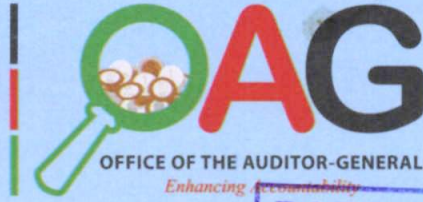


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REPORT

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THE AUDITOR-GENERAL

ON

MIRUGI KARIUKI SUB – COUNTY LEVEL 4  
HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF NAKURU

PAPERS LAID	
DATE	19/08/2026
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COMMITTEE	
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# **MIRUGI KARIUKI SUB COUNTY HOSPITAL (COUNTY GOVERNMENT OF NAKURU)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED**

**30<sup>th</sup> JUNE 2025**

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

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

*Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.*

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

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*(This list is an indication of the common acronyms and glossary of terms; the entity should include all from the annual report and financial statements prepared)*

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

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

Mirugi Kariuki Sub County Hospital is a level 4 hospital established under gazette notice Vol. CXXIII -No. 157 MFL Code: 15188 and is domiciled in Nakuru County. The hospital is governed by a Board of Management.

Mirugi Kariuki sub county hospital is in Mwariki B ward, Nakuru east Sub County in Nakuru County.

The facility was established in November 2007 as a dispensary, on a 2.5HA piece of land donated by the Mwariki Farmer's Company for public utility. Under the economic stimulus program (ESP) it was elevated to a health Centre on the 5<sup>th</sup> of October 2014 and the ceremony was graced by His Excellency Dr. William Samoei Ruto (PHD).

The facility serves a catchment of approximately 12,000 people and the majority of the population that seeks services at the facility being women and children. We also serve people from our neighboring communities especially from Nakuru north sub-county and Gilgil sub-county which are our neighboring sub counties. It currently offers services to the public under the County department of Health Services.

The facility land also serves as a host for a community borehole which is manned by Nawassco and the area chief's office.

Within it lies 2 incomplete staff houses which were built using CDF allocation pre-devolution. This project however, stalled once devolution occurred and are yet to be completed to allow for utilization.

It lies on a 2.5Acres piece of land with the titling process being followed up. The facility currently has an allotment letter for the land.

**(b) Principal Activities**

The principal activity is to offer services to the public under the County Department of Health Services. The hospital offers services to cash payers' clients who pay through the hospital pay bill number, patients enrolled to SHA, SHIF & AON Minet. Services offered include:

- Maternal Child Health
- Family Planning
- Curative services (outpatient)
- Rehabilitative services
- HIV and TB Care
- Maternity services
- Laboratory services
- Community screening programs

The facility has a current staff establishment of 23 under permanent and pensionable terms, 1 under county contract, 3 under the UHC program and 5 seconded by supporting a partner (UTJ) and 7 under hospital contract.

There is great understaffing in all cadres with some key cadres missing, which are needed to offer essential services in such as Procurement. The county government has employed most of the technical officers and contractual staff while the facility improvement fund (FIF) remunerates casual workers and security officers.

**(c) Key Management**

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

- County department of health
- Facility in Charge / Accounting Officer
- Management/ Departmental Heads

The *hospital's* management works with the following key organs:

- Board of Management
- Facility in Charge
- Head of departments

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Facility in Charge	Rose Koech
2.	Head of Accounting Unit	CPA.Gloria Rotich
3.	Hospital Administrator	Mrs. Celestine Okinda
4.	Pharmacy in Charge	Anne Ndung'u
5.	Laboratory in Charge	Isaya Otieno Odotte
6.	Public Health Officer in Charge	Joel Bett
8.	Hospital Procurement officer	Esther W. Kariuki
9.	Health records and information officer	Lilian Ngure
10.	Clinical officer in charge	Samuel Towett

**(e) Fiduciary Oversight Arrangements**

The overall oversight responsibility of the hospital rests with the Hospital Board of Management to:

- Develop the hospitals clinical services and operational strategy.
- Enhancing collaboration and engagement with stakeholders and partners in support of development of the hospital.
- Ensure smooth running of the entire facility on a day to day.
- Ensure they address emergencies both at the facility level and surrounding environment on a timely manner.
- Ensure continuous improvement of the quality of standards and values are maintained in their respective departments daily.
- Ensure proper planning of commodities and can utilise their commodities in a responsible manner.
- Ensure proper planning in the ordering of commodities every quarter
- Ensure proper storage and utilisation of commodities received at the facility.
- Ensure daily hospital health talks are done to clients visiting the institution to ensure empowerment of the community serving the facility.
- Ensure teamwork during the quarterly budget through team engagement and planning.
- Ensure there is full utilisation of the services available at the hospital level by clients seeking the said services.
- Ensure appropriate human resource management protocols are observed
- Ensure the proper financial guidelines are followed and keep the management accountable over the same.
- Quarterly data review of the facility's performance
- Put in place sound strategies to ensure prudent utilization of the hospital assets and resources.
- Ensure there is community engagement through community barazas at least quarterly.
- Promote the corporate image of the hospital.
- Championing national values and principles of public service.
- Prepare annual work plans and establishing proper internal monitoring and control systems and procedures.
- Enhance capacity building, quality management, patient safety and performance management systems.

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

**(f) Entity Headquarters**

Mirugi Kariuki Sub County Hospital  
P.O Box 4686-20100  
Telephone: (+254) 711516553  
E-mail: [Mirugikariukhospital@gmail.com](mailto:Mirugikariukhospital@gmail.com)  
Website: [www.nakuru.go.ke](http://www.nakuru.go.ke)  
Nakuru, Kenya.

**(g) Entity Contacts**

Mirugi Kariuki Sub County Hospital  
P.O Box 4686-20100  
Telephone: (+254) 711516553  
E-mail: [Mirugikariukhospital@gmail.com](mailto:Mirugikariukhospital@gmail.com)  
Website: [www.nakuru.go.ke](http://www.nakuru.go.ke)  
Nakuru, Kenya.

**(h) Entity Bankers**

Co-operative Bank of Kenya  
Nairobi Branch  
P.O BOX 4210  
Nairobi.

**(i) Independent Auditors**

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



**(j) Principal Legal Adviser**

The Attorney General  
State Law office  
P.O BOX 2870  
Nairobi

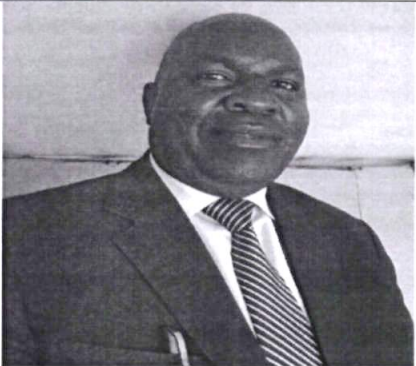
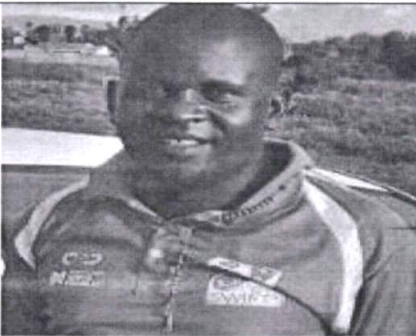
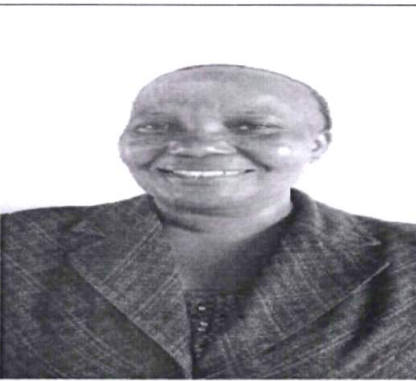
**(k) County Attorney**

Nakuru County Attorney  
County Hall Building, Moi Road  
P.O. Box.2870  
Nakuru, Kenya

### 3. The Board of Management


Ref	Directors	Details
1.	 <p data-bbox="252 1151 699 1240">Dr. Kiprop Darius Taruru – Board Chair</p>	<p data-bbox="754 479 1418 1447">Dr. Taruru is 71 years old and Current Position-Senior Lecturer in Egerton University-Njoro. He holds a Doctor of Philosophy (PHD)- Insects Physiology-University of Nebraska, Lincoln, USA, a MSc. In Entomology-Wyoming Laramie, Wyoming USA and Bachelor of Science (BSC) Crop science –Wyomia, Lamirie Wyoming-USA. He was Public Health assistant city of Laramie, Mosquito abatement team lead city of Laramie, Researcher Limnology at Egerton University, Entomology at USA. He is a chairperson of various boards across the country, Chairman Zoology department Egerton University, Lead expert NEMA –Kenya, Chairman –Universal work health and safety, Jacaranda children home, Nairobi Road secondary school, District environmental committee and director sure pest control. Currently serving his second term in the hospital board.</p>
2.	 <p data-bbox="252 1845 671 1883">Michael Kimani Kihu– Member</p>	<p data-bbox="754 1469 1418 1832">He is 71 years old and currently an entrepreneur he is a retired Civil servant -Inspector of school. He holds a diploma in theology and S1 education approved teacher He has 3 years’ experience as a member of the hospital board, currently serving his second term at the hospital board.</p>

*Mirugi Kariuki Sub County Hospital (Nakuru County Government)  
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3.	 <p>Raphael Maera- Member</p>	<p>Mr. Maera is 51 years old, and holds a degree in Leadership and Management at St Paul's University</p> <p>He also holds a diploma in international air travel. He is an Entrepreneur and a Member of quality Management in the hospital. He has been a member of various companies including Kenya pipeline company among others.</p>
4.	 <p>Nicodemus Akiba – Member</p>	<p>He is 51 years old and holds a Diploma in Community Management. He is the Currently the chairman at Nakuru East constituency development Fund. He has been a member of various boards within Nakuru county for a period of 16 years.</p>
5.	 <p>Margaret Njue - Member</p>	<p>She is 52 years old and holds a Certificate of Proficiency Insurance and Education Trust Madison Insurance company. She is an underwriter and has 13 years' experience in the same field. Margaret has been a member of various government institutions in the area for over 16 years and served as a board member at Mirugi Kariuki Sub County hospital for 3yrs now serving her second term.</p>

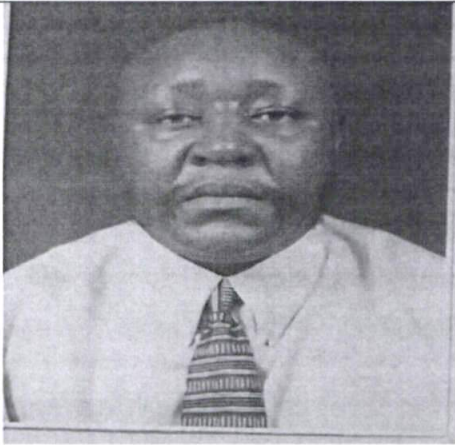


*Mirugi Kariuki Sub County Hospital (Nakuru County Government)*  
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6.	 <p>Rose Koech – Facility in Charge</p>	<p>She holds MSc. Public Reproductive Health and BSc in Nursing, Diploma in Nursing 15 years of experience</p> <p>She's has taken this role on June 2025</p>
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**4. Key Management Team**

Ref	Management	Details
1.	 <p>Rose Koech – Facility in Charge</p>	<p>She holds MSc. Public Reproductive Health and BSc in Nursing, Diploma in Nursing 15 years of experience She's has taken this role on June 2025</p>
2.	 <p>Celestine Okinda – Hospital Administrator</p>	<p>She holds bachelor's in business management – Human Resource option. She has 13 years' working both in human resource department and administration experience.</p>
3.	 <p>Esther W. Kariuki – Procurement Officer</p>	<p>She holds Advanced Certificate in Supplies and Management. She is a supplies chain manager attached to the facility supporting procurement and facility stores, with 21 years of working experience</p>

<p>4.</p>	 <p>Isaya Otieno Odotte – Lab In-charge</p>	<p>He holds a Certificate in Medical Lab Technology. He has a vast experience of 31 years in the same field with a passion in capacity building new personnel to be visionary lab technology. He represents the Laboratory personnel in the Hospital Management Team.</p>
<p>5.</p>	 <p>Anne Ndungu– Pharmacy In Charge</p>	<p>Anne Ndungu is the head of Pharmacy. She holds a diploma in Pharmaceutical Technology. She has 13 years’ experience in the field of Pharmacy.</p>
<p>6.</p>	 <p>Gloria Rotich – Head Of Accounting Unit</p>	<p>Gloria Rotich holds a Bachelors degree in Business Management and is a Certified Public Accountant (CPAK). She represents the finance department in the hospital. She has worked in the facility from May 2025.</p>

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

7.	 <p>Lilian Ngure - HRIO</p>	<p>She has holds Diploma in Health Records and Information Technology and represents records management in the hospital management team. She has an experience of 7 years in the same field.</p>
8.	 <p>Joel Bett – Facility Public Health Officer</p>	<p>He holds a master’s in public health (Epidemiology and Disease Control) and a Degree in Environmental Health Sciences. He is a members of public health profession. He has a work experience of 31 years in the same field.</p>
9.	 <p>Samuel Towett – Clinical Officer in Charge</p>	<p>He is a Chief clinical officer who has specialized in pediatrics and child health. Hold diploma in clinical medicine, high diploma in clinical medicine pediatrics, BSC in health system management.</p>

**5. Chairman’s Statement**

It is my pleasure to present the Hospital’s 2024/2025 annual report and Financial S t a t e m e n t s. The Board of Management is proud of the achievements realized by the hospital in this period towards “A world class patient centered Specialized care Hospital”. I am particularly impressed by the “can do attitude” of staff coupled with their commitment to delivering the best possible service to patients. These services include, Medical Consultations, Mother Child Health, Maternity services,PMTCT services, Laboratory services, GBV services among others. Over time the facility has progressed from health Centre to a level 4 hospital; as such with the support of the county there have been major renovation and hospital facelift to ensure the services match those of a Level 4 facility.

