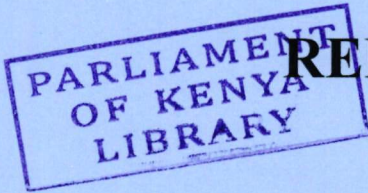
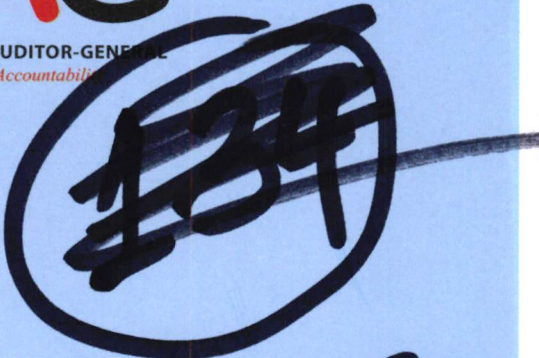


REPUBLIC OF KENYA

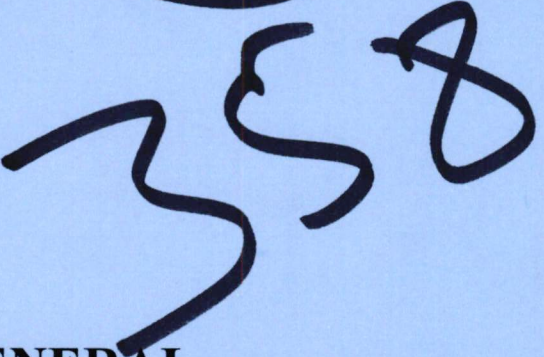


OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OF



THE AUDITOR-GENERAL

ON

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

IGEGANIA LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU

134

228

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires and Kiambu county health act 2019 requires the Board of Management to prepare financial statements in respect of that which give a true and fair view of the state of affairs of Igegia Hospital at the end of the financial period 30th June 2025 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 its financial position. The board members are also responsible for safeguarding the assets of the hospital
The Board of Management is responsible for the preparation and presentation of the 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 period ended on June 30th, 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 Act 2019 The Board members are of the opinion that the financial statements give a true and fair view of the state of hospital's transactions during the financial period ended June 30th, 2025, and of the 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 financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on August 14th and signed on its behalf by:



Name: Juhn Muiru Kariuki
Chairperson
Board of Management



Name: Dr. Charles Kabiru
Accounting Officer

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide quality healthcare the citizens of Kiambu County, and its environs

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 5

Board of Management

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

Auditors

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

By Order of the Board



Name: Dr. Charles Kabiru

Secretary to the Board

Marketplace Responsibility

We uphold fair competition and transparent procurement processes, ensuring all tenders are conducted openly and without favoritism. The hospital's cashless payment system and digitized services have improved efficiency, security, and accountability. Our relationships with suppliers are built on timely payments, fair negotiations, and respect for contractual terms, with special consideration for local and special interest group suppliers.

Public engagement is a core element of our service delivery model. We conduct regular community sensitization forums on health and wellness using our community health promoters (CHPs), provide accurate and accessible information on SHIF benefits, and maintain a transparent complaints and feedback mechanism. Patient confidentiality and data protection remain paramount in all interactions.

Community Engagement

In 2024/2025, our corporate social responsibility initiatives directly supported the health and well-being of our community. We have facilitated medical camps that reached over 2,000 residents, partnered with schools to deliver health education on hygiene, nutrition, and reproductive health, and organized tree planting drives to promote environmental conservation in the hospital. We also shared essential medical supplies to nearby government facilities during temporary shortages.

Through these efforts, Igegania Level 4 Hospital continues to demonstrate that delivering healthcare responsibly goes hand-in-hand with protecting the environment, empowering our workforce, and strengthening community resilience. Our vision is clear: a healthier population, served by a hospital that upholds the highest standards of sustainability and social responsibility.

10. Environmental And Sustainability Reporting

At Igegania Level 4 Hospital, sustainability is not an optional extra—it is central to how we deliver healthcare and engage with our community. We recognize that global issues such as climate change, resource scarcity, and shifting macroeconomic conditions directly impact our ability to serve patients effectively. Guided by the Sustainable Development Goals (SDGs)—particularly Good Health and Well-being (SDG 3), Clean Water and Sanitation (SDG 6), Responsible Consumption and Production (SDG 12), and Climate Action (SDG 13)—we have embedded environmental and social responsibility into our operational strategy through a Board-approved Sustainability Policy Framework.

During the year, we made significant strides towards greener and more inclusive service delivery. The roll-out of our hospital-wide digital records system reduced paper consumption. We remained committed to equitable procurement, with 30% of eligible contracts awarded to youth, women, and persons with disabilities in line with the Public Procurement and Asset Disposal Act of 2015. While challenges such as inconsistent waste segregation persisted, we introduced regular staff training and environmental audits to drive compliance.

Environmental Stewardship

Our Environmental Policy emphasizes responsible waste management segregation, biodiversity protection, and energy efficiency. Across the facility, clearly labeled bins support segregation of medical, recyclable, and biodegradable waste, with hazardous medical waste sorted for incineration according to NEMA standards. Landscaping initiatives prioritize indigenous plants that require minimal water. Ongoing infrastructure upgrades integrated natural lighting and solar water heating systems, reducing electricity use. We also phased out single-use plastics in most hospital operations and regularly maintained our ambulance to minimize carbon emissions.

Caring for Our People

Employee welfare remains at the heart of sustainable performance. Our recruitment process prioritizes diversity, equal opportunity, and inclusion, ensuring fair representation of women, youth, and persons with disabilities. Continuous Professional Development (CPD) sessions, performance-linked training, and structured career progression pathways help our staff grow professionally. We comply fully with the Occupational Safety and Health Act (OSHA) 2007, conducting quarterly safety inspections. This year, only two minor work-related injuries were reported, with swift corrective action taken in each case.

Financial performance that includes

- Sources of revenue –
 1. county government of Kiambu
 2. facility improvement fund (FIF)

1. SHIF approval of specialty services such as cataract surgeries
2. Introduction of ENT services, with the receiving of a new officer
3. Commencement of palliative care services to our clients
4. Resumption of ultrasound services after receiving a new officer

Challenges

1. NBU needs upgrading with more equipment to support premature babies who need breathing support. This involves purchase of CPAP machines and paediatric monitor.
2. Lack of proper trauma care and low utilisation of inpatient services due to Lack Of plaster technician and occupational therapist. There is need to establish a trauma care unit to cater for casualties of road traffic accidents that are prevalent in the region
3. Lack of equipment for supporting surgical management of ENT patients
4. Lack of space and furniture to offer clinical services efficiently
5. Poor sanitation and waste management
 - a) There is inadequate sewage facility to handle the effluent from the existing building with the septic tanks currently almost filled and occasioned with blockage of sewers
 - b) There is poor medical waste management as there is no incinerator. The solid waste is first stored then transported far for offsite incineration, posing a hazard to patients, staff and neighbouring community
6. Inconsistent power supply. The hospital has no dedicated transformer. The power outages force the hospital to frequently use the generator which increases fuel and maintenance costs
7. Lack of a fully equipped dental unit including dental chair and scaler

Sponsorships and partnerships

- a) Christian Blind Mission (CBM). An international Christian development organization, committed to improving the quality of life of persons with disabilities in the poorest countries of the world. Based on its Christian values, it addresses poverty as a cause, and a consequence, of disability, and works in partnership to create a society for all. They support the eye department in screening and treatment of eye related conditions
- b) LVCT Health -**Dhibiti** project to support the implementation of Sustainable, Comprehensive, High-Quality HIV Prevention and Treatment Programs in Kiambu. LVCT Dhibiti Project is a five-year project funded by the President's Emergency Plan for AIDS Relief (PEPFAR) through the Centres for Disease Control and Prevention (CDC in Kenya). They have collaborated with Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), to provide quality HIV services
- c) KEHPCA- National Association representing and supporting Hospices and Palliative Care
- d) Providers in Kenya.

