

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**KITENGELA SUB COUNTY LEVEL 4
HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2025**

COUNTY GOVERNMENT OF KAJIADO

	PAPERS LAID
DATE	02/12/2025
TABLED BY	S.M.L
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14 NOV 2025
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Revised 30th June 2025



KITENGELA SUB COUNTY Level 4 HOSPITAL (County Government of Kajiado)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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



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Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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1. Acronyms & Glossary of Terms

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.
KOICA	Korean International Cooperation Agency
SHA	Social Health Authority
FIF	Facilities Improvement Financing
KEMSA	Kenya Medical Supplies Authority

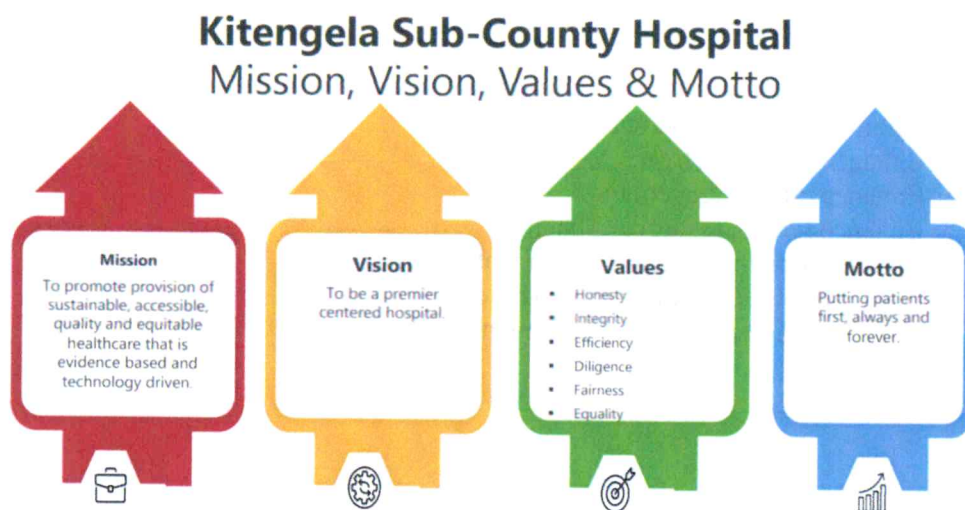
2. Key Entity Information and Management

(a) Background information

Kitengela Sub County Hospital is a level 4 Government owned health facility located in Kitengela Town within Kajiado East Sub County, Kajiado County. It operates under Kajiado County department of Health.

The hospital was started in 1996 with only one department over the years it has grown to 16 departments, 4 major wards and capacity of 120 beds in 2025.

It serves as the main public health facility in Kajiado East and the neighbouring counties of Machakos and Nairobi. The hospital was upgraded from a health centre to a level 4 hospital in 2017. It has in and outpatient department operating 24 hours. They are specialised and general medical staffs offering services in various departments.



(b) Principal Activities

Patient Care: Delivering high-quality medical services, including emergency care, surgeries, routine treatments, and specialized care tailored to individual patient needs.

Diagnosis and Treatment: Offering diagnostic services to identify medical conditions and implementing appropriate treatment plans.

Education and Training: Educating patients about their health and treatments, as well as training healthcare professionals to ensure ongoing improvement in medical practices.

Community Health: Promoting public health through preventative measures, health education, and community outreach and in reach programs.

Emergency Response: Providing emergency services for acute and life-threatening conditions.

MISSION

To promote provision Sustainable, accessible, quality & equitable health care

VISION

To be a premier centered Hospital.

VALUES

Honesty, Integrity, *Efficiency, Diligence, Fairness, Equality*

MOTTO

Putting patients first, always & forever

Core Objectives

- (i) Optimize patient experience
- (ii) Enhance service delivery
- (iii) Enhance clinical governance
- (iv) Enhance human resource capacity
- (v) Improve Infrastructure and equipment
 - (vi) Improve resource mobilization
 - (vii) Improve financial performance

(c) Key Management

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

County department of health

The overall in charge of the hospital and all its functions.

It is responsible for the direct management, staffing, financing, and regulation of hospitals and health services within the county. It ensures that policies are implemented, resources are efficiently used, and hospitals deliver quality healthcare to the population.

Board of Management

- Approve the annual budget of the Hospital.
- Monitor the Hospital performance and ensure sustainability.
- Enhance the corporate image of the Hospital.
- Ensure availability of adequate resources for the achievement of the Hospital objectives.
- Ensure effective communication with stakeholders.
- Protect the assets of the hospital.

Accounting Officer/ Medical Superintendent

Takes overall responsibility in the day-to-day running of the hospital on behalf of the Board of Management by;

- Providing visionary and transformational leadership
- Overseeing the implementation of the Boards resolutions
- Prudent management of resources
- Formulating long term strategies and business plans
- Monitoring and evaluating performance
- Ensuring effective communication within the Hospital

Hospital Management Team

- Support to Board of Management for effective oversight
- Evaluate the hospital long term healthcare service effectiveness
- Review and recommend appropriate actions for strategic operational plans and policies
- Review performance improvement activities and patient's safety efforts
- Identify, evaluate and implement the scope of services, practice and governance of the hospital
- Prudent management of resources

d) Fiduciary Management

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

No.	Name
1.	Dr. Veronica Abuto
2.	Mr. Samperu Melompoki
3.	Judy kumpash
4.	Michael Moona
5.	Everlyne Senetoi

e) Fiduciary Oversight Arrangements

Hospitals have a fiduciary duty to their patients, employees, stakeholders, and the wider community.

Fiduciary oversight ensures that hospital resources are used responsibly, ethically, and in alignment With the institution’s mission of delivering safe, quality, and affordable healthcare. fiduciary oversight in a hospital setting balances **financial stewardship, clinical quality, ethical responsibility, and community accountability**, ensuring that both resources and patient care are safeguarded.

Quality Improvement Team

QI teams are typically composed of diverse professionals from different departments to ensure a comprehensive understanding of the process being improved.

The primary goal of a QI team is to analyze and refine existing processes, aiming to reduce inconsistencies and improve reliability. In the year under review the team focused on patient safety and quality of care. To achieve this suggestion boxes were put in place for client’s feedback which were reviewed monthly and report implemented. Under this the hospital also put in place grievance redress mechanism lead by the social work department.

- Oversight through **Medical Advisory Committees** that review clinical standards, patient safety, and ethical practices.
- Monitoring adherence to accreditation standards and regulatory requirements (e.g., Ministry of Health, professional councils e.g KMPDC, KNC, COC).
- The hospital has put in place committees like MPDSR, QIT to monitor quality in service delivery.

Audit committee

- Oversight of financial management systems to prevent misuse of funds.
- Regular review of audited financial statements.
- Monitoring billing, procurement, and supply chain systems for transparency.