Regulatory environment Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment as stipulated by the County government health systems, provides for regulation of health care services and health care service providers, health products and health technologies. The hospital has continued to experience challenges and changing business environment which calls for continuous improvement of the quality of services to the customers. In response to this, the Board and staff as a whole remains focused on providing resources and supporting initiatives that will sustain Mirugi Kariuki Sub County Hospital in a leadership position in the healthcare sector.

On behalf of the Board, I would like to thank all our stakeholders especially County Government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to Mirugi Sub County hospital staff, specialists, team leaders and the Board, who take such pride in their work, and who exemplify our hospital’s mission and values each day. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.

.....

**Dr. Darius Taruru**  
**Chairman to the Board**  
**Mirugi Kariuki Sub County Hospital.**

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

I am pleased to present the annual report and financial statements for Mirugi Kariuki Sub- County Hospital for the financial year 2024/2025

This report highlights the hospitals operational and financial performance including our areas of success and challenges.

### OPERATIONAL PERFORMANCE:

Mirugi Kariuki Sub- County hospital is a facility that is determined in expanding and improving the quality of care through the services offered at the facility. Currently the facility is offering a range of services in particular preventive care through our community health nurses in collaboration with our community health promoters, curative through our outpatient and maternity services and care specific services such as antenatal care and child wellness clinic services.

Through these services our facility was able to see a total 37,326 clients in the financial year 2024/2025 against 22,707 who were seen in 2023/2024.

In all the activities done this financial year it was made successful through the support of the following:

#### 1. County government of Nakuru

Due to public interest, the county government posted additional staff that allowed the facility to run OPD for 24hrs in some key areas specifically out -patient services. This has allowed to have a clinician on duty for 24hrs and basic nursing care to improve the quality of care offered to patients seeking services at night. Maternity services continue to run for 24hrs.

#### 2. Health I.T/UTJ/USAID

Through the support of Health I.T and USAID Tujenge Jamii facilitated the facility to have an expanded Kenya EMR system which combined the two Kenya EMR systems running in OPD and CCC departments into one. This allowed Mirugi Kariuki to fully integrate OPD services and become the first facility that has fully integrated both systemically and physically combining OPD and CCC services to one, which allows one common flow of all patients seeking services at the facility.

#### 3. AREA MCA

Through the ward kitty allocated to the area MCA, he was able to allocate 2million shillings which allowed construction of phase II of the hospital perimeter wall and 2million allocation in Quarter 4 for construction of a modern theatre. We look forward to further collaborations which may assist in ensuring further progresses in the hospital through such allocations.

#### **SUCSESSES:**

1. One of the notable achievements of the facility this year has been the successful painting and renovation of the hospital premises, which has provided a refreshed and welcoming environment for patients, staff, and visitors
2. One of the contributing factors to increase in numbers in our Facility has been linked to the deployment of a qualified nutritionist, enhancing the quality of patient care through improved dietary management, nutritional counselling, and support for overall health outcomes
3. Another significant success for the facility has been the effective implementation of outreach and in-reach programs, and services offered include services included Cervical Cancer Screening, blood pressure, blood sugar, BMI, vision checks, which have expanded access to healthcare services, strengthened community engagement, and improved patient health outcomes.
4. Construction of generator house and procurement of a generator through the Department of Health at the County Government support to offer back up at the hospital and ensure continuity of services in case of power outage.
5. Phase II of the fence construction was completed which has led to enhanced security at the Facility.

#### **CHALLENGES:**

- One of the challenges facing the facility is the Inpatient block, which is occupied by the county stores and thus some key in patient services cannot be available due to the same.
- The challenge of staffing shortages has also affected the comprehensive availability of all services on 24 hrs basis. With Laboratory having to allow the clinical team on duty to assist with random sugar testing and the pharmacy team availing a few medications that can support emergency response to patients.
- Our maternity services were also noted to be facing a challenge despite the high uptake of services for antenatal care, with the biggest reason being lack of a theatre available and lack of an ambulance on standby within the facility.

The Facility is continuously engaging the county department of health and local partners to source for funds that will allow the establishment of either or both of these key services.

#### FINANCIAL PERFORMANCE

The Facility was able to have a total collection of Kshs. 7,142,796 /= for the financial year 2024/25 vs Kshs. 7,979,267 /= for the financial year 2023/24. The decline in hospital revenue is primarily attributed to a lack of awareness among patients regarding the proper use and coverage provisions of the SHA coverage facilities available. This gap in understanding has led to underutilization of eligible insurance benefits, misprocessing of claims, and reduced reimbursement rates, ultimately impacting overall revenue performance.

- The is still lack of key OPD departments has also greatly affected the extent of optimally improving revenue collection. These departments include dental services, imaging services (ultrasound and X-ray), rehabilitation services etc. just to name but a few. As such the hospital management team in collaboration with the hospital board are committed to working together to ensure they elevate the services offered in the facility with an aim to make it a fully pledged level IV facility.
- The Night shift has also noted some improved in numbers however, due to the lack of adequate staffing the night shift is not being utilised in the capacity that had been anticipated.
- We still also loose quite a bit of revenue through the referral of clients whom we would otherwise see in the facility. The County has however shown commitment in relocating the county stores. Thus, the team is preparing to be ready to open inpatient department once this is done.
- Resource constraints have greatly affected the ability of the facility to invest in advanced health care technology which would otherwise greatly improve the uptake of services as well as be able to maintain the optimum number of staffing needed.

#### WAY FORWARD:

- ✓ The facility is continuously working closely with the county government of Nakuru through the department of health to be able to find cordial ways in which services can be improved at the facility.
- ✓ Through the hospital board, they have approached and engaged various partners within the catchment area with proposals that will hopefully see collaborations towards improving the standard of care offered.
- ✓ The hospital management team is continuously on the lookout for partners and sponsors who can allow staff to improve on their services through suitable avenues that allow capacity building such as through sponsored education programs or sponsored attachments etc.

The facility will continuously engage SHA in follow up of the unpaid NHIF debt which amounts to approximately Kshs. 2,018,799 with the help of department of health Nakuru County.

In conclusion Mirugi Kariuki Sub- County Hospital remains committed to providing high quality health care services to the community despite the challenges it faces. We have committed to ensuring there is notable progress and continuous improvement in quality of care despite all the shortcomings listed above. The staff is committed to working diligently observing the national values and principles of governance with the aim of making quality health care available to all.

#### ACKNOWLEDGEMENTS:

To God for allowing us the opportunity to serve this community in our best ability, and for giving us wisdom in guiding us towards the same.

To the national government through policies and guidelines with continuous support offer guidelines with the aim of improving the standard and quality of care offered to the clients seeking services in the hospital.

To the county government of Nakuru through the ministry of health by offering guidelines and regular support supervision while ensuring all staff are up to date on the progress of work to ensure integrity is maintained while standards of care improve.

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

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Thousands of patients served are a living testament to the care, love and support offered every day by the outstanding commitment of our staff.

To the staff working at Mirugi Kariuki Sub County hospital for the timely services they offer, the sacrifices they make to ensure quality services offered and for the eagerness towards improving the services offered at the facility.

We are grateful to hospital board for the support at improving the standards of services offered at the facility through oversight and accountability to ensure wise utilization of the facility funds and assist in resource mobilization by engaging local institutions for public private participation activities within the hospital.

Our stakeholders for their kindness, compassion, support, dedication, and contributions to Mirugi Kariuki Sub County Hospital.



.....  
**Rose Koech**

**Secretary to the Board**

**Mirugi Kariuki Sub County Hospital.**

### 3. Statement of Performance Against Predetermined Objectives

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

Mirugi Kariuki has 4 strategic pillars and objectives within the current Strategic Plan for the FY 2024/25. These strategic pillars/ themes/ issues are as follows;

1. Clinical Service Delivery
2. Healthcare Financing and Sustainability
3. Leadership and Governance
4. Medical products, Vaccines and Technology

Mirugi Kariuki sub county hospital develops its annual work plans based on the above four pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
<b>Clinical Service Delivery</b>	To strengthen emergency preparedness	CME meetings	<ul style="list-style-type: none"> <li>• Conduct CMEs on emergency preparedness</li> <li>• Avail emergency trays and drugs</li> </ul>	<ul style="list-style-type: none"> <li>• CMEs done</li> <li>• Trays availed with daily checklist</li> </ul>
	To enhance referral systems	Survey reports	<ul style="list-style-type: none"> <li>• Implement referral guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Referral guidelines implemented 90%</li> </ul>

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

			<ul style="list-style-type: none"> <li>• Assign referring nurse</li> </ul>	<ul style="list-style-type: none"> <li>• One referral nurse assigned</li> </ul>
	To provide more medical Equipment	<ul style="list-style-type: none"> <li>• Asset register</li> <li>• Delivery Notes</li> </ul>	<ul style="list-style-type: none"> <li>• Procure Assorted Medical Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Small assorted equipment such as BP Machines received from CGN and functional</li> </ul>
<b>Healthcare Financing and Sustainability</b>	To increase revenue Generation	<ul style="list-style-type: none"> <li>• Revenue Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Review User Fee Charges</li> <li>• Increase Customer Base</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue improved compared to previous year</li> <li>• Review of user fees continuous and on progress</li> </ul>
	Facilitate prudent Financial Management	<ul style="list-style-type: none"> <li>• Financial Reports</li> <li>• % increase in Resource allocation to departments</li> </ul>	<ul style="list-style-type: none"> <li>• Provide Mobile Payment</li> <li>• Strengthen use of financial and procurement policies and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile payments in place and fully operational</li> </ul>
<b>Leadership and Governance</b>	Enhance policy formulation, dissemination and implementation	<ul style="list-style-type: none"> <li>• No of staff meetings</li> <li>• No of HMC meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly staff meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly board meetings achieved</li> </ul>

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			<ul style="list-style-type: none"> <li>Quarterly Board meeting</li> <li>Implementation of strategic plan</li> </ul>	
<b>Medical products, Vaccines and Technology</b>	Strengthen coordinate and manage medical products supply chain	<ul style="list-style-type: none"> <li>% reduction on stock outs</li> <li>Bin cards</li> <li>Complete registers</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Forecasting</li> <li>Prepare monthly and Annual Report</li> <li>Prepare documentation of services provided</li> </ul>	<ul style="list-style-type: none"> <li>Forecasting done</li> <li>Annual and monthly reports done</li> <li>Stock outs reduced by 10%</li> </ul>
<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Health service delivery</b>	Improve the standard of care offered to patients in outpatient department.	<ul style="list-style-type: none"> <li>Improve efficiency in outpatient department.</li> <li>Timely management of</li> </ul>	<ul style="list-style-type: none"> <li>Integration of health services per department.</li> <li>Monthly data review meetings</li> </ul>	<ul style="list-style-type: none"> <li>Reduce rates of Morbidity and mortality</li> <li>Reduced patient waiting time</li> <li>Reduced rates of discrimination based on disease (person centered care).</li> </ul>

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		<p>critical patients</p> <ul style="list-style-type: none"> <li>• Timely referral of critical patients who need specialised care.</li> </ul>	<ul style="list-style-type: none"> <li>• Daily patient health talks</li> <li>• Weekly CME meetings</li> </ul>	
<b>Health workforce</b>	<ul style="list-style-type: none"> <li>• Adopting new approaches to pre-service and in-service training; strengthening workforce management.</li> <li>• Establishing or improving incentives for addressing</li> </ul>	<ul style="list-style-type: none"> <li>• Number of OJT that happen at the facility level.</li> <li>• Number of staff allowed to proceed for study leave within the year.</li> <li>• Number of staff debrief/ team</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly CME/ patient response drills/ drills</li> <li>• Mentorship and trainings</li> <li>• Establishment of facility subcommittees to allow for cohesiveness at work.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced patient waiting time</li> <li>• Reduced staff absenteeism</li> <li>• Positive client feedback post care.</li> </ul>

