting departments. We would wish to point out that the greatest output this new unit will bring is ensuring maternal -fetal mortality rates remains lowest achievable. This tremendous achievement thus foresees bringing down the turnaround time for patients presenting with obstetric complications. Discussions and plans for the said unit launch are at an advanced stage. We hope to start providing this crucial service soonest possible. We remain grateful for support the Board of Management has received in realization of this 2024/2025 Strategic plan.

### **Financial Review**

In order to meet the cost of operations and maintenance, the hospital relies on internally generated revenue, from either FIF or SHIF. During the year under review, the hospital generated Ksh.5,466,345 million FIF, with NHIF funds also contributing to Kshs.2,528,061. The revenue generated during the period was

utilized to fund hospital expenditure. The hospital funds utilization rate was 80%. With a new maternity unit and theatre services on board the figure is projected to hit a double digit due to the fact that mortuary and laboratory services have also been enhanced to offer both embalming and human organs screening services (renal, electrolyte and liver) respectively. We take this opportunity to thank the county government for the support. This support will go a long way in Kigumo hospital achieving its projected financial target

### **Acknowledgement**

On behalf of the Board, I would like to thank all our stakeholders especially the County Government of Kiambu and development partners and of key note The Safaricom M-pesa Foundation for the construction of the new maternity Theatre unit and for the support they continue to accord the hospital without which our achievements would not have been realized.

As we move into a new financial year, I would like to express my gratitude to Kigumo Level IV hospital staff, departmental heads and the Board, who take such pride in their work, and who exemplify our hospital's mission and values each day. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the year.



**Dr. Warda Hassan**

**Secretary to the Board**

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

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

Kigumo level 4 hospital has 5 objectives according to the current service annual work plan for the FY 2024/2025. These are as follows:

1. Service delivery- To offer quality services to all our clients
2. Health Information- Provision of data and promote technology
3. Health product, vaccines and technology- Provide essential medical products
4. Health infrastructure- To provide conducive working environment
5. Leadership and governance- Provide guidance and direction

Kigumo level 4 hospital develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Service delivery	To offer quality services to all	Service charter	Monitoring and evaluation	Reduced patients waiting
Health information	Provision of data and promote technology.	Elimination of communicable diseases.	Timely reporting and data collection	Helped in making decisions.
Health product	Provide essential medical products	Increase workload and patients’ satisfactions.	Lobby for more pharmaceutical and non-pharms	Less stock out
Health infrastructure	Provide conducive working environment	Improved appearance	Put up more buildings and renovate old ones.	More output and greater customer satisfaction
Leadership and governance	Provide guidance and direction	Increase morale	Strengthen collaboration between hospital and key partners.	More partners and donors.

## **8. Corporate Governance Statement**

It is notified of the general public that in exercise of the powers conferred by section 19 (1) of the Kiambu County Health Services Act, 2019, the County Executive Committee Member in-charge of Health Services, Kiambu County appoints as board members of the respective Kiambu County Level 4 and 5 Hospital Boards.

The board members held meetings during the year 2024/2025 with all the meetings attended by full board. The Executive member of health appoints board members who should have a minimum of a diploma from a recognized institution.

The medical superintendent serves as the secretary to the board and the board should meet on a quarterly basis. The board comprises of four residents of the Githunguri sub-county considering gender parity and special groups.

