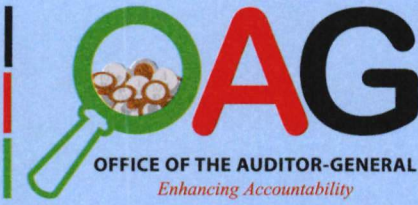


REPUBLIC OF KENYA



REPORT

377

OF

THE AUDITOR-GENERAL

ON

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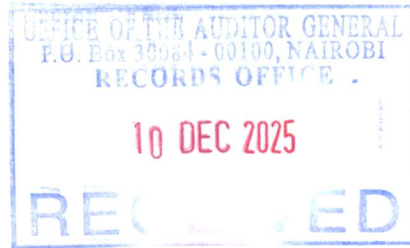
TIGONI LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU



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TIGONI LEVEL 4 HOSPITAL
COUNTY GOVERNMENT OF KIAMBU
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

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

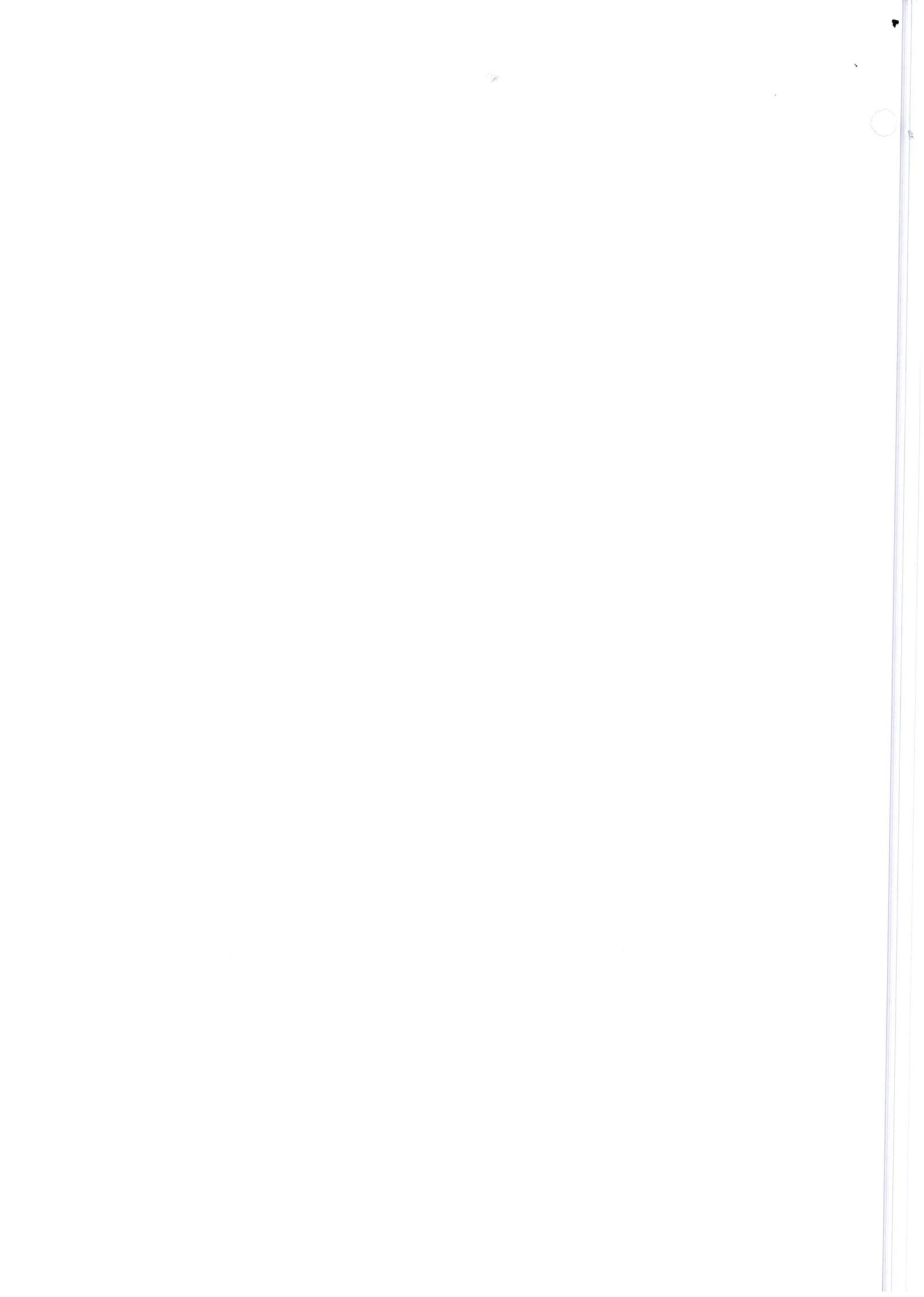


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1. Acronyms & Glossary of Terms

AMREF	Africa Medical and Research Foundation
CCC	Comprehensive Care Clinic
CECM	County Executive Committee Member
CHP	Community Health Provider
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
ENT	Ear, Nose and Throat
FIF	Facility Improvement Fund
GOPC	Gynaecological Outpatient Clinic
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
ICT	Information, Communication Technology
IEC	Information Education and Communication
IPSAS	International Public Sector Accounting Standard
JICA	Japan International Cooperation Agency
MOPC	Medical Outpatient Clinic
NCD	Non-Communicable Disease
NHIF	National Health Insurance Fund
OSHA	Occupational Safety and Health Act
PFMA	Public Financial Management Act
POPC	Paediatric Outpatient Clinic
RESOK	Respiratory Society of Kenya
SOPC	Surgical Outpatient Clinic
UHC	Universal Health Coverage
WIBA	Work Injury Benefit Act

2. Key Entity Information and Management

(a) Background information

Tigoni Level IV Hospital is a level 4 Hospital established under gazette notice number 786 vol. CXXII-No. 24 dated 4th February 2020 and is domiciled in Kiambu County under the Health Department under the Kiambu County Health Services Act, 2019. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity of the hospital is to provide the highest attainable standard of health including reproductive health as enshrined in the constitution.

