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REPORT

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ZOMBE SUB-COUNTY HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KITUI

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OFFICE OF THE AUDITOR GENERAL
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Zombe Sub-County Hospital (Kitui County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management	iii
3. The Board of Management	v
III Zombe Management Team	vi
4. Chairman's Statement	ix
5. Report of The Medical Superintendent	x
6. Statement of Performance Against Predetermined Objectives	xii
7. Corporate Governance Statement	xiii
8. Management Discussion and Analysis	xvi
The annual disbursements from the county government was utilized for procurement of medical goods and services as per the approved budgets by the ministry of health and sanitation.....	xvi
9. Environmental And Sustainability Reporting	xvii
10. Report of The Board of Management	xix
11. Statement of Board of Management's Responsibilities	xx
12. Report of the Independent Auditor on the Financial Statements of Zombe Sub County Hospital for the Financial Year 2024/2025	xxi
13. Statement of Financial Performance for The Year Ended 30 June 2025	1
14. Statement of Financial Position As At 30 June 2025	2
15. Statement of Changes in Net Assets for The Year Ended 30 June 2025	3
16. Statement of Cash Flows for The Year Ended 30 June 2025	4
17. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025 5	
18. Notes to the Financial Statements	7
19. Appendices	31

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.

2. Key Entity Information and Management

(a) Background information

Zombe Sub County Hospital is a level (4) hospital established under gazette notice number 5826 and is domiciled in Kitui County under the Health Department.

(b) Principal Activities

The principal activity of the Zombe Sub County Hospital is to offer health care services to the community of Kitui east sub county, Kitui county and Kenya at large.

Vision: An efficient quality healthcare system that is accessible, equitable and affordable to all Kenyans.

Mission: To promote and participate in the provision of integrated and efficacious promotive, preventive, curative, and rehabilitative health care services to all Kenyans.

Core values: Integrity, Professionalism, Team Work, Accountability, Responsiveness.

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Gideon Ngumi
2.	Head of finance	Joseph Mutiso
3.	Head of supply chain	Gladys Wambua
4.	Health Admin. Officer	Fauzia Musembi
5.	Nursing Officer In Charge	Catherine Ndunge/ Peter Gitonga

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

Zombe Sub County Hospital
P.O. Box 72-90213
Zombe Town
Kitui, Kenya
Physical address: 1 km from Zombe town, next to St Bhakita primary school on the road to Ngelani village

(g) Entity Contacts

Telephone: (+254)114 363 474
E-mail:
zombesubcountyhospital@gmail.com, zombesch@kitui.go.ke
Website: www.kitui.go.ke

(h) Entity Bankers

Kenya Commercial Bank
Kitui Branch
P. O. Box 683- 90200
Kitui, Kenya

(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.33-90200
Kitui, Kenya.

3. The Board of Management

During this Financial Year ending 2024/2025, there was no board members.

III Zombe Management Team

Ref	Management	Details
1.	<p>Dr Gideon Ngumi</p> 	<p>Medical Superintendent Bachelor of Medicine and Surgery (Maseno University)</p>
2.	<p>CPA Winnie Mue</p> 	<p>Head of Finance BSC. Human Resource Management CPA (K)</p>
3.	<p>Fauzia Musembi</p> 	<p>Health administrative officer Bachelor of Business Management(Moi University)</p>
4.	<p>Peter Gitonga</p>	<p>Head of Nursing Department Diploma in Community Health Nursing</p>
5.	<p>Gladys Wambua</p> 	<p>Head of supply chain Department Bachelor of Business Administration and management (purchasing & supply chain management) St. Pauls University. Certified Member of K.I.S.M.</p>

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

6.	<p>Oliver Ivuti</p> 	<p>Head of Laboratory Department BSC. Medical Laboratory Sciences Registered with KMLTTB</p>
7.	<p>Chris Mwangangi</p> 	<p>Head of Pharmacy Department Diploma in Pharmacy Registered with PPB.</p>
8.	<p>Grace Muthui</p> 	<p>Head of Nutrition Department Diploma in Nutrition and Dietetics</p>
9.	<p>Jeddy Mwendu</p> 	<p>Head of Clerical Department Certificate in Human Resource Management. Proficiency certificate for Clerical Officers.</p>
10.	<p>Nicholus Ngala</p>	<p>Head of Radiology Department Diploma in Medical Imaging Science</p>
11.	<p>Damaris Munyao</p> 	<p>Head of Orth trauma Department Diploma in Orthopaedics and trauma</p>

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

12.	 Immaculate Muteti	Head of Records Department Diploma in Health Records & Information Management Officer.
13.	Stephen Wambua 	Head of Clinical Department Diploma in Clinical Medicine and Surgery.

4. Chairman's Statement

.....
Name

Chairman to the Board

5. Report of The Medical Superintendent

Zombe level 4 hospital is a facility that was established by the National government of Kenya under the gazette notice number 5826 on 17th May 2019.