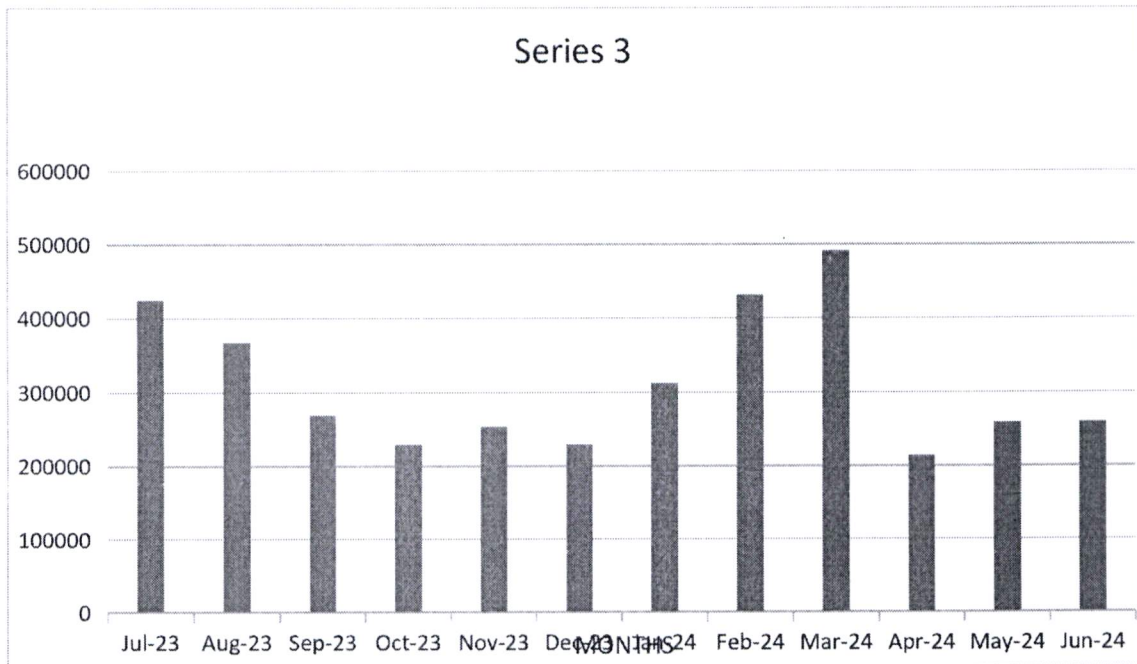
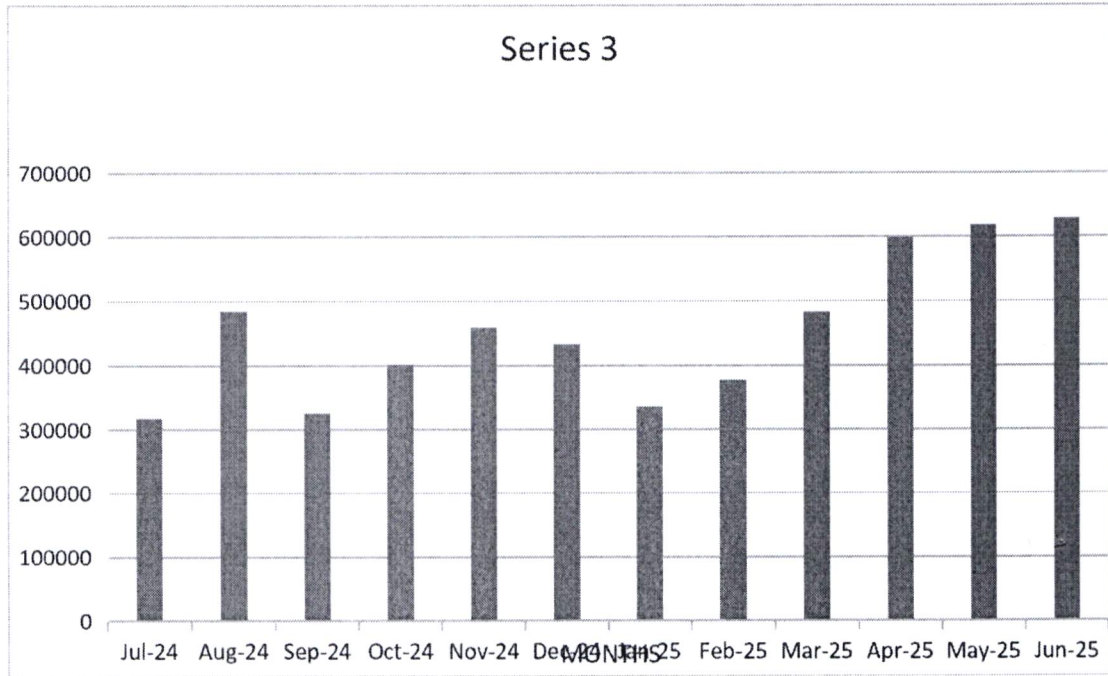
The chairman of the board must be a Kenyan who possess at least diploma from a recognized institution in Kenya, has experienced in management, leadership and administration and must also meet the requirements of chapter six of the constitution of Kenya.

All members apart from ex-official member shall serve for a term of three years which may be renewed. The Executive member may remove from office any member of the board who has been absent for three consecutive meetings of the board without permission of the chair, is declared bankrupt, is unable to discharge his/her duties due to physical or mental incapacity or has been charged with criminal offence in court of law or traffic offence attracting an imprisonment term of a minimum of six months.

The members are to offer oversight role in terms of finance and general operations of the hospital. They should also offer guidance on areas of improvement as well as source for donors, promote development of the hospital, recommend to the Executive Member the budget estimates, establish a hospital-community participation and feedback platform, assessing the delivery of services at the hospital and advise Executive Member, monitoring the hospital performance against set target and advice Executive Member, and carrying out any other function that may be assigned by Executive Member.

**9. Management Discussion and Analysis**

All revenue was collected via mpesa through the QU AFYA SYSTEM hospital pay bill number, from there it was transferred to the county revenue fund and thereafter transferred back to the facility. The hospital prepares an expenditure plan being guided by approved annual budget which provided the ceiling for all the expenditure items. Below is an analysis of total revenue collected from July 2024 to June 2025.



### **Clinical/operational performance**

- Bed capacity of the hospital is 54
- Overall patient attendance during the year for both inpatient and outpatient were 21933
- Accident and Emergency attendance is 120
- Specialized clinic attendance for the year 2024/2025 were 3138
- Average length of stay for in patient was 4-5days per patients-
- Bed occupancy rate for Kigumo level 4 hospital was 30%
- Mortality rate was zero
- Kigumo level 4 hospital has no Surgical theatre.

### **Financial performance that includes: -**

The main source of hospital revenue is FIF and SHIF for both inpatients and outpatients.

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

Kigumo level 4 hospital exist to transforms lives, and that is what guides us to deliver us strategy, putting our patients' clients first, delivering health services and improving operation excellence.

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

Kigumo level 4 hospital is committed to transitioning to a more sustainability way in conducting its business. The hospital offers its employees internship program and also opportunities to volunteer in the institution.

### **ii) Environmental performance**

The hospital has laid down measures and strategies toward achieving a clean environment. There are Infection Prevention Control, Standard Operation Procedure, waste management procedures and climate change mitigation measures considered and adhered to in the facility. The hospital public health department conduct sensitization talks on infection prevention control, importance of waste segregation and importance of hand hygiene to medical staff and patients at the waiting bay. The hospital has designated litter bins within the hospital compound to keep the environment free from solid waste.