The **vision** of the institution is “a high-quality healthcare system that is accessible; equitable and affordable in Kiambu County”.

The **mission** of the institution is “to effectively provide health services in Kiambu County through a responsive healthcare system”.

The core objectives of the institution

- Reduce morbidity and preventable deaths from infectious diseases
- Reduce morbidity and preventable deaths from non- communicable diseases
- Improve efficiency and quality of services and adopt healthcare innovations
- Improve access and demand for essential and specialised health services to accelerate the achievement of universal health coverage.

(c) Key Management

The Tigoni Level 4 Hospital management is under the following key organs:

- County Department of Health
- Board of Management
- Executive Expenditure Committee
- Hospital Management Team

(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:

SN	Designation	Name
1.	Medical Superintendent	Dr. Brenda Onyancha
2.	Deputy Medical Superintendent	Dr. Winfred Kimani
3.	Accountant	Ms. Eunice Gatibaru
4.	Head of Procurement	Ms. Jacinta Wainaina
5.	Hospital Administrator	Mr. Peter Njogu Gachoki

(e) Fiduciary Oversight Arrangements

County Department of Health

The role of the County Department of Health include:

- Review and monitor the implementation of the Kiambu Health Act and advise the department on appropriate measures to be adopted for effective implementation of the act
- Supervise and support the management of the hospitals and county health facilities
- Assess the delivery and impact of the health care services within the county and advise the Executive Member
- Monitor drugs and commodities availability and diagnostic standards
- Recommend policies, strategies, regulations and standards to Executive Member

County Assembly

The County Assembly plays the role of public finance management through the County Budget and Appropriations Committee. The responsibilities of the County Budget Committee in public finance management are:

- Discuss and review the County Fiscal Strategy Paper, the Budget Estimates and the Finance Bill and make recommendations to the County Assembly.

- Provide general direction on budgetary matters
- Monitor all budgetary matters falling within the competence of the County Assembly under the Public Finance Management Act and report on those matters to the county assembly
- Monitor adherence by the County Assembly, the county government and its entities to the principles of public finance and others set out in the Constitution, and to the fiscal responsibility principles of the PFM Act
- Examine financial statements and other documents submitted to the County Assembly and make recommendations to the County Assembly for improving the management of the county's public finances
- Introduce the Appropriations Bill in the County Assembly.
- Every County Assembly should also stipulate the functions of the County budget committee in the Assembly's Standing Orders. Some of these functions are as to:
- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget
- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.
- Examine bills related to the county budget (including appropriations bills)

Key Entity Information and Management (continued)

(f) Entity Headquarters

Tigoni Level 4 Hospital,
P.O. Box 124- 00217,
Limuru-Ngecha Road,
Limuru, Kenya

(g) Entity Contacts

Telephone: +254792003511/ +254787950518
E-mail: tigonihospital@gmail.com

(h) Entity Bankers

Tigoni Sub County Hospital NHIF Account
Kenya Commercial Bank
P.O Box 933 – 00217 Limuru
Limuru Branch

Tigoni District Hospital FIF Account
Kenya Commercial Bank
P.O. Box 933- 00217 Limuru
Limuru Branch

(i) Independent Auditors

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

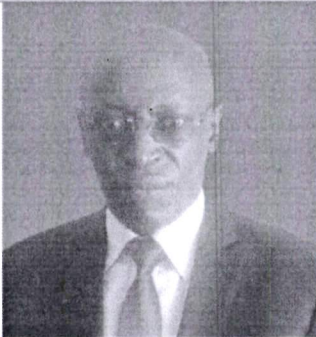


(j) Principal Legal Adviser

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




(k) County Attorney

P.O. Box 2344- 00900
Kiambu, Kenya



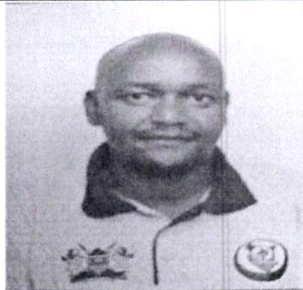
3. The Board of Management

Ref	Directors	Details
1.	 Mr. Michael Nyoro	<p>Chairman</p> <p>Michael Nyoro is a long-serving community leader with a background in education, transport, and church leadership. He currently serves as chairman of Thika Road Sacco where he has served in various capacities since 2000. He also chairs the Biberioni Water Project and serves as Vice Chairperson of A.I.P.C.A church, Kiambu Diocese.</p>
2.	 Rev. Grace Mumbi Gathogo Bachelor of Divinity at St Paul's University, Limuru, 2005	<p>Member</p> <p>Date of Birth: 12th December, 1964</p> <p>Rev. Grace Mumbi is a Priest/Area dean. Her role includes preaching, administrator, shepherd/minister of the gospel, evangelism, pastoral visit to schools, homes, the sick in hospitals and prisons; marrying and burying people, administering Holy Communion to the sick, elderly and congregants, and Bible Study.</p>
3.	 Ev. Hon Mercy Nungari Dip. Mass Communication, 2009 Theology at Indiana Christian University, 2018	<p>Member</p> <p>Hon. Mercy Nungari is a former Nominated Member of the Kiambu County Assembly. She currently works at Kameme FM and TV, where she has served in various capacities including being a producer and presenter for various shows. Hon. Nungari is known for her commitment to public service, peacebuilding, and community healing.</p>