The hospital is located in Zombe/Mwitika ward in Kitui East Sub-County. The Hospital has a catchment population of 12000 in 2025. The population is mostly made up of people of the Akamba ethnicity. The hospital serves people from Malatani, Makongo, Mang'ola, Ithangathi and Kathande villages. The facility also acts as a Referral link facility for 21 out of 30 facilities in Kitui East located within Zombe/ Mwitika, Endau/Malalani and Voo/ Kyamatu Wards. The facility refers its patients out to Kitui County Referral Hospital.

The climate where the facility is located is semi-arid; it receives roughly 71 cm (28 inches) of rain during the rainy seasons (one long around March and April, and one short, around October, November and December). The rest of the months experience a hot and dry climate.

The vast majority of the economy within the region is driven subsistence farming and livestock rearing, despite the fact that these activities are extremely challenging endeavours given the sporadic rainfall received in the region.

Christianity is the dominant religion in the region. Roman Catholics make up about 15% of the Sub-county's population. Other Christian denominations include the African Inland Church (AIC), Anglican Church of Kenya (ACK), Presbyterian Church of East Africa (PCEA), Independent Presbyterian Church (IPC), Redeemed Gospel Church and many others.

In the financial year 2024/2025 the hospital generated Ksh 5,242,691 in revenue. The funds were generated as the patients paid for the services that they received in the facility.

The facility received an equivalent of Ksh 5,387,440 from the Kitui County government on Monthly disbursement basis.

These funds are used to run the day-to-day activities of the facility and also to pay wages for the contracted workers.

The comprehensive guide on how the funds were utilised is outlined in a later part of this report.

The facility signed a contract with SHA, which has seen the facility offer services to patients using the primary healthcare fund and the social hospital insurance fund as well. This will facilitate bringing essential health services closer to the people in line with the Universal Healthcare vision.

The facility hosts 3 infrastructural blocks within the grounds namely:

- Maternity and Theatre Block: Status- Complete-Operational

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

- Outpatient Block: Status- Complete – Operational
- Radiology Block: Status-Complete – Operational

Among the challenges that the facility faced in the financial year that ended June 2025 include but not limited to: Insufficient funding, delayed reimbursement of funds(FIF) to the facility, Severe staff shortage, Lack of power back up, Lack of ground levelling at the facility grounds, Infrastructure challenges including: - Lack of Laboratory, Store (Pharmaceutical, Non-Pharmaceutical, General), Kitchen, Inpatient/General ward, Incomplete Theatre block, Staff quarters and a Power house.

The future outlook for the facility includes liaising closely with the Kitui County government and the stakeholders to propel the facility forward so that it can function at a level 4 capacity and thus be able to serve the people of Kitui east and Kitui at large more efficiently. The Medical superintendent and the local administration of the hospital shall work closely with the facility board of management, the Ministry of Health and Sanitation leadership and the County government leadership and all the stakeholders to achieve this objective.

Among but not limited to the pertinent issues that we shall work on closely in future include:

Adequate staffing according to the staffing norms agreed upon by the Kenya quality model for health.

Completion and operationalisation of the Out-patient block and temporary laboratory.

Completion of the stalled patient toilets, and stalled operating theatre.


Levelling and grading of the hospital grounds

Proposal for a model laboratory and General ward/In patient ward.

Proposal for a Hospital kitchen

Proposal for a Hospital generator

To conduct two Maternity Open days and two Medical and cancer screening camps


.....
Dr. Gideon Ngumi
Secretary to the Board

6. Statement of Performance Against Predetermined Objectives

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

Zombe Sub County Hospital has 3 strategic pillars.

These strategic pillars are as follows:

Strategic Pillar, Theme, Issues	Objective	Key Performance Indicators	Activities	Achievements
Provide Reliable Medical services to all citizen	To provide reliable Medical Services	-Number of Medical Staff -adequate pharmaceuticals and non-Pharmaceuticals stock levels	-Maintaining proper staff levels -Maintaining Proper Pharmaceuticals and Non-Pharmaceuticals	-Staff Levels improved -Improved Pharmaceuticals and Non-Pharmaceuticals
Increased Revenue	To Increase Revenue Collected	-SHA Claims received	-Follow up on the SHA Claims not received	-SHA Claims received
Customer/Patient Satisfactory	-To increase the number of Patients satisfied	-Number of patients served -Number of Complaints solved	Improve customer care services	Increased number of patients
Increased SHA Clients	-To register more clients for SHA insurance.	-Increased number of Primary Health Care	Sensitization programs at the facility and within the community	Increased number of patients getting services under SHA program.

7. Corporate Governance Statement

Zombe level 4 Hospital management committee was established in accordance with the Kitui County health facilities management committee act, 2014 and was gazetted on 14th February 2022 under gazette notice number

Membership

The total membership of the committee is Nine (9) members who are nominated by the County Executive Committee Member for Health and Sanitation.