Key Entity Information and Management

(f) Entity Headquarters

Kitengela Sub County Hospital
P.O. Box 537 – 00242 Kitengela
Miriams Road
Kajiado County, KENYA

(g) Entity Contacts

Telephone: (+254) 711 441 409
E-mail: kitengelasch@gmail.com

(h) Entity Bankers

Kenya Commercial Bank

(i) Independent Auditors

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




(j) Principal Legal Adviser

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




(k) County Attorney

P.O. Box. 11
Kajiado County, Kenya





3. The Board of Management

Ref	Directors	Details
1.	<p>Dr. Oidamae Tobiko –</p> 	<p>Dr. Oidamae Tobiko serves as the Chairman of the Board. He is a highly respected Consultant General and Laparoscopic Surgeon with extensive experience in clinical practice, strategic leadership, and institutional governance. His medical expertise and visionary leadership guide the board in making informed decisions that align with the hospital’s mission and long-term development goals.</p>
2.	<p>Madam Melba Walla</p> 	<p>Madam Melba Walla is a professional Business Administrator, Interior Design and an Architecture with a keen eye for project planning, execution, and oversight. Her technical expertise and practical knowledge make her a valuable asset to the board, particularly in infrastructure development, procurement monitoring, and ensuring quality project implementation. She chairs infrastructure and development committee</p>
3.	<p>Madam Irene Koki</p> 	<p>Madam Irene Koki has a strong foundation in finance and administration, she brings valuable expertise in budgeting, resource allocation, and internal controls. Her dual background enhances the board’s oversight in financial governance and strategic planning as well as board governance capabilities. She chairs the Finance and audit committee</p>





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4.	 MERCY SISION	<p>Madam Mercy Sision is an expert in community development and stakeholder engagement. Her participation strengthens the board's focus on inclusive growth, regulatory compliance, and sustainability.</p>
5.	 DR. VERONICA ABUTO	<p>Dr. Veronica Abuto brings a wealth of knowledge in healthcare management and organizational development. Her academic and professional background strengthens the board's ability to uphold compliance, accountability, and effective service delivery.</p>
6.	 Joyce Korir	<p>Joyce Korir is a seasoned lecturer, human resources and administrative professional with extensive experience in corporate, public, private, and academic institutional management. She holds a Master's Degree in Strategic Management and a Bachelor's Degree in Business Administration, complemented by professional training in Leadership, Governance, and Public Administration</p>




4. Key Management Team

Ref	Management	Details
1.	<p>Dr. Veronica Abuto</p> 	<p>Medical Superintendent. Has degree in dental surgery, professional certificate in senior management course,</p>
2.	 <p>MR. MICHAEL MOONA</p>	<p>Has a work experience of 16 years in administrative position. Bachelor of Art, (Education). Higher diploma in Business Management and Administration.</p>
3.	 <p>BRIAN MELI</p>	<p>Head of laboratory services and member of quality improvement team. Has degree in medical laboratory.</p>
4.	 <p>SIMON MUTUGI</p>	<p>Head of Rehabilitative services, holds diploma in clinical medicine and higher diploma in occupation therapy</p>

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5.	 <p>EVELYNE SENETOI</p>	<p>Head of nursing Services. Has bachelors of science in nursing, professional certificate in senior management</p>
6.	 <p>SUSAN GITHINJI</p>	<p>Head of Nutrition department. Has degree in Nutrition and dietetics.</p>
7.	 <p>LYDIA GICHOBI</p>	<p>Degree in Health Information System. Has been in health records department for 8 years.</p>
8.	 <p>LEMUTA SANDRIA SAILA</p>	<p>Has diploma in Clinical Medicine and Higher diploma in Reproductive Health. He is in charge of clinical services especially outpatient wing.</p>

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9.	 JANETH NYABOKE	<p>She has bachelor of science nursing(midwifery) from Aghakan University.She is currently incharge of maternity department</p>
10.	 JUDY KUMPASH	<p>Has been working has a procurement officer for 4 years under county government, She was recently posted to our facility. Undergraduate degree Bachelor of Commerce procurement option.</p>
11.	 DR. JOSEPHINE BOSIRE	<p>She is a deputy chief pharmacist with 16 years of work experience. Has bachelor in pharmacy. Professional certificate in Senior Management Course.</p>

5. Chairman's Statement

Kitengela subcounty Hospital is located in Kajiado and from its nick name "bedroom of Nairobi", the facility has to be well equipped to cater for the huge growth that is experienced lately. It is strategically located 30 kilometres from Nairobi and 40 kilometres from Kajiado town creating a huge gap for the population within the kilometre's radius in terms of access to quality health care. The catchment population is 66 000 inhabitants and we are glad to report that we are working with various stake holders to up ensure we have not just a population but a healthy population. With this our economy is well catered for.

On behalf of the Hospital Board, I am pleased to present a statement on the year ended. The period under review was marked by remarkable progress and resilience, underscoring our commitment to providing quality healthcare to our community.

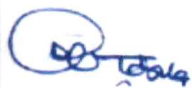
One of the most notable achievements was the near-completion of our theatre, which now stands at 95% readiness. This facility will soon transform our surgical capacity and strengthen service delivery. Additionally, through strategic lobbying and partnership engagement, we successfully secured KOICA's support for a major maternity project. We are proud to note that ground-breaking for this much-needed facility will take place this year, setting the stage for enhanced maternal and child healthcare.

The Board also exercised its oversight role diligently, ensuring that governance structures were upheld, resources were managed prudently, and service delivery standards were maintained. This oversight was especially critical during the nurses' strike, where, together with management, we were able to contain the situation and safeguard continuity of care.

As a going concern, the hospital remains financially and operationally stable. We continue to build trust with our partners, staff, and community through accountability, transparency, and sound stewardship.

In line with the national health reforms and the rollout of the Social Health Authority (SHA) framework, the Board has remained proactive in aligning our hospital to the new healthcare financing landscape. This includes strengthening compliance, improving patient registration processes, and enhancing efficiency in service delivery to maximize the benefits of SHA for our clients.

We enter the coming year with renewed confidence, guided by the firm foundations we have laid and our unwavering mission to expand access to affordable, quality healthcare.



Name: Dr. Oidamae Tobiko

Chairman to the Board

6. Report of The Medical Superintendent

It takes a great team with dedication and focus to build a great organization. I salute the entire team for the great work towards improving the quality of service in the entire facility.

This has been done time and again within the realm of integrity, collaboration with members of staff and stake holders with a lot of professionalism. I take this humble opportunity to thank all the persons and stake holders who have in one way or another been part of this process. In this regard it is worth mentioning our clients, the government both at national and county level, insurance company that we partner with (SHA), medical boards, our suppliers, bankers, the various consultants, our professional staff and health care professionals not forgetting the support staff and casual staff. We could not be any better without them. Because of them, today we are one step further to the realisation of our dream, our visions and missions.

With the setup of Kitengela Sub County Hospital we seek to add value to our clients by increasing the service offering.

The key achievements are:

The incorporation of paperless system in the facility which has greatly reduced the risk of losing medical data records and data. Going cashless has also made it possible for the facility to enhance efficiency in service delivery.

Laboratory department is now enhanced to offer more tests and our pharmacy more quality drugs. Quality health care is of utmost importance as it ensures that we have a healthy population that can positively contribute to the growth of our economy.

The completion of theatre expansion which was proposed in the last financial year.

The main challenges facing the hospital includes;

Inadequate sewerage system due to overgrowing population

Lack of an incinerator

Congestion due to inadequate space and increased workload in both out and in patient

Frequent health workers strike during the financial year affected service delivery and financial strain on the hospital.

We also had positive private partner collaboration; KOICA is planning to put up a complex maternity unit with 150 bed capacity in the next financial year

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Improved capitation and reimbursement from SHA especially in the third quarter has help the hospital meet its financial obligations in provision of services. It has also reduced the burden of waiver as compared to last financial year. The management employed more staffs to enhance SHA registration, sensitisation and capitation. They also carry out daily health education on the same.