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

Ref	Directors	Details
4.	 <p data-bbox="252 656 467 696">Mr. Richard Ngari</p>	<p data-bbox="608 342 715 371">Member</p> <p data-bbox="608 387 1011 421">Date of Birth: 12th November 1975</p> <p data-bbox="608 436 1433 719">Mr Ngari has served as an ordained pastor with the Free Pentecostal Church in Kenya since 2011, offering spiritual guidance and community support. His earlier career included supervisory and operational roles at Limuru Shell Petrol Station, Mabroukie Tea Factory, and Bata Shoe Company. With a strong foundation in both faith and hands-on leadership, he brings a grounded and compassionate approach to his work.</p>
5.	 <p data-bbox="252 1111 480 1151">Mr. Phillip Mwangi</p>	<p data-bbox="608 741 715 770">Member</p> <p data-bbox="608 786 1433 958">Mr. Mwangi is a passionate humanitarian and an advocate of the community. He is dedicated to serving others and creating meaningful change at grass roots level. He is involved in several initiatives geared towards uplifting the people of Kiambu county.</p>
6.	 <p data-bbox="252 1491 549 1675">Dr. Brenda Nyang'ate Onyancha B. Pharm (UoN, 2007) MSc. Health Economics and Policy UoN, 2022)</p>	<p data-bbox="608 1178 724 1207">Secretary</p> <p data-bbox="608 1223 932 1256">Date of Birth: 5th July 1982</p> <p data-bbox="608 1272 1433 1395">Dr. Onyancha is a pharmacist with over 17 years working in the public health system. Of which 15 years have been focused on health systems management.</p> <p data-bbox="608 1411 1410 1444">She is currently the medical superintendent at Tigoni Level 4 Hospital</p>


4. Key Management Team

Ref	Management	Details
1.	 <p>Dr. Brenda Nyang'ate Onyancha B. Pharm (UoN, 2007) MSc. Health Economics and Policy UoN, 2022)</p>	<p>Medical Superintendent</p> <p>Medical services and Accounting Officer</p> <p>Directs, supervises and evaluates the medical, nursing, technical, administrative, maintenance and other personnel.</p> <p>Monitors use of diagnostic services, inpatient and outpatient facilities.</p> <p>Enhances efficacy in management of patients</p> <p>Establishes work schedules and assignments for staff.</p> <p>Provides leadership</p> <p>Oversees in preparation and implementation of financial budget.</p>
2.	 <p>Dr. Winfred Kimani MBChB (KIU, 2012) M.Med Gen. Surg (Moi, 2021)</p>	<p>Deputy Medical Superintendent</p> <p>Assists the medical superintendent in the responsibilities outlined:</p> <p>Directs, supervises and evaluates the medical, nursing, technical, administrative, maintenance and other personnel.</p> <p>Monitors use of diagnostic services, inpatient and outpatient facilities.</p> <p>Enhances efficacy in management of patients</p> <p>Establishes work schedules and assignments for staff.</p> <p>Provides leadership</p> <p>Assists in preparation and implementation of financial budget</p>
3.	 <p>Mr. Peter Njogu</p>	<p>Hospital Administrative Officer</p> <p>Direct, supervise and evaluate work activities of medical nursing, technical, clerical service, maintenance and other staff.</p> <p>Plan, implement and administer programs and services including human resource, administration, training and coordination of medical, nursing and physical plant staff.</p>

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

	<p>Diploma in management</p> <p>Certificate in financial management for primary healthcare facility managers.</p>	<p>Establish objectives and evaluative or operational criteria for managed departments.</p>
4.	 <p>George Githae Ndungu</p> <p>Diploma in Kenya Registered Community Health Nursing (AKUH, 2008) Higher Diploma in Nephrology Nursing, Kenyatta National Hospital, 2021)</p>	<p>Nursing Services Manager</p> <p>Oversees patient care at the facility</p> <p>Supervise nursing care staff</p> <p>Makes management and budgetary decisions</p> <p>Recruit and train nursing personnel</p> <p>Maintain effective work environment.</p>
5.	 <p>David Gachoya</p> <p>Bachelor of Commerce, Supply Chain (University of Nairobi, 2012)</p>	<p>Supply Chain Officer</p> <p>Ensure timely procurement of goods, services and work</p> <p>Receive requisition for services needed by the hospital</p> <p>Monitor and ensure the services provided to the hospital by service lender are sufficient and up to the required specification and standards in the hospital</p>

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

6.	 <p>Mr. Eunice Gatibaru. Bachelor of commerce -Finance C.P.A (K)</p>	<p><i>Accountant in charge</i></p> <p>Preparation of hospital budget</p> <p>Preparation of hospital financial statements</p> <p>Supervision of revenue</p> <p>Preparation of bank reconciliation and cash book.</p>
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5. Chairman’s Statement

Over the past year, we have witnessed remarkable progress across various critical areas, a testament to the dedication, strategic direction, and collaborative efforts of our leadership, staff, and partners. Our hospital has recorded steady revenue growth, with a 46% increase from the last quarter. This financial progress has been driven not only by increased patient trust and service utilisation but also by prudent financial management and expansion of clinical services.

A key highlight has been the growth of specialist clinics, which have greatly diversified and improved the quality of care provided, while reducing the need for patient referrals outside the facility. These clinics are operated by highly qualified professionals and make specialised care more accessible to the communities we serve.

We have observed a notable rise in maternal hospital deliveries and overall inpatient admissions from Q3, reflecting increasing community confidence in our services. Additionally, we have experienced a rise in the number of surgeries performed, while maintaining low mortality rates—an impressive indicator of improved quality and effectiveness of care.

We are also pleased to report that the construction of a new modern laboratory is progressing well. Once completed, this facility will significantly enhance our diagnostic capacity, reduce turnaround times, and support evidence-based clinical decisions.

In line with our long-term strategic goals, we are planning to expand our casualty department to accommodate the growing demand for emergency services. This will help decongest our emergency wing and improve our response to critical and trauma cases.