However, the appointment of Board members was revoked as per the Gazette Notice Number 13546 dated 6th October 2023.

Succession

The succession to the facility health management committee is as follows: -

A member of the committee, apart from the ex-officio, shall hold office for a period of three years and shall be eligible for re- appointment for one further term based on the performance.

Funds of the Committee

The Hospital Management Committee shall manage all the hospital funds which consist of:

- Monies appropriated by the County Assembly;
- Grants or donations
- Monies received as user charges
- Income generated from the proceeds of the services
- Any other monies

Meetings of the Committee

- (a) The committee shall meet at least four times a year and shall maintain records for its deliberations and shall further allow room for emergency meetings in case of outbreaks or disasters.
- (b) The quorum for the meeting of the committee shall be five of all the members including the secretary.
- (c) The secretary shall maintain records for all committee deliberations.
- (d) The Committee shall, not later than twenty eight (28) days after a meeting, submit copies of the minutes and reports of that meeting to the County Executive Committee Member and the committee members.
- (e) A meeting of a committee shall be held at the hospital in respect of which the committee is established.
- (f) The County Executive Committee Member may attend any meeting of a committee, provided the area members of the county assembly in the sub-county where the hospital is situated shall be at liberty to attend any meetings of the committee in furtherance of their oversight role.

Functions of the Hospital Management Committee

The committee shall –

- (a) Supervise and control the administration of the funds allocated to Zombe level 4 hospital
- (b) The hospital management committee shall through minutes request for the authority to open and operate a bank account from the County Executive Committee Member
- (c) Prepare specific hospital work plans based on the estimated expenditure and drugs stocking levels based on usage.
- (d) Cause to be kept basic books of accounts
- (e) Cause to be kept records of accounts of income, expenditure, assets and liabilities of the hospital.

- (f) Prepare and submit to the Chief officer in the department of health and sanitation certified periodical financial and performance reports as prescribed
- (g) Cause to be kept a permanent record of all its deliberations
- (h) Ensure planning that is consistent with the National and County Government policies, laws and regulations.
- (i) Review and approve all hospital plans including but not limited to development plans, service delivery plans and activities plans
- (j) Provide oversight to the hospital
- (k) Approve and authorise hospital budgets and expenditure.

Core responsibilities of the Zombe level 4 hospital Management Committee

The responsibilities of the committee are outlined as follows: -

- (a) Overseeing hospital performance improvement
- (b) Participating in planning for the hospital
- (c) Mobilising resources for hospital improvement
- (d) Overseeing the financial operations of the hospital
- (e) Ensuring development of human resources
- (f) Ensuring compliance with environmental regulations and standards
- (g) Enhancing relationships and partnerships
- (h) Mitigating potential conflict of interest
- (i) Risk management
- (j) Regulatory compliance

Vacation of office and remuneration of the committee members.

A member of the Committee shall cease to hold office: -

- (a) if a member is absent from three consecutive meetings of the committee without permission from the chairperson
- (b) in the case of a member of a public benefits organization, the member ceases to hold the office by virtue of which his or her nomination was made
- (c) a member is convicted of a criminal offense and sentenced to a term of imprisonment of six months or more or a fine exceeding one hundred thousand Kenya shillings
- (d) a member ceases to reside or practice in the area of hospital jurisdiction
- (e) a member voluntarily resigns in writing from the committee formally
- (f) a member is found to be unfit to hold the position on medical grounds
- (g) a member dies
- (h) a member is involved in an act resulting to conflict of interest with the position held by the member
- (i) a member is guilty of gross misbehaviour or misconduct
- (j) a member is found to be incompetent to hold the position
- (k) a member is convicted of an offence involving dishonesty or fraud
- (l) a member is adjudged bankrupt or enters into a composition scheme of arrangement with his or her creditors or
- (m) a genuine petition from the public is lodged against the member.

Remuneration: -

The members' remuneration shall be determined by the Salaries and Remuneration Commission.

Relationship between the Hospital Management team and Hospital Management Committee

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

(1) The Hospital Management committee shall notify the hospital management team of all its meetings and ensure that the minutes and plans of every meeting are supplied to the hospital management team within seven (7) days of its meetings.

(2) The hospital management team shall ensure that the minutes received under this section are forwarded to the Chief officer in the county ministry of health and sanitation who shall in turn brief the County Executive Committee member on the minutes and plans.

8. Management Discussion and Analysis

The following is a brief outline of management discussion and analysis: -

Clinical/operational performance

Zombe level 4 Hospital being geographically centrally located within Kitui East Subcounty, receives patients from the neighbouring wards including Zombe/Mwitika, Voo/Kyamatu and Endau/Malalani ward.

The Maternity ward has a 6-bed capacity while the inpatient rooms are 4 bed capacity

The facility also has a 4-bed accident and emergency room used for casualty patients.