The management, through social workers and nursing in charge implemented monthly customer exit survey interview reviews. The feedback has help to improve service delivery and foster stake holder engagement and participation. The feedback is placed at designated suggestion boxes within the facility.



Name: Dr. Veronica Abuto
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Kitengela subcounty Hospital has 6 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023/2024, FY 2024/2025. These strategic pillars/ themes/ issues are as follows:

- Service Delivery
- Health workforce
- Health Information Systems
- Access to Essential Medicines, Vaccines & Technologies
- Health Financing
- Leadership and governance

Kitengela Subcounty Hospital develops its annual work plans based on the above 6 Themes. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Facility achieved its performance targets set for the FY 2024/2025 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Responsible person	Timeline	Achievements
Service Delivery	Improve access and quality of essential health services including maternal, child health, NCD clinics,	Expand and optimize patient flow. Establish primary care linkages to reduce OPD and A/E visits. Strengthen surgical theatre utilization with improved scheduling and post-op care. Quality improvement	Scale up specialized clinics; strengthen referral systems; community outreaches.	Medical Superintendent & Heads of Departments	Q1 - Q4	Renovation and relocation of dermatology clinic. More specialised clinic on board e.g Reproductive health Clinic.

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	and emergency care.	initiatives (mortality audits, infection prevention).				
Health Workforce	Enhance capacity, availability, and motivation of healthcare workers.	Staff-to-patient ratio. % staff trained in CPD. Staff retention rate.	Recruit additional staffs, continuous professional training, mentorship programs, and retention incentives.	HR Department, County MoH	Q1 - Q4	Additional staffs recruited on locum basis by the hospital board. The county deployed more staffs across the cadres
Health Information Systems	Strengthen data collection, analysis, and use for decision-making.	Data completeness & timeliness. Use of dashboards in management meetings.	Conduct monthly data review meetings.	Health Records & ICT Unit \$ HMT	Q1 - Q4	Monthly data reviews conducted per departments. On job training leading to improved documentation
Access to Essential Medicines, Vaccines & Technologies	Ensure reliable and timely availability of essential medicines, vaccines, and supplies.	% availability of tracer medicines. Stock-out rates. Functionality of essential equipment.	Strengthen procurement planning, streamline KEMSA supply chain, quarterly	Pharmacy & Procurement Unit	Q1 - Q4	Reduction of stock outs. Deployment of procurement officer. Quarterly stock audits

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		Stock-out frequency.	stock audits, and introduce e-logistics tracking.			done and documented
Health Financing	Enhance financial sustainability and accountability.	Budget allocation vs. Utilization. PPP agreements signed. SHA claim success rate. Cost savings realized.	Expand SHA enrolment, strengthen billing and revenue collection, improve financial reporting, pursue PPPs.	Finance & Administration	Q1 - Q4	Reduction of pending bills as at the end of financial period.
Leadership & Governance	Provide effective stewardship, accountability, and stakeholder engagement.	Board functionality. Existence of strategic plan. Quarterly performance reviews. Audit reports, patient satisfaction scores.	Board strategic meetings, strengthen hospital committees, quarterly stakeholder forums, enforce governance policies.	Board of Management & Hospital Administration	Q1 - Q4	HMT and Board meetings conducted

8. Corporate Governance Statement

- The hospital is committed to upholding the highest standards of corporate governance, ensuring accountability, transparency, and integrity in all its operations. The governance framework is guided by applicable laws, regulations, and codes of best practice.

i. Appointment of Board Members

- **Process of Appointment and Removal:** Board members are appointed through a transparent and merit-based process led by the County Executive Committee and approved by County Assembly. Removal of directors follows due process as provided in the Articles of Association and governing statutes.
- **Board Size, Diversity, and Demographics:** The Board comprises an optimal number of directors to provide effective oversight and decision-making. Diversity in gender, age, professional expertise, and cultural background is prioritized to ensure inclusivity and broaden perspectives.
- **Board Charter:** The Board operates under a formal charter that outlines its roles, responsibilities, authority, and conduct.

ii. Roles and Functions of the Board

The Board provides strategic direction, ensures effective risk management, protects shareholders' interests, oversees financial performance, and monitors compliance with legal and regulatory frameworks. It delegates day-to-day operations to management but retains ultimate accountability.

iii. Induction, Training, and Development

Newly appointed directors undergo a structured induction program covering governance, operations, policies, and industry dynamics. Continuous training and development sessions are provided to enhance directors' effectiveness and keep them updated on emerging trends.

iv. Board and Members' Performance

The performance of the Board, its committees, and individual directors is evaluated annually. The evaluation covers effectiveness, contribution, independence, and compliance with governance standards. Outcomes guide improvement and capacity-building initiatives.

v. Board Meetings and Attendance

The Board meets at least quarterly, with additional meetings convened as necessary. Attendance is recorded and disclosed annually, reflecting directors' commitment to their fiduciary duties.

. Succession Plan

The County maintains a robust succession-planning framework for both Board and senior management positions to ensure continuity, leadership stability, and sustained organizational performance.

vii. Conflict of Interest Policy

The Board has adopted a Conflict-of-Interest Policy requiring directors and officers to disclose any personal or professional interests that may conflict with company business. Conflicted members abstain from related decision-making.

viii. Board Remuneration

Remuneration of directors is structured to attract and retain competent leaders while upholding fairness and transparency. Non-executive directors receive fees and allowances approved by SRC while executive directors are compensated based on performance and market benchmarks also guided by SRC and Mwongozo

ix. Ethics and Conduct

The Board upholds a Code of Ethics and Conduct to guide directors, management, and employees in demonstrating integrity, accountability, and professionalism. Zero tolerance is maintained for fraud, corruption, and unethical behavior.

x. Governance Audit

The Hospital subjects itself to periodic independent governance audits in compliance with statutory requirements. Findings and recommendations are acted upon to strengthen governance practices.

xi. Communication Policy

The Board has adopted a Communication and Disclosure Policy that ensures transparent, accurate, and timely information flow to stakeholders, in line with regulatory requirements and best practices.

xii. Terms of Reference of Committees

Board Committees—including Audit & Risk, Nomination & Governance, and Human Resources & Remuneration—operate under clearly defined Terms of Reference. These outline their scope, authority, and accountability to the Board.

xiii. Policy on Related Party Transactions

All related party transactions are subject to full disclosure and prior Board approval. Such transactions are conducted at arm's length to protect shareholder interests and maintain transparency.