There is a proposed ongoing construction of a modern incinerator which will help in management of hospital medical waste. Also the hospital has planted two hundred trees in the spirit of climate change mitigation measures. There is also proposed solar lighting within the hospital compound for utilization of renewable energy.

**iii) Employee welfare**

Some of the hospital staff were seconded from the national government and other hired by the county government through the public service board being an essential service provider, the Hospital also has hired casual's labourer to fill the gap since the number of the posted staff is Way much below the required one due to the growing workload, all staffs are appraised Annually.

**iv) Market place practices-**

The hospital makes sure substandard goods are not in any way find way in the facility through the acceptance committee members who checks on the requested specification as well as the expiry dates of whatever has been supplied.

**a) Responsible competition practice.**

All the procurement is done through an open tender and request for quotation from the per-qualified suppliers. The tendering process is competitive and open to all, in order to cater for youth and women 30% is set aside for them through AGPO. In order to avoid price inflation, the market survey is done before awarding tender.

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

Quotation is only issued to the pre-qualified suppliers and awarded merchants through the county framework suppliers are given ample time to source for the required commodities.

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

Outline efforts to maintain ethical marketing practices (e.g. avoiding false or exaggerated promises, avoiding anti-social advertisement, giving adequate information, respecting consumers) Or discuss how the entity's efforts in ensuring its outreach and sensitization practices are ethical and responsible (regular media, website briefs, holding consultative

forums, avoiding false or exaggerated promises, giving adequate information, respecting diversity )

**d) Product stewardship or Awareness Creation**

**REPORT ON PRODUCT STEWARDSHIP AND CITIZEN RIGHTS AWARENESS**

**Introduction**

This report highlights the efforts undertaken to safeguard patients rights and interests as well as citizens' rights in accessing essential services. The primary objectives include ensuring health and safety, providing adequate product and service information, establishing dispute resolution and redress mechanisms, and protecting patients and citizen data and privacy. These measures align with the Kenyan Constitution (2010), the Consumer Protection Act (2012), the Data Protection Act (2019), and other relevant laws.

**Protection of Health and Safety**

Hazardous substances, allergens, and expiry dates must be indicated on packaging.

**Patients Awareness:**

Awareness campaigns on safe handling, usage, and disposal of products.

**Providing Adequate Product and Service Information**

**Product Information:**

Labels to include clear usage instructions, safety warnings, and expiration details.

Digital solutions such as QR codes to verify authenticity and traceability.

**Service Information:**

Clear and accessible information for public services such as NHIF,

E-Government portals and mobile applications (eCitizen) to provide easy access to service

**Details**

**Dispute Resolution and Redress**

**Complaint Handling:**

Toll-free hotlines, online complaint forms, and customer care desks for grievances.

**Alternative Dispute Resolution (ADR):**

Mediation and arbitration frameworks for quick and cost-effective conflict resolution.

**Refund and Replacement Policies:**

Clear policies on refunds, replacements, or repairs for defective products

Patients Data and Privacy Protection

Compliance with Data Protection Act:

Organizations must implement policies for secure collection, storage, and processing of personal data.

Cyber security Measures:

Encryption, multi-factor authentication, and secure servers to prevent data breaches.

Transparency:

Inform consumers about the purpose of data collection and provide consent options.

Safeguarding Citizens' Rights and Interests in Public Services

Access to Essential Services:

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

The hospital organized for the community clean up day at Kibichoi Shopping Centre. This involved volunteer participation, where community members drawn from different ages were involved towards addressing sanitation issues.

Community volunteer members collected and disposed waste properly with non-recyclable and recyclables segregated properly. This fostered partnership with local business community, the hospital and the county department of environment.

The clean up event led to community education on proper waste management, safety measures and its impact on public health and environment.

The clean up activity demonstrated the power and importance of community engagement in promoting a healthier environment.

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

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

### **Principal activities**

The principal activities of the entity are (continue to be) offering affordable health services to all.

### **Results**

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 8.

### **Board of Management**

The members of the Board who served during the year are shown on page vi and vii. During the year, no director(s) retired/ resigned, and no director(s) was appointed.

### **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.

*OR*

XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 2025 in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Dr. Warda Hassan**

**Secretary to the Board**

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

Section 164 of the Public Finance Management Act, 2012 and Kiambu County Health Services Act 2019 requires the Board of Management to prepare financial statements in respect of that 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.

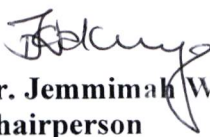
The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Kiambu Health Services Act 2019. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of 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.


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

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 31/7/2025 and signed on its behalf by:

  
**Dr. Jemmimah Waititu**  
**Chairperson**  
**Board of Management**

  
**Dr. Warda Hassan**  
**Accounting Officer**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON KIGUMO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF KIAMBU**

---

### **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 the 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 Kigumo Level 4 Hospital – County Government of Kiambu set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance,

---

*Report of the Auditor-General on Kigumo Level 4 Hospital for the year ended 30 June, 2025 – County Government of Kiambu*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kigumo Level 4 Hospital – County Government of Kiambu 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 Kiambu County Health Service Act, 2019, Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Employee Costs**

The statements of financial performance and Note 16 to the financial statements reflects Kshs.36,173,384 as payments to employee costs. However, the ledger provided for audit had total amount of Kshs.36,800,675 resulting to a variance of Kshs.627,291 which has not been explained.

In the circumstances, the accuracy and completeness of employees cost of Kshs.36,173,384 could not be confirmed.