9. Management Discussion and Analysis

Clinical/operational performance

- The total bed capacity of the hospital was 68
- **Overall Patient Attendance. (Source KHIS)**

Department	Annual workload
General outpatient	26,438
Eye clinic	1,730
ENT clinic	420
Comprehensive care	2,318
Psychiatry clinic	685
Orthopaedic clinic	322
Physiotherapy clinic	468
Paediatrics clinic	47
Obgyn clinic	801
Nutrition clinic	1,323
Maternal child health clinic	13,148
Dental clinic	1,191
Admissions	934
Total deliveries	1,073
Maternal death	1
Still births	18
Inpatient deaths	27
Prescriptions issued at Pharmacy	38,386
Lab tests done	17,386
Radiology xray and u/S	1,681
Palliative care	447

Majority of our admissions are maternity thus pointing to the need for expansion of our maternity unit to accommodate the increasing number of deliveries. The workload had increased although the within the year we experience doctors and clinical officers' strikes. This has negatively affected the hospital. Despite this our revenue was not greatly affected. The general inpatient wards consist mainly of paediatrics and elderly patients with chronic non communicable diseases and terminal illness. This puts more emphasis on the need for enhancing our radiology, laboratory service and palliative care unit. Staff shortage is a major hindrance to provision of services particularly nursing staff for maternity, outpatient triage and 24 hour covering of NBU. More doctors are required as well, to provide full 24 hour coverage across all the departments

Successes

ix. Ethics and Conduct

All members adhere to the Leadership and Integrity Act, the Public Officer Ethics Act, and the hospital's internal Code of Conduct.

x. Governance Audit

Audits are conducted periodically to assess compliance with best practices, with findings used to strengthen governance structures and enable improvement.

xi. Communication Policy

The hospital has a communication policy to ensure transparent, timely, and accurate dissemination of information to stakeholders and the public.

xii. Terms of Reference of Committees

Board committees operate under approved Terms of Reference defining their mandate, composition, and reporting structures.

xiii. Related Party Transactions Policy

All transactions are managed under a formal policy to ensure transparency, fairness, and compliance with public procurement and oversight authority laws.

8. Corporate Governance Statement

i. Appointment of Board Members

Board members are appointed by the County Government in consultation with the Ministry of Health, following established public service guidelines. Removal is guided by statutory provisions, performance considerations, or breach of the Board Charter under Mwongozo code. The Igegia level 4 hospital Board consists of 5 members, representing diverse professional backgrounds, gender balance, and community representation. A Board Charter is in place to guide governance practices in reference to health act.

ii. Roles and Functions of the Board

The Board provides strategic leadership, policy oversight, and ensures accountability in the hospital's operations. It approves budgets, oversees risk management, and monitors service delivery outcomes.

iii. Induction, Training, and Development

New members undergo an induction program on hospital operations, governance principles, and relevant legislation. Ongoing training is provided through workshops and seminars.

iv. Board and Members' Performance

Performance is assessed annually through self-assessment tools and external evaluations against strategic objectives.

v. Board Meetings and Attendance

During the year, the Board held 4 scheduled meetings and no special meetings, with an average attendance rate of 100%.

vi. Succession Plan

A succession plan is in place to ensure continuity of leadership in both Board and management positions evidenced by handing over reports.

vii. Conflict of Interest Policy

The Board has a documented policy requiring members to declare any actual or potential conflicts of interest, with such members recusing themselves from related deliberations.

viii. Board Remuneration

Board remuneration follows the guidelines of the Salaries and Remuneration Commission (SRC) and is disclosed in the annual financial report.

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Development of master plan	Obtain hospital title deed	<ul style="list-style-type: none"> Search in lands registry Land maps and ground verification obtained Transfer of title Technical working group formed Draft master plan Final master plan 	0	100 %	Measurement against sequence of events outlined
	Needs assessment by technical working group	Needs assessment report	0	1	
	Engagement of county public works architects and surveyors	Report	0	1	
Strategic Objective 7: Strengthen and improve Partnerships and collaborations					
Stakeholder Fora	Stakeholder Mapping	Mapping report	0	1	
	Annual stakeholder engagement forums	Annual reports	0	5	
Establishment of a Hospital Foundation	Formative stakeholder discussions	Functional Foundation	0	1	
	Election of Foundation Board				
	Operationalisation of the Foundation	Resources mobilized through the foundation as a proportion of the hospital annual turnover	0	30%	

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

health services	Expansion of eye services	Eye-care equipment procurement; <ul style="list-style-type: none"> • slit lamp with gold manometer • ophthalmoscope • 3 cataract sets • eye care tonometer • Refraction box • Retinoscope • Lid set, chalazion set • 4 trial frames • Autorefractor • Jackson crossed cylinder 	0%	100%	To meet capacity needs of the dental unit
	Upgrading of radiology services	Procurement of Xray processor, lead jacket, linear probe procured	0%	100%	
		Installation of lead reinforcement of walls done	0%	100%	
	Improvement of mental health services	Mental health unit installed	20%	100%	
	Expansion of maternity unit to include antenatal, postnatal wards, nursing station, washrooms, lactation room, Newborn unit, theatre changing rooms, post op recovery room	Completion of Maternity unit	10%	100%	
	Expansion of laundry and autoclave services	Audit of the gaps	0	1	
		Procurement of the following; <ul style="list-style-type: none"> • commercial washer • dryer • presser • shelves • Hospital linen 	20%	100%	Measured against hospital needs

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		PPE purchased			
		Roofing replaced			
	Completion of construction of the OPD block to include:- rehabilitative services, eye and dental departments, pharmacy stores, theatre and equipment	Completion of the first floor and roofing	40%	100%	
		Number of following equipment procured:	0	100%	No match the capacity of the various departments
		<ul style="list-style-type: none"> • Anesthesia machine • Operating table • Shadow less operating lamp • Instrument trolleys • Physiotherapy equipment • Pharmacy shelves and palates 			
	Provision of a maintenance workshop	Audit of workshop tools	0	1	Audit report
		Number of workshop equipment procured	10%	100%	Measured against capacity
	Signage	Audit of the signage	0	1	Audit report
		Number of stations properly labelled	10%	100%	
	Installation of hot water system	Number of solar panels installed	0%	100%	Against required power supplementation capacity
	Refurbishment of burning chamber	Completion of burning chamber	0	1	
Improvement and expansion of	Improvement of dental services	Dental chair, dental x-ray and accessories procured	2%	100%	