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	<p>distribution and</p> <ul style="list-style-type: none"> <li>Retention challenges; or task-shifting</li> </ul>	<p>building activities held in the past year.</p>		
<b>Health information systems</b>	<ul style="list-style-type: none"> <li>Improved quality of data generated</li> <li>Improved quality of data compilation,</li> <li>Regular analysis and synthesis of data generated</li> <li>communication data generated its and use</li> </ul>	<ul style="list-style-type: none"> <li>minutes for monthly and quarterly meetings</li> <li>duly filled, signed and approved registers</li> <li>updates and provision of annual and monthly data per department</li> </ul>	<ul style="list-style-type: none"> <li>Weekly review of data generated</li> <li>monthly data review meeting</li> <li>Quarterly planning and integration meeting.</li> <li>Regular monitoring and evaluation of interlinked departments to ensure quality of data is maintained</li> </ul>	<ul style="list-style-type: none"> <li>Standardized data uploaded to KHIS on time</li> <li>Standard reporting from interlinked departments/registers</li> </ul>

<p><b>Access to medical products and technologies</b></p>	<ul style="list-style-type: none"> <li>• Equitable access to essential medical products, vaccines and technologies</li> <li>• Availability of medical products that are quality, safety, efficacy and cost effective,</li> <li>• Scientifically sound and cost-effective use of medical products</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced number of stock outs</li> <li>• Availability of essential drugs as per the national essential drug list.</li> <li>• Updated commodity registers</li> </ul>	<ul style="list-style-type: none"> <li>• Regular planning and ordering of drugs based on the facility top ten diseases, national essential drug list and existing stock outs.</li> <li>• Priority ordering from the government medical suppliers to allow purchase of standardized and more affordable commodities.</li> <li>• Regular servicing of service delivery tools and equipment's</li> </ul>	<ul style="list-style-type: none"> <li>• Round the clock availability of medical products and technologies</li> <li>• Improved patient experience to care.</li> <li>• Reduced percentage of stock outs</li> </ul>
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<p><b>Health system financing</b></p>	<ul style="list-style-type: none"> <li>• To raise sufficient funds and</li> <li>• To provide financial risk protection to the population .</li> <li>• Reduce wastage of products purchased for utilization in the facility.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve d revenue collectio n,</li> <li>• Increase d fund pooling,</li> <li>• provision of services regardles s of financial status</li> <li>• Stores to issue supplies based on FIFO.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure utilization of approved charges on goods and services offered at the facility.</li> <li>• Establish a wavering committee that will be engaged in case of a needy patient.</li> <li>• Engage local partners and sponsors to support and allow availability of subsidized/ improved quality of services and goods,</li> <li>• Sensitize patients on up take of NHIF services which allows</li> </ul>	<ul style="list-style-type: none"> <li>• Well displayed cost of services and charges in the departmental service charters.</li> <li>• Access to care to all patients.</li> <li>• Improved CSR support from local companies.</li> <li>• Reduce number of goods needed for disposal.</li> </ul>
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			<p>access to care at a subsidized monthly contribution.</p> <ul style="list-style-type: none"> <li>• Monthly stock take in all departments and update of their status</li> </ul>	
<b>Leadership and governance</b>	<ul style="list-style-type: none"> <li>• Ensuring that strategic policy frameworks exist</li> <li>• Effective oversight, coalition-building, regulation and attention to system design</li> <li>• Accountability.</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of the various national and county facility guidelines and policies</li> <li>• Transparency of FIF funds collected and their utilisation</li> <li>• Availability of a</li> </ul>	<ul style="list-style-type: none"> <li>• National and county guidelines and policies in the custody of the relevant departments.</li> <li>• Monthly data review meetings.</li> <li>• Quarterly hospital management committee meetings.</li> <li>• Quarterly hospital board meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective utilization of funds available.</li> <li>• Interdepartmental services and linkages</li> <li>• Agreed consensus on facility development and growth in the current financial year and the projected growth in the next 5 years.</li> </ul>

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		facility annual work plan guided by the county strategic plan to guide of planning and facility policy manage ment.		
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#### **4. Corporate Governance Statement**

The Hospital Management Board works as the link between the hospital and the community it serves. It has the ultimate authority and responsibility for patient care and the overall quality of service in the hospital. To fulfil this responsibility the Health Management Board has the obligation to demonstrate leadership in determining priorities for the hospital that are consistent with the available resources. However, the HMC doesn't perform the actual day-to-day work of the hospital but sees to it that such work is done by delegating tasks and authority to the HMTs.

#### **Membership**

The HMC consists of at least seven 7 members of the committee appointed by the Governor. A member of the committee, a part from the ex-officio, holds office for a period of three (3) years and is eligible for a one (1) further term of three (3) years.

To the extent feasible, Board members are residents of the Sub-County or work in the hospital's service area.

The members were changed in November 24th, 2023 following the new appointments by the County Executive Committee Member vide Gazette Notice Vol.CXXV-No.249

The appointed members as follows:

The appointed members as per The Kenya Gazette Notice Vol. CXXIV—No. 2 are as follows:

<i>Medical Superintendent</i> <b>Dr. Muriithi Lilian</b>	<i>Medical Superintendent</i>
<i>Chairperson</i> <b>Darius Taruru</b>	<i>Chairman</i>
<i>Deputy chairperson</i> <b>Judith Mon'gare</b>	<i>Representing persons living with disability</i>
<i>Women Groups Representative</i> <b>Margaret Njue</b>	<i>Women Groups Representative</i>
<i>Faith-based organizations</i> <b>Mr. Samson Onsongo</b>	<i>Faith-based organizations Representative</i>
<b>Mr. Raphael Maero</b>	<i>Representative of a community</i>

<b>Mr. Michael Kihu</b>	<i>Representative of the community</i>
<b>Mr. Kabiru Magondu</b>	<i>Representing the of faith based community</i>
<b>Nicodemus Akiba</b>	<i>Representing the office of the member of parliament Nakuru East</i>
<i>Area MCA</i> <b>Hon Antony Geru</b>	<i>Ex- Officio Member</i>
<i>Sub-county administrator</i> <b>Mr. Samuel Rotich</b>	<i>Ex – Officio member</i>

### **Roles and Functions of the Board:**

The roles and responsibilities of the Board as set out in the Board Charter and includes:

- ✓ Establishing the Hospital’s strategic direction and priorities, and adopting business plans proposed by management for the achievement of the strategic objectives
- ✓ Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans.
- ✓ Providing oversight in financial reporting to the Government and communication to stakeholders.
- ✓ Ensuring availability of adequate resources for the achievement of the Hospital’s objectives.
- ✓ Overseeing business affairs of the Hospital in light of emerging risks and opportunities in collaboration with hospital management team.
- ✓ Approving annual and quarterly budgets.
- ✓ Ensure orderly conduct of business to serve the community satisfactorily.
- ✓ Provide oversight to the hospital management team to improve health status of the community.
- ✓ Serve as a link between the hospital and the community.

The Board provides oversight to Management and ensures that staff operates within the Code of Conduct and Ethics, Leadership Integrity Act.

The above roles and functions are made possible through various subcommittees specifically finance subcommittee, Quality of care subcommittee and infrastructure subcommittee which consist of members of the hospital board members and hospital management team.

**Finance subcommittee:**

- Michael Kihu – Chair
- Raphael Maero
- Medical superintendent
- Hospital accountant
- Facility procurement officer
- Hospital Administrator

**Quality of care subcommittee**

- Dr. Darius Taruru – Chair
- Margaret Njue
- Medical Superintendent
- Nursing in charge
- Laboratory in charge
- Hospital administrator

**Infrastructure subcommittee**

- Raphael Maero – Chair
- Nicodemus Akiba
- Facility public health officer
- Medical superintendent
- Hospital administrator

**Board Meetings and Attendance**

The Health Management Board convenes once per quarter in each Financial Year unless it is a special Board.

The attendance was as follows:

**HOSPITAL MANAGEMENT BOARD  
 FULL BOARD MEETINGS**

S/NO	Name	Title	9th April 2025	14th Jan 2024	16th Dec 2024	7 <sup>th</sup> Oct 2024	16 <sup>th</sup> Aug 2024	4 <sup>th</sup> July 2024
1	Dr Darius Tururu	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes

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2	Raphael Maero	Member	Yes	Yes	Yes	Yes	Yes	Yes
3	Margaret Njue	Women Groups Representative	No	Yes	Yes	Yes	Yes	Yes
4	Michael Kihu	Member	Yes	Yes	Yes	Yes	Yes	Yes
5	Nicodemus Akiba	Member Representative office of MP	No	Yes	Yes	Yes	Yes	Yes
6	Margaret Karen	Member (SCA)	No	No	No	No	No	No
7	Samson Onsongo	Member representative of faith-based organization	No	No	No	No	No	No
8	Kabiru Magondu	Member representative of the youth	No	No	No	Yes	No	No
9	Antony Geru	Ex- Officio	No	No	No	No	No	No
10	Dr Muriithi Lillian	Medical Superitendent	Yes	Yes	Yes	Yes	Yes	Yes

**HOSPITAL MANAGEMENT BOARD  
FINANCE SUBCOMMITTEE MEETINGS**

S/NO	Name	Title	9th April 2025	14th Jan 2025	7th Oct 2024	4th July 2024
1	Raphael Maero	Member	Yes	Yes	Yes	Yes
2	Margaret Njue	Women Groups Representative	No	Yes	Yes	Yes
3	Michael Kihu	Member	Yes	Yes	Yes	Yes

The following schedule, determined by the Leadership and Governance Committee under the leadership of CECM Health Services, shows compensation by type paid to the Health Management Board members at each committee meeting attended as per the SRC.

**Ethics and Conduct:**

- The board upholds high ethical standards and a code of conduct that guides the behavior of its members.
- They specifically plan, manage and monitor the utilization of user charges guided by:
  - ✓ Public health Act (Cap 242) legal notice No. 162
  - ✓ Government financial management Act (Cap 412B), Legal Notice No. 155
  - ✓ Public finance management Act 2012, Section 109 (b)
- They improve overall governance and ensure effective management of resources at health facility level.

## **Governance Audit**

During the quarterly board meetings, the members do a comprehensive review and evaluation of an organisation's governance framework, processes, and practices. The main purpose of this audit being to assess the extent to which an organisation adheres to its established governance principles, guidelines, and regulations. This is done through a performance report from the secretary of the board, which is then evaluated, discussed and recommendations given to the hospital management team for absorption.

## **5. Management Discussion and Analysis**

It is with pleasure that we present the Hospital's 2024/2025 end of Year Financial Statement. The Board of Management and hospital management is proud of the achievements realized by the facility in this period towards "A patient-centered comprehensive care Hospital". I am particularly impressed by the "can do attitude" of staff coupled with their commitment to delivering the best possible service to patients. These services include, Medical Consultations, Nutritional services, Mother Child Health, Maternity services, PMTCT services, Laboratory services, among others. Over time the facility has progressed from a health Centre to a level 4 hospital as such with the support of the county there have been major support and hospital facelift to ensure the services are progressively matching those of a Level 4 facility.

Regulatory environment Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment as stipulated by the County government health systems, provides for regulation of health care services and health care service providers, health products and health technologies. The hospital has continued to experience challenges and changing business environment which calls for continuous improvement of the quality of services to the customers. In response to this, the Board and staff remain focused on providing resources and supporting initiatives that will sustain Mirugi Kariuki Sub County Hospital in a leadership position in the healthcare sector.

On behalf of the Board, I would like to thank all our stakeholders especially County Government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to Mirugi Kariuki hospital staff, specialists, team leaders and the Board,

who take such pride in their work, and who exemplify our hospital's mission and values each day. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.

### **Centre of excellence**

The hospital plans to establish Centre's of excellence in the outpatient department, with one such proposal being establishing a diabetic clinic. The Centre's of excellence will work to provide a one stop service for the increasing cases of diseases seen at the facility. This will see an improvement in the existing departments as well as introduction of key departments through the guidance of the county government and the support of partners. Guided by the facility's annual workplan, available resources and support of the county government of Nakuru we have seen introduction of a new hemogram machine to improve the laboratory services offered and with the posting of a nutritional officer it has seen the introduction of nutritional services in the outpatient department allowing for comprehensive care offered in outpatient department.

### **Embracing Technology to Advance Patient Care**

The use of ICT is a priority for Mirugi Kariuki Hospital as reflected in Kenya's ICT Master Plan and need to automate systems to enhance efficiency in services delivery. Towards this, the hospital was earmarked for piloting the Kenya EMR system, donor supported through the county ministry of health.