#### **2. Unsupported Revenue from Rendering of Services**

The statement of financial performance and Note 11 to the financial statements reflects Kshs.5,466,345 as revenue from rendering of services. However, no schedule was provided to support the amount of Kshs.2,108,343.

In the circumstances, the accuracy and completeness of revenue amount of Kshs.2,108,343 could not be confirmed.

#### **3. Unsupported General Expenses**

The statement of financial performance and Note 21 to the financial statements reflect Kshs.475,585 as general expenses. However, the ledger provided indicated expenditure of Kshs.637,872 resulting in unreconciled variance of Kshs.162,287. Further, a review of expenses for payments of electricity vide cheque No. 762 of Kshs.100,000 differed with invoice amount of Kshs.80,263 thus overstating the account balance by Kshs.19,737.

In the circumstances, the accuracy and completeness of general expense balance of Kshs.475,585 could not be confirmed.

#### **4. Unsupported Prepayments**

The statement of financial position and Note 28 to the financial statements reflects Kshs.338,075 as prepayments. However, this balance was not supported by a listing of the respective patients Social Health Authority had made reimbursements.

In the circumstances, the accuracy and completeness of prepayments balance of Kshs.338,075 could not be confirmed.

## 5. Receivables from Exchange Transactions

The statement of financial position and Note 29, to the financial statements reflects Nil balance as receivables from exchange transactions. However, receipt vouchers of Kshs.1,023,130 were not presented to confirm recovery of outstanding bills. Further, there were unrealized funds from the defunct National Hospital Insurance Fund (NHIF) of Kshs.2,079,247 which have not been disclosed.

In the circumstances, the accuracy and completeness of the Nil balance of receivables could not be confirmed.

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

### Key Audit Matters

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

### Other Matter

### Unresolved Prior Year Issues

In the audit report of the previous year various issues were raised on the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of the Hospital in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Non-disclosure of the Property, Plant and Equipment
3	2023/2024	Lack of Ownership Documents
4	2023/2024	Unsupported Revenue from Exchange Transactions
5	2023/2024	Unsupported Grants and Subsidies
6	2023/2024	Receivables from Exchange Transactions
7	2023/2024	Statement of Cashflows Balances
8	2023/2024	Long Outstanding Payables

	<b>Financial Year</b>	<b>Audit Issue</b>
9	2023/2024	Understated Inventories
10	2023/2024	Non-disclosure of Employees Costs
11	2023/2024	Unaccounted for Donations
12	2023/2024	Irregularities in Supply of Food Stuff
13	2023/2024	Irregular Procurement
14	2023/2024	Irregular Procurement of Non-pharmaceuticals
15	2023/2024	Lack of Risk Management Policy
16	2023/2024	Deficiencies in Implementation of Universal Health Coverage
17	2023/2024	Weak Controls in Stores Management
18	2023/2024	Lack of Internal Audit Function
19	2023/2024	Lack of Functional Independent and Financial Autonomy of the Hospital

### **Other Information**

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

In connection with my audit on the Kigumo Level 4 Hospital's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## Basis for Conclusion

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

Review of Hospital records, the services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the health facility did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to medical staff deficits by seventy-five (75) staff requirements or 76% of the authorized establishment as shown below,

	Minimum Required Level 4	Number in Hospital	Variance	Percentage % Gap
<b>Staffing Requirement</b>				
Medical Officers	16	9	(7)	44
Anesthesiologists	2	0	(2)	100
General Surgeons	2	0		100
Pediatricians	2	0		100
Radiologists	2	1	(1)	50
Registered Community Health Nurses	75	10	(65)	87
<b>Total</b>	<b>99</b>	<b>20</b>	<b>75</b>	

Equipment & Machines	Required	In-Place	Variance	Percentage %
Incubators (newborn)	5	150	145	0
COTS	5	8	3	33
Resuscitaire in Theatre	1	0	(1)	100
Resuscitaire in Labour Ward	2	0	(2)	100
Functional ICU Beds	6	1	(5)	50
HDU Beds	6	0	(6)	100
Renal Unit with Dialysis Machines	5	0	(5)	100
Functional Operating Theaters Maternity and General	2	1	(1)	50
Ambulance	1	0	(1)	50

In the circumstances, the facility contravened the first schedule of the Health Act, 2017 and may not be able to provide proper health services as required by Article 43(1) of the Constitution of Kenya.

### 2. Non-Compliance with Public Sector Accounting Standards Board (PSASB) Reporting Requirements

Several non-compliance issues were noted in the financial statements revealed that Notes in the statement of financial performance and financial position did not tally with corresponding explanatory notes as shown in the table below;

<b>Item</b>	<b>Note as per Statement of Financial Performance/financial Position</b>	<b>Corresponding Notes as per Paragraph 19</b>
Transfer to Other Government Entities	9	8
Medical Costs	15	10
Rendering of Services	11	9
Employee Costs	16	11
Board of Management Expenses	17	12
Grants And Subsidies	20	14
General Expenses	21	15
Cash and Cash Equivalents	27	16
Prepayments	28	17
Inventories	31	19

In the circumstances, the financial statements were not prepared in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board.

### **3. Long Outstanding Trade Payables**

The statement of financial position and as disclosed in Note 36 to the financial statements reflects payables balance of Kshs.2,153,986. However, included in the balance are trade payables balance of Kshs.2,055,962 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

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

### **4. Non-Compliance with Public Procurement Capacity Building Levy**

The facility did not comply with the requirements of Legal Notice No.206 of 2023, the Public Procurement Capacity Building Levy Order, 2023. The Hospital did not deduct the mandatory levy of 0.03% from all contracts signed after 1st September, 2024. Additionally, a summary of contracts signed after 1st September was not provided for audit review.