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Integration	OJT				
Strategic Objective 6: Improve hospital's facilities/Infrastructure					
Improve facility infrastructure	Direct line of water supply from treatment plant	Completion of direct water line	0	1	
	Installation of an exclusive transformer	Transformer installed	0	1	
	Improvement of kitchen services	Number of following equipment procured(fridge, urns, trolleys, cutlery)	10%	100%	Measurement against capacity needs
	Construction of outpatient ablution blocks	Completed construction	0%	100%	
	Purchase of sewer unblocking rods and manholes	Number of rods procured	0	20	
	Bulk supply oxygen and piping	Installed oxygen cages and piping	0	1	Supply unit
	Setting up of deceased holding area	Room identified and partitioned	0	1	
		Design, approval, funding, construction	0	1	
	Construction of mortuary	Operational mortuary	0	1	
	Construction of emergency exits, walkways with sheds and ramps	Completed construction	10%	100%	
	Repair of broken WC, doors	Facilities repaired	15%	100%	
	Improvement of lighting	An audit of lighting	100%		
		Implementation of the audit findings	0%	100%	
	Removal of asbestos roofing	Approval from NEMA	2%	100%	
		Identification of disposal site			Indicator measures percentage completion
Topography and geology assessments					
Bunker construction					

Igegia level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

OPD, wards, maternity, procurement and administration	Networking in all departments	No. of departments using EMR system	2	7	
Increase in pay points in at least 4 departments	Procuring and installing computers and internet	No. of service points	2	13	
Increase revenue generation in both NHIF and FIF	Increasing scope of services e.g. orthopedic, radiology depts.	No. of departments introduced		3	
	Ensuring a nhif desk at entrance of facility to ensure most patients are aware of the package	Proportion of patients with NHIF cover	30%	60%	
	Timely claim in linda mama and inpatient package to avoid penalties	Percentage increase in claims settlement		40%	
Monitoring internal spending/curbing wastage	Ensuring there are tracing movement register in all departments	No. Of departments with register movement books	20%	100%	
	Ensuring there are inventories of all equipment across all departments	No of inventories placed in departments	1	7	
	Training of staff on usage of the equipment in their departments	Number of departments regularly updating their register books and inventories	0	7	Updates to be conducted quarterly
Strategic Objective 5: Strengthen ICT Effectiveness					
Networking	Procurement	Available network	20%	100%	Measurement of installed capacity
System Installation	Procurement	(i)Server (ii)hospital telecommunication system (iii)computers (iv)UPS (v) QMS machines	20%	70%	
Security	Procurement	(i)CCTV	0%	100%	Coverage
		(ii)Alarms	0	1	System
Training &	C.M.E	(i) No. Of Staffs Trained	10%	40%	

Igeania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

	Purchase of an incinerator	Number of incinerators	0	2	
	Purchase of waste bins	Number of waste bins	50	150	
	Purchase of waste carriers	Number of waste carriers	2	25	
(b) Capacity building of personnel	Educate HCWs on safe waste segregation and disposal	Number of HCWs trained	40%	100%	
	Active and Robust IP committee	Number of annual IPC meetings	2	4	
(c) Optimise SOPs	Generate specific SOPs for hospital such as admission process SOPs, communication SOPs, internal referral SOPs, notifiable diseases SOPs	Number of SOPs generated	0	4	
	Adopt relevant national SOPs	Number of SOPs adopted	5	9	
	Display SOPs in all departments	Number of departments with displayed SOPs	0	7	
	Installation of notice boards in all depts..	Number of notice boards installed	2	7	
	Active QIT COMMITTEE	Number of QI meetings held annually	1	20	Meetings to be held every quarter
	Create departmental folders that is accessible and contains SOPs for that department	Number of departments with folders	0	13	
	Sensitize departmental HCWs on available SOPs	Number of HCWs sensitized	0	100%	All HCWs to be targeted
(d) To improve patients' food safety and nutrition	Purchase of kitchen fridge	Number of fridges bought	0	3	
	Preparation of patient centred meal plans e.g. diabetic meals, paediatric meals, parenteral meals, CCF meal, rehabilitation meal, Hypertension meal.	Number of meal plans available	0	13	
Strategic Objective 4: Improve Financial Efficiency					
Automation/upgrading of EMR system in all departments i.e.	Training of all staff on the use of the EMR system	No of trained staff in the facility	20%	100%	

Igeania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Improve patient experience in the facility.	2. Prepare brochures/leaflets outlining services offered in the facility, for distribution during the customer service day.				
	1. Procure patients' uniforms.	Uniforms procured available against needs	20%	100%	
	2. Procure better wheelchairs and patient stretcher	Number of wheelchairs and patient stretchers procured.	10	20	
	3. Improving patient privacy by bed partitioning with curtains.	Proportion of beds partitioned.	30%	100%	
	4. Improving patient experiences in the wards by providing hot showers	Number of instant showers installed	1	7	
	5. Mosquito nets	Proportion of beds with mosquito nets	10%	100%	
Improved services	1. Availability of comprehensive services for the patients- x-ray, extensive lab tests, orthopaedic services and general surgical services.	Number of new services available.	0	1	
Improve staff effectiveness in service delivery.	1. Training staff on basic life support(BLS) and emergency care.	Number of staff trained on BLS and emergency care.	0	5	
	2. Improve staff motivation by provision of supplies required for service delivery.	Percentage increase in the availability of supplies.	0	40%	Increase from the current stock levels
	3. Improve staff: patient ratio for individualized care.	Improvement in staff: patient ratio.		30%	
	4. Incorporate the facility in the monthly community health volunteers (CHVs) meetings to encourage them to talk more about the facility at community level.	Monthly CHV meetings report.	0	1	
Strategic Objective 3: Improve Internal Capacity and Processes					
(a) Improve Infrastructure	Addition of 1 septic tanks	Number of septic tanks	1	9	
	Renovation of existing septic tank	Number of tanks renovated	0	5	
	Pavement of waste transit routes	Length of pavement	20%	100%	
	Construction of a burning chamber	Number of burning chambers	0	5	

Igegia level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		month			
	Organising Refresher trainings	Sourcing Specialists	0	5	One per year
Uniforms	Provision of Scrubs per department	To curb cross infections to family	0	1	Target is adequacy to the needs
	Provision of stationery and writing materials	Number of stationery issued	20%	100%	
Staff Safety Provision	Provision of lead gowns	Reduce exposure to radiation	20%	100%	
	Gumboots	Enough gumboots in theatre	20%	100%	
	Sharps Boxes	Availability of safety boxes	10%	100%	
	Gloves and Aprons	Enough Gloves & Aprons	40%	100%	
Improve managerial skills	Staff care	Holding CHMT meeting to solve issues	10%	100%	Level of staff participation
	Encourage staff participation in hospital management				
Strategic Objective 2: Improve patient experience /Quality care					
Conduct a customer (=patient) satisfaction survey.	1. Preparation of questionnaires	Data analysis report.	0	5	Survey to be conducted annually
	2. Training of questionnaire administrators.				
	3. Conducting the survey.				
	4. Data analysis.				
	5. Feedback and recommendations.				
Training of staff on communication skills	1. Training of staff on communication skills.	Number of staff trained on communication skills.	0	14	2 staff from each of the 7 departments
Customer service days.	1. Liaise with community leaders and administrators to incorporate the customer service day into planned community activities/events.	Report on customer service days conducted.	0	5	Annual customer service days