These achievements would not have been possible without the unwavering commitment and dedication of our hospital staff, management team, clinical partners and the County Department of Health. I also wish to extend my sincere appreciation to the Board of Management for its continued strategic guidance and support. Together, we remain committed to advancing the hospital's mission of providing a high-quality healthcare system that is accessible, equitable, affordable, and patient-centred. Let us continue to build on this momentum to achieve even greater outcomes in the coming years.

Thank you.

.....

Name Mr. Michael Nyoro

Chairman to the Board

6. Report of The Medical Superintendent

The management of Tigoni Level 4 Hospital is dedicated in offering services of the highest standards. We are guided by our core values of Teamwork, Integrity and Excellence. The past financial year presented its share of challenges with a series of industrial action by staff. Nonetheless the hospital achieved commendable results.

There was a general decline in services offered in the year under review. This was occasioned by industrial action and closure of the facility for refurbishment. The outpatient attendance was 25,052 while the inpatient admissions were 3,499. Nonetheless, there was significant growth in the specialist outpatient clinics with increased visits to the clinics. Furthermore, the deployment of a psychiatrist, Clinical Officer Ophthalmology and Clinical Officer Dermatology saw the establishment of the psychiatry, ophthalmology and dermatology clinics. The establishment of these clinics is a positive response to the needs of the community. It is also important to highlight the upward trend in surgical operations with a 225% increase compared to the previous financial year. The hospital also performed well relative to the set targets.

The total revenue collection for the financial year 2024/2025 was Kshs. **88,866,598**. Of which FIF collection was Kshs. **35,000,109** and SHA/NHIF Reimbursement was Kshs. **53,866,490.55**. This was a remarkable increase in the total revenue collection from Kshs. **73,629,012** from the previous financial year. Furthermore, this year has seen a shift, with a greater proportion of the revenue derived from social insurance reimbursement. This is in line with Universal Health Coverage which aims to decrease out of pocket expenditure.

The hospital is currently undergoing refurbishment funded by the County Government of Kiambu. The refurbishment has not only given the facility a facelift but also will result in relocation of the laboratory into a larger space as well as expansion of the casualty. The larger laboratory will allow for expansion of services and increase the range of diagnostic services offered and positively impact on the quality of care. It will also allow for the laboratory to seek ISO 15189 certification from KENAS. The accident and emergency department's capacity will also increase from one bed to eight bed which will enable better management of mass medical emergencies.

In the new financial year, we hope to leverage on the gains so far made. Our continued dedication to the hospital's vision and mission will guide our efforts. We are confident that we shall continue making great strides in providing quality health care services to the community of Limuru and Kiambu County at large.

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

I would like to extend my heartfelt gratitude to the County Government of Kiambu through the Department of Health for the support and guidance it gives to the management of the facility. I am also grateful for the unwavering support of the hospital board of management who are highly dedicated in the betterment of the hospital. I also commend the hospital management and the staff of the hospital for consistently giving their best even in challenging circumstances.



.....
Name Dr. Brenda Onyancha
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Tigoni Level 4 Hospital has 4 strategic pillars within the current strategic plan. These strategic goals are as follows:

Strategic goal 1: Reduce morbidity and preventable deaths from infectious diseases

Strategic goal 2: Reduce morbidity and preventable deaths from non-communicable diseases

Strategic goal 3: Improve efficiency and quality of services and adopt health care innovations

Strategic goal 4: Improve access and demand for essential and specialized health services to accelerate the achievement of Universal Health Coverage (UHC)

Tigoni Level 4 Hospital develops its annual work plans based on the above 4 Pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital performance for the FY 2024/2025 period for its 4 strategic pillars is as indicated in the diagram below:

Strategic Goal	Indicator	Target for FY2024/2025	Performance
SG 1: Reduce morbidity and preventable deaths from infectious diseases	% Fully immunized children	100%	76%
	% Drop-out rate (Penta 1 to Penta 3)	<10 %	33%
	% of TB patients completing treatment	90	87%
	% HIV + pregnant mothers receiving preventive ARV's(HAART)	100%	100%
	% of eligible pediatric HIV clients on ARV's	93%	100%
	% of Paediatrics virally suppressed	90%	94%
	% of Clients retained to care	90%	98%
	% of under 5's treated for diarrhea	16%	1%
	% Of newborn initiated to breastfeeding within I hour	93%	98%
SG2: Reduce morbidity and preventable deaths from non-communicable diseases	% under 5's stunted	11.50%	6.08%
	% under 5 underweight	3.50%	5.02%
	% under 5 wasted	<4%	0%
	% Women of Reproductive age screened for Cervical cancers	30	2.60%
	% of new outpatients with mental health conditions	0.17	1.53%
	% of new outpatient cases with high blood pressure	3.45%	4.43%
	% of new outpatient cases with Diabetes	1.70%	2.79%
	% new outpatient cases attributed to sexual gender-based violence	0.03%	0.52%
	% new outpatient cases attributed to Road traffic Injuries	0.30%	1.54%
	% new outpatient cases attributed to other injuries	2.10%	5.53%

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

Strategic Goal	Indicator	Target for FY2024/2025	Performance
	% of deaths due to injuries	0.06%	0.01%
SG3. Improve access and demand for essential and specialized health services to accelerate the achievement of Universal Health Coverage (UHC)	% deliveries conducted by skilled attendant	100	484.80%
	% of women of Reproductive age receiving family planning	62	28.40%
	facility based maternal deaths*/100,000LB	58	57.27%
	facility based under five deaths*/1000 LB	0	17.75
	% of newborns with low birth weight	6.5	8.07%
	facility based fresh stillbirths/1000 LB	6.8	6.30%
	% of pregnant women attending 4 ANC visits	92	60.70%
	% of women supplemented with combined IFAS	90	100.00%
	Outpatient utilization rate	120	206.60%
	Bed Occupancy Rate	128%	55%
	TB Cure rate	90	65%
	% of confirmed malaria cases	100	58.30%
	% maternal death audits	100	100
	Malaria inpatient case fatality	0	0
	Average length of stay (ALOS)	3.8	6.6
	% of facility inpatient reports	100%	100%
SG4. Improve efficiency and quality of services and adopt healthcare innovations	% of functional Community Units	78.70%	100.00%
	% availability/fill rate of HPTS in the facility	95	100%
	% HMT Meetings held	100%	100%
	% reports submitted timely, complete and accurate information	100%	100%