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

### **5. Failure to Retain Facilities Improvement Funds (FIF) at the Hospitals**

Review of revenue records obtained from the health facility revealed that the facility collected a total Kshs.9,608,368 towards the health facilities improvement. The total of Kshs.9,608,368 was transferred to County Revenue Fund. However, the County Treasury reimbursed a total of Kshs.5,607,447 to the health facility resulting in a deficit of Kshs.4,000,921. This was contrary to Section 5(1) of the Facilities Improvement

Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

In the circumstances, Management of the County Executive 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of the Management and Board of Management**

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

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

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

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

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

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

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

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

**Nairobi**

**16 December, 2025**

---

*Report of the Auditor-General on Kigumo Level 4 Hospital for the year ended 30 June, 2025 – County Government of Kiambu*

***Kigumo Level 4 Hospital (Kiambu 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**

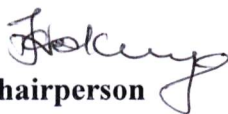
Description	Note	Period Ended 30 June 2025	Comparative Audited year ended 30 June 2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6		
In-kind contributions from the County Government	7	34,216,339	
Grants from donors and development partners	8		
Transfers from other Government entities	9	2,528,079	727,800
Public contributions and donations	10		
		<b>36,744,418</b>	
<b>Revenue from exchange transactions</b>			727,800
Rendering of services- Medical Service Income	11	5,466,345	3,741,424
Revenue from rent of facilities	12		
Finance /Interest Income	13		
Miscellaneous Income	14		
<b>Revenue from exchange transactions</b>		<b>5,466,345</b>	<b>3,741,424</b>
<b>Total revenue</b>		<b>42,210,763</b>	<b>4,469,224</b>
<b>Expenses</b>			
Medical/Clinical costs	15	4,382,383	1,101,356
Employee costs	16	36,173,384	1,974,460
Board of Management Expenses	17	33,000	86,000
Depreciation and amortization expense	18		
Repairs and maintenance	19	70,000	46,060
Grants and subsidies	20	1,598,885	893,844
General expenses	21	475,585	831,377
Finance costs	22		
<b>Totalexpenses</b>		<b>42,733,237</b>	<b>4,933,097</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23		

**Kigumo Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	Period Ended 30 June 2025	Comparative Audited year ended 30 June 2024
		Kshs	Kshs
Unrealized gain on fair value of investments	24		
Medical services contracts Gains/Losses	25		
Impairment loss	26		
Gain on foreign exchange transactions			
<b>Total othergains/(losses)</b>			
<b>Net Surplus /(Deficit)for the year</b>		<b>(522,474)</b>	<b>(463,873)</b>

(The notes set out on pages 10 to 58 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 31/7/2025 and signed on its behalf by:

  
**Chairperson**  
**Board of Management**

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

  
**Medical Superintendent**

**Kigumo Level 4 Hospital (Kiambu 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<sup>th</sup> June 2025**

Description	Note	Period ended	Comparative Audited
		30 June 2025	year ended 30 June 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Currentassets</b>			
Cash and cash equivalents	27	204,665	103,021.65
Prepayments	28	338,075	
Receivables from exchange transactions	29		1,023,130
Receivables from non-exchange transactions	30		
Inventories	31	2,087,740	3,488,270
<b>Total Current Assets</b>		<b>2,630,480</b>	<b>4,614,421.65</b>
<b>Non-currentassets</b>			
Property, plant, and equipment	32		
Intangible assets	33		
Investment property	34		
Biological Assets	35		
<b>Total Non-current Assets</b>			
<b>Totalassets (A)</b>		<b>2,630,480</b>	<b>4,614,421.65</b>
<b>Liabilities</b>			
<b>Currentliabilities</b>			
Trade and other payables	36	2,153,986	2,153,986
Refundable deposits from Patients/Prepayments	37		
Provisions	38		
Finance lease obligation	39		
Current portion of deferred income	40		
Current portion of borrowings	41		
<b>Total Current Liabilities</b>		<b>2,153,986</b>	<b>2,153,986</b>
<b>Non-currentliabilities</b>			
Provisions	38		
Non-Current Finance lease obligation	39		
Non-Current portion of deferred income	40		
Non - Current portion of borrowings	41		

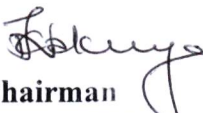
**Kigumo Level 4 Hospital (Kiambu County Government)**

**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	Period ended	Comparative Audited
		30 June 2025	year ended 30 June 2024
		Kshs	Kshs
Service concession Arrangements	42		
<b>Total non-current liabilities</b>			
<b>Total Liabilities (B)</b>		<b>2,153,986</b>	<b>2,153,986</b>
<b>Net assets (A-B)</b>		<b>476,494</b>	<b>2,460,435</b>
<b>Represented by:</b>			
Revaluation reserve			
Accumulated surplus/Deficit		(467,834)	54,640
Capital Fund			
<b>Net Assets</b>		<b>476,494</b>	<b>54,640</b>

(The notes on pages 10 to 58 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 31/7/2025 and signed on its behalf by:

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

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

  
**Medical Superintendent**

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2023 (previous year)</b>		<b>518,513</b>		<b>518,513</b>
Revaluation gain				
Surplus/(deficit) for the year		(463,873)		(463,873)
Capital/Development grants				
<b>As at June 30, 2024 (previous year)</b>		<b>54,640</b>		<b>54,640</b>
<b>At July 1, 2024 (current year)</b>		<b>54,640</b>		<b>54,640</b>
Revaluation gain				
Surplus/(deficit) for the year		(522,474)		(522,474)
Capital/Development grants				
<b>At June 30, 2025 (current year)</b>		<b>(467,834)</b>		<b>(467,834)</b>

*(Note:*

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.)