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

7. Statement of Performance against Predetermined Objectives

Igegania level 4 hospital seven has strategic objectives within the current Strategic Plan for the FY 24- FY 25. These strategic are as follows:

Pillar /theme/issue 1: Improve HR Management

Pillar/theme/issue 2: Improve patient experience /Quality care

3. Improve Internal Capacity and Processes
4. Improve Financial Efficiency
5. Strengthen ICT Effectiveness
6. Improve hospital's facilities/Infrastructure
7. Strengthen and improve Partnerships and collaborations

Igegania level 4 hospital develops its annual work plans based on the above 7 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *hospital* achieved its performance targets set for the FY 2024/25 period for its 7 strategic pillars, as indicated in the diagram below:

Output	Key activities	Output indicator	Baseline	Target	Notes
Strategic Objective 1: Improve HR Management					
Staff Motivation	Team Building	Sports and games, Nature walks, hikes	0	20	Quarterly
	Staff motivation survey	Rewarding on performance	0	5	Annually
	Improve working conditions	Adequate light in rooms	20%	100%	In all rooms
		Replacing broken furniture	30%	100%	
Adequate staffing	Lobbying of new staff	Number of staff recruited yearly	1	4	20 over the 5 years-To fill existing shortages and expansion needs
	Improve terms of employment	End of contracts to PNP(UHC)	0	1	Across all cadres
Training	Organising internal and External CME's	Number of CME's in a	1	4	

6. Report of The Medical Superintendent

It is my pleasure to present the Medical Superintendent's statement for the year ended 30th June 2025. Building on the Chairman's overview, I wish to share more detail on our key activities, achievements, challenges, and a brief look at our financial position.

Key Activities & Achievements

This year saw significant progress in our service delivery:

- Expansion of our maternity wing and upgrade of diagnostic equipment, including a new ultrasound machine.
- Rollout of a hospital-wide digital records system, reducing waiting times and improving data accuracy.
- Strengthened community outreach programs in maternal health, immunization, and chronic disease screening.
- Staff capacity building through regular training sessions, enhancing service quality and safety.

Operational Performance

We recorded an increase in both outpatient and inpatient numbers, reflecting community trust in our services. Maternal and infant health indicators improved, with a notable reduction in mortality rates. Surgical and emergency care capacity also grew, supported by better equipment and processes.

Financial Overview

At a high level, the hospital operated within budget. Revenue was mainly from facility improvement fund, SHIF reimbursements, and user fees. Expenditure priorities remained salaries, utilities, medical supplies, and facility maintenance. While we managed to maintain financial stability, rising patient numbers continue to place pressure on available resources.

Challenges

we still face key challenges, including:

- Shortages of specialized staff in critical areas like maternity, eye unit, Ent etc.
- Intermittent stock-outs of essential medicines.
- Infrastructure strain due to increasing patient demand.

Way forward

In the coming year, we plan to expand bed capacity, strengthen telemedicine, improve staff retention, and deepen preventive health programs to ease the curative burden. Partnerships with stakeholders will remain essential to achieving these goals.

In closing, I extend my appreciation to the Board, our dedicated staff, and partners for their commitment to making Igegania Level 4 Hospital a pillar of healthcare in our community.

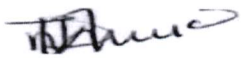


Name Dr. Charles Kabiru
Secretary to the Board

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

- Strengthening preventive healthcare programs to reduce the burden on curative services.
- Prioritizing staff welfare, training, and retention strategies to maintain high service quality.

We remain steadfast in our mission to ensure that Igegania Level 4 Hospital continues to be a beacon of hope, healing, and excellence for our community. Together, with the support of our stakeholders, we shall overcome the challenges and realize our vision for a healthier future.



Name: John Muiru Kariuki

Chairman to the Board

5. Chairman's Statement

It is my privilege, on behalf of the Board of Management, to present a brief overview of the hospital's key activities, achievements, challenges, and our future outlook.

Key Activities Undertaken

During the year, Igegania Level 4 Hospital continued to strengthen its mandate of delivering quality, accessible, and affordable healthcare to our community. Significant undertakings included:

- Expansion and modernization of critical service units, including the outpatient department and maternity wing.
- Implementation of digital health records to improve efficiency, patient tracking, and reporting.
- Strengthened community outreach programs focusing on maternal health, immunization, and non-communicable disease awareness.
- Continued training and capacity-building for medical, nursing, and support staff to improve service delivery standards.

Successes Consolidated

We are proud to report notable achievements:

- Increased patient satisfaction scores, reflecting improved service quality and reduced waiting times.
- Acquisition of essential medical equipment through partnerships with county health authorities and development partners.
- Reduction in maternal and infant mortality rates within our catchment area.
- Enhanced collaboration with other health facilities for patient referrals and specialized care.

Challenges Faced

Despite our progress, we encountered challenges:


- Inadequate funding to fully meet growing healthcare demands.
- Shortage of specialized medical staff, particularly in surgery and radiology.
- Occasional stock-outs of essential drugs due to supply chain constraints.
- Infrastructure strain due to rising patient numbers beyond our initial design capacity.



Future Outlook / Way Forward

Looking ahead, the Board is committed to:

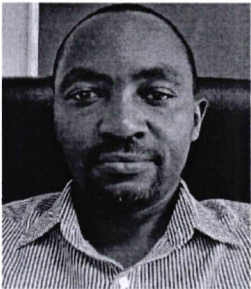


- Lobbying for increased budgetary allocation and resource mobilization from partners.
- Scaling up telemedicine and e-health initiatives to bridge the gap in specialist care.
- Expanding the hospital's bed capacity and upgrading diagnostic capabilities.




Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		<p>direct patient service programs.</p> <ul style="list-style-type: none">• Provide leadership in the acquisition and purchasing of quality drugs for hospital usage.
--	---	---

		<p>receivable to ensure that all incoming and outgoing funds are accounted for properly</p> <ul style="list-style-type: none"> • Preparing financial reports such as income statements and balance sheets
4.	<p>Susan Gatei Health Administrative Officer B.Com /HR</p> 	<ul style="list-style-type: none"> • B.COM/HR From Kenyatta University • In charge of Staff and Patient Welfare • Ensuring Patient and Staff work in a secure Environment • Management of Health Support services i.e Patient transfers, coordinates all Transport services of the Hospital • Coordination and Management of all Trainings • General Upkeep of the Hospital
5.	<p>Mercy Mwirania Head of procurement Supply chain Management Officer (SCMO) Bachelor of business management (purchasing and supply management), KISM</p> 	<ul style="list-style-type: none"> • Bachelor Of Mngt From Nairobi University • Ensure compliance with regulatory requirements and ethical standards, relating to procurement of goods, services and works • Maintain a catalogue of items identified for disposal, • Prepare purchase orders and ensuring timely delivery of services, • Co-ordinate storage of goods and equipment • Ensure proper stock control and inventory management
6.	<p>Periz Aiyega Head of Pharmacy BPharm/MSC Analyt Chem</p>	<ul style="list-style-type: none"> • B.Pham From The Tamilnadu Dr.M.G.R Medical University And Msc Analyt CHEM from comenius university • Ensure delivery of quality and safe pharmacy services to patients. • Provide clinical pharmaceutical leadership and