8. Corporate Governance Statement

Tigoni Level 4 Hospital has an operational Hospital Board of Management which has an overarching responsibility of providing oversight of the hospital operations. Following the expiry of the term of 3 board members, the County Executive Committee Member Health appointed 5 members vide the Kenya Gazette notice dated 14th February 2025 to serve for a term of 3 years. The hospital medical superintendent is an ex officio and the secretary to the board.

The Hospital Board is responsible for:

- Providing oversight over the general administration of the hospital
- Promoting the development of the hospital
- Giving recommendations to the Executive Member plans and programs for implementing the county health strategies in the hospital
- Recommending to the Executive Member budget estimates
- Establishing a hospital-community participation and feedback platform
- Assessing the delivery of services at the hospital and advice the Executive Member
- Monitoring the hospitals performance against set targets and advice the Executive Member
- Carrying out any other function that may assigned by the Executive Member

One ceases to be a member if he/she:

1. Has been absent for three consecutive meetings of the Board without the permission of the chairperson
2. Is adjudged bankrupt
3. Is unable to discharge his or her duties due to physical or mental incapacity
4. Violates or is suspected of violating the provisions of Chapter six of the Constitution: or
5. Is charged with a criminal offence in court of law or a traffic offence attracting an imprisonment term of a minimum of six months.

The conduct of business of the hospital board is regulated by the CECM Health. The hospital board of management holds at least one meeting quarterly and a supplementary meeting when need arises. For the year under review 5 meetings were held. The attendance is as shown in the table below:

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

Name of Member	Board Position	Date of Appointment	Attendance
Eng. Stephen W. Ndinika	Chairman	01/05/2021 to 14/02/2025	3/3
David Mbiyu	Member	01/05/2021 to 14/02/2025	3/3
Ansusah W. Mbugua	Member	01/05/2021 to 14/02/2025	3/3
Rev. Grace M. Gathogo	Member	04/01/2023 Renewed 14/02/2025	4/5
Michael Nyoro	Chairman	14/02/2025	2/2
Richard Ngari	Member	14/02/2025	2/2
Phillip Mwangi	Member	14/02/2025	2/2
Mercy Nungari Ndungu	Member	14/02/2025	2/2
Dr. Peninnah Mwikali	Secretary	-	5/5
Dr. Brenda Onyancha	Secretary	-	2/2

The hospital board is remunerated a sitting, meal/lunch and transport allowance as provided for Salaries and Remuneration Commission at a rate of sitting allowance for chairperson 4000 and members Ksh 2,500; lunch allowance of Ksh. 500 and transport allowance of Ksh. 2000. For the period under review the allowances paid to the hospital board members was Ksh. 86,000.

9. Management Discussion and Analysis

Clinical/operational performance

Outpatient Attendance

The total outpatient attendance for the financial ending 30th June 2025 was **25,052**. There was a decrease in the visits compared to the previous financial years. This is due to industrial action by health care workers which resulted in disruption in services.

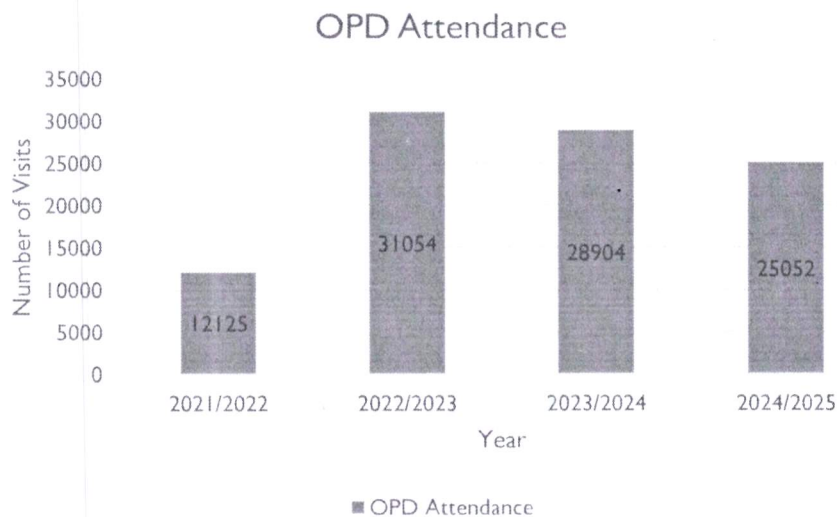


Figure 1 Outpatient Attendance

Specialist Outpatient Clinics

In the financial under review there was the establishment of the Psychiatry, Eye and Dermatology outpatient clinics thus increasing the number of specialist clinics to nine. The existing specialist clinics include Medical Outpatient Clinic (MOPC), Surgical Outpatient Clinic (SOPC), Gynaecology Outpatient Clinic (GOPC), Ear, Nose and Throat (ENT) Outpatient Clinic, and Orthopaedic Clinic.

The specialist outpatient clinic attendance was **4402**. This increase in specialist outpatient clinic attendance can be attributed to an observed increase in attendance across the various clinics as well as establishment of the new clinics.