In the year ended June 2025, the target population for the year was 9933. A total of 10,242 patients were seen at the outpatient.

Financial performance that includes

In the financial year 2024/2025, the hospital received an Annual Facility Improvement Financing (FIF) of 5,387,440 as budgeted by The County Ministry of Health and Sanitation and disbursed by The County Treasury. The funds were used for procurement of medical goods and services and the hospital day-to-day running activities. The hospital as well generated a total of Ksh. 4,521,661 as revenue from medical services (SHA and Mpesa transactions).

Financial Year/Particulars	2024/2025
	Kshs.
Annual disbursements from County	5,387,440
Revenue from rendering medical services	4,521,661
In- kind contributions from the County	33,887,585
Expenditure	42,088,685
Surplus (Deficit)	1,708,001

The annual disbursements from the county government was utilized for procurement of medical goods and services as per the approved budgets by the ministry of health and sanitation.

9.Environmental And Sustainability Reporting

Zombe level 4 hospital 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

The facility management has been working closely with all the County and local governance to achieve the facility's objectives for the year.

ii) Environmental performance

The Zombe level 4 hospital is committed towards environmental sustainability.

The facility management seeks to unify all the key stakeholders: employees, management, partners, shareholders, patients and the community at large towards these efforts. The Zombe hospital environmental policy is currently in the process of being developed in close partnership with these stake holders.

Part of the efforts that the facility is putting towards environmental sustainability include planting of trees and greenery within the hospital compound, maintaining a clean and neat hospital compound and prudent use of water among others. We also have put in place water harvesting projects during the rainy season using the gutter system to harvest water into storage tanks.

The facilities waste disposal system follows the Kenya national guidelines for safe management of health care waste which includes the safe practices for management of medical waste.

The facility however has challenges with implementing this policy fully as it lacks an incinerator which is important for the disposal of sharp waste. Currently the facility utilises the burning chamber at Inyuu health centre to dispose of the sharps waste.

The other general waste is disposed off at the facility ash pit.

iii) Employee welfare

The employee hiring policy is being cascade down by the county government and ministry of health and sanitation.

iv) Market place practices-

The following are the efforts of Zombe level 4 hospital to: -

a) Responsible competition practice.

The facility is committed to upholding responsible competition price practices and selects its suppliers based on the guidelines outlined by the County government. The Supplies, commodities and services rendered are reviewed and audited periodically by the health management team of the facility.

b) Responsible Supply chain and supplier relations

The facility management in conjunction with the supply chain managers' endeavours to maintain good business practices by honouring contracts given to suppliers and upholding payments in the timeliest manner possible.

c) Responsible marketing and advertisement

The facility endeavours to outline ethical marketing practices by adhering to the county government guides on marketing and advertisement.

d) Product stewardship

The facility also endeavours to safeguard consumer rights by educating consumers on their rights through public addresses, personal interviews and posters displaying the same information.

A patient complaints and compliments book is available should patients and clients feel the need to register complaints or compliments received while receiving a service at the facility

v) Corporate Social Responsibility / Community Engagements

The facility management in close liaison with the board of management, County government of Kitui, the Kitui east sub county management team, Public health officers, Health promotion officers have endeavoured to carry activities of community engagement including giving health talks at chiefs baraza several times, massive deworming and nutrition campaigns in conjunction with NGOs, organizing a vulnerable people's group in the form of table banking for the CCC clients among others.

10. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide medical services.

Results

The results of the entity for the year ended June 30 are set out on pages 1 to 7

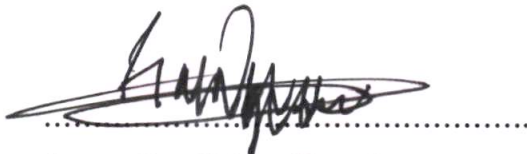
Board Of Management

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

Auditors

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

By Order of the Board



Name : Dr. Gideon Ngumi

Secretary to the Board

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

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


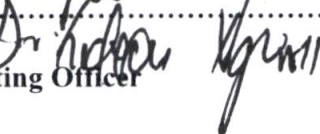
The Board of Management accepts responsibility for the entity’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner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

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

Approval of the financial statements

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

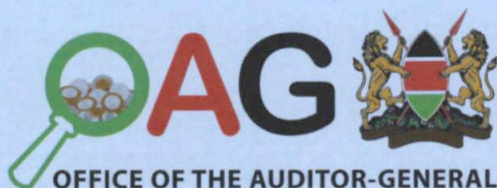
.....
Name:
Chairperson
Board of Management


.....
Name: 
Accounting Officer



REPUBLIC OF KENYA

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



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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON ZOMBE SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KITUI

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 Zombe Sub-County Hospital - County Government of Kitui set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Zombe Sub-County Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects a Nil balance of property, plant and equipment as disclosed in Note 21 to the financial statements. However, review of the Hospital's records and physical verification revealed assets including land, buildings and motor vehicles which were not disclosed in the financial statements. Further, ownership documents for land and motor vehicles were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership of Nil property, plant and equipment balance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.11,409,101 and Kshs.8,510,710 respectively, resulting to under-funding of Kshs.2,898,391 or approximately 25% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for 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 xx which comprise of Key Entity Information and Management, The Board of Management, Zombe 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. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of the Hospital's records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit in November, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety-four (94) or approximately 93% of the authorized staff establishment.