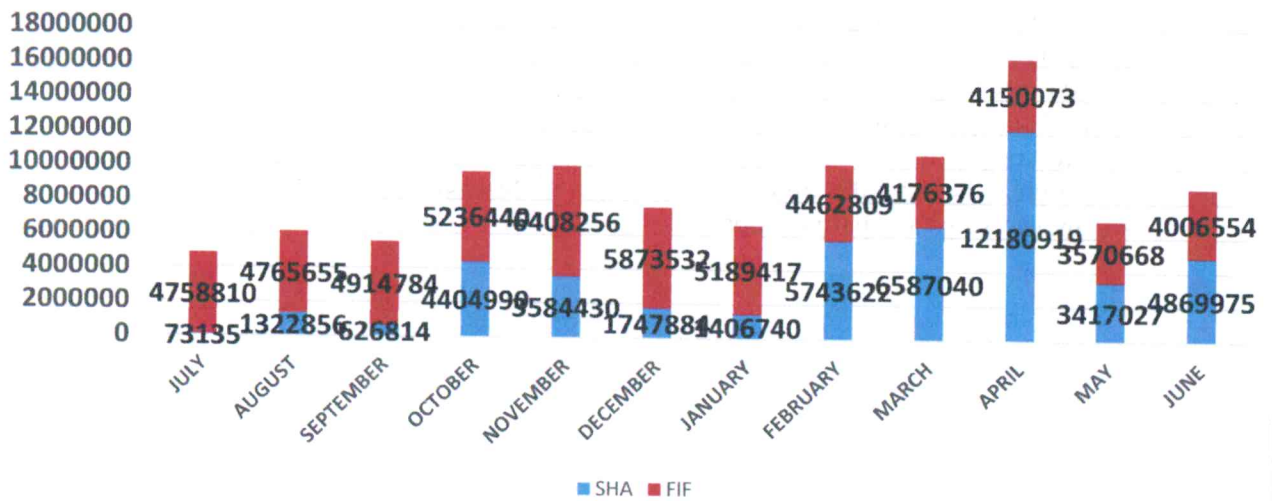


9. Management Discussion and Analysis

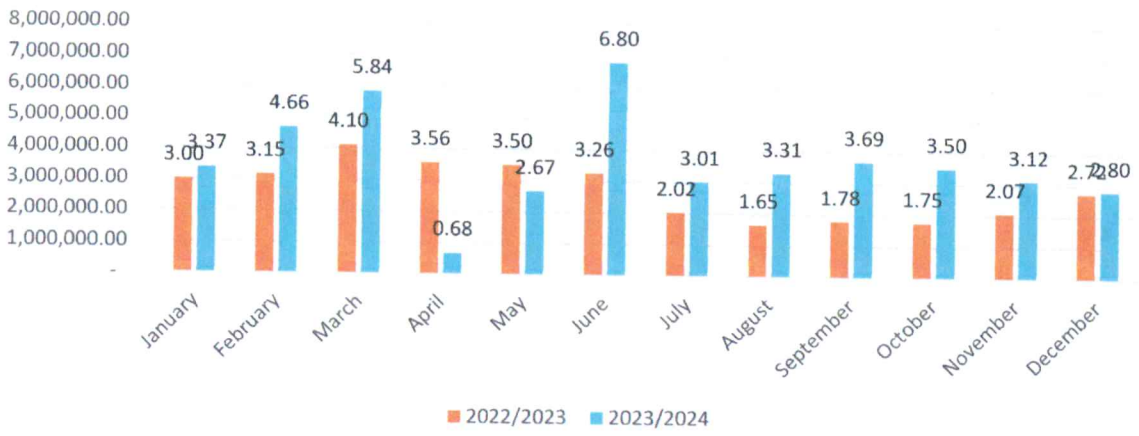
Financial performance

The main source of revenue for the period under review were FIF and SHA.

REVENUE SOURCE FOR FY 2024/2025



Financial Performance:
 FIF Revenue 2022/2023, 2023/2024



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As per the above data there is improved revenue collection in the FY2024/2025. This is attributed by increased workload, use of cashless payment option reduced corruption and increased efficiency.

Clinical/operational performance

- Bed capacity of the hospital.
- Overall patient attendance during the year for both inpatient and outpatient.
- Accident and Emergency attendance
- Specialised clinic attendance
- Average length of stay for in patient
- Bed occupancy rate
- Mortality rate
- Surgical theatre utilisation (number of operations over a period of time)
- Sponsorships and partnerships