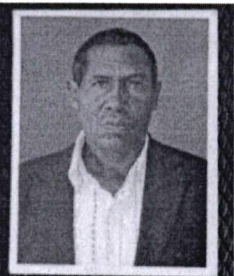

4. Key Management Team

Ref	Management	Details
1.	<p>Dr, Kabiru Charles Medical superintendent BPharm/MPharm-Onc</p> 	<ul style="list-style-type: none"> • BPharm from and MPharm from • Administrative control of all the Departments within the hospital • Responsible for application and implementation of hospital policies • To support and provide leadership in improving patient care programs and development of programs for the staff. • To promote the most efficient use of available health services and facilities • Plan, organize, direct, control and coordinate medical programs and clinical services in the assigned clinics.
2.	<p>Tabitha Kinuthia Nursing service Manager KRCHN/BSN/MSCN</p> 	<ul style="list-style-type: none"> • KRCHN ELDORET KMTC,BSN KENYA METHODIST ,MSCN MT.KENYA UNIVERSITY • Promoting and protecting patient health and safety • reducing healthcare costs by improving efficiency • Developing treatment plans to improve care and patient outcomes • Overseeing teams that provide direct patient care
3.	<p>Shiriaca Muthee Accountant Bachelor in Economics, CPA-K</p> 	<ul style="list-style-type: none"> • Bachelor in ecomics from makerere university and CPA from vision institute of management nairobi. • Reviewing the hospital's financial records to ensure compliance with laws and regulations • Preparing journal entries to record transactions in the general ledger • Assisting with audits of the hospital's financial statements to ensure compliance • Reconcile accounts payable and accounts

<p>4.</p>	<p>Joseph Ndorongo Waithaka</p> 	<p>Bussiness man Born in 1980</p> <ul style="list-style-type: none"> • a farmer, and business man • trained ECD teacher, • former church youth leader • Current board member at igegegia level 4 hospital
<p>5.</p>	<p>Michael Kariuki</p> 	<p>BORN IN 1961</p> <ul style="list-style-type: none"> • K.A.N.U Party Youth Leader(1985-1988). • K.A.N.U Secretary-Chania Location. • K.A.N.U-Delegate-National Level(1999-2002). • Councilor-ChaniaWard(January-November1997) • Councilor Gituamba Ward(Dec 2007-Dec 2012) • BoardMember Gatungure Boys Secondary(1997-1999) • Currently Board Member Iruri Secondary School. • A Bussiness/Commercial Farmer.
<p>6.</p>	<p>Dr. Charles Kabiru Secretary to the board</p> 	<p>Date of birth: November 1986</p> <ul style="list-style-type: none"> • Bachelors of Pharmacy • Masters In Oncology • Secretary To The Board • Medical Superintendent Igegegia Level 4 Hospital • Committee Of The Member Chairing: • Not A Member Of ICPSK

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

3. The Board of Management

Ref	Directors	Details
1.	<p>John Muiru Kariuki Chair of the board</p> 	<ul style="list-style-type: none"> • Revered by proffesion • Bachelor of Bible Theology from International College of bible Theology • Ordained minister in Soul Harvesters church International as Reverend • Trained in Served National Youth Service in Plant mechanic • Served Karure Primary and junior school as a member of Board of Management.
2.	<p>Naftaly Karanja</p> 	<ul style="list-style-type: none"> • A pastor • Served in Ministry of Culture & Social Services -Thika • Non-Governmental Organisation /Faith Basic Organisations HelpAge Kenya • Vice Chairman: Integration AIDS Organisation • Vice Chairman: Mangu Maisha Bora Organisation • Chairman: Karuri Visionary Trustee • Former Board Member: Mangu Health Center (St. Francis) • Current- • Commercial avocado and dairy farming operations at Nyamathumbi,
3.	<p>Mary Nyokabi Gathua</p> 	<p>I.D NO.186483.A BUSSINESS LADY</p> <ul style="list-style-type: none"> • Successfully Undergone Training In Community Leadership. • Trained In Community Nutrition. • Attained Certificate In Community Health Worker In Africa.(W.H.O) • Attained In Certificate In Home Based Care And Basic Counseling. • Currently Community Health Worker & Mobilizer Of Gatundu Sub county

(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

(e) Fiduciary Oversight Arrangements

- Kenya Medical Practitioners and Dentist Council (KMPDC)- provides practice licences for medical doctors and ensures compliance with ethics
- Nursing council of Kenya – regulates training and licencing of nurses
- Oversight health committee from the county assembly under the county department of health services
- The County health Management committee (CHMT) led by the Chief Officer of Health undertakes budget approvals, authorises expenditure and performs inspection of the facility and perform supportive supervision

Key Entity Information and Management (continued)

(f) Igeania level 4 Hospital Headquarters

P.O. Box 84 Gatundu
Mang'u –flyover Highway
Gatundu North
Kiambu County, Kenya

(g) Entity Contacts

Telephone: (+254) 758502881, (+254) 795917967
E-mail: igeganiahospital@gmail.com

(h) Entity Bankers

Kenya Commercial Bank (KCB)
Thika Branch
Email thika@kcbgroup.com

Co-Operative Bank
Gatundu Branch
Email gatundubr@co-opbank.co.ke

(i) Independent Auditors

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

2. Key Entity Information and Management

(a) Background information

Igegania Hospital is a level 4 hospital established under gazette notice number 3616 and is domiciled in Gatundu North Kiambu County under the Health services Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide quality healthcare the citizens of Kiambu County, and its environs

Vision

To be an efficient and cost-effective health care system for the public

Mission

To provide an integrated quality preventive, promotive, curative and rehabilitative healthcare services

Goal

To participate in reduction of health inequities and improve health

(c) Key Management

The management is under the following key organs:

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Hospital Management Team
- Executive Expenditure committee

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Kabiru Charles
2.	Deputy Medical Superintendent	Sheila Mwangi
3.	Head of finance	Muthee Shiriakah
4.	Head of supply chain	Mwirania Mercy
5.	Health Administration Officer	Susan Gatei
6.	Nursing Service Manager	Tabitha Kinuthia
7.	Head of Pharmacy	Periz Aiyega