The county was able to carry out a business reengineering with the view of aligning all hospital processes in readiness for automation. This process culminated in the development of specifications for robust hospital information management system and corresponding enterprise resource planning (ERP) systems. Kenya EMR was installed in the facility which was placed in select departments for efficient service delivery in all areas served within Mirugi Kariuki Sub County Hospital. The system was user friendly and with the support of the county ministry of health and partners made it quite cost effective with little to no cost of maintenance.

The facility with the support of the county department of ICT transitioned fully to use of the expanded Kenya EMR system in the outpatient department. However, we still have a challenge of in cooperating the system in maternity, CWC, MCH and ANC services, something that is currently been addressed by the developers. The facility with the support of partners was able to integrate the Kenya EMR plus that was in outpatient department with the CCC Kenya EMR system and we now have one channel of reviewing all clients, monitoring and accountability as well as one system of referral for the clients in need of the said services. This has allowed the integration of services where all clients including those of the special clinics can be seen through one system.

We are now working towards integrating the M-Pesa pay bill system into the expanded Kenya EMR system to allow auto reflection of payments thus ensure accountability of all payments done through one system.

Once established, we are hoping to get donor support for additional desktops to allow use of the system in the child welfare clinic, antenatal clinic and the family planning department next.

### **Effective Communication**

Mirugi Kariuki Sub County Hospital is putting great emphasis in improvement of communication with our patients, their families, and other stakeholders in an effective and timely manner.

To this end, we have continued to train our staff on customer care and effective communication while upholding the highest standards of care.

We have strengthened customer care services in the facility with the provision of a complaints box right at the entry of the facility and provision of a grievances book has been made available at the hospital administrators' office which addresses grievances on time and ensures timely solutions to challenges as they are raised.

There is a facility committee established to assess and discuss complaints and grievances as they arise with an aim of setting up systems that work at improving patient care and handling.

The facility also works closely with the 10 community health promoters who serve as a link between clients in the community and the facility to be able to reach the administration on time to assist in provision of timely and quality services to clients seeking services in the facility.

Through the office of the public health the hospital administration purposes to attend community Barraza meetings with an aim of improving the relationship between the community and the facility by

creating a system of openness and accountability thus encouraging the community to seek services in the facility.

The hospital members of the board work as the champions of the facility to the community to ensure we maintain the goodwill with the surrounding community and ensure there is bilateral communication from the hospital to the community and vice versa.

### **Clinical/Operational performance**

#### **Overall patient attendance**

The average patient attendance for the year 2024/2025 was 37,326 outpatients and 250 in-patients.

#### **Operational Performance:**

Here, we present an overview of the hospital operational and financial performance from the past year. This includes details on key projects, compliance with statutory requirements, major risks, and other pertinent information.

Bed capacity of the hospital:

Overall, the facility has a bed capacity of 5 beds.

#### **Patient Attendance**

<b>SERVICE</b>	<b>FY 2024/2025</b>	<b>FY 2023/2024</b>
Outpatient Department	14,351	12,130
Family planning	1,145	1,330
Child welfare clinic	5,806	5,454
Antenatal clinic	2,634	2,556
Post-natal clinic	869	737
<b>DELIVERIES</b>	<b>228</b>	<b>298</b>
HIV testing	4,512	4,360
HIV patients on care	352	329
Food Handlers	477	500
Laboratory	6,952	7,431

#### **Specialised clinic:**

This is to capacity build the primary health care network and empower clients with long term diseases through incorporation of support groups.

Currently the existing support groups target: Hypertensive clients, diabetic clients, clients living with HIV/AIDS, antenatal mothers.

We were able to capacity build the team that reviews antenatal mothers and have them hold a weekly group ANC support group meeting.

The Nutritional department has established a clientele who are on follow up for nutritional deficiencies in the set-up clinic.

**Admission Statics:**

We are currently offering maternity services only as our in-patient care. However we have 24 beds available for the in-patient services. On average we admit one to two clients a day for delivery and or monitoring purposes.

Usually, post-delivery they are kept for monitoring purposes for 24hrs. We have about 50% bed occupancy rate.

**Mortality Rate:**

In the last financial year, we recorded no mortality case for patients above 5yrs. We only 1 macerated birth.

**Disease burden:**

In the last financial year, the facilities disease burden was as summarised below:|

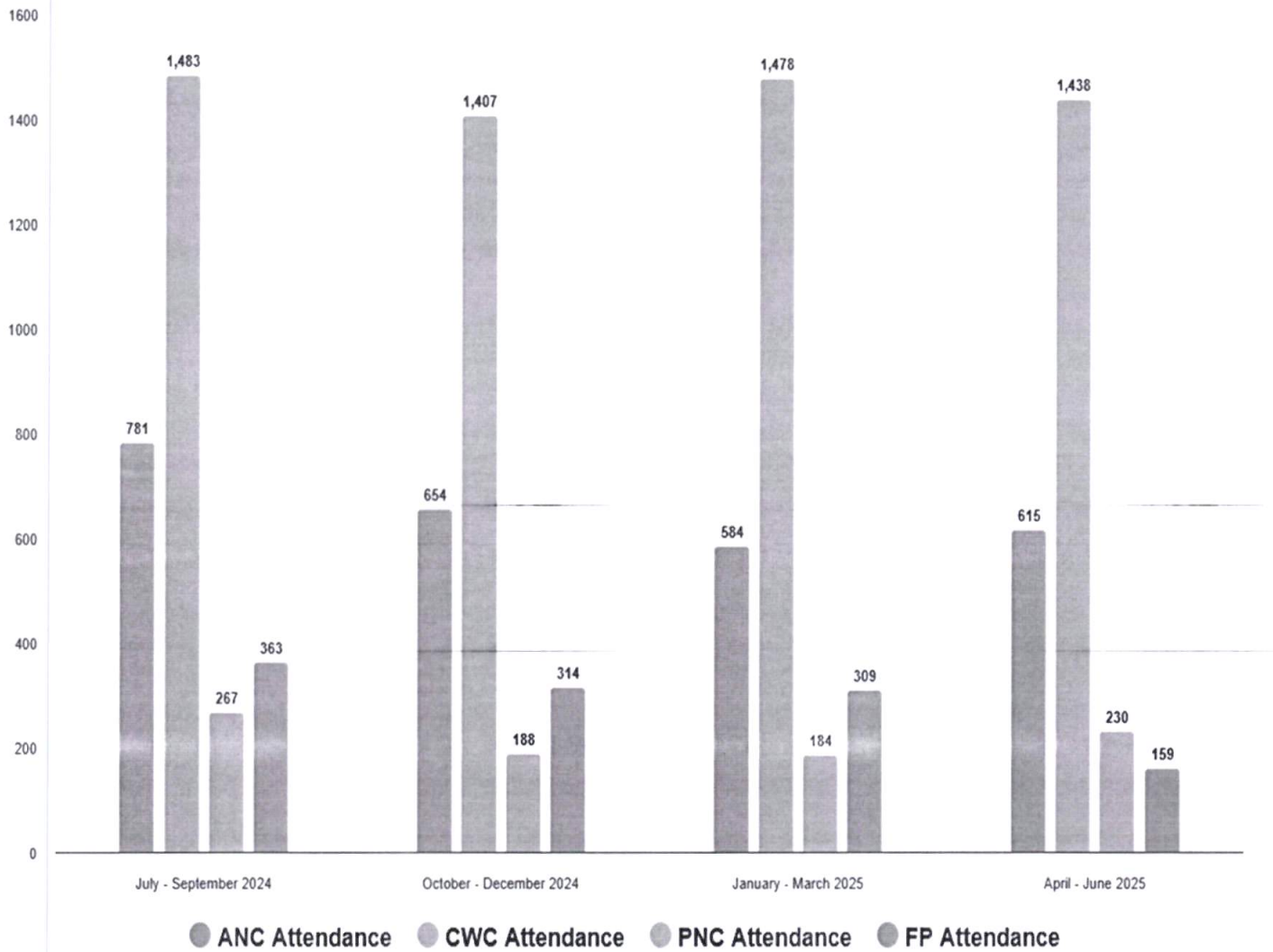
<b>CLIENTS UNDER 5 YRS</b>	Respiratory tract diseases
	Pneumonia
	Diseases of the skin
	Gastroenteritis/diarrhoea
	Tonsilitis
	asthma
	Sepsis
	Eye infections
	Injuries

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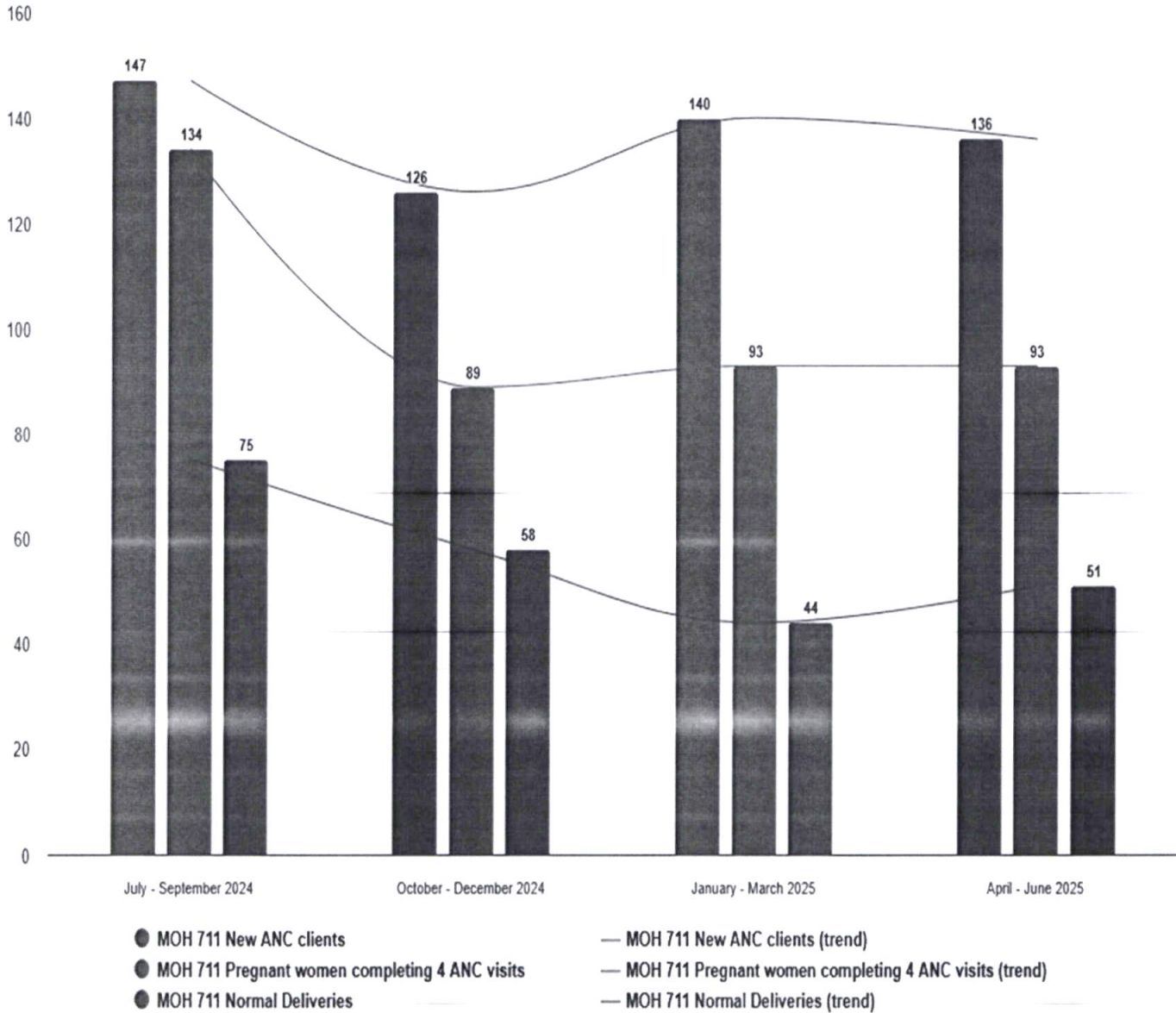
	Urinary tract infections
<b>CLIENTS OVER 5 YRS</b>	Upper Respiratory tract infections
	Urinary tract infections
	HIV
	pneumonia
	Diseases of the skin
	Joint pains
	Injuries
	Asthma
	Enteritis/ diarrhoea

<b>Key Performance Indicator</b>	<b>2024/2025</b>	<b>2023/2024</b>
Bed Capacity	5	5
Total admissions	250	325
Outpatient Workload	14,351	12,130
Average Length of Stay (days)	1	1
Maternal Mortality Ratio per 100,000	0	0
Perinatal Mortality Rate per 1000 births	4.3%	3.34%