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

Description	Note	Period Ended 30 June 2025	Comparative Audited FY ended 30 June 2024
		Kshs	Kshs
<b>Cashflowsfromoperatingactivities</b>			
<b>Receipts</b>			
Transfers from the County Government	6.	5,607,447	4,089,376
Grants from donors and development partners			
Transfers from other Government entities			
Public contributions and donations			
Rendering of services- Medical Service Income			
Revenue from rent of facilities			
Finance / interest income			
Miscellaneousreceipts( <i>specify</i> )			
<b>Total Receipts</b>		<b>5,607,447</b>	<b>4,089,376</b>
<b>Payments</b>			
Medical/Clinical costs	10.	2,033,779	1,356,404
Employee costs	11.	2,797,828	1,660,160
Board of Management Expenses	12.	33,000	59,500
Repairs and maintenance	13.	70,000	46,060
Grants and subsidies	14.		
General expenses	15.	637,872	831,377
Finance costs			
Refunds paid out			
<b>Total Payments</b>		<b>5,572,479</b>	<b>3,953,501</b>
<b>Netcashflowsfromoperatingactivities</b>	43	<b>34,968</b>	<b>135,875</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment			
Purchase of intangible assets			
Proceeds from the sale of PPE			
Acquisition of investments			
<b>Netcashflowsusedininvestingactivities</b>			
<b>Cashflowsfromfinancingactivities</b>			

**Kigumo Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Proceeds from borrowings			
Repayment of borrowings			
Capital grants received			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents as at 1 July	27	103,021	407,021
<b>Cash and cash equivalents as at 30 June</b>	<b>27</b>	<b>212,511</b>	<b>103,021.65</b>

*Kigumo Level 4 Hospital (Kiambu 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 Jun 2025**

Description	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of utilisation
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c%</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Budget carryovers from the previous year						
<b>Receipts</b>						
Transfers from the County Government				33,583,709		
Grants from donors and development partners				632,630		
Transfers from other Government entities	4,400,000		4,400,000	2,528,079	1,871,921	57%
Public contributions and donations						
Rendering of services- Medical Service Income	24,032,000		24,032,000	5,466,345	18,565,655	23%
Revenue from rent of facilities						
Finance / interest income						
Miscellaneous receipts (specify)						
<b>Total receipts</b>	<b>28,432,000</b>		<b>28,432,000</b>	<b>42,210,763</b>	<b>(13,778,763)</b>	<b>148%</b>
<b>Payments</b>						
Medical/Clinical costs	9,959,800		9,959,800	4,382,383	5,577,117	44%
Employee costs	2,760,000		2,760,000	36,173,384	170,325	94%
Remuneration of directors	66,000		66,000	33,000	33,000	50%
Repairs and maintenance	4,979,900		4,979,900	70,000	4,909,900	1.4%
Grants and subsidies	5,686,400		5,686,400	1,598,885	4,087,515	28%
General expenses	4,979,900		4,979,900	475,585	4,504,315	10%
Finance costs						
Refunds						
<b>Total Operational Expenditure paid</b>	<b>28,432,000</b>		<b>28,432,000</b>	<b>42,733,237</b>	<b>21,751,880</b>	<b>150%</b>
<b>Capital Expenditure paid</b>						
<b>Surplus</b>	<b>0</b>		<b>0</b>	<b>(522,474)</b>		

**Kigumo Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

---

**(Budget carryovers\*** This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)

**Budget notes**

1. Provide an explanation of differences between actual and budgeted amounts (any over/ 90% under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

:  
**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(522,474)
1	Reason for differences (In-kind contribution from KEMSA of Kshs.632,630)	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	212,511

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

### **1. General Information**

Kigumo level 4 hospital is established by and derives its authority and accountability from the Kiambu health services Act. The entity is wholly owned by the Kiambu County Government and is domiciled in Kenya. The hospital's principal activity is to offer affordable health services to its citizen.

### **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 actuarial 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 xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act, and the Kiambu Health Services Act 2019 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

(When an IPSAS becomes effective on 1<sup>st</sup> January 2025, it is applicable in Kenya from 1<sup>st</sup> July 2025)

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

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

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

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

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

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

***iii) Early adoption of standards***

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)

#### **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 realized in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

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

**b. Budget information**

The original budget for FY 2024/2025 was approved by Board on 26/6/2024. Subsequent revisions or additional appropriations were not made to the approved budget in accordance with specific approvals from the appropriate authorities. Accordingly, the entity did not record additional appropriations on the FY 2024/2025 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payable s 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 payable s in the statement of financial position.

*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

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

**e. Property, plant and equipment**

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

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

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

**i. Research and development costs**

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

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

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

**j. Financial instruments**

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

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.

*Notes to the Financial Statements (Continued)*

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements. (Entity to state the reserves maintained and appropriate policies adopted.)