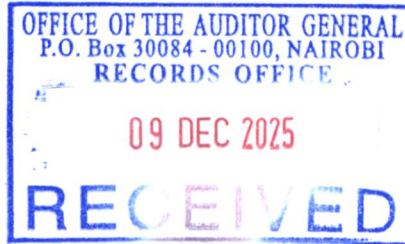
1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
NSM	Nursing Services Manager
HAO	Health Administrative Officer
CHMT	County Health Management Team
KMPDC	Kenya Medical Practitioners and Dentist Board
FIF	Facility improvement fund
CEC	County Executive Committee
EMR	Electronic Medical Records
ICT	Information and Communication Technology
UHC	Universal Health Care
WHO	World Health Organization
CBM	Christian Blind Mission
ENT	Ear Nose and Throat
HMIS	Health Medical Information System
RRI	Rapid Response Initiative
MBCHB	Bachelor Of medicine And Bachelor of Surgery
MMED	Masters of Medicine
KRCHN:	Kenya Registered Community Health Nurse/
BSN	Bachelor of Science in Nursing
MSCN	Masters of Science in Nursing
LVCT	Liverpool Voluntary Counselling and Testing
KHIS	Kenya Health Information System
UON	University of Nairobi

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.....	xi
6. Report of The Medical Superintendent	xiii
7. Statement of Performance against Predetermined Objectives	xiv
8. Corporate Governance Statement	xxiii
9. Management Discussion and Analysis	xxv
10. Environmental And Sustainability Reporting	xxviii
11. Report of The Board of Management	xxx
12. Statement of Board of Management’s Responsibilities	xxxi
13. Report of the Independent Auditor (OAG)	xxxii
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position As At 30 th June 2025	2
16. Statement of Changes in Net Assets for The Year Ended 30 June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025	5
19. Notes to the Financial Statements	6
20. Appendices	31

(Leave the page blank)



Revised 30th June 2025



IGEGANIA Level 4 HOSPITAL (Kiambu County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 IGEGANIA 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 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 Igegania Level 4 Hospital - County Government of Kiambu set out on pages 1 to 34, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Igegania 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Property, Plant and Equipment Balance

The statement of financial position and Note 17 to the financial statements reflects property, plant and equipment balance of Kshs.2,347,868. Review of the fixed asset register maintained revealed that it was not comprehensive. This was contrary to International Public Sector Accounting Standard (IPSAS) 45 – Property, Plant and Equipment that requires entities to maintain a comprehensive and accurate PPE register showing cost, accumulated depreciation, additions, disposals, revaluations, and carrying amounts at the reporting date.

Further, Management did not provide documentary evidence indicating that the land on which the hospital sits legally belongs to the Ministry of Health or the County Government.

In the circumstances, the accuracy, completeness, regularity and ownership of property, plant and equipment balance of Kshs.2,347,868 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual on comparable basis of Kshs.28,267,824 and Kshs.21,059,542 respectively resulting in revenue shortfall of Kshs.7,208,282 or 25.4 % of the budget. Similarly, the statement reflects actual expenditure of Kshs.15,167,709 against an approved budget of Kshs.28,267,824 resulting to an under expenditure of Kshs.13,100,115 or 46 % of the budget.

In the circumstances, the under-funding and under expenditure may have affected the operations and planned activities of the Hospital and hence impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

As disclosed under follow-up on the auditor's recommendations on prior years audit issues, various prior years audit issues remained unresolved as at 30 June, 2025. Management has not provided reasons for the delay in resolving the prior year's audit issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxi which comprise of Key Hospital Information and Management, Key Management Team, Fiduciary Management, Fiduciary Oversight Management, Chairperson' Statement, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Igegania Level 4 Hospital - Kiambu County Government'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 no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

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

Basis for Conclusion

Failure to Retain Facilities Improvement Funds (FIF) at the Hospital

Review of revenue records obtained from Igeganja Level 4 Hospital revealed that the hospital collected a total Kshs.33,471,164 towards the health facilities improvement. Out of this amount, a total of Kshs.32,100,433 was transferred to County Revenue Fund. However, the County Treasury reimbursed a total of Kshs.19,575,291 to the health facilities resulting in a deficit of Kshs.12,525,142. 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 hospital negatively impacted on service delivery by the hospital.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

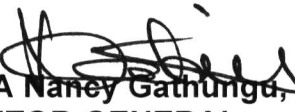
Auditor-General's Responsibilities for the Audit

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

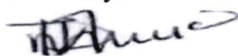
18 December, 2025

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

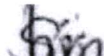
14. Statement of Financial Performance for The Year Ended 30 June 2025

Description	Notes	Period ended	
		31 06 2025	30.06.24
		Kshs	Kshs
Revenue from non-exchange transactions			
In- kind contributions from the County Government	6	142,774,140	144,121,751
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	33,471,164	21,858,787
Revenue from exchange transactions			
Total revenue		176,245,304	165,980,538
Expenses			
Medical/Clinical costs	8	12,172,481	9,877,340
Employee costs	9	145,560,774	145,153,173
Transfer to county(20%)		6,420,087	1,910,146
Board of Management Expenses	10	37,500	21,000
Repairs and maintenance	12	830,500	2,748,030
General expenses	13	3,430,214	2,927,928
other payments			
Total expenses		168,451,556	162,637,617
Other gains/(losses)			
impairment/depreciation	11	975,208	
Total other gains/(losses)			
Net Surplus for the year		6,818,541	3,342,921
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity		6,818,541	3,342,921

The Hospital's financial statements were approved by the Board on 14th august and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:30915



Medical Superintendent

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025


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

Description	Notes	JUNE 30th2025	June 30th 2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	5,891,835	1,451,181
Receivables from exchange transactions	14	3,303,966	2,588,582
Receivables from non-exchange transactions	15	37,755,733	9,910,027
Inventories	16	8,811,873	6,773,821
Total Current Assets		55,763,406	20,723,611
Non-current assets			
Property, plant, and equipment	17	2,347,868	3,323,075
Intangible assets			
Total Non-current Assets		2,347,868	3,323,075
Total assets A		58,111,274	24,046,686
Liabilities			
Current liabilities			
Trade and other payables	18	14,560,317	10,394,427
Total Current Liabilities		14,560,317	10,394,427
Non-current liabilities			
Total Non-current liabilities			
Total Liabilities B		14,560,317	10,394,427
Net assets(A-B)		43,550,957	10,329,184
Revaluation reserve			
Accumulated surplus/Deficit		41,499,036	13,616,470
Capital Fund		2,051,921	
Total Net Assets		43,550,957	34,340,081

The Hospital's financial statements were approved by the Board on 14th august and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:30915



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
Adustment for previous period		21,064,025.00	-	21,064,025.00
As at July 1, 2023		10,273,549.00		10,273,549.00
Surplus/(deficit) for the year		3,342,921.00	-	3,342,921.00
As at June 30, 2024		34,680,495.00	0	34,680,495.00
				-
At July 1, 2024 (current year)		34,680,495.00	0	34,680,495
Revaluation gain			-	-
Surplus/(deficit) for the year		6,818,540.90	2,051,921	8,870,462
Capital/Development grants		-	0	-
At June 30, 2025 (current year)		41,499,035.90	0	43,550,957

Revised Note to the Financial Statements

Note 19: Prior Period Adjustment – Accounts Receivable/retained earnings

During the current financial year, management identified an error in the prior year's financial statements relating to the understatement of trade receivables. The opening balance of accounts receivable as at [start of year] was previously reported as KSh 9,910,027, whereas the correct balance should have been KSh 30,974,052.

This resulted in an understatement of assets and retained earnings by KSh 21,064,025.