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Medical Officers	16	1	15	94
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health Nurses	75	6	69	92
Total	101	7	94	93

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

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Beds	150	20	130	87
Resuscitaire (2 in labor & 1 in theatre)	2	1	1	50
New Born Unit Incubators	5	1	4	80
New Born Unit Cots	5	1	4	80
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional operational theatres-Maternity & General	2	0	2	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.

2. Irregular Engagement of Casual Workers

The statement of financial performance and as disclosed in Note 12 to the financial statements reflect employee cost of Kshs.1,309,958 in respect to casuals and contractual staff. Review of records revealed that Management engaged casual workers for more than three (3) months. This is contrary to Section B.16(1) of the County Public Service

Human Resource Manual, 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.

3. Failure to Retain Facilities Improvement Funds (FIF) at the Hospitals

Review of revenue records revealed that the Hospital collected a total Kshs.4,521,661 towards the Health Facilities Improvement Fund which include a total of Kshs.1,737,367 that was transferred to County Revenue Fund. This is contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that monies raised or received by or on behalf of Public Health Facilities be retained by the Facility and be paid into a separate Facility Improvement Financing Account.

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 Hospital Management Board

Review of records revealed that during the year under review, the Board of Management that is supposed to direct the Hospital in achieving its strategic objectives had not been constituted. Management indicated and provided a copy of the Kitui Health Facilities Improvement Financing Bill, 2024 which is awaiting approval by the County Assembly to provide for the formation of the Hospital Management Board. As a result, the annual report and the financial statements for the year ended 30 June, 2025 were not signed by the chairman of the Hospital Board in accordance with the reporting framework prescribed by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the Hospital may not achieve its strategic objectives.

2. Expired Medical Supplies

The statement of financial position and as disclosed in Note 20 to the financial statements reflect inventories balance of Kshs.1,020,298. Review of the store's records on pharmaceuticals and non-pharmaceuticals supplies revealed that seventy-five thousand and nineteen (75,019) units of various drugs of undetermined value had expired.

In the circumstances, the effectiveness of internal controls on management of pharmaceutical and nonpharmaceutical supplies could not be confirmed.

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

Responsibilities of Management and 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

04 December, 2025

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	5,387,440	6,000,000
In- kind contributions from the County Government	7	33,887,585	35,400,390
Grants from donors and development partners	8	-	534,223
Transfers from other Government entities(NHIF)	9	-	58,895
		39,275,025	41,993,508
Revenue from exchange transactions			
Rendering of services- Medical Service Income	10	4,521,661	3,381,344
Revenue from exchange transactions		4,521,661	3,381,344
Total revenue		43,796,686	45,374,852
Expenses			
Medical/Clinical costs	11	1,381,045	2,741,485
Employee costs	12	1,309,958	34,927,407
Repairs and maintenance	13	548,280	599,320
General expenses	14	3,006,450	2,360,379
Refunds to the County Government	15	1,737,367	3,381,344
In- kind contributions	16	33,887,585	-
Total expenses		41,870,685	44,009,935
Net Surplus / (Deficit) for the year		1,926,001	1,364,917


The notes set out on pages 7 to 32 form an integral part of the Annual Financial Statements

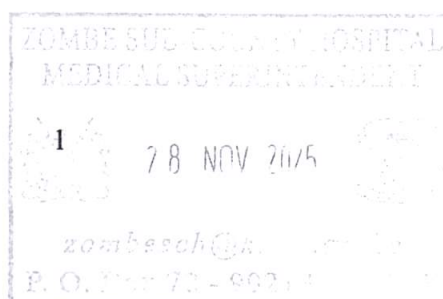
The Hospital's financial statements were by signed on..... by:

.....