SPECIALIST OUTPATIENT CLINIC ATTENDANCE

YEAR	ENT	MOPC	GOPC	POPC	SOPC	Ortho.	Psych.	Eye	Derm.	Total
2021/2022	0	300	74	58	87	106	0	0	0	625
2022/2023	393	1206	692	478	542	601	0	0	0	3912
2023/2024	436	825	911	540	642	648	0	0	0	4002
2024/2025	434	824	1015	442	692	817	103	17	58	4402

Table 1 Specialist Clinic Attendance

Inpatient Admissions

The inpatient admissions for the financial ending 30th June 2025 was **3499**. This was an 8.8% decrease from the previous financial year. The reduction in admissions is attributable to the industrial action that occurred within the year thus resulting in disruption of services. Commendably the mortality rate remained low at 3.6% of the admissions.

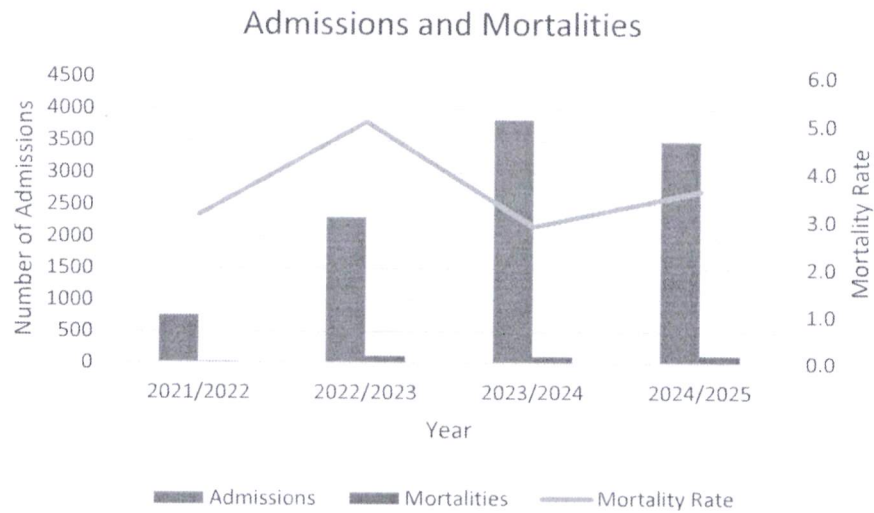


Figure 2 Admissions and Mortalities

Maternal Deliveries

The maternal deliveries for the financial year ending 30th June 2025 were **1760**. There was a notable decline in maternal deliveries compared to the previous year. This is due to industrial action that occurred within the period and due closure of the maternity ward and theatre for refurbishment.

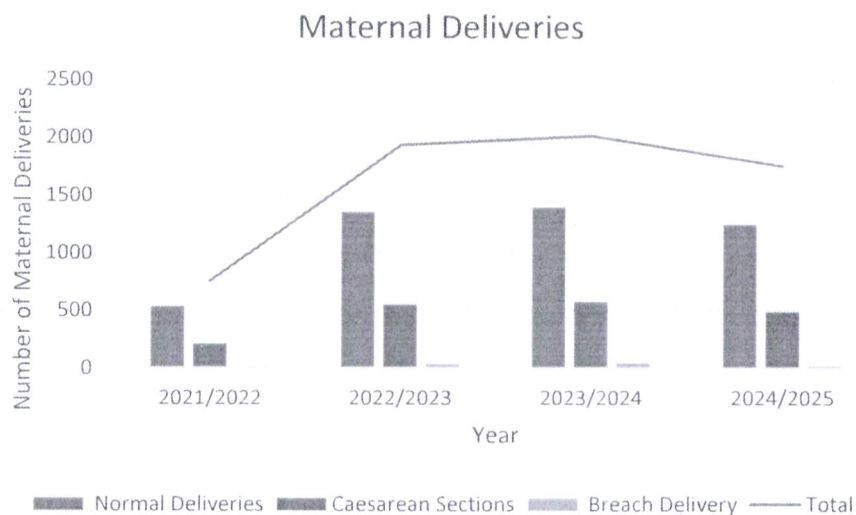


Figure 3 Maternal Deliveries

Surgical Operations

Tigoni Level 4 Hospital has one theatre that serves maternity and other surgical departments. The total number of surgical operations for the financial year ending 30th June 2025 was **855**. This is tremendous increase compared to **263** surgeries for the previous financial year. Figure 4 below illustrates the surgical operations for the period under review.

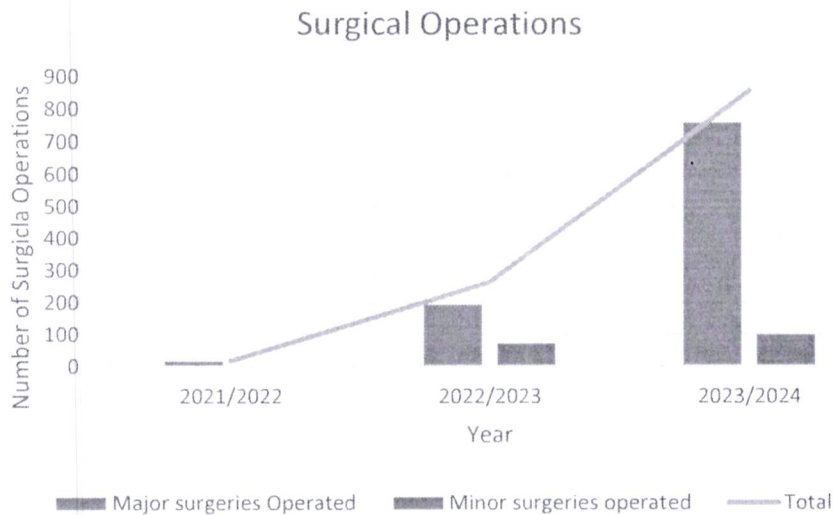


Figure 4 Surgical Operations

Financial performance

The revenue collected for the financial year ending 30th June 2025 was **88,866,598**. Of which Kshs. **35,000,107** was from FIF collection and Kshs. **53,866,490.55** was from NHIF/SHA reimbursement. While there was a decline in FIF collection compared to the previous financial year, there was an overall increase in the revenue collected for the financial year under review due to the increased SHA reimbursement.