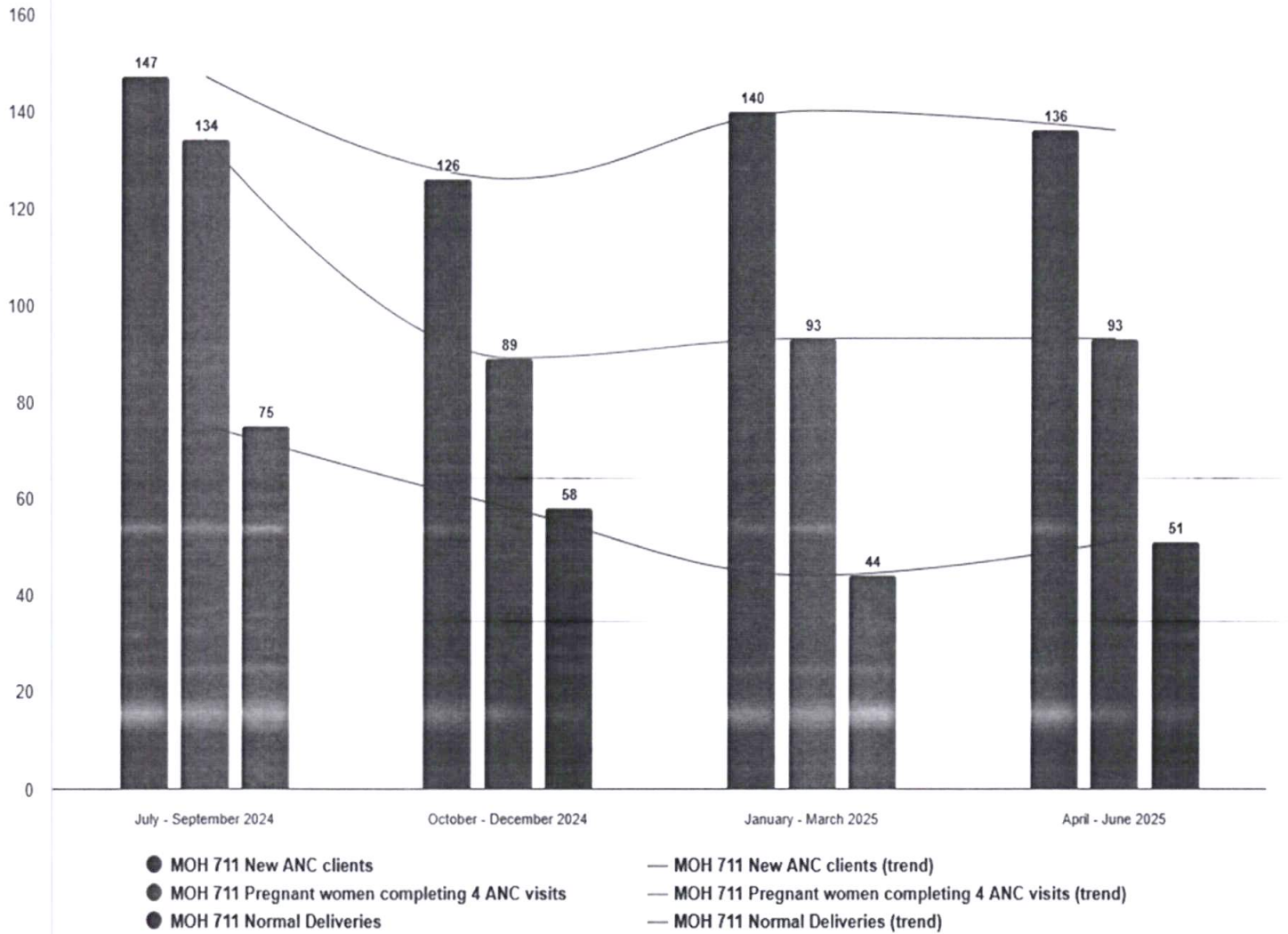
### ANC,CWC AND PNC ATTENDANCE FY 2024 Mirugi Kariuki Sub County Hospital