BED CAPACITY

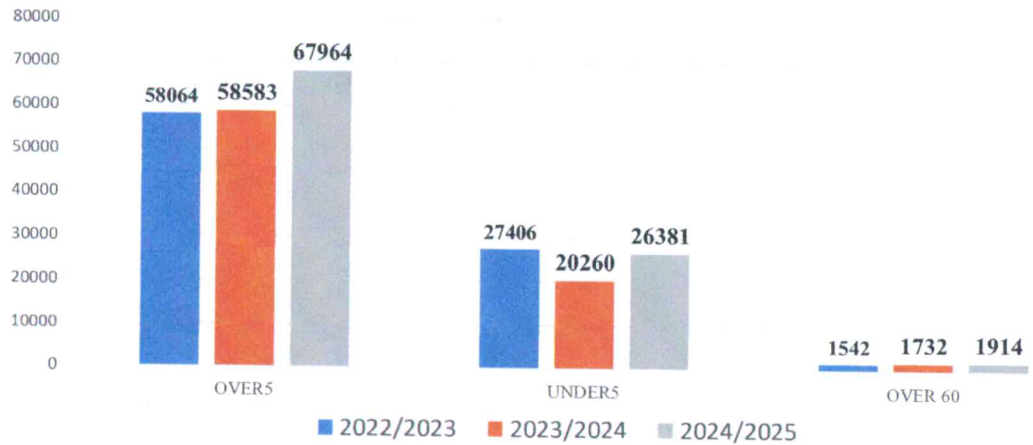
2022-73

2023-81

2024-88

2025-120

OPD ATTENDANCE



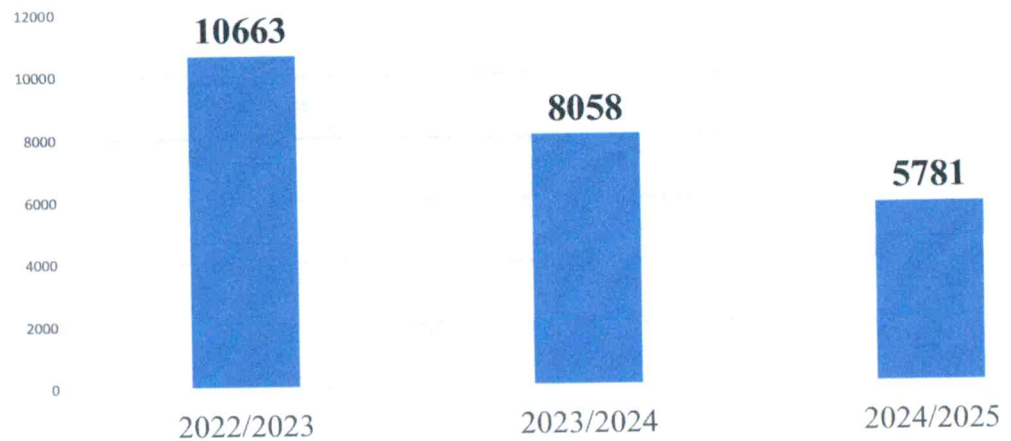
MORTALITY RATE

	TOTAL DEATHS	MORTALITY RATE
2022/2023	97	15 PER 1000
2023/2024	85	18 PER 1000
2024/2025	103	16 PER 1000

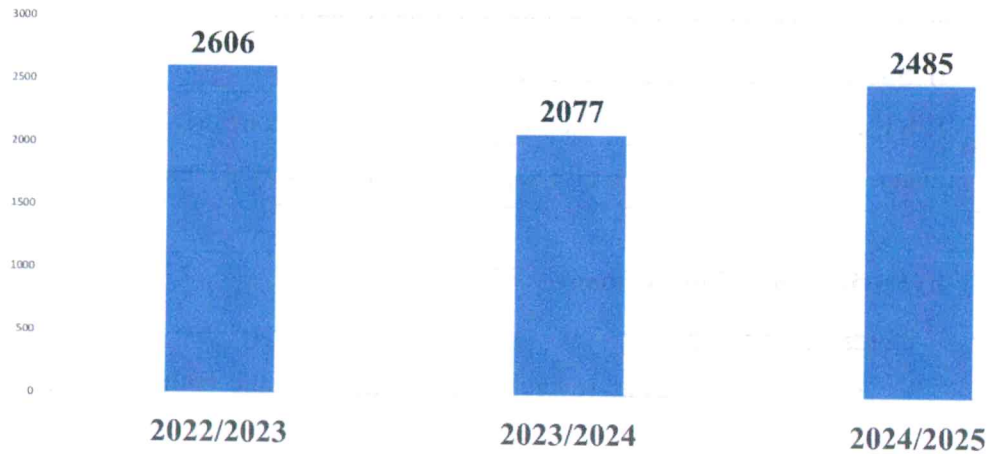
AVERAGE LENGTH OF STAY

MATERNITY	2 DAYS
NBU	6 DAYS
FEMALE	3 DAYS
MALE	4 DAYS
PAEDIATRIC	3 DAYS

A/E ATTENDANCE



SURGICAL THEATRE



BED OCCUPANCY

	OCCUPANCY BED
FEMALE	77%
MALE	58%
PAEDIATRIC	89%
NBU	149%
MATERNITY	209%

10. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

K.S.C.H is a government facility funded by the collections from its patients (FIF), linda mama/NHIF capitation. It is also supported by the county government and donors.

ii) Environmental performance

Sanitary facilities

- The hospital has several sanitary facilities and bathrooms enough for both staff and patients
- The sanitary facilities are water based and are in good condition.

Liquid waste management

- Provision of a standard septic tank to receive hospital effluent, exhaustion done when filled up.
- A standard placenta pit in place to receive waste from the maternity.

Solid waste management.

- Bin liners are placed strategically to every department.
- Waste is segregated and transported to holding area.
- General waste is burn in the compost pit.
- Incineration of sharps and other highly infectious waste is done within the hospital.
- Sanitary bins are collected at vital points at the facility.
- Placentas are safely placed in a placenta pit within the hospital

Environmental aesthetics

- The hospital is surrounded by trees which aid in fresh air circulation
- The hospital has gone digital which in turn has made the facility an eco-friendly zone by limiting paperwork.

Key Management Team regard to protecting the environment, the facility ensures that there is provision of adequate facilities required for management of both liquid and solid waste.

Solid waste is segregated at point of generation by use of colour coded bins and bin liners. The waste is then moved to the incinerator where it is safely burnt.

Liquid waste generated in the facility is directed to a septic tank which acts as a reservoir till exhaustion time.

iii) Employee welfare

About 90% of the employees are deployed from the county government who also manage their welfare as per the County Human Resource Manual guideline. The facility also has casual employees engaged to bridge the gap of staff shortage.

Through advertisement, the shortlisted candidates are subjected to interviews and the most qualified is selected for the position in accordance with the hiring procedures and labour laws and practices. This is done on need basis.

There is an appraisal and a reward system in the facility these include certificate of service appreciation, trophies for department and staff end year party among others. To improve skills, the county government in collaboration with various partners conducts short training seminars.

The facility also conducts Frequent Continuous Medical Education.

iv) Market place practices

We are focused on ensuring fair, transparent, and efficient purchasing processes, to enable acquisition of goods and services from a variety of suppliers while maintaining competitive pricing and compliance with applicable laws. Below are some key marketplace practices:

a) Responsible competition practice.

We strive to achieve this through;

- Open and Competitive Bidding: This ensures that all interested suppliers have an equal opportunity to participate and that the best value is obtained. We invite bids or proposals from suppliers
- Clear and Comprehensive Specifications: All requirements are clearly defined and made available to all potential suppliers. This reduces the risk of misunderstandings and ensures all suppliers are bidding on the same scope of work.
- Evaluation Criteria: Decisions are made on objective grounds and not influenced by favoritism or bias.

Responsible Supply chain and supplier relations

The Organizations strives to include suppliers from diverse backgrounds, including small and medium-sized enterprises (SMEs), minority-owned businesses, and local suppliers, wherever possible. This promotes fairness and may lead to competitive pricing and innovation.

Strong supplier relationships foster better performance and innovation. we focus on collaboration with suppliers to identify mutually beneficial solutions, ensuring that conflicts are addressed in a fair and timely manner.

b) Responsible marketing and advertisement

To maintain transparency, honesty, and fairness while ensuring that all marketing materials are compliant with laws and ethical standards. The suppliers must be transparent about the final cost stating clearly any discount or promotions.

Advertisement of procurement opportunities is done in a way that encourages diverse suppliers to participate, including small, minority-owned, and women-owned businesses. Guidelines on issues like claims regarding product safety, pricing, and usage should be clearly defined.

c) Product stewardship

The organisation ensures that all parties involved in the utilisation of goods and services are engaged in the procurement process. This starts from requisition of the intended product from the user department to delivery where relevant committee for inspection are involved. This ensures there is value for money for all the goods and services. Waste disposal guidelines are in place to ensure proper environmental hygiene are observed.

d) Corporate Social Responsibility / Community Engagements

We usually have outreaches where we offer services for free and offer waivers for the less privileged. Under 5 years old are also treated without being charged.

11. Report of The Board of Management

The Hospital Board of Management plays a crucial role in overseeing the governance, strategic direction, and operational performance of a hospital. It ensures that the hospital operates effectively, ethically, and in compliance with legal, financial, and regulatory standards. Its activities are focused on providing leadership and ensuring the hospital meets its goals in delivering quality healthcare.

The current board was appointed on 15th November 2023.

Principal activities

Advocacy and Public Relations

- **Advocating for Healthcare Policy:** The board is often involved in advocating for policies that benefit the hospital, the healthcare system, and the community. The activities done within the period were strategies on how to; lobby for funding, support healthcare reforms, and address systemic issues in healthcare delivery.
- **Promoting the Hospital's Reputation:** The board took steps to enhance the hospital's reputation through effective public relations, ensuring the hospital's positive image and promoting its achievements in quality care, innovation, and community service. and ensuring the hospital has adequate resources for ongoing operations.
- **Ensuring Compliance with Financial Regulations:** The board ensures that the hospital complies with healthcare finance laws and regulations and manages financial risks.

Board of Management

The members of the Board who served during the year are shown on page vi. During the year 2023/2024 the directors had just been appointed and were in the office for about six months, no one retired or resigned from duty.

Auditors

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

By Order of the Board



Name: Dr. Veronica Abuto

Secretary to the Board

12. Statement of Board of Management's Responsibilities

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

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

The Board of Management accepts responsibility for the Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the Hospital's financial statements give a true and fair view of the state of Hospital's transactions during the financial year ended June 30, 2024, and of the Hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital's financial statements as well as the adequacy of the systems of internal financial control.