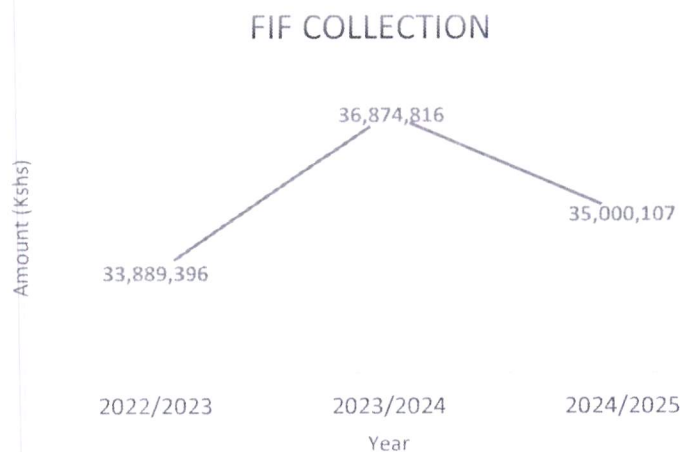


Figure 5 Comparison of Revenue Collection

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

In the financial year under review, there was a general progressive increase in FIF collection across the quarters as illustrated in Table 2 below.

PERIOD	Revenue Collection		Total (Kshs)
	FIF Collection (Kshs)	SHA Reimbursement (Kshs)	
Q1	8,596,595	8,249,567.00	16,846,162
Q2	7,089,451	11,653,428.00	18,742,879
Q3	9,492,785	9,150,820.00	18,643,605
Q4	9,821,276	24,812,675.55	34,633,952
	35,000,107	53,866,490.55	88,866,598

Table 2 Revenue Collection for the Period Ending 30th June 2025

The largest proportion of the revenue is from SHA reimbursement which accounted for 61% of the revenue collection. This commendable as it is in line with national UHC policies which seek to promote the use of social health insurance. Figure 6 below illustrates the revenue collection.

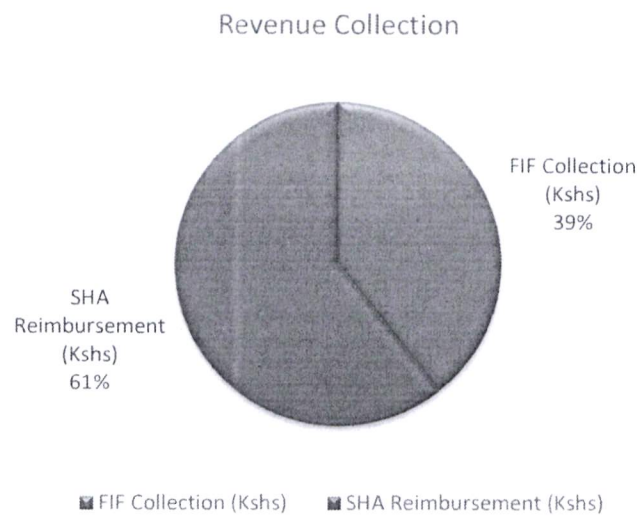


Figure 6 Revenue Collection

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Tigoni Level 4 Hospital strives to provide affordable quality health care to the community. The management of Tigoni Level 4 Hospital exercises fiscal prudence and stewardship to ensure that the hospital can meet its obligations. Financial sustainability measures in place include diversification of services offered, ensuring cost efficiency and optimizing revenue collection.

In line with the Sustainable Development Goals (SDGs), the hospital ensures proper waste management practices and digitization of services to ensure environmental sustainability. The hospital also has increased access to health care services to the underserved community. Additionally, there is facility places utmost focus on maternal, neonatal and child health. The hospital boosts vibrant maternity and paediatrics departments which are supported by nurses, medical officers and medical specialists.

The hospital recognizes the key role of the health care workforce as a pillar in the health care system. Thus, measures have been put in place to motivate staff and to improve their skills. The management also endeavours to foster a healthy work environment through equipping staff with the necessary skills and equipment to effectively perform their duties.

ii) Environmental performance

In tandem with the global focus on environmental sustainability, the facility has put in various measures to promote a safe environment for its staff and clients. The hospital generates significant amounts of health care waste and it is for this reason that proper waste management practices are critical for infection prevention and control as well as to limit the environmental impact. The hospital has an Infection Prevention and Control (IPC) committee that oversees amongst others the health care waste management. The committee meets up regularly and conducts supervision to ensure that the IPC practices are enforced. In addition to proper waste disposal, the hospital has equipped the staff with proper equipment for waste handling. Furthermore, trainings on IPC have been held to build capacity of the staff. The facility adheres to solid waste management guidelines with colour coded bins placed in all the departments well as standard operating procedures on the waste management displayed.

The facility acquired a modern placenta macerator procured by the Department of Health. The placenta macerator is beneficial for safe and fast disposal of placentas. Additionally, the hospital is also in the process

of getting a microwave for disposal of waste. Furthermore, the facility utilizes a hospital management information system (HMIS) for the outpatient department thus going paperless.

iii) Employee welfare

A greater proportion of the employees are under the Kiambu County Public Service Board. However, the hospital recruits on casual basis employees who offer support services. Recruitment is done by a multi-disciplinary panel. This committee takes into account the gender equity during recruitment.

The management is cognizant on the effect of career development on employee performance and motivation. Therefore, employees who wish to further their studies are facilitated to do so through the County Department of Health. Employees are also facilitated to attend trainings as well as to attend any professional development forums such as conferences. The hospital also holds weekly continuous medical education sessions.