**PERFORMANCE REVIEW 1ST ANC VISIT/4TH ANC/DELIVERIES fy 2024/2025**  
**Mirugi Kariuki Sub County Hospital**

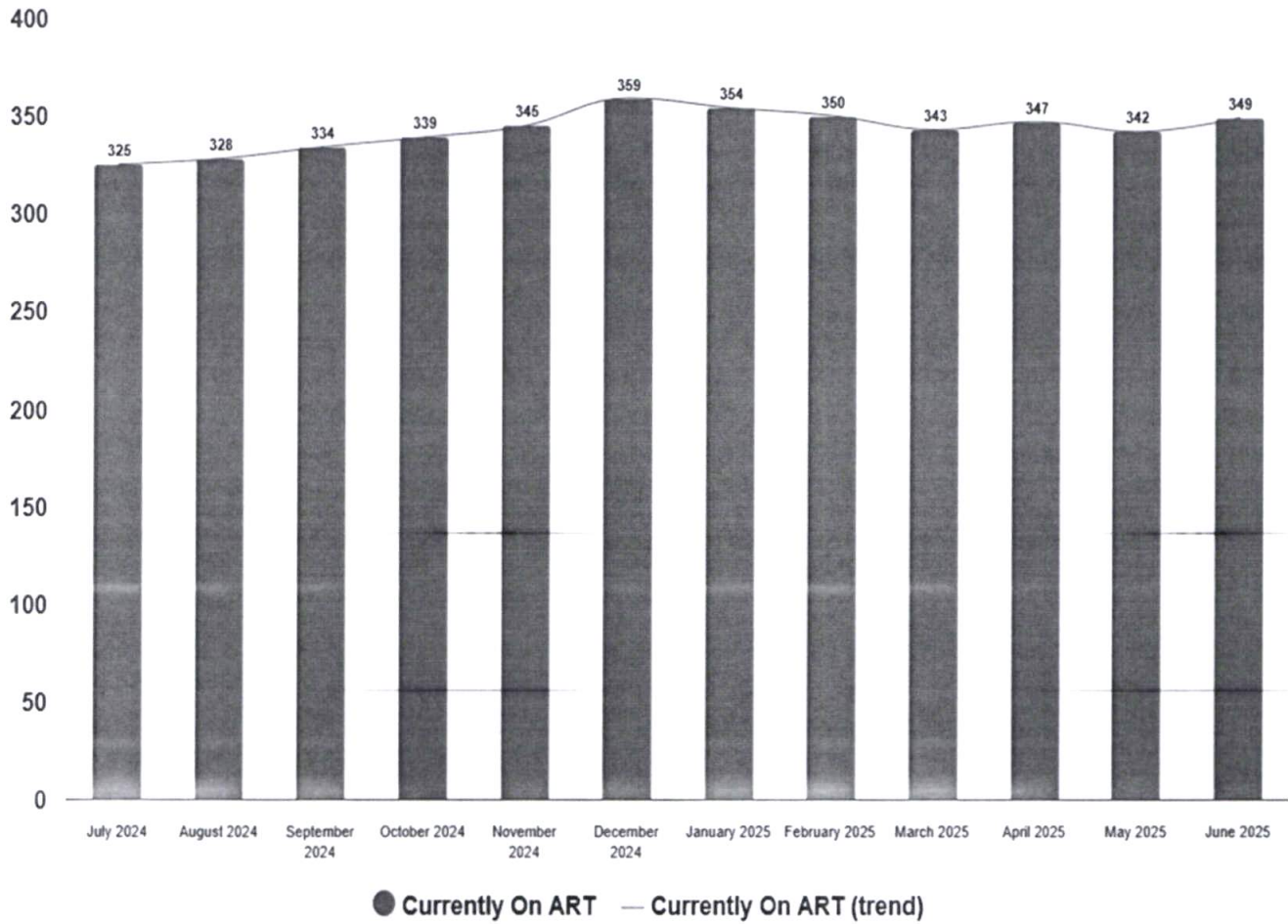


**PERFORMANCE REVIEW 1ST ANC VISIT/4TH ANC/DELIVERIES fy 2024/2025  
Mirugi Kariuki Sub County Hospital**

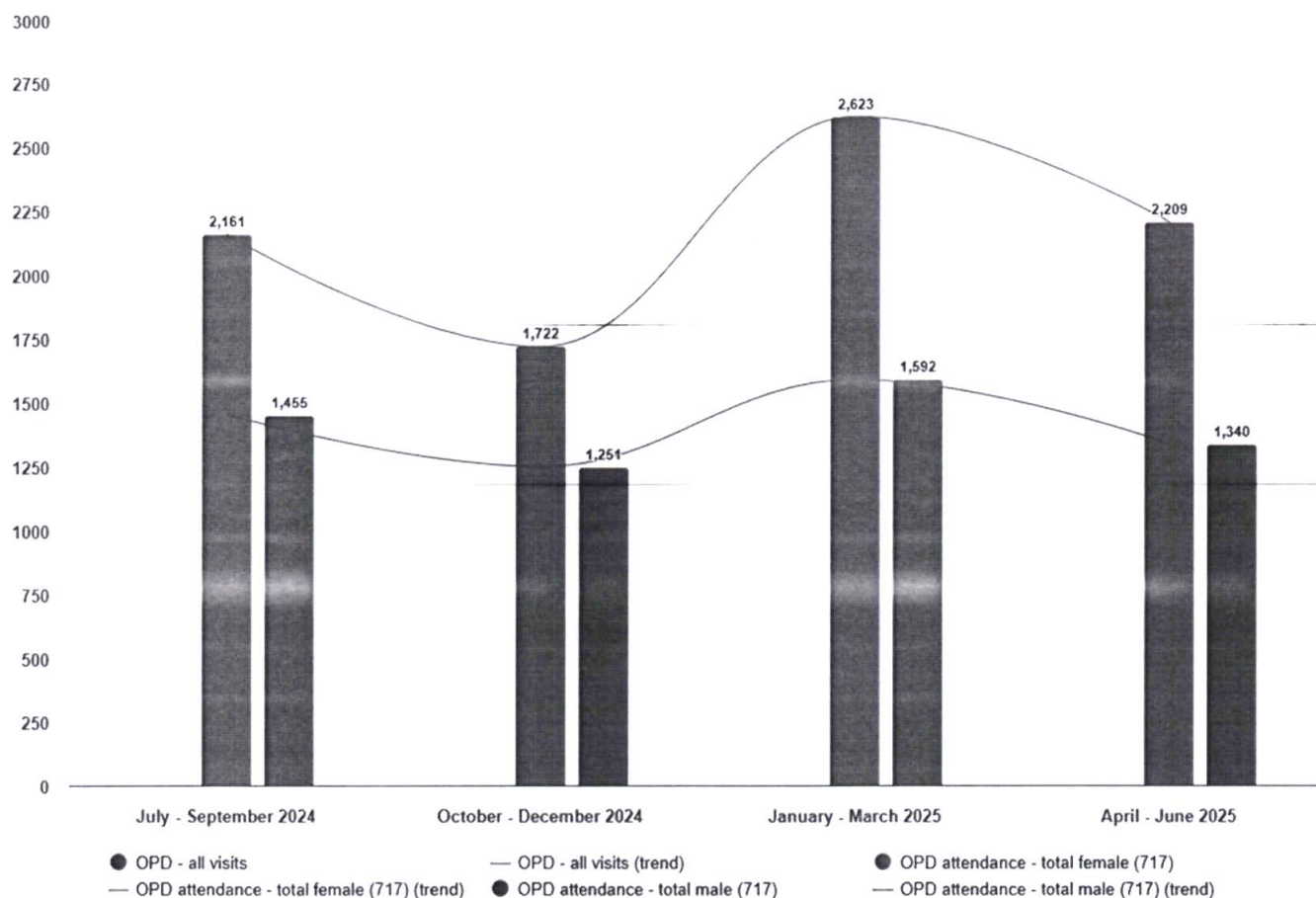


## CURRENTLY ON ART FY YEAR 2024

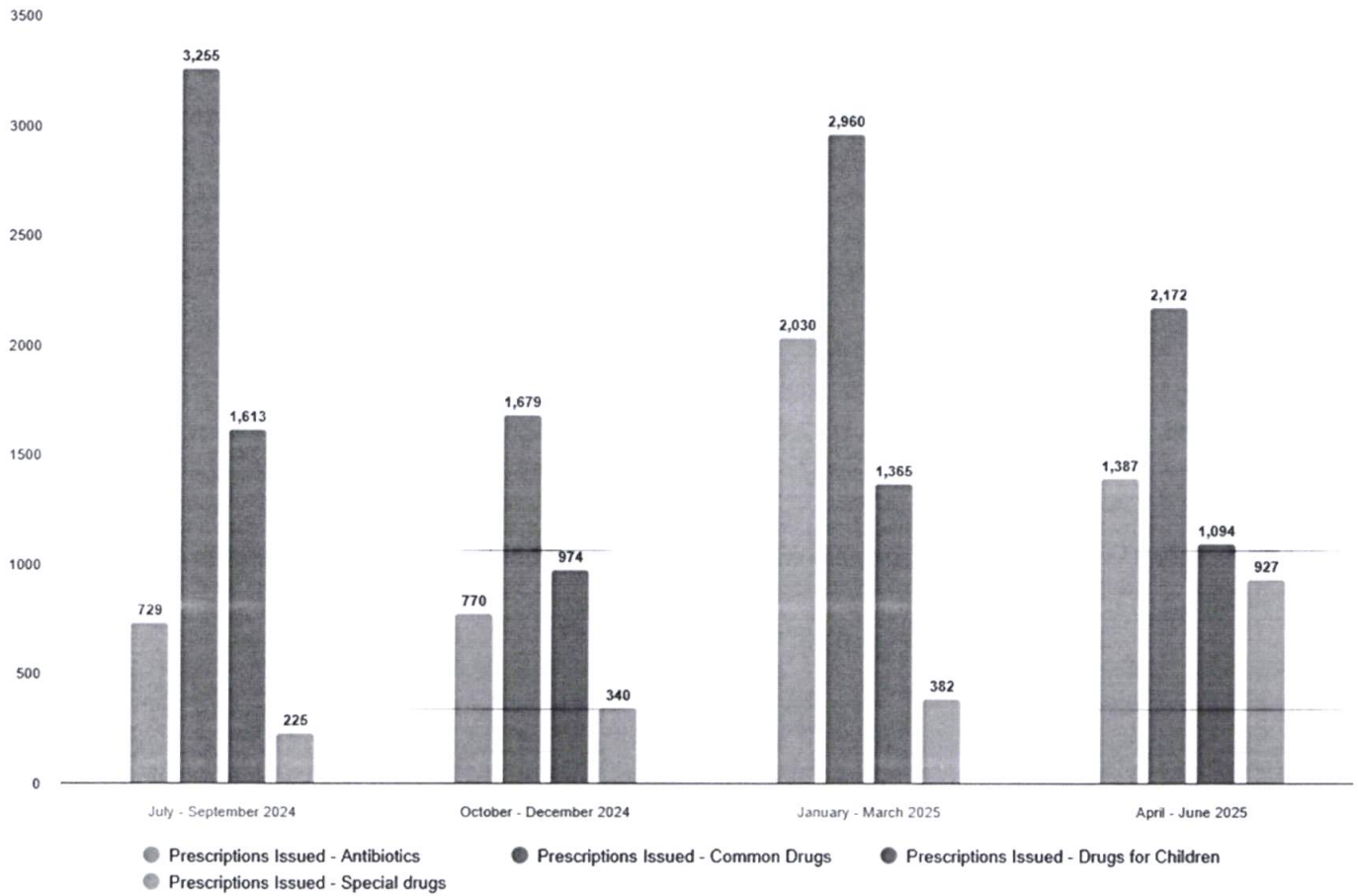
### Mirugi Kariuki Sub County Hospital

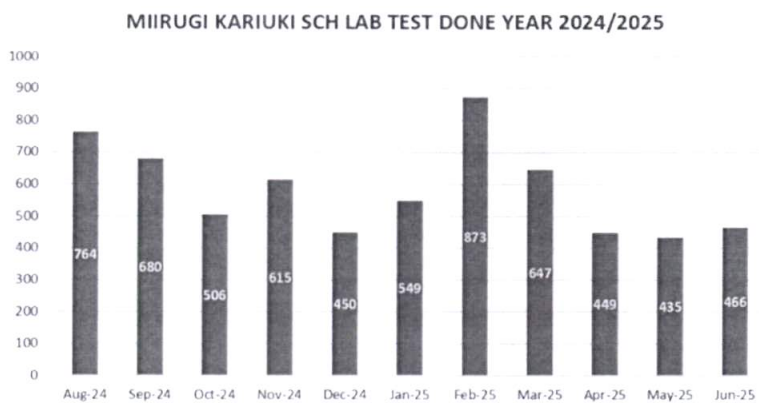


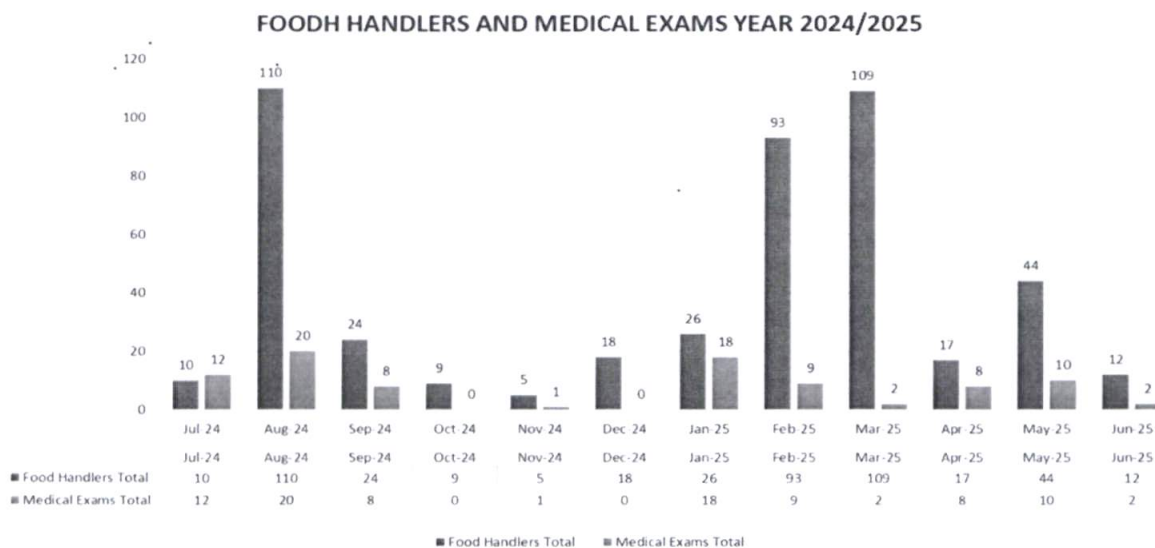
**MIRUGI KARIUKI OPD ATTENDANCE FY YEAR 2024**  
 Mirugi Kariuki Sub County Hospital



Prescription FY 2024  
 Mirugi Kariuki Sub County Hospital







### **Financial Review.**

To meet the cost of operations and maintenance, the hospital relies on internally generated revenue, the largest component being cost sharing revenue. During the Year under review, the hospital generated collection of Kshs **7,142,796** against a target of **Kshs 8,679,278**

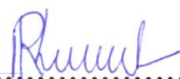
We intend to increase sensitization of SHA to patients in order to increase utilization, which will not only improve access to healthcare services but also enhance claim reimbursements, thereby leading to a sustainable increase in the hospital’s revenue.

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**Financial Performance:**

<b>Financial Indicator</b>	<b>FY 2024/25 (Kshs.)</b>	<b>FY 2023/24 (Kshs.)</b>
Collection	7,142,796	7,979,267.00



.....  
Rose Koech  
Facility in Charge  
**Mirugi Kariuki Sub County Hospital.**

## **6.Environmental And Sustainability Reporting**

Mirugi Sub County Hospital seeks to impact people's lives through its Corporate Social Responsibility (CSR) initiatives.

The initiatives are aimed at improving lives and enhance engagement with the public. Central to this philosophy is the commitment to enhance the quality of life of people from marginalized and vulnerable communities, by empowering them and catalyzing change through creating awareness on diseases and available interventions. The services provided are MCH talks, psychiatric trainings in schools and other educational institutions and outreaches.

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

Our hospital is committed to advancing green energy solutions and reducing reliance on firewood by introducing briquettes for cooking. This initiative will help decrease air pollution and create a healthier working environment for our kitchen staff.

### ***ii) Environmental performance***

Mirugi Kariuki Sub-County Hospital is dedicated to environmental sustainability and minimizing its ecological footprint. Our efforts include:

- **Energy Efficiency:** We aim to reduce energy consumption by turning off lights when not in use and adopting energy-efficient practices to improve hospital economics.
- **Water Conservation:** We are implementing low-flow taps and outlets to minimize water usage.
- **Waste Management:** We promote responsible waste management through recycling and proper disposal. Recyclable equipment and supplies are prioritized, and single-use plastics, such as syringes, are disposed of safely to protect the environment.
- **Waste Segregation:** The Infection and Prevention Control (IPC) committee, along with public health officers, encourages proper waste segregation using designated bins. Hospital waste is incinerated, and ash is disposed of in a designated pit.

### ***iii) Employee welfare***

Ensuring employee welfare is crucial for delivering quality healthcare services. Our approach includes:

- **Equal Employment Opportunities:** We promote inclusivity during hiring by offering equal opportunities to all candidates. We work with relevant stakeholders to ensure compliance with hiring practices and remuneration guidelines.

- **Professional Development:** Staff members are encouraged to take study leave and attend seminars and training for career advancement.
- **Recognition and Rewards:** At the end of each year, we recognize and reward outstanding employees to motivate others.
- **Performance Appraisal:** We conduct regular performance appraisals, with supervisors reviewing staff performance according to set timelines.
- **Compliance with OSHA:** We adhere to the Occupational Safety and Health Act of 2007 (OSHA) to ensure a safe working environment. Support staff are provided with appropriate protective gear, and incidents are reported, investigated, and addressed with corrective actions.

*iv) Market place practices-*

*The organisation should outline its efforts to:*

*a) Responsible competition practice.*

*Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors.*

*b) Responsible Supply chain and supplier relations*

*Explain how the organisation maintains good business practices, and treats its own suppliers responsibly by honoring contracts and respecting payment practices.*

*c) Responsible marketing and advertisement*

*Outline efforts to maintain ethical marketing practices.*

*d) Product stewardship*

*Outline efforts to safeguard consumer rights and interests.*

Maintaining ethical standards and fair competition is essential for a transparent healthcare environment.

Our practices include:

- **Anti-Corruption Measures:**

- **Code of Conduct and Ethics:** All staff members adhere to a county-wide code of conduct that prohibits corruption and bribery.
- **Vendor and Supplier Screening:** We use a pre-qualified list of suppliers to limit corrupt practices.

- **Fair Competition:**

- **Fair Pricing and Billing:** We ensure transparent pricing and billing through an electronic records management system with present service rates.
- **Non-Discrimination:** We provide equal access to healthcare services for all patients, regardless of background, race, religion, or economic status.

We also prioritize good business practices and responsible supplier relationships. We follow a FIFO (First In, First Out) system for clearing supplier contracts and strive for timely payments despite financial constraints. Our procurement process is transparent to avoid favoritism.

#### **a) Patient Rights and Interests**

We are committed to safeguarding patient rights and interests to ensure quality care. This includes:

- **Confidentiality and Privacy:** We protect patient confidentiality and only share information with authorized individuals for medical purposes.
- **Informed Consent:** We obtain informed consent, either verbal or written, outlining the risks, benefits, and alternatives of medical procedures.
- **Access to Information:** Patients receive clear information about their health conditions and are promptly referred to specialists or other facilities when needed.

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

Mirugi Kariuki Sub County Hospital actively participates in Corporate Social Responsibility (CSR) activities to benefit the community:

- **Community Screening:** In collaboration with Community Health Promoters (CHPs), we provide free check-ups, vaccinations, and health education to improve access to healthcare and early disease detection in marginalized communities.
- **Health Education:** We conduct outreach programs in schools and communities to increase health literacy, promote healthier lifestyles, and reduce disease prevalence.
- **Partnerships:** Through collaborations with charitable organizations such as UTJ (Usaid Tujenge Jamii), we support vulnerable groups, including those with TB and HIV, by providing free medications, transportation, and home visits for additional support.

Mirugi Kariuki Sub-County Hospital remains committed to these sustainability and community engagement efforts to ensure a positive impact on both our patients and the environment.

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

The Board members submit their report together with the Unaudited Financial Statements for the year ended 30<sup>th</sup> June 2025, which show the state of the *hospital's* affairs.

### **Principal activities**

The principal activity of the entity is to optimize patient experience through innovative, evidence based specialized health care, facilitate training and research, and participate in national health policy formulation.

### **Results**

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

### **Board of Management**

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

### **Auditors**

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

By Order of the Board



.....  
Rose Koech

**Secretary to the Board**

**Mirugi Kariuki Sub-County Hospital**

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

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

The Board of Management is responsible for the preparation and presentation of the *entity*'s financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (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 *entity*'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 (*– entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the *entity*'s financial statements give a true and fair view of the state of *entity*'s transactions during the financial year ended June 30, 2024, and of the *entity*'s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity*'s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*) OR

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

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

The Hospital's financial statements were approved by the Board on 20<sup>th</sup> August 2025 and signed on its behalf by:



.....  
**Name:**  
**Chairperson Dr. Darius Taruru**  
**Board of Management**



.....  
**Name: Rose Koech**  
**Accounting Officer**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON MIRUGI KARIUKI SUB - COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF NAKURU

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### PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in 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 that the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 Mirugi Kariuki Sub - County Level 4 Hospital – County Government of Nakuru set out on pages 1 to 58, which comprise of the statement of financial position as at 30 June, 2025, and the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mirugi Kariuki Sub - County Level 4 Hospital – County Government of Nakuru 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 Hospitals Act, 2017, the County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Repairs and Maintenance Expense**

The statement of financial performance and Note 19 to the financial statements reflects repairs and maintenance expenditure of Kshs.1,123,296 in respect of repairs of buildings. However, Management did not provide the pre-inspection and post-inspection reports to confirm the need for repairs and whether the repairs were undertaken as required.