CPA Anastacia Kanini
Head of Finance
ICPAK No: 19698

Chairman
Board of Management


Dr. Gideon Ngumi
Medical Superintendent
Zombe Hospital



Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

14. Statement of Financial Position As At 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	394,016	59,406
Receivables from exchange transactions	18	4,968,485	3,381,344
Receivables from non-exchange transactions	19	-	887,440
Inventories	20	1,020,298	699,280
Total Current Assets		6,382,799	5,027,470
Non-current assets			
Property, plant, and equipment	21	-	
Total Non-current Assets			
Total assets (A)		6,382,799	5,027,470
Liabilities			
Current liabilities			
Trade and other payables	22	316,768	887,440
Total Current Liabilities		316,768	887,440
Non-current liabilities			
Total non-current liabilities			
Total Liabilities (B)		316,768	887,440
Net assets (A-B)		6,066,031	4,140,030
Represented by:			
Revaluation reserve		-	
Accumulated surplus/Deficit		6,066,031	2,704,391
Capital Fund		-	1,435,639
Net Assets		6,066,031	4,140,030

The notes set out on pages 7 to 32 form an integral part of the Annual Financial Statements

The Hospital's financial statements were by signed on..... By:

.....
CPA Anastacia Kanini **Dr. Gideon Ngumi**
Chairman **Head of Finance** **Medical Superintendent**



Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
At July 1, 2023		1,339,474		1,339,474
Revaluation gain	-			-
Surplus/(deficit) for the year	-	1,364,917	-	1,364,917
Capital/Development grants	-			-
At June 30, 2024	-	2,704,391	1,435,639	4,140,030
				-
At July 1, 2024	-	4,140,030		4,140,030
Revaluation gain	-			-
Surplus/(deficit) for the year	-	1,926,001		1,926,001
Capital/Development grants	-			-
At June 30, 2025	-	6,066,031	-	6,066,031

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		5,387,440	5,978,629
Rendering of services- Medical Service Income		3,123,270	3,103,749
Total Receipts		8,510,710	9,082,378
Payments			
Medical/Clinical costs		1,381,045	2,741,485
Employee costs		1,309,958	1,332,982
Repairs and maintenance		548,280	599,320
General expenses		3,199,450	2,360,379
Transfers to the County Government		1,737,367	3,381,344
Total Payments		8,176,100	10,415,510
Net cash flows from operating activities	23	334,610	-
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets			
Net cash flows used in investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		334,610	-
Cash and cash equivalents as at 1 July 2024	17	59,406	52,253
Cash and cash equivalents as at 30 June 2025	17	394,016	59,406

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

17. 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	6,887,440		6,887,440	5,387,440	1,500,000	78%
Rendering of services- Medical Service Income	4,521,661		4,521,661	3,123,270	1,398,391	69%
Total receipts	11,409,101	-	11,409,101	8,510,710	2,898,391	75%
Payments						
Medical/Clinical costs	1,500,000		1,500,000	1,381,045	118,955	92%
Employee costs	1,500,000		1,500,000	1,309,958	190,042	87%
Repairs and maintenance	600,000		600,000	548,280	51,720	91%
General expenses	3,287,440		3,287,440	3,199,450	87,990	97%
Refunds	4,521,661		4,521,661	1,737,367	2,784,294	38%
Total Operational Expenditure paid	11,409,101	-	11,409,101	8,176,100	3,233,001	72%
Capital Expenditure paid				-		
Surplus	-	-	-	334,610	(334,610)	

Budget notes

1. The receipts difference between the final budget and actual on comparable basis (Ksh, 2,898,391) was funds not disbursed to the Hospital by the County Government and receivables from insurances for medical services rendered in the financial year 2024/2025.

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	334,610
1	Cash and cash equivalents as at 1 July 2024	59,406
	Closing Cash and Cash Equivalent as per the statement of Cash flows	394,016

18. Notes to the Financial Statements

1. General Information

Zombe Sub-County Hospital was established by the Ministry of Health and derives its authority and accountability from The Kenya Medical Practitioners and Dentists Council. The entity is wholly owned by the Government of Kenya and is domiciled in Mwingi North Sub County in Kitui County. The entity's principal activity is to provide medical healthcare within and outside its sub county.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act, and 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 Hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></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> <p><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></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>

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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> <p><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></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> <p><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></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 hospital shall apply to report useful information to</p>

Standard	Effective date and impact:
	<p>users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></p>
<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><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></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><i>Zombe Sub-County Hospital did not adopt any new or amended standards in the financial year 2024/2025.</i></p>

iii) Early adoption of standards

The Hospital did not early – adopt any new or amended standards in the financial year 2024/2025.

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 hospital 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 hospital 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 hospital.

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for 2024/2025 was approved by the ministry of health and sanitation at the start of the 2023/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the hospital recorded additional appropriations. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. 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 hospital 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.

Financial assets

Classification of financial assets

The hospital 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 hospital'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 hospital 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 hospital 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.

Financial liabilities

Classification

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

e. 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 Hospital.

f. Provisions

Provisions are recognized when the Hospital 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 Hospital 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.

g. 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 hospital 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 hospital will incur in fulfilling the present obligations represented by the liability.

h. Contingent liabilities

The Hospital 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.

i. Contingent assets

The Hospital 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 Hospital 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.

j. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

k. Employee benefits

Retirement benefit plans

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

l. 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.

m. 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.

Notes to the Financial Statements (Continued)

n. Related parties

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

o. 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.

p. Comparative figures

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

q. 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 Hospital'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.