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on October 15th, 2025, and signed on its behalf by:



Name: Dr. Oidamae Tobiko
Chairperson
Board of Management



Name: Dr. Veronica Abuto
Accounting Officer

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kitengela Sub County level 4 Hospital – County Government of Kajiado set out on pages 1 to 57, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

Report of the Auditor-General on Kitengela Sub County Level 4 Hospital for the year ended 30 June 2025 - County Government of Kajiado

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

In my opinion, except for the 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 Kitengela Sub County Level 4 Hospital – County Government of Kajiado as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012,

Basis for Qualified Opinion

1. Unconfirmed Rendering of Services - Medical Service Income

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect rendering of services - medical service income of Kshs.103,478,807 which relates to services rendered to patients including Social Health Authority. However, supporting documents which include revenue billing reports indicating the revenue generated from each patient were not provided for audit review.

In the circumstances, the accuracy and completeness of rendering of services - medical service income of Kshs.103,478,807 could not be confirmed.

2. Unconfirmed Inventories Balance

The statement of financial position reflects inventories balance of Kshs.27,966,907 as disclosed in Note 31 to the financial statements. However, there was no evidence of annual stock-take having been conducted to confirm the quantities, value and status of the closing inventories balance as at 30 June, 2025.

In the circumstances, the accuracy and valuation of the inventories balance of Kshs.27,966,907 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 29 to the financial statements reflect receivables from exchange transactions balance of Kshs.36,856,649. Although Management explained that the amount relates to medical service receivables from Social Health Authority, the supporting schedules, aging analysis, invoices raised, confirmation from Social Health Authority, reconciliations or correspondence on outstanding claims were not provided for audit review.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.36,856,649 could not be confirmed.

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

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxii 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 Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Quarterly Revenue Reports

The statement of financial performance reflects rendering of services - medical service income of Kshs.103,478,807 as disclosed in Note 11 to the financial statements. However, the Hospital did not provide evidence to show that quarterly revenue reports were prepared and submitted to the County Treasury with a copy to the Auditor-General. This is contrary to Regulations 64(1) of the Public Finance Management (County Governments) Regulations, 2015 which require the Accounting Officer or Receiver of Revenue or Collector of Revenue to prepare quarterly revenue reports not later than the 15th day after the end of the quarter and submit them to the County Treasury, with a copy to the Auditor-General and to the County Assembly.

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

2. Lack of an Approved Annual Budget

Management did not prepare a budget for the financial year 2024/2025. This is contrary to Section 149(2)(h) of the Public Finance Management Act, 2012 which stipulates that an Accounting Officer shall, in respect of the entity concerned prepare estimates of expenditure of the entity in conformity with the Strategic Plan. Although Management explained that the budgetary requirements of the Hospital were incorporated in the County Government's budget and therefore the Hospital operated on monthly Authority to Incur Expenditures (AIEs) that were issued by the Health Department of the County, no reason was provided for failure to prepare the budget.

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

3. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of the Hospital's records and interviews carried out with the Hospital's Management on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit in September, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guideline due to staff deficits by thirty-five (35) or approximately 35% of the authorized establishment.

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Medical Officers	16	8	8	50
Anesthesiologists	2	0	2	100
General Surgeons	2	1	1	50
Pediatricians	2	1	1	50
Radiologists	2	0	2	100
Registered Community Health Nurses	75	54	21	28
Total	99	64	35	35

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

Equipment and Machines	Level 4 Hospital Standard	Actuals in Hospital	Variance	Percentage %
Bed Capacity	150	120	30	20
COTS	5	4	1	20
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with Dialysis Machines	5	0	5	100

The deficiencies contravene the First Schedule of the 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.

4. Irregular Engagement of Casual Workers

The statement of financial performance and as disclosed in Note 16 to the financial statements reflect employee costs totaling Kshs.198,827,022. Included in the amount is Kshs.15,514,022 in respect to casuals and contractual workers. Review of records revealed that Management engaged casual workers for more than three months. This is contrary to Section B.16(1) of the County Public Service Human Resource Manual of May, 2013 which states that (1) Casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act, 2007.

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

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

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

Basis for Conclusion

1. Lack of an Approved Annual Board Work Plan and a Board Charter

During the year under review, the Hospital did not prepare an annual Board Work Plan for review of Management's implementation of strategies, policies and plans and a Board Charter to define the roles, responsibilities and functions of the Board in the governance of the organization.

In the circumstances, existence of effective governance measures could not be confirmed.

2. Non-Functional Internal Audit and an Audit Committee of the Board

Review of records revealed that the Hospital established an internal audit function and an Audit Committee of the Board. However, the Audit Committee did not hold any meeting during the year under review contrary to Regulation 172(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that "the Audit Committee shall meet at least once in every three months". In addition, the internal audit function was ineffective as no internal audit report was provided for audit review. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board. As such the Hospital did not benefit from the Assurance and Advisory Services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, existence of an effective oversight mechanism to ensure efficient systems of internal controls could not be confirmed.

3. Lack of Approved Information Communication Technology (ICT) Security Policy and a Disaster Recovery Plan

Review of the Hospital's Information Technology systems revealed that the Hospital did not have an approved ICT Policy for governance and management of its ICT resources. In addition, there is no ICT Steering Committee in place to assist in the development of ICT Policy Framework to enable the Hospital realize long-term ICT strategic goals. Lack of an approved ICT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the Hospital's ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risks of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, effectiveness of the measures put in place to prevent errors, fraud, loss of data confidentiality, integrity and availability could not be confirmed.

4. Failure to Back-Up Financial Data and Maintain Audit Trail

Review of the Hospital's financial records revealed that the Hospital's records are maintained in Microsoft excel which lacks an audit trail with no backup system. Further,

the use of excel is manipulatable, and exposes the Hospital's financial information to risks of inaccuracies, inefficiencies and loss of data.

In the circumstances, data integrity and reliability of the accounting records in the manual system could not be confirmed.

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

Responsibilities of the Management and Those Charged with Governance

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

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

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

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

Those Charged with Governance are responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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

21 November, 2025

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In- kind contributions from the County Government	7	184,958,800	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		-	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	103,478,807	27,808,358
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	20,650,085
Revenue from exchange transactions		-	-
Total revenue		288,437,607	48,458,443
Expenses			
Medical/Clinical costs	15	59,525,798	22,034,664
Employee costs	16	198,827,022	5,647,684
Board of Management Expenses	17	36,500	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	16,529,431	8,195,015
Grants and subsidies	20	-	-
General expenses	21	16,446,986	7,814,592
Finance costs	22	-	-
Total expenses		291,365,737	43,691,955
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	3,271,453
Impairment loss	26	(-)	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net (Deficit) for the year		(2,928,130)	4,766,488

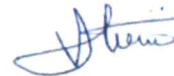
The Hospital's financial statements were approved by the Board on October, 15th, 2025 and signed on its behalf by:



Dr. Oidamae Tobiko
Board of Management



Samperu Melompuki
ICPAK No:20473



Dr. Veronica Abuto

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024/2025	FY 2023/24
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	2,127,411	930,634
Prepayments	28		
Receivables from exchange transactions	29	36,856,649	21,234,400
Receivables from non-exchange transactions	30	-	-
Inventories	31	27,966,907	15,271,000
Total Current Assets		66,950,967	37,436,034
Non-current assets			
Property, plant, and equipment	32	372,112,345	183,008,488
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35		
Total Non-current Assets		372,112,345	183,008,488
Total assets (A)		439,063,312	220,444,522
Liabilities			
Current liabilities			
Trade and other payables	36	14,559,345	6,059,050
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		14,559,345	6,959,050
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/24
		Kshs	Kshs
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		14,559,345	6,959,050
Net assets (A-B)		424,503,967	213,485,472
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		1,838,358	4,766,488
Capital Fund		422,665,609	208,718,984
Net Assets		424,503,967	213,485,472