In the circumstances the accuracy, completeness and propriety of the repairs and maintenance expenses amounting to Kshs.1,123,296 for the period ending 30 June, 2025 could not be confirmed.

#### **2. Unconfirmed Property, Plant and Equipment**

The Statement of Financial Position reflects property, plant, and equipment balance of Kshs.40,728,619 as disclosed in Note 32 to the financial statements. However, Management did not disclose the value of computers and ICT equipment which are owned and operated by the Hospital in the financial statements. Review of the assets register however revealed that the computers and ICT equipment are recorded therein.

The balance of Kshs.40,728,619 includes land and buildings valued at Kshs.21,368,369 and Kshs.19,008,000 respectively which were transferred from the County Government in the financial 2023/2024. However, the valuation reports were not provided for audit verification. Their valuation, rights, and ownership could not therefore be confirmed.

In the circumstances, the accuracy, completeness, ownership and valuation of the property, plant and equipment balance of Kshs.40,728,619 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mirugi Kariuki Sub - County Level 4 Hospital – County Government of Nakuru Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits

of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

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

In the prior year's audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Hospital for the financial year 2023/2024 revealed that the following thirteen (13) issues remained unresolved:

<b>No.</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Inaccuracies in Financial Statements
2	2023/2024	Inaccurate Opening Amounts
3	2023/2024	Variance Between the financial statements and notes to the financial statements
4	2023/2024	Unsupported Revenue from Non exchange Transaction
5	2023/2024	Rendering of Services-Medical Services Income
6	2023/2024	Unsupported Receivables from exchange Transactions
7	2023/2024	Incomplete Plant, Property and Equipment Balances
8	2023/2024	Unsupported Trade and Other Payables
9	2023/2024	Deficiencies in Implementation of Universal Health Coverage (UHC) -
10	2023/2024	Casual Wages
11	2023/2024	Nonpayment of statutory deductions
12	2023/2024	Lack of Key Policy Documents
13	2023/2024	Failure to establish Audit Committee

### **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Approved Tariff Structure for Hospital Services**

The statement of financial performance and Note 11 to the financial statements reflect rendering of services – medical services income amount of Kshs.7,142,796. Review of records revealed that although the Hospital collected revenue from patients for services offered, there was no evidence of approval of the price list or tariff used to charge for services rendered. Therefore, the Hospital may be losing revenue due to irregular and unapproved pricing of services rendered to the public. This is contrary to Regulation 65 (1) to (3) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer shall obtain approval from the County Treasury for the proposed tariff structure; and information on the tariff structure shall be disclosed in the annual report, including information on exemptions, discounts, free services and any other aspect of material influence on the revenue yield.

In the circumstances, Management was in breach of law.

#### **2. Irregularities in Payroll Payables**

The statement of financial position and Note 36 to the financial statements reflect trade and other payables balance of Kshs.971,571, which includes employee dues amount of Kshs.145,812 and unremitted payroll deductions amounting to Kshs.350,000, all totalling Kshs.495,812. Although the Hospital is expected to pay staff salaries in full and remit statutory deductions as required, the existence of these accrued salary payables raises

concerns about its ability to meet payroll obligations. In addition, the unremitted deductions may attract penalties and interest thus increasing the Hospital's liabilities.

In the circumstances, the Hospital's ability to meet its payroll obligations could not be confirmed.

### 3. Non-Compliance with Facility Improvement Financing Act, 2023

Review of County revenue records for level 4 and 5 hospitals revealed Mirugi Kariuki Sub - County Level 4 Hospital collected an amount of Kshs.6,331,498 and transferred a Nil amount to the County Revenue Fund. Further, available records indicate that the amount of Kshs.6,331,498 was disbursed to the Hospital from the Facility Improvement Fund collection account. However, the Hospital financial statements reflected an amount of Kshs.6,980,344 as having been received from the FIF account resulting in an unexplained over disbursed amount of Kshs.648,846. This is contrary to the provisions of Section 20-25 of the Facilities Improvement Financing Act, 2023 which requires that all revenues collected by health facilities be retained in designated FIF accounts and utilized strictly for approved operational and improvement activities.

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

### 4. Deficiencies in Implementation of Universal Health Care Coverage

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to ninety (90) staff deficits against the authorized staff as detailed in the table below:

Staff Requirements	Level 4 Hospital Standard	Number in the Hospital	Variance	Adequate/ Inadequate
Medical Officers	16	0	-16	Inadequate
Anesthesiologists	2	0	-2	Inadequate
General Surgeons	2	0	-2	Inadequate
Gynecologists	2	0	-2	Inadequate
Pediatrics	2	0	-2	Inadequate
Radiologists	2	0	-2	Inadequate
Kenya Registered Community Health Nurses	75	11	-64	Inadequate
<b>Total</b>	<b>101</b>	<b>11</b>	<b>90</b>	

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

Service or Equipment	Requirement in Level 4 Hospital	Available in the Hospital	Variance	Status
Surgical	Should be present	Absent	N/A	Inadequate
Pediatric	Should be present	Absent	N/A	Inadequate

Service or Equipment	Requirement in Level 4 Hospital	Available in the Hospital	Variance	Status
Gynecological	Should be present	Absent	N/A	Inadequate
In-patients,	Should be present	Absent	N/A	Inadequate
Radiology	Should be present	Present	N/A	Adequate
Renal dialysis,	Should be present	Absent	N/A	Inadequate
Tuberculosis Management	Should be present	Present	N/A	Adequate
Mortuary and Autopsy Services.	Should be present	Absent	N/A	Inadequate
Advanced Life Support	Should be present	Absent	N/A	Inadequate
Caesarian Sections and Surgical Operations	Should be present	Absent	N/A	Inadequate
Land Size (Acres)	5	6.177	-1.177	Adequate
Beds	150	24	126	Inadequate
Resuscitaire (2 in Labour Ward and one in Theatre)	3	1	2	Inadequate

These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

In the circumstances, the Hospital will not be able to deliver on its mandate.

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects trade and other receivables balance of Kshs.2,294,760 as disclosed in Note 29 to the financial statements. Review of the ageing analysis revealed that debts totaling Kshs.2,018,799 had been outstanding for more than

one (1) year without recovery. In addition, Management did not make any provision for bad and doubtful debts in the financial statement. Further, the actions taken by Management to enforce the settlement of the outstanding debts were not provided for audit verification.

In the circumstances, the recoverability of the trade and other receivables balance of Kshs.2,294,760 could not be confirmed.

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

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

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

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

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

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

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

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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

**Nairobi**

**09 December, 2025**

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

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

Description	Note	30th June 2025	30th June 2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	37,328,367	41,364,740
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		<b>37,328,367</b>	<b>41,364,740</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	7,142,796	7,979,267
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		<b>7,142,796</b>	<b>7,979,267</b>
<b>Total revenue</b>		<b>44,471,163</b>	<b>49,344,007</b>
<b>Expenses</b>			
Medical/Clinical costs	15	1,822,062	3,408,629
Employee costs	16	39,303,359	42,091,875
Board of Management Expenses	17	130,500	173,500
Depreciation and amortization expense	18	504,750	505,000
Repairs and maintenance	19	1,123,296	230,000
Grants and subsidies	20	-	-
General expenses	21	1,277,945	1,597,570
Finance costs	22	-	-
<b>Total expenses</b>		<b>44,161,912</b>	<b>48,006,574</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		<b>-</b>	<b>-</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>309,251</b>	<b>1,337,433</b>

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

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The Hospital's financial statements were approved by the Board on 14<sup>th</sup> December 2025 and signed on its behalf by:

  
.....

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

  
.....

**Head of Finance**  
**ICPAK No: 33 144**

  
.....

**Facility in Charge**

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


**15.Statement of Financial Position As At 30<sup>th</sup> June 2025**

Description	Note	30th June 2025	30th June 2024
		Kshs	Kshs
<b>Assets</b>			<b>RESTATED</b>
<b>Current assets</b>			
Cash and cash equivalents	27	1,987,856	1,501,816
Prepayments	28	-	
Receivables from exchange transactions	29	2,294,760	3,266,785
Receivables from non-exchange transactions	30	-	-
Inventories	31	587,616	985,574
<b>Total Current Assets</b>		<b>4,870,232</b>	<b>5,754,175</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	40,728,619	41,193,369
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>40,728,619</b>	<b>41,193,369</b>
<b>Total assets (A)</b>		<b>45,598,851</b>	<b>46,947,544</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	971,571	1,136,101
Refundable deposits from customers/Patients	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>971,571</b>	<b>1,136,101</b>
<b>Non-current liabilities</b>			
Provisions	42	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession liability	42	-	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>

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

<b>Total Liabilities (B)</b>		<b>971,571</b>	<b>1,136,101</b>
<b>Net assets (A-B)</b>		<b>44,627,280</b>	<b>45,811,443</b>
Revaluation reserve		-	-
Accumulated surplus/Deficit		2,755,338	2,446,087
Capital Fund		41,871,942	43,365,356
<b>Net Assets</b>		<b>44,627,280</b>	<b>45,811,443</b>

The Hospital's financial statements were approved by the Board on 1st December 2025 and signed on its behalf by:

  
 .....

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

  
 .....

**Head of Finance**  
**ICPAK No: 33144**

  
 .....

**Facility in Charge**

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

**RESTATED**

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
			Fund	
<b>As at July 1, 2023</b>	-	<b>1,108,654</b>	-	<b>1,108,654</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,337,433	-	1,337,433
Capital/Development grants	-		43,365,356	43,365,356
<b>As at June 30, 2024</b>	-	<b>2,446,087</b>	<b>43,365,356</b>	<b>45,811,443</b>
<b>At July 1, 2024</b>	-	<b>2,446,087</b>	<b>43,365,356</b>	<b>45,811,443</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	309,251	-	309,251
Capital/Development grants	-	-	41,871,942	41,871,942
<b>At June 30, 2025</b>	-	<b>2,755,338</b>	<b>41,871,942</b>	<b>44,627,280</b>

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

Description	Note	30th June 2025	30th June 2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			RESTATED
<b>Receipts</b>			
Rendering of services- Medical Service Income		6,980,344	4,622,917
Revenue from rent of facilities		-	
Finance / interest income		-	
Miscellaneous receipts( <i>specify</i> )		-	
<b>Total Receipts</b>		<b>6,980,344</b>	<b>4,622,917</b>
<b>Payments</b>			
Medical/Clinical costs		1,433,513	1,727,031
Employee costs		1,517,172	1,563,399
Board of Management Expenses		126,500	144,000
Repairs and maintenance		843,349	170,000
Grants and subsidies			
General expenses		2,045,077	1,017,570
Finance costs			-
Refunds paid out			-
<b>Total Payments</b>		<b>5,965,611</b>	<b>4,622,000</b>
<b>Net cash flows from operating activities</b>	43	<b>1,014,733</b>	<b>917</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment & intangible assets		(528,693)	-
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		<b>(528,693)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>486,040</b>	<b>917</b>
Cash and cash equivalents as at 1 July 2024	27	1,501,816	1,500,899
<b>Cash and cash equivalents as at 30 June</b>	27	<b>1,987,856</b>	<b>1,501,816</b>

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	1,501,816	-	1,501,816	1,501,816	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	6,980,344	-	6,980,344	6,980,344	-	%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	%
<b>Total receipts</b>	<b>8,482,160</b>	-	<b>8,482,160</b>	<b>8,482,160</b>	-	<b>%</b>
<b>Payments</b>						
Medical/Clinical costs	834,508	695,186	1,529,694	1,433,513	96,181	94%
Employee costs	1,744,840	45,360	1,790,200	1,517,172	273,028	85%
General Costs	1,553,286	756,270	2,179,056	2,045,077	133,979	94%
Repairs and maintenance	910,000	5,000	915,000	843,349	71,651	92%
Board of Management Expenses	80,000	50,500	130,500	126,500	4,000	97%
Grants and subsidies	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
<b>Total Operational Expenditure paid</b>	<b>5,122,634</b>	<b>1,552,316</b>	<b>6,544,450</b>	<b>5,965,611</b>	<b>578,839</b>	
<b>Capital Expenditure paid</b>	<b>536,644</b>	-	<b>536,644</b>	<b>528,693</b>	<b>7,951</b>	<b>99%</b>

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Surplus	2,822,882	- 1,552,316	1,401,066	1,987,856	- 586,790	%
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**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,987,856
1	Trade Payables	971,571
2	Depreciation	504,750
3	Receivable Medical Services Income	275,961
4	Capital Expenditure	528,693
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,987,856

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

### **1. General Information**

Mirugi Sub County Hospital entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Nakuru County Government and is domiciled in Nakuru County in Kenya. The entity's principal activity is provision of Integrated Health Care for all.