Notes to the Financial Statements (Continued)

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 Hospital 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 Hospital. 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 Hospital.
- 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 not raised and determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2024/2025	2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	5,387,440	6,000,000
Total government grants and subsidies	5,387,440	6,000,000

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
Kitui County Government	5,387,440			5,387,440	6,000,000
Total	5,387,440	-	-	5,387,440	6,000,000

7. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages - Casuals	124,400	-
Salaries and wages - P/P Staff	31,634,876	33,594,425
Medical supplies-Drawings Rights (KEMSA)	1,040,061	1,637,709
Pharmaceuticals and Non-Pharmaceutical Supplies (MEDS)	1,088,248	110,660
Total grants in kind	33,887,585	35,400,390

8. Grants From Donors and Development Partners

Description	2024-2025	2023-2024
	KShs	KShs
Other grants (Kemsa)	-	534,223
Total grants from development partners	-	534,223

Notes to the Financial Statements (Continued)

9. Transfers From Other Government Entities

Description	2024-2025	2023-2024
	KShs	KShs
Transfer from NHIF	-	58,895
Total Transfers	-	58,895

10. Rendering of Services-Medical Service Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	896,507	978,864
Laboratory	256,005	239,270
Orthopedic and Trauma Technology	12,500	8,450
General IPD	2,138,530	23,240
General OPD	645,764	29,440
Ultra Sound	350,000	254,000
X Ray		20,530
Consultation	96,430	193,380
Medical Records	125,925	134,620
Paediatrics services (Waiver)		9,090
P3 Examination Forms		39,240
Other medical services income (NHIF)		1,451,220
Total revenue from the rendering of services	4,521,661	3,381,344

11. Medical/ Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Food and Ration	879,875	562,020
Medical Records	118,450	172,750
Sanitary and cleansing Materials	290,500	108,250
Radiology Materials	18,000	92,500
Pharmaceuticals		110,660
Lab Reagents	74,220	-
Other medical related clinical costs (Kemsa)		1,695,305
Total medical/ clinical costs	1,381,045	2,741,485

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	902,550	824,530
Contributions to pension schemes	86,908	
Staff medical expenses and Insurance cover	33,500	31,600
Other employee costs-Locum	287,000	306,000
Pending salary		113,000
Staff Salary		33,594,425
Social contribution	-	57,852
Employee costs	1,309,958	34,927,407

13. Repairs And Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	115,950	326,270
Motor vehicle expenses	432,330	273,050
Total repairs and maintenance	548,280	599,320

14. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank charges	27,020	4,479
Catering expenses	-	29,650
Electrical expenses	273,780	270,000
Fuel and Lubricants	698,850	611,780
Travel and accommodation allowance	866,150	735,705
Seminar and Conferences	71,000	-
Printing and stationery	514,910	322,030
Water and sewerage costs	88,440	114,500
Other Fuels	248,300	110,440
Telephone and mobile phone services	218,000	162,000
Total General Expenses	3,006,450	2,360,379

Notes to the Financial Statements (Continued)

15. Refunds to the County Government

Description	2024/2025	2023/2024
	KShs	KShs
Transfer to the County Government	1,737,367	3,381,344
Total transfers to County Government	1,737,367	3,381,344

16. In-kind contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages - Casuals	124,400	-
Salaries and wages - P/P Staff	31,634,876	33,594,425
Medical supplies-Drawings Rights (KEMSA)	1,040,061	1,637,709
Pharmaceuticals and Non-Pharmaceutical Supplies (MEDS)	1,088,248	110,660
Total grants in kind	33,887,585	35,400,390

17. Cash And Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	394,016	59,406
Total cash and cash equivalents	394,016	59,406

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

Description		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1220157570	6,175	511
Kenya Commercial bank	1284082741	387,841	58,895
Grand total		394,016	59,406

18. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	4,968,485	3,381,344
Total receivables	4,968,485	3,381,344

Notes to the Financial Statements (Continued)

Analysis of Receivables From Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	2,258,189	45%	3,381,344	100%
Over 1 year	2,710,296	55%		0%
Total (a+b)	4,968,485	100%	3,381,344	100%

19. Receivables From Non-Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Transfers from the County Government	-	887,440
Total	-	887,440

Analysis of Receivables From Non-Exchange Transactions

Description	2024/2025		2023-2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	-	0%	887,440	100%
Total (a+b)	-	-	887,440	100%

20. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Non and Pharmaceutical supplies	1,020,298	754,495
Less: provision for impairment of stocks		(55,215)
Total	1,020,298	699,280

Detailed disclosure on inventories

Description	2024/2025	2023/2024
Opening balance	699,280	-
Additional Inventory in the year	2,128,309	1,748,369
Inventory expensed in the year	1,807,291	1,049,089
Closing balance	1,020,298	699,280

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

21. 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 (speci)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023 (previous year)									
Additions									
Disposals									
Transfers/adjustments									
Revaluation Adjustments									
At 30th Jun 2024									
At 1 July 2024 (current year)									
Additions									
Disposals									
Transfer/adjustments									
Revaluation Adjustments									
At 30th Jun 2025									
Depreciation and impairment									
At 1 July 2023 (previous year)									
Depreciation for the year									

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment †	ICT Equipment †	Plant and medical equipment †	Other Assets (speci)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
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)									
At 30 th Jun 2025 (current)									

The hospital has items of Property, Plant and Equipment in its list of assets. However, the items have not been valued resulting to nil balances in the PPE schedule. We are looking forward to perform a valuation of all the assets.