To correct this error, a prior period adjustment has been made as follows:

Accounts Receivable increased by KSh 21,064,025

Retained Earnings increased by KSh 21,064,025

This adjustment has been reflected in the opening balances of the current year and does not affect the current year's profit or loss.

Igegania level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Not e	Period ended	PERIOD30th june 2024
		30-Jun-25	
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		19,569,668	21,167,541
Other Receipts		5,623	33,070
Total Receipts		19,575,291	21,200,611
Payments			
Medical/Clinical costs		8,686,091	9,625,052
Employee costs		2,786,634	2,879,033
Board of Management Expenses		37,500	21,000
Repairs and maintenance		194,200	2,933,030
other payments			902317
transfer to county		33,070	4,810,714
General expenses		3,430,214	2,901,759
Total Payments		15,167,709	24,072,905
Net cash flows from operating activities		4,407,582	-2,872,294
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets			
Purchase of intangible assets			(500,000.00)
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Net cash flows used in financing activities		0	
Net increase/(decrease) in cash and cash equivalents		4,407,582	-3398463
Cash and cash equivalents at 1 July 2024	12	1,484,251	950,987
Cash and cash equivalents at 30 June 2025	12	5,891,833	1,484,251

Igegia Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th 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
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-			1,484,251.15		%
Receipts						
Rendering of services- Medical Service Income	28,267,824.00			19,575,291	8,692,533	69.2
Miscellaneous receipts (<i>specify</i>)						
Total receipts	28,267,824.00		28,267,824.00	21,059,542.15		74.5
Payments						
Medical/Clinical costs	11,300,000		11,300,000.00	8,686,091	2,613,909.00	76.87
Employee costs	3,500,000		3,500,000.00	2,786,634	713,366.00	79.62
Remuneration of directors	100,000		100,000.00	37,500	62,500.00	37.50
Repairs and maintenance	1,100,000		1,100,000.00	194,200	905,800.00	17.65
Grants and subsidies	5,429,000		5,429,000.00	33,070	5,395,930.00	0.61
General expenses	3,590,000		3,590,000.00	3,430,214	159,786.00	95.55
Total Operational Expenditure paid	25,019,000		25,019,000.00	15,167,709	3,248,824.00	60.62
Capital Expenditure paid	3,248,824		3,248,824.00	0	3,248,824.00	-
Surplus				5,891,833.15		%

19. Notes to the Financial Statements

1. General Information

Igegania level 4 hospital is established by and derives its authority and accountability from Kiambu health Act. The entity is wholly owned by the Kiambu County Government and is domiciled in Kiambu County in Kenya. The hospital's principal activity is to provide quality healthcare the citizens of Gatundu North and its environs

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6-19 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 Kiambu county health act 2019 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented

Adoption of New and Revised Standards

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

iii) Early adoption of standards

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

3. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 24/25 was approved by Board on **June 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the hospital did not record additional appropriations. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

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

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Igeania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to Financial Statements Continued

5. In Kind Contributions from The County Government

Description	Period ended june 2025	Period ended june2024
	KShs	
Salaries and wages	142,774,140	142,274,140
Pharmaceutical and Non-Pharmaceutical Supplies		11,899,627
Medical supplies-Drawings Rights (KEMSA)		
Utility bills	-	-
Total grants in kind	142,774,140	154,173,767

6. Rendering of Services-Medical Service Income

Description	Period ended june 2025	Period ended june2024
Pharmaceuticals	3,124,328	
Non-Pharmaceuticals	41,120	
Laboratory	2,651,919	
Radiology	1,145,035	
	16,656	
Orthopedic and Trauma Technology		
Theatre	129,639	
Accident and Emergency Service	48,504	
inpatient	741,978	
Ear Nose and Throat service	163,306	
Nutrition service	17,527	
outpatient	2,155,757	
Dental services	79,357	
Reproductive health	3,159,697	
Paediatrics services	249,130	
Other medical services income	19,747,211	
Total revenue from the rendering of services	33,471,164	21,858,787

Notes to the Financial Statements (Continued)

7. Medical/ Clinical Costs

Description	Period ended june 2025	Period ended june2024
	Kshs	Kshs
Dental costs/ materials		
Laboratory chemicals and reagents	2,376,920	1,684,111
Public health activities		
Food and Ration	1,036,280	1,070,112
Uniform, clothing, and linen	99,090	75075
Dressing and Non-Pharmaceuticals	2,936,016	1,793,651
Pharmaceutical supplies	3,392,741	4,148,480
Health information stationery (printing)	1,032,250	517,100
Reproductive health materials		
Sanitary and cleansing Materials	518,894	203,504
Purchase of Medical gases	173,790	180,320
X-Ray/Radiology supplies	606,500	
Other medical related clinical costs (instruments)	-	204,987
	12,172,481	9,877,340

8. Employee Costs

Description	Period ended june 2025	Period ended june2024
	Salaries, wages, and allowances	142,774,140
Other employee costs (CASUALS)	2,786,634	2,879,033
Employee costs	145,560,774	145,153,173

9. Board of Management Expenses

Description	Period ended june 2025	Period ended june2024
	Sitting allowance	37,500
Total	37,500	21,000

*Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

10. Depreciation and Amortization Expense

Description	Period ended june 2025	PERIOD ENDED 30/06/ 2024
Property, plant, and equipment	475,208	
Intangible assets	500,000	
Total impairment loss	975,208	0

11. Repairs And Maintenance

Description	Period ended june 2025	Period ended june2024
	Kshs	Kshs
Property- Buildings	97,400	2,388,030
Medical equipment	733,100	360,000
Motor vehicle expenses	-	-
	830,500	2,748,030

12. General Expenses

Description	Period ended june 2025	Period ended june2024
	Kshs	
Conferences and delegations		
Contracted services	1,044,400	740,793
Electricity expenses	1,195,074	1,401,910
Printing and stationery(G.O.S)	572,600	401,720
Water and sewerage costs	427,870	140,750
bank charges	9,070	20,755
other fuel& cooking gas	85,200	42,000
airtime	96,000	180,000
Total General Expenses	3,430,214	2,927,928

Notes to the Financial Statements (Continued)

13. Cash And Cash Equivalents

Description	Period ended june 2025	Period ended june2024
Current accounts	5,891,835	1,484,251
Total cash and cash equivalents	5,891,835	1,484,251

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

Description		Period ended june 2025	Period ended june2024
Financial institution	Account number		
a) Current account			
Kenya Commercial bank	1256178829	5,622	3,000
family bank	001000053775	1	30,070
CO OPERATIVE bank	01141558217300	5,886,212	1,451,181
Sub- total			
Grand total		5,891,835	1,484,251

14. Receivables From Exchange Transactions

Description	Period ended june 2025	Period ended june2024
Medical services receivables	3,303,966	2,588,582
Rent receivables		
Other exchange debtors		
Less: impairment allowance		
Total receivables	3,303,966	2,588,582

Analysis of Receivables From Exchange Transactions

Description	2024/2025		2023/2024
	Kshs		Kshs
	Current FY	% of the total	% of the total
Less than 1 year	3,303,966	100%	2,588,582.00
Between 1- 2 years			
Between 2-3 years			
Over 3 years			
Total (a+b)	3,303,966	100%	2,588,582.00