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



Dr. Oidamae Tobiko
Board of Management



Samperu Melompuki
ICPAK No:20473



Dr. Veronica Abuto

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	448,446	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	4,766,488	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	4,766,488	-	208,718,984
At July 1, 2024 (current year)	-	4,766,488	-	208,718,984
Revaluation gain	-	-	-	-
(deficit) for the year	-	(2,928,130)	-	-
Capital/Development grants	-	-	213,946,625	422,665,609
At June 30, 2025 (current year)	-	1,838,358	422,665,609	424,503,967

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		103,478,807	48,458,443
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		103,478,807	48,458,443
Payments			
Medical/Clinical costs		49,116,011	22,034,664
Employee costs		13,979,565	5,647,684
Board of Management Expenses		36,500	-
Repairs and maintenance		16,043,963	8,195,015
Grants and subsidies		-	-
General expenses		16,151,646	7,814,592
Finance costs		-	-
Refunds paid out		-	-
Total Payments		95,327,685	43,691,955
Net cash flows from operating activities	43	8,151,122	4,766,488
Cash flows from investing activities			
Purchase of property, plant, equipment		(6,954,345)	(4,104,917)
Purchase of intangible assets		(-)	(-)
Proceeds from the sale of PPE		-	-
Acquisition of investments		(-)	(-)
Net cash flows used in investing activities		(6,954,345)	(4,104,917)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Capital grants received		-	-

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY	FY
		2024/2025	2023/2024
		Kshs	Kshs
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash and cash equivalents		1,196,777	(-)
Cash and cash equivalents as at 1 July	27	930,634	2,077,736.50
Cash and cash equivalents as at 30 June	27	2,127,411	930,634

Kitengela Sub County Hospital (County Government of Kajiado)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Budget carryovers from the previous year	-	-	-	-	-	%
Receipts						
Transfers from the County Government	-	-	-	-	-	-
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income (FIF)	43,887,504	30,864,448	74,751,952	57,513,374	17,238,578	76.9%
Rendering of services – Medical Services income (SHA)	8,439,781	5,935,384	14,375,165	45,965,433	(31,590,268)	319.8
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	-
Total receipts	52,327,285	36,799,832	89,127,117	103,478,807	(14,351,690)	116.1%
Payments						
Medical/Clinical costs	20,906,157	22,509,683	43,415,840	49,116,011	(5,700,171)	113.13%
Employee costs	13,333,512	-	13,333,512	13,979,565	(646,053)	104.8%
Remuneration of directors	186,000	-	186,000	36,500	149,500	19.6%
Repairs and maintenance	4,916,112	7,144,528	12,060,640	16,043,963	(3,983,323)	133%
Grants and subsidies	-	-	-	-	-	-
General expenses	9,231,352	5,423,696	14,655,048	16,151,646	(1,494,000)	110.21%
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
Total Operational Expenditure paid	48,573,133	35,077,907	83,651,040	95,327,685	(11,674,047)	113.2

Kitengela Sub County Hospital (County Government of Kajiado)
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Capital Expenditure paid	3,994,152	1,481,925	5,476,077	6,954,345	(1,139,268)	127%
Surplus	3,754,152	1,721,925	5,476,077	8,151,122	2,677,643	161%

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	8,793,462
1	The difference between the expected receipts from SHA and the actual was a result of increased registration SHA Patients	17,238,578
2	The difference between projected medical cost and the actual performance was due to increase volume of patients as a result of riots (Kitengela Municipal was epi centre of those riots)	(5,700,171)
3	The performance difference on casual salaries was caused by nurse strike which occurred on February to April 2025. The Facility therefore hired nurses from private facilities for continuation of rendering of services	(646,053)
4	There was some emergency repairs at work	(3,983,323)
5	The increased flow of patients caused a strain on the facility necessitating the extra expenses on general expense.	(1,494,000)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,127,411

19. Notes to the Financial Statements

1. General Information

Kitengela Sub County Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kajiado County Government and is domiciled in Kajiado County in Kenya. The entity's principal activity is Health Services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *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. 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 Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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

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

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b. Budget information

The original budget for FY 2024/2025 was approved by Board on 27th June 2025. 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 *facility* recorded additional appropriations of **Kshs. 36,799,832** on the FY 2024/2025 budget following the Board's approval. The *facility* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

d. Investment property

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

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

e. Property, plant and equipment

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

f. Leases

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

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

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

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

g. Intangible assets

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

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 26*.

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

The entity does not create and maintain reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

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

r. Employee benefits

Retirement benefit plans

The facility does not provide 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.

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 facility, 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 *facility* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 38. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from the County Government

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

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
Kajiado County Government	-	-	-	-	-
Total	-	-	-	-	-

7. In Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Salaries and wages	183,313,000	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	1,645,800	-
Utility bills	-	-
Total grants in kind	184,958,800	-

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 (<i>specify</i>)	-	-
Total grants from development partners	-	-

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	-	-	-	-	-
Total	-	-	-	-	-

9. Transfers From Other Government Entities

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

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	-	-
Total donations and sponsorships	-	-

10 (a) Reconciliations of amortised grants

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

11. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	-	6,952,090
Non-Pharmaceuticals	-	8,342,507
Laboratory	-	3,337,003
Radiology	-	2,780,836
Orthopedic and Trauma Technology	-	1,668,501
Theatre	-	1,112,334
Accident and Emergency Service	-	556,167
Anesthesia Service	-	556,167
Ear Nose and Throat service	-	278,084
Nutrition service	-	278,084
Cancer centre service	-	-
Dental services	-	556,167
Reproductive health	-	556,167
Paediatrics services	-	556,167
Farewell home services	-	-
Ambulance services	-	-
Other medical services income (<i>specify</i>)	-	278,084
FIF Revenue	57,513,374	-
SHA Revenue	45,965,433	-
Total revenue from the rendering of services	103,478,807	27,808,358

12. Revenue From Rent of Facilities

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

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	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Insurance recoveries	-	20,650,085
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>	-	-
Total Miscellaneous income	-	20,650,085

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	5,269,215	2,658,491
Public health activities	-	-
Food and Ration	9,269,110	575,840
Uniform, clothing, and linen	2,097,550	1,615,244
Dressing and non-pharmaceuticals	21,861,062	9,247,694
Pharmaceutical supplies	11,392,576	5,023,480
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	4,535,735	2,228,915
Purchase of Medical gases	-	25,500
X-Ray/Radiology supplies	1,918,500	659,500
Other medical related clinical costs (Total Specialised Materials)	1,537,050	-
In Kind Contributions from KEMSA	1,645,000	-
Total medical/ clinical costs	59,525,798	22,034,664

16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	15,075,238	5,307,194
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	185,385	150,950
Group personal accident insurance and WIBA	-	-
Social contribution	253,399	189,540
Other employee costs (<i>In Kind Contributions</i>)	183,313,000	-
Employee costs	198,827,022	5,647,684

17. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	36,500	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	36,500	-

18. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs And Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	3,758,097	2,449,115
Medical equipment	2,433,901	1,248,426
Office equipment	-	-
Furniture and fittings	511,951	1,645,836
Computers and accessories	1,547,216	91,050
Motor vehicle expenses	816,930	362,760
Maintenance of civil works	7,461,336	2,397,828
Total repairs and maintenance	16,529,431	8,195,015

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>)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	984,969	817,259
Waste management expenses	101,600	166,700
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	53,436	86,069
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	2,428,800	2,118,402
Electricity expenses	3,603,251	827,517
Fuel and Lubricants	4,845,228	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	1,271,350	78,500
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	18,950	-
Printing and stationery	2,125,628	797,067
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	333,754	66,000
Skills development levies	-	-

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Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Telephone and mobile phone services	61,440	217,000
Internet expenses	618,580	549,840
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Other Expenses	-	2,090,238
Total General Expenses	16,446,986	7,814,592

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	-	-
Total finance costs	-	-

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>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

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

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	-	3,271,453
Total Gain/Loss	-	3,271,453

26. Impairment Loss

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

27. Cash And Cash Equivalent

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	232,403	29,472
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	1,895,008	901,162
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	2,127,411	930,634

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

Description		FY 2024/2025	FY 2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank		232,403	29,472
Equity Bank, etc		-	-
Sub- total		232,403	29,472
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		1,895,008	901,162
Mobile money- Mpesa, Airtel money		-	-
Sub- total		1,895,008	901,162
Grand total		2,127,411	930,634

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 (SHA)	36,856,649	21,234,400
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
Total receivables	36,856,649	21,234,400

Analysis of Receivables From 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	36,856,649	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	36,856,649	%	-	%

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	(-)	(-)
Total	-	-

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	-	%	-	%
Total (a+b)	-	%	-	%

31.Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	7,846,301	11,813,495
Maintenance supplies	-	-
Food supplies	81,684	75,325
Linen and clothing supplies	473,220	135,730
Cleaning materials supplies	946,214	95,950
General supplies (Medical Supplies)	17,645,838	3,150,500
Laboratory items	973,650	-
Less: provision for impairment of stocks	(-)	(-)
Total	27,966,907	15,271,000

Detailed disclosure on inventories

	FY 2024/2025	FY 2023/2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

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32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023 (previous year)	200,400,000	94,636,000	-	-	-	70,122,000	-	-	365,158,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	-	(-)
Transfers/adjustments	-	-	(-)	-	-	-	-	-	(-)
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2024	200,400,000	94,636,000	-	-	-	70,122,000	-	-	365,158,000
At 1 July 2024 (current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	339,000	311,600	6,303,745	-	-	6,954,345
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)
Transfer/adjustments	-	-	-	-	-	-	-	(-)	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2025	200,400,000	94,636,000	-	339,000	311,600	76,425,745	-	-	372,112,345
Depreciation and impairment									

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
At 1 July 2023 (previous year)		-	-	-	-	-	-	-	-
Depreciation for the year		-	-	-	-	-	-	-	-
Disposals		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
At 30 June 2024		-	-	-	-	-	-	-	-
At July 2024 (current year)		-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-
Disposals		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Transfer/adjustment		-	-	-	-	-	-	-	(-)
At 30th June 2025		-	-	-	-	-	-	-	-
Net book values									
At 30 th Jun 2024 (previous)	200,400,000	94,636,000	-	-	-	70,122,000	-	-	365,158,000
At 30 th Jun 2025(current)	200,400,000	94,636,000	-	339,000	311,600	76,425,745	-	-	372,112,345

33.Intangible Assets-Software

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

34.Investment Property

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

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35. Biological Assets

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

36. Trade and other Payables

Description	FY 2024/2025			FY 2023/2024	
	KShs			KShs	
Trade payables	13,024,889			5,843,392	
Employee dues	1,292,430		paid	1,115,658	
Third-party payments (e.g. unremitted payroll deductions)	242,026		Paid partly	-	
Audit fee	-			-	
Doctors' fee	-			-	
Total trade and other payables	14,559,345			6,959,050	
Ageing analysis:	FY 2024/2025	% of the Total		FY 2023/2024	% of the total
Under one year		%		-	%
Afiq Construction ltd-other infrastructure & Civil works	300,000	%	paid	-	%
Chem labs – Lab Reagents & Supplies	680,324	%	paid	-	%
MEDS -Medical Drugs	1,413,992	%	paid	-	%
Katawi Solutions- Food and Ration	187,860		paid		
KEMSA -Dressings & Non Pharms	2,627,629		paid		
Gloder Enterprises -Dressings & Non Pharms	1,150,500		Not paid		
Angel Maria – Dressings & Non Pharms	936,000		paid		
Herstel Supplies – Dressings & Non Pharms	531,000		paid		
Mumkins Solutions	298,200		paid		
Edmerc Pharmaceuticals-Medical drugs	713,616		Paid partly 79,190 balance		
Shanny Enterprise – purchase of Beddings & linens	227,740		Paid		

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Description	FY 2024/2025		paid	FY 2023/2024	
	KShs			KShs	
Techno Maxx – computer & printer supplies & access	244,000				
Commcare Pharmaceutical-medical drugs	225,000				
Ultistal -Purchase of Xray Supplies	820,000				
Top care oxygen ltd-medical drugs	144,000				
Tawila Supplies -Dressings & Non pharms	738,900				
Lehmsal Company ltd-Food & Ration	334,810				
Kinapa Company ltd -Food & Ration	469,600				
Nosim Security Guard- Contractual Guards & cleaning services	202,400				
Bright Shed Investments-Maintenance of non residential buildings & Stations	440,068				
Travel Accomodation Allowances	339,250				
Total	14,559,345			-	%

37. Refundable Deposits from Customers/Patients

Description	FY2024/2025		FY 2023/2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (<i>specify</i>)	-		-	
Total deposits	-		-	
Ageing analysis:	FY2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-

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Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount & time value for money	(-)	(-)	(-)	(-)
Total provisions	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-
Total Provisions	-	-	-	-

39. Finance Lease Obligation

Description	FY2024/2025	FY 2023/2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

40. Deferred Income

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

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

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

41. Borrowings

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

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

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

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	(-)	-
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	(2,928,130)	-
Adjusted for:		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(12,696,907)	(-)
Increase in receivables	(7,811,125)	(-)
Increase in deferred income	-	-
Increase in payables	31,587,284	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	8,151,122	-

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	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has not significant concentration of credit risk on amounts due. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

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

(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
At 30 June 2024			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

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Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
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
2024 (previous year)			
Euro	10%	-	-
USD	10%	-	-
2025 (current year)			
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.

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 - (2024: KShs -). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs - (2025 – KShs -).

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	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	%	-%

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.

Kajiado County Government is the principal shareholder of the *facility*, holding 100% of the *facility'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
Transactions with related parties		
a) Services offered to related parties		
Services to	-	-
Sales of services to	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	-	-

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Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46.Segment Information

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

47.Contingent Liabilities

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

48.Capital Commitments

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

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 Kajiado.

51. Currency

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

20. Appendices


Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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



Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Appendix III: Inter-Entity Confirmation Letter


Name of Transferring entity.....

Name of Beneficiary entity Kitengela Sub County Hospital

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
				We have not received any amount	
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 Dr. Veronica Abuto Sign  Date. 14th November 2025

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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