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

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

**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 38. 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	30 June 2025	30 June 2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	5,607,447	
Level 4/5 grants		
Unconditional development grants		
Other grants ( <i>specify</i> )		
	<b>5,607,447</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>5,607,447</b>	

**6b 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
Kiambu County Government	7,994,424			5,607,447	
<b>Total</b>	<b>7,994,424</b>			<b>5,607,447</b>	

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under appendix ).

\*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6 (the part on unconditional grants).

**Notes to Financial Statements Continued**

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

Description	30 June 2025	30 June 2024
	KShs	KShs
Salaries and wages	33,583,709	
Medical supplies-Drawings Rights (KEMSA)	632,630	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)		
Utility bills		
<b>Total grants in kind</b>	<b>34,216,339</b>	

**8. Transfers From Other Government Entities**

Description	30 June 2025	30 June 2024
	KShs	KShs
Transfer from xxx National Hospital		
Transfer from SHIF	2,528,079	727,800
<b>Total Transfers</b>	<b>2,528,079</b>	<b>727,800</b>

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

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Pharmaceuticals	1,060,116	860,446
Non-Pharmaceuticals	612,020	197,231
Laboratory	910,920	524,920
Radiology	306,000	106,000
Orthopedic and Trauma Technology		400
Dental services	101,001	58,595
Reproductive health		
Paediatrics services		
Farewell home services	1,976,288	1,576,300
Ambulance services		
Other medical services income(Reg.)	500,000	417,782
<b>Total revenue from the rendering of service</b>	<b>5,466,345</b>	<b>3,741,424</b>

**Notes to Financial Statements Continued**

**10. Medical/ Clinical Costs**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
In kind contribution KEMSA	632,630	
Drugs expenses for the year	1,836,778	
Laboratory chemicals and reagents	716,818	377,911
Public health activities		
Food and Ration	323,772	116,175
Uniform, clothing, and linen		
Dressing and Non-Pharmaceuticals	391,736	144,902
Pharmaceutical supplies	443,749	462,368
Health information stationery		
Reproductive health materials		
Sanitary and cleansing Materials		
Purchase of Medical gases	16,900	
X-Ray/Radiology supplies		
Other medical related clinical costs ( <i>specify</i> )	20,000	
<b>Total medical/ clinical costs</b>	<b>4,382,383</b>	<b>1,101,356</b>

**11. Employee Costs**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Salaries, wages, and allowances	2,589,675	1,974,460
<b>Employee costs</b>	<b>2,589,675</b>	<b>1,974,460</b>

**12. Board of Management Expenses**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance	33,000	86,000
<b>Total</b>	<b>33,000</b>	<b>86,000</b>

**Notes to Financial Statements Continued**

**13. Repairs And Maintenance**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Computers and accessories	70,000	
Motor vehicle expenses		
Maintenance of civil works		46,060
<b>Totalrepairsandmaintenance</b>	<b>70,000</b>	<b>46,060</b>

**14. Grants And Subsidies**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Other grants and subsidies(specify)	1,598,885	893,844
<b>Totalgrantsandsubsidies</b>	<b>1,598,885</b>	<b>893,844</b>

**15. General Expenses**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
Bank charges	9,519	9,433
Electricity expenses	303,802	660,977
Printing and stationery	50,000	20,000
Water and sewerage costs	87,264	90,967
Telephone and mobile phone services	25,000	50,000
<b>TotalGeneralExpenses</b>	<b>475,585</b>	<b>831,377</b>

**16. Cash And Cash Equivalents**

Description	30 June 2025	30 June 2024
	KShs	KShs
Current accounts	204,665	103,021.65
<b>Totalcashandcashequivalents</b>	<b>204,665</b>	<b>103,021.65</b>

**Notes to Financial Statements Continued**

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

Description		30 June 2025	30 June 2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1157609384 1256291250	130,143 2,007	103,021.65
Family bank	001000068740	72,515	
<b>Sub- total</b>		<b>204,665</b>	<b>103,021.65</b>
<b>Grand total</b>		<b>204,665</b>	<b>103,021.65</b>

**17. Prepayments**

Description	30 June 2025	30 June 2024
	Kshs	Kshs
SHIF Payment	338,075	
<b>Total</b>	<b>338,075</b>	

**18. Receivables From Exchange Transactions**

Description	30 June 2025	30 June 2024
	KShs	KShs
Medical services receivables		1,023,130
<b>Totalreceivables</b>		<b>1,023,130</b>

*Notes to the Financial Statements (Continued)*

**Analysis of Receivables From Exchange Transactions**

Description	30 June 2025		30 June 2024	
	KShs		KShs	
	Period ended 30 June 2025	% of the total	Comparative FY ended 30 June 2024	% of the total
Less than 1 year		%	1,023,130	100%
<b>Total (a+b)</b>		%	<b>1,023,130</b>	<b>100%</b>

**19. Inventories**

Description	30 June 2025		30 June 2024	
	KShs		KShs	
Pharmaceutical supplies	2,087,740		3,488,270	
Maintenance supplies				
Food supplies				
Linen and clothing supplies				
Cleaning materials supplies				
General supplies				
Less: provision for impairment of stocks				
<b>Total</b>	<b>2,087,740</b>		<b>3,488,270</b>	

**Detailed disclosure on inventories**

	Period ended 30 June 2025	Comparative period ended 30 June 2024
Opening balance	3,488,270	1,761,789
Additional Inventory in the year	436,248	1,726,481
Inventory expensed in the year (F.Performance 2024/2025)	1,836,778	1,726,481
Write-downs in the year		
Others specify		
Closing balance (F.Position)	2,087,740	3,488,270