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

22. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	68,020		774,440	
Employee dues	248,748		113,000	
Third-party payments	-			
Total trade and other payables	316,768		887,440	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the total
Under one year	243,168	77%	887,440	100%
1-2 years	-	%		
2-3 years	73,600	23%		0%
Total	316,768	100%	-	100%

23. Cash Generated from Operations

Description	2024/2025		2023/2024	
	KShs		KShs	
Surplus for the year before tax	1,926,001		1,364,917	
Adjusted for:			-	
Depreciation			-	
Non-cash grants received			-	
Working Capital adjustments				
Increase in inventory	(321,018)			
Increase in receivables	(699,701)			
Increase in payables	(570,672)			
Net cash flow from operating activities	334,610		1,364,917	

24. Financial Risk Management

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

Notes to the Financial Statements (Continued)

(i) Credit risk

The hospital 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 hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	3,381,344	-		
Bank balances				
Total				
At 30 June 2025 (current year)				
Receivables from exchange transactions	4,968,485	4,968,485		
Bank balances				
Total	4,968,485	4,968,485		

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 hospital has significant concentration of credit risk on amounts due from 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 hospital's short, medium and long-term funding and liquidity management

Notes to the Financial Statements (Continued)

requirements. The hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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		774,440		774,440
Current portion of borrowings				-
Provisions				-
Deferred income				-
Employee benefit obligation				-
Total				774,440
At 30 June 2025				-
Trade payables	68,020			68,020
Current portion of borrowings				-
Provisions				-
Deferred income				-
Employee benefit obligation	175,148		73,600	248,748
Total	243,168	-	73,600	316,768

(iii) Market risk

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the hospital 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 hospital'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 hospital's exposure to market risks or the way it manages and measures the risk.

Notes to the Financial Statements (Continued)

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 hospital'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 hospital 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.

25. Related Party Balances

Nature of related party relationships

Entities and other parties related to the hospital 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.

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

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

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

iv) Key Management

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to NHIF AND SHA		
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 employees		
Payments for goods and services		
Total		
d) Key management compensation		
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total		

26. Events after the Reporting Period

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

27. Ultimate and Holding Hospital

The Hospital is a semi-autonomous county government agency under the Ministry of Health. Its ultimate parent is the County Government of Kitui.

28. Currency


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

19. 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 provided the 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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>



Dr. Gideon Ngumi
 Accounting Officer

ZOMBE SUB-COUNTY HOSPITAL
 MEDICAL SUPERINTENDENT
 7 8 NOV 2025 
 zombesch@kitui.go.ke
 P. O. Box 72 - 90213 ZOMBE

**Appendix II: Projects Implemented by Ministry of Health and Sanitation
Status of Projects completion**

Zombe Sub-County Hospital (Kitui County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix III: Inter-Hospital Confirmation Letter

Name of Transferring Entity: County Government of Kitui – Ministry of Finance

Name of Beneficiary Entity: Zombe Sub County Hospital

Confirmation of amounts received by Zombe Sub County Hospital as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
REC/0001103711	16-08-24	500,000	-	500,000	Received
REC/0001104410	03-10-24	500,000	-	500,000	Received
REC/0001105454	07-10-24	500,000	-	500,000	Received
KE/NAIROBI/KR/NAI	05-11-24	500,000	-	500,000	Received
KE/NAIROBI/KR/NAI	27-11-24	887,440	-	887,440	Received
KE/NAIROBI/KR/NAI	31-12-24	500,000	-	500,000	Received
KE/NAIROBI/KR/NAI	31-12-24	500,000	-	500,000	Received
KE/NAIROBI/KR/NAI	30-01-25	500,000	-	500,000	Received
KE/NAIROBI/KR/NAI	05-03-25	500,000	-	500,000	Received
KE/NAIROBI/KR/NAI	04-04-25	500,000	-	500,000	Received
Total			-	5,387,440	

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

Head of Accounts Department - Disbursing Hospital:

Name *Annastacia Karari* Sign *[Signature]* Date *25/11/2025*

Head of Accounts Department - Beneficiary Hospital:

Name *Fauzi Musembi* Sign *[Signature]* Date *25/11/2025*