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

15. Receivables From Non-Exchange Transactions

	37755733	
	Period ended june 2025	Period ended june2024
Transfers from the County Government	37,755,733	9,910,027
Undisbursed donor funds	-	
Other debtors (<i>non-exchange transactions</i>)	-	
Less: impairment allowance	-	
Total	37,755,733	

Analysis of Receivables From Non-Exchange Transactions

Description	2024/2025		2023/2024
	Kshs		Kshs
	Current FY	% of the total	% of the total
Less than 1 year	6,781,681	17.96199004	100
Between 1- 2 years			
Between 2-3 years			
Over 3 years	30,974,052	82.03800996	
Total (a+b)	37,755,733	100	

Revised Note to the Financial Statements

Note 19: Prior Period Adjustment – Accounts Receivable

During the current financial year, management identified an error in the prior year's financial statements relating to the understatement of trade receivables. The opening balance of accounts receivable as at [start of year] was previously reported as KSh 9,910,027, whereas the correct balance should have been KSh 30,974,052.

This resulted in an understatement of assets and retained earnings by KSh 21,064,025.

To correct this error, a prior period adjustment has been made as follows:

Accounts Receivable increased by KSh 21,064,025

Retained Earnings increased by KSh 21,064,025

This adjustment has been reflected in the opening balances of the current year and does not affect the current year's profit or loss.

16. Inventories

Description	Period ended june 2025	Period ended june2024
Pharmaceutical supplies	5,045,223	4,345,904.00
Food supplies	82,918	172916
Non-Pharmaceutical supplies	2,945,882	1,066,325
Cleaning materials supplies	-	
lab supplies	308,400	792016
stationary	429,450	396,660
sanitary	639,094.55	6,773,821

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025
Notes to the Financial Statements (Continued)

17. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical	Total
						equipment	
	Shs		Shs	Shs	Shs	Shs	Shs
Cost							
At 1 July 2022							
Additions						787,075	787,075.00
Disposals							
Transfers/adjustments							
At 30th June 2023						787,075	
					-		787,075
At 1 st July 2023						787,075	787,075
Additions					1,786,000	750,000	2,536,000
Disposals					-	-	-
Transfer/adjustments							-
At 30th June 2024					1,786,000	1,537,075	3,323,075
Depreciation and							

**Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

impairment									
At 1 July 2024(previous year)									
Depreciation for the year			321,500.00			153,707.50		475,208	
Disposals								-	
Impairment/Amortization			500,000.00					500,000	
At 30 June 2025			821,500.00			153,707.50		975,208	
Net book values									
At 30 th June 2024 (previous)			1,786,000.00			1,537,075.00		3,323,075	
At 30 th June 2025			964,500.00			1,383,367.50		2,347,868	

Igegia level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements

18. Trade and other Payables

Description	Period ended 30th June 2025	Period ended june2024
Trade payables	14,560,317	10,394,427
Employee dues	-	
Third-party payments (<i>unremitted payroll deductions</i>)		
Audit fee		
Doctors' fee		
Total trade and other payables	14,560,317	10,394,427

Ageing analysis:	Current FY	% of the Total	Comparative FY
Under one year	4,165,890	29	
1-2 years			2,345,452
2-3 years	2,345,452	16	387180
Over 3 years	8,048,975	55	7,661,795
Total	14,560,317	100	10,394,427

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0	0
Sales of services to xxx	0	0
Total	0	0
	0	
b) Grants from the Government	0	
Grants from County Government	0	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

c) Expenses incurred on behalf of related party		
Payments of salaries and wages for county employees	142,774,140.00	142,274,140.00
Payments for goods and services for	0	0
Total		
d) Key management compensation		
Directors' emoluments	37,500.00	21,000.00
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	142,811,640.00	142,295,140.00

20. Events after the Reporting Period

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

21. Ultimate and Holding Entity

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

22. Currency

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

Igegania level 4 Hospital (kiambu County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2025

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Failure to value PPE	Managemet Will Liase With The County Valuers To Value The PPE	NOT RESOLVED	BY JUNE 2026
4	FAILURE TO CONDUCT STOCK TAKE	We Conduct Stock Take Monthly	RESOLVED	
6	LACK OF AN APPROVED BUDGET	We Have Approved Budgets	RESOLVED	
7.	UNCONFIRMED DISPENSING OF DRUGS TO PATIENT	We Have Documents To Trace Th E Dispensing Of Drugs(System Generated)	RESOLVED	
8.	PAYMENT TO EMPLOYEES FOR HOURS NOT ON DUTY	<i>. Doctors running clinical duties during the financial year are required to perform both round the clock patient care and administrative work. This has to be balanced to avert burnout that often results in medical errors and mental health issues. According to the ministry of health staffing norms, the number of doctors was less than the recommended for a level 4 hospital None of the doctors had taken full</i>	RESOLVED	

Reference No. on the external audit Report Issue / Observations from Auditor Management comments	Status: (Resolved / Not Resolved) (Put a date when you expect the issue to be resolved)	Timetable: (Put a date when you expect the issue to be resolved)
leave. Despite the shortage, they were able to run 24hour duty coverage, thus, exceeding their required 40 hrs a week/ 160hrs a month. Night shifts run for 16 hours and day runs for 8 hours. There were many instances where the rota did not capture the extra hours performed. For instance covering night duty then continuing the day with a morning ward round, attending administrative meetings, etc. The rotas excludes pharmacists as they have their own rota as a department and also excludes doctors in subcounty Health management team.		
the management will strive to improve the facility and the quality of service in accordance with the ministry of health norms and the CIDP. This will be achieved through working with a strategic plan of which drafting is in progress We will also continue to lobby for replacement of officers who have resigned, retired or passed away. The county government through the department of health in this financial year has advertised for the vacancies in	PARTIALLY	9. SHORTAGE OF HEALTHWORKERS

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th 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)
		<i>various cadres to curb the shortage.</i>		
10.	MEDICAL WASTE DISPOSAL	<i>We have communicated to the county chief officer regarding construction of a burning chamber with chimney and are awaiting approval</i>	NOT RESOLVED	DECEMBER 2025
11	.LACK OF OWERNERSHIP DOCUMENTS	<i>we will initiate an inquiry with the relevant county authorities to confirm the official records and obtain the necessary documentation regarding the title deed</i>	NOT RESOLVED	WORKING ON IT

Igegania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity;KIAMBU FIF FUND ACCOUNT

Name of Beneficiary entity;IGEGANIA LEVEL 4 HOSPITAL


Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
005ORGC2429200015	18/10/2024	645,643		645,643	
005ORGC243110005	06/11/2024	2,819,487		2,819,487	
005ORGC250370012	06/02/2025	8,126,776.80		8,126,776.80	
005orgc25939001	19/05/2024	7,659,798		7,659,798	
Total				19,251,704.8	

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

Head of Accounts Department - Disbursing Entity:

Name Alex weru Sign _____ Date :14/8/2025

Head of Accounts Department - Beneficiary Entity:

Name.Dr.charles kabiru Sign  Date.14/08/2025



Igeania level 4 Hospital (kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 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		