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

**20. Trade and other Payables**

Description	30 June 2025		30 June 2024	
	KShs		KShs	
Trade payables	2,153,986		2,153,986	
<b>Total trade and other payables</b>	<b>2,153,986</b>		<b>2,153,986</b>	
Ageing analysis:	Period ended 30 June 2025	% of the Total	Compative period ended 30 June 2024	% of the total
Under one year	0			%
1-2 years	0		98,024	4.6%
2-3 years	98,024	4.6	771,169	36%
Over 3 years	2,055,962	95.4	1,284,793	60%
<b>Total</b>	<b>2,153,986</b>	<b>100</b>	<b>2,153,986</b>	<b>100%</b>

**21. Cash Generated from Operations**

Description	30 June 2025		30 June 2024	
	KShs		KShs	
Surplus for the year before tax	(522,474)		(463,873)	
<b>Adjusted for:</b>				
Depreciation				
Non-cash grants received	632,630			
Impairment				
Gains and losses on disposal of assets				
Contribution to provisions				
Contribution to impairment allowance				
<b>Working Capital adjustments</b>				
Increase in inventory				
Increase in receivables			214,906	
Increase in deferred income				
Increase in payables			384,842	
Increase in payments received in advance	338,075			
<b>Net cash flow from operating activities</b>	<b>227,919</b>		<b>135,875</b>	

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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

**22. 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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The hospital does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024 (previous year)</b>				
Receivables from exchange transactions	1,023,130			
Receivables from –non-exchange transactions				
Bank balances	103,021			
<b>Total</b>	<b>1,126,151</b>			
<b>At 30 June 2025 (current year)</b>				
Receivables from exchange transactions				
Receivables from –non-exchange transactions				
Bank balances	204,665			
<b>Total</b>	<b>204,665</b>			

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from 30 June 2025. 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			2,153,986	2,153,986
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>			<b>2,153,986</b>	<b>2,153,986</b>
<b>At 30 June 2025</b>				
Trade payables			2,153,986	2,153,986
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>			<b>2,153,986</b>	<b>2,153,986</b>

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

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

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

**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.

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

**Sensitivity analysis**

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

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

**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>		

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

**23. 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.

Kiambu County Government is the principal shareholder of the hospital, holding 100% of the hospital's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the 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	Period ended 30 June 2025	Comparative period ended 30 June 2024
	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>		

**Kigumo Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Period ended 30 June 2025	Comparative period ended 30 June 2024
	Kshs	Kshs
<b>d) Key management compensation</b>		
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
<b>Total</b>		

**24. 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)

**25. Contingent Liabilities**

Contingent liabilities	Period ended 30 June 2025	Comparative period ended 30 June 2024
	Kshs	Kshs
Court case Nil against the hospital		
Bank guarantees in favour of subsidiary		
<b>Total</b>		

(Give details)

**26. Capital Commitments**

Capital Commitments	Period ended 30 June 2025	Comparative period ended 30 June 2024
	Kshs	Kshs
Authorised For		
Authorised And Contracted For		
<b>Total</b>		

**27. Events after the Reporting Period**

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

**28. Ultimate and Holding Entity**

The entity is a County institution under the Department of Health. Its ultimate parent is the County Government of Kiambu.

**29. Currency**

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



**Kigumo Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**


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)
		Documents- The county government is in the process of assisting individual sub-county hospital to obtain relevant ownership documents through county land registry and survey.		
3. Unsupported Balances	3.1 Revenue from Exchange Transaction-			
	3.2 Grants and Subsidies			
	3.3. Receivables from Exchange Transactions			
	3.4. Statement of Cash Flows Balances	The management has provided supporting documents to support balances in the cash flow statement	resolved	
4.	Long Outstanding Payables	The above reported payables are still under review at the county headquarters; therefore management is waiting communication for the same from the county.	Not Resolved	
5.	Understated Inventory			
6.	Non-Disclosure of Employee Cost Paid for by the County Government.	This can only be reconciled after accessing data hosted by the County Integrated Payroll and Processing Data Office. The management will do a follow up and provide the same for audit.		

**Kigumo Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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)
		The budget for the payment of the salary for the said staff is done at the county level.		
7.	Unaccounted for Donations	The project is in its final stage. Handing over is yet to be officially done to the hospital management. However, management has disclosed its in the financial statement; Appendix ii.		

**Guidance Notes:**

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

  
**Accounting Officer**

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

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

**Name of Transferring entity: Kiambu County FIF Fund**

**Name of Beneficiary entity: Kigumo Level 4 Hospital**

Confirmation of amounts received by Kigumo Level 4 Hospital as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
SWIFT Pa Kiambu count	12/7/2024			835,500	
FT24197F42	15/7/2024			198,522	
SWIFT Pa Kiambu	18/10/2024			421,046	
FT24310LSG	5/11/2024			901,272	
SWIFT Pa Kiambu Count	6/2/2025			1,723,531.2	
Inward SWIFT Pa	20/5/2025			1,527,576.8	
<b>Total</b>				<b>5,607,447</b>	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name: Alex Waweru Sign ..... *AW* ..... Date: *31/7/25*

**Head of Accounts Department - Beneficiary Entity:**  
 Name: George Gichuru Sign ..... *[Signature]* ..... Date: 31/7/2025

**Appendix IV Reporting of Climate Relevant Expenditures**

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

**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 (K.shs.)	Comments