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

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

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

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

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

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

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

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

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

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

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

#### **4. Summary of Significant Accounting Policies**

##### **a. Revenue recognition**

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

##### **Transfers from other Government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and 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 2024/25 was approved by Board on **4<sup>th</sup> July 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations FY 2024/25 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

The current depreciation rates applied on the PPE schedule are as follows:

Buildings – 2%

Motor Vehicles-16.7%

Furniture and fittings – 12.5%

ICT Equipment-30%

Plant and medical equipment – 20%

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

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

**i. Research and development costs**

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

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

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

**j. Financial instruments**

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

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

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that

is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

## **Financial liabilities**

### **Classification**

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

#### **k. Inventories**

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

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

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

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

#### **l. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

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

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

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**u. Related parties**

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

**v. Service concession arrangements**

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

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 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.

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6 b Transfers from The County Government

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

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

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

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Salaries and wages	37,038,103	40,528,476
Medical supplies-Drawings Rights (KEMSA)	290,264	836,264
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
<b>Total grants in kind</b>	<b>37,328,367</b>	<b>41,364,740</b>

(These include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements)

8. Grants From Donors and Development Partners

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

(Provide brief explanation for this revenue)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

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

10. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	-

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

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

**Notes to Financial Statements Continued**

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	2,216,912	1,634,319
Outpatient Department	747,556	493,851
Laboratory	1,155,399	663,760
Medical Exam	76,000	232,500
Family Planning	204,000	203,392
Dressing	29,290	46,750
Nebulization	21,950.00	37,350
Medical Report	116,658	78,000
Antenatal Clinic & Mother Child Care	52,900	31,650
Nutrition service	-	1,000
Attachment	15,800.00	12,000
Stitching	23,800	12,350
Food Handling	114,780	79,250
Drainage	-	2,650
NHIF Reimbursement	1,247,986	1,067,565
Revisit	-	3,570
Photocopy	10,000	22,960
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer Centre service	-	-
Dental services	-	-
Reproductive health	-	-
Pediatrics services	-	-
Records	-	-
Other medical services income (SHA)	1,109,765	3,356,350
<b>Total revenue from the rendering of services</b>	<b>7,142,796</b>	<b>7,979,267</b>

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

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

13. Finance /Interest Income

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

14. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	-	
Laboratory chemicals and reagents	276,499	391,101
Public health activities	-	-
Food and Ration	346,070	500,000
Uniform, clothing, and linen	89,900	-
Dressing and non-pharmaceuticals	205,000	290,000
Pharmaceutical supplies	482,000	1,997,528
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	125,931	176,000
Purchase of Medical gases	6,400	4,000
X-Ray/Radiology supplies	-	50,000
Other medical related clinical costs (specify) Drawing Rights	290,262	-
<b>Total medical/ clinical costs</b>	<b>1,822,062</b>	<b>3,408,629</b>

16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	1,879,324	41,644,476
Contributions to pension schemes-NSSF	385,932	447,399.00
Staff medical expenses and Insurance cover	-	-
Other employee costs (in kind)	37,038,103	-
<b>Employee costs</b>	<b>39,303,359</b>	<b>42,091,875</b>

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	130,500	173,500
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>130,500</b>	<b>173,500</b>

18. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	504,750	505,000
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>504,750</b>	<b>505,000</b>

19. Repairs And Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	20,000	150,000
Medical equipment	85,500	10,000
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	49,879	70,000
Motor vehicle expenses	-	-
Maintenance of civil works	967,917	-
<b>Total repairs and maintenance</b>	<b>1,123,296</b>	<b>230,000</b>

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

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

21. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses		
Catering expenses	60,000	60,000
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	9,255	4,570
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	479,000	460,000
Fuel and Lubricants	99,999	80,000
Other Fuels	77,000	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	56,000	180,000
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	226,396	500,000
Furniture	-	150,000
Hospitality Services	-	-
Water and sewerage costs	102,080	25,000
Skills development levies	-	-
Telephone and mobile phone services	7,500	18,000
Internet expenses	53,735	120,000

Other related medical Costs(Drawing Rights)	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical,	-	-
General Office Supplies	77,497	-
Workshop Tools	29,483	-
<b>Total General Expenses</b>	<b>1,277,945</b>	<b>1,597,570</b>

## 22. Finance Costs

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

(Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

## 23. Gain/Loss on Disposal of Non-Current Assets

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

## 24. Unrealized Gain On Fair Value Investments

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
<b>Total Gain/Loss</b>	-	-

26. Impairment Loss

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	-	-

27. Cash And Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	1,987,856	1,501,816
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>1,987,856</b>	<b>1,501,816</b>

Notes to the Financial Statements (Continued)

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

Description		30th June 2025	30th June 2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Co-operative bank	1141026745200	1,987,856	1,501,816
Equity Bank, etc		-	-
<b>Sub- total</b>		<b>1,987,856</b>	<b>1,501,816</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(<i>specify</i>)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>1,987,856</b>	<b>1,501,816</b>

**28. Prepayments**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

**29. Receivables From Exchange Transactions**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables	2,294,760	3,266,785
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance		
<b>Total receivables</b>	<b>2,294,760</b>	<b>3,266,785</b>

**Analysis of Receivables From Exchange Transactions**

Description	FY 2024/2025	% of the total	FY 2023/2024	% of the total
	Kshs		Comparative 2023/2024 Kshs	
	30th June 2025			
Less than 1 year	275,961	12%	-	#DIV/0!
Between 1- 2 years	2,018,799	88%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>2,294,760</b>	<b>%</b>	<b>-</b>	<b>%</b>

### 30. Receivables From Non-Exchange Transactions

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

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

#### Analysis of Receivables From Non-Exchange Transactions

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

### 31. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	466,986	780,000
Labaratory Supplies	83,700	65,000
Food supplies	36,930	75,400
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	65,174
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>587,616</b>	<b>985,574</b>

**Detailed disclosure on inventories**

Detailed disclosure on inventories	FY 2024/2025	FY 2023/2024
	Opening balance	985,574
Additional Inventory in the year	1,253,761	-
Inventory expensed in the year	(1,651,719.50)	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	587,616	-

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*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 1 July 2023 (previous year)	21,368,369	19,800,000	-	30,000	1	500,000	-	41,698,370
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2024 (previous)	21,368,369	19,404,000	-	21,000	1	400,000	-	41,193,370
At 1 July 2024 (current year)	21,368,369	19,404,000	-	21,000	1	400,000	-	41,193,370
Additions	-	-	-	40,000	-	-	-	40,000
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2025	21,368,369	19,404,000	-	61,000	1	400,000	-	41,233,370
<b>Depreciation and impairment</b>								

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<b>At 1 July 2023 (previous year)</b>							-	
Depreciation for the year	-	396,000	-	9,000	0	100,000	-	<b>505,000</b>
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	-	<b>396,000</b>	-	<b>9,000</b>	<b>0</b>	<b>100,000</b>	-	<b>505,000</b>
At July 2024 (current year)	-						-	-
Depreciation		396,000	-	8,750	0	100,000	-	<b>504,750</b>
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
<b>At 30th June 2025</b>	-	<b>396,000</b>	-	<b>8,750</b>	<b>0</b>	<b>100,000</b>	-	<b>504,750</b>
<b>Net book values</b>								
<b>At 30th Jun 2024 (previous)</b>	21,368,369	19,404,000	-	21,000	1	400,000	-	41,193,370
<b>At 30th Jun 2025 (current)</b>	21,368,369	19,008,000	-	52,250	0	300,000	-	<b>40,728,619</b>

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	1	1
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
<b>At end of the year</b>	<b>1</b>	<b>1</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	<b>1</b>	<b>1</b>

34. Investment Property

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

Notes to the Financial Statements (Continued)

35. Biological Assets

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
<b>Total</b>	-	-

36. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	475,759		1,136,101	
Employee dues	145,812		-	
Third-party payments (e.g. unremitted payroll deductions)	350,000		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>971,571</b>		<b>1,136,101</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Compa rative FY</b>	<b>% of the total</b>
Under one year	971,571	100%	-	%
1-2 years	-	0%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>971,571</b>	<b>100%</b>	<b>-</b>	<b>%</b>

37. Refundable Deposits from Customers/Patients

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

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Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**38. Provisions**

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

**39. Finance Lease Obligation**

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

**40. Deferred Income**

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

Notes to the Financial Statements (Continued)

40 (a) The deferred income movement is as follows:

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

41. Borrowings

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the period</b>	-	-

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

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

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-

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Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

**43. Cash Generated from Operations**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	626,951	-
<b>Adjusted for:</b>	-	-
Depreciation	504,750	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		-
Decrease in inventory	397,959	-
Increase in receivables	(1,079,624)	-
Increase in deferred income	-	-
Decrease in payables	(164,530)	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

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

**44. Financial Risk Management**

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

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	3,266,785	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	1,501,816	-	-	-
<b>Total</b>	<b>4,768,601</b>	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	4,346,409	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	16,158	-	-	-
<b>Total</b>	<b>4,362,567</b>	-	-	-

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

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	1,136,101	-	-	1,136,101
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>1,136,101</b>	<b>-</b>	<b>-</b>	<b>1,136,101</b>
<b>At 30 June 2025</b>				
Trade payables	-	475,759	-	475,759
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	145,812	-	350,000	495,812
<b>Total</b>	<b>145,812</b>	<b>475,759</b>	<b>350,000</b>	<b>971,571</b>

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

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

Notes to the Financial Statements (Continued)

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

**Foreign currency sensitivity analysis**

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

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

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

**Sensitivity analysis**

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

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

**iv) Capital Risk Management**

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

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

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

**45. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

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

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	-	-
Sales of services to xxx	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		

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Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
	-	-
<b>Total</b>	-	-

**46. Segment Information**

**47. Contingent Liabilities**

Contingent liabilities	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	-	-

*(Give details)*

**48. Capital Commitments**

Capital Commitments	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

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

**51. Currency**

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

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**8. 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)
1.	Inaccuracies in Financial Statements	A complete amended financial statement was presented to the auditor general for review	Resolved	
2.	Inaccurate Opening Amounts	Reference was done to the Audited financial years 2021/ 2022 and 2022/2023 and opening/closing amounts had no audit query raised over the same.	Resolved	
3.	Variance Between the financial statements and notes to the financial statements	Corrections were done as per the figures supported by payments vouchers the figure also captured under the note's sections.	Resolved	
4.	Unsupported Revenue from Non exchange Transaction	The medical Superintendent engaged the department of health requesting for a schedule to support the expenditure.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5.	Rendering of Services- Medical Services Income.	Corrections on the income generated for the year were done on an accrual basis of accounting that states that revenue is recognized when earned	Resolved	
6.	Unsupported Receivables from exchange Transactions	Follow up has been done up and till they handed over to SHA.	Not resolved	30 <sup>th</sup> June 2026
7.	Incomplete Plant, Property and Equipment Balances	The medical superintendent communicated with the department of health requesting for a valuer of assets to allow proper valuation and tagging for a complete update of the asset register and monitoring	Not resolved	30 <sup>th</sup> June 2026
8.	Unsupported Trade and other Payables	Corrections were done and amended financial statement was presented to the auditor general for review	Resolved	
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES</b>				
1.	Deficiencies in Implementation of Universal Health Coverage (UHC)	The hospital management has been working with the department of health to allow the proper establishment of the hospital to become a Bonafide level IV facility as is required.	Not resolved	30 <sup>th</sup> June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Casual Wages	There was no double payment to casual staff by the hospital in the said months as evidenced by copies of bank statements for the months mentioned	Resolved	
1.2	Nonpayment of statutory deductions	The medical superintend initiated a follow up and statutory payments were paid.	Resolved	
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>				
1.	Lack of Key Policy Documents	The management of the facility have no legal morality to establish facility-based policies and are guided by policies provided for by the ministry of Health.	Resolved	
2.	Failure to establish Audit Committee	This is a role of the department of health who are supposed to recommend, appoint and gazette members	Not resolved	30th June 2026



.....  
**Rose Koech**  
**Accounting Officer**

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

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

Name of Transferring entity.....

Name of Beneficiary entity.....

**Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June (Current FY)**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

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

Name ..... Sign ..... Date .....

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

Name ..... Sign ..... Date.....

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**Appendix IV: Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Disaster Expenditure Reporting Template**

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