Furthermore the hospital has a welfare association for the staff i.e. Staff Welfare Association of Tigoni. The association offers financial and social support to its members during bereavement, hospitalization and retirement. It also fosters a sense of community and is involved in team building activities that help build connections between colleagues.

The organization complies to the Occupational Safety and Health Act. The management has ensured that safety measures have been put in place and staff provided with the necessary personal protective equipment. The security of employees is also paramount thus necessary security measures are in place to ensure that staff are protected. Additionally, fire safety equipment are in place.

iv) Market place practices-

a) Responsible competition practice.

Tigoni Level 4 Hospital maintains fair and transparent operations. The institution has a zero tolerance to corruption policy. Furthermore, the hospital maintains fair competition through open and transparent procurement as guided by the Public Procurement and Asset Disposal (PPD) Act 2015. Additionally, the hospital has adopted a cashless payment system with all payment being made through the mobile money service, M-PESA.

b) Responsible Supply chain and supplier relations

The hospital ensures competitive procurement by compliance with the regulations guiding procurement. In addition, the facility ensures fair treatment of its suppliers by promptly making

payment to its suppliers. Supplier diversification and inclusion is also prioritized by giving opportunities to the minority groups including youth, women and persons living with disabilities.

c) Responsible marketing and advertisement or Responsible engagement with citizens

Tigoni Level 4 Hospital upholds ethical marketing practices by ensuring that information to the community is accurate and evidence based.

d) Product stewardship or Awareness Creation

In the provision of quality care, patient safety remains a key pillar. Thus, the principle of do no harm forms the basis of the services offered at Tigoni Level 4 hospital to our patients and clients. Furthermore utmost care is taken to ensure patient confidentiality and privacy is adhered to.

e) Community Engagements

Tigoni Level 4 Hospital is committed to serving the patients and the entire community. It is for this reason that regularly engages the patients and client in health talks to deliver health promotion messages. In addition, the hospital has a customer care desk that responds to client queries and receives complaints and addresses issues through the management.

11. Report of The Board of Management

The board members submit their report together with the audited financial statements for the year that ended June 30, 2025, which show the state of Tigoni Level 4 Hospital affairs.

Principal activities

The principal activities of Tigoni Level 4 hospital are outpatient services including consultation, basic and specialised laboratory services, radiology services and pharmacy services. The facility has medical specialists thus offers specialist clinics which include gynaecological, orthopaedic, ENT, medical and ENT. In addition, the hospital offers inpatient services including maternity services. The facility also has a theatre thus offers surgical services.

Results

The results of the entity for the year ended June 30, 2025, are set out on pages ...1. to 60.

Board of Management

The members of the Board who served during the year are shown on page vii. During the year, 3 directors retired/ resigned, and 4 directors was appointed with effect from 14th February 2025.

Auditors

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

By Order of the Board

.....


Name Dr. Brenda Onyancha

Secretary to the Board

12. Statement of Board of Management’s Responsibilities

Section 164 of the Public Finance Management Act, 2012) requires the Board of Management to prepare financial statements in respect of that Tigoni Level 4 Hospital, which give a true and fair view of the state of affairs of the hospital at the end of the financial year/period and the operating results of the hospital for that year. The Board of Management is also required to ensure that the hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the hospital. The council members are also responsible for safeguarding the assets of the hospital.

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

The Board of Management accepts responsibility for the hospital’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu Health Services Act, No 2 of 2019. The Board members are of the opinion that the hospital’s financial statements give a true and fair view of the state of hospital’s transactions during the financial year ended June 30, 2025, and of the hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital’s financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital’s financial statements were approved by the Board on 4/12/25 and signed on its behalf by:



.....
Name: Mr. Michael Nyoro
Chairperson
Board of Management



.....
Name: Dr. Brenda Onyancha
Accounting Officer

REPUBLIC OF KENYA



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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tigoni Level 4 Hospital - County Government of Kiambu set out on pages 1 to 51, 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

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tigoni Level 4 Hospital – County Government of Kiambu as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The annual report and financial statements presented for audit had the following inaccuracies;

- i. The total revenue for the financial year 2024/2025 was not disclosed.
- ii. The opening balance for depreciation and amortization, which had been reported in the prior year as Kshs.952,770, was not reflected in the comparative column.
- iii. Note 27(a) on the detailed analysis of cash and cash equivalents reflects a balance of Kshs.15,662,506, while the statement of financial position reflects Kshs.8,695,804, resulting in a variance of Kshs.6,966,702.
- iv. The opening balance for intangible assets for 2023/2024 is reflected as Kshs.1,106,640, whereas the prior year's financial statements reported a balance of Kshs.1,419,840, resulting in a variance of Kshs.313,200.
- v. The accumulated surplus of Kshs.63,175,311 in the statement of financial position does not reconcile with the closing balance of Kshs.6,316,141 in the statement of changes in net assets resulting in a variance of Kshs.56,859,170.
- vi. The opening cash and cash equivalents balance disclosed in the statement of cash flows reflects a balance of Kshs.1,300,567 as at 1 July, 2024 whereas the statement of financial position reflects an opening balance of Kshs.13,187,702.
- vii. Note 18 the total depreciation for 2023/2024 is indicated as Kshs.952,062 while the previous year financial statements had reflected Kshs. 950,062, resulting in a variance of Kshs.2,000.
- viii. Note 36, trade payables is reported as Kshs.149,653,016, while a recast balance was Kshs. 149,652,836, resulting in a variance of Kshs.180.
- ix. Appendix 1 on the progress of follow-up of auditor recommendations has not been populated with issues raised by the external auditor in the prior year.

In the circumstances, the accuracy and completeness of the above balances included in this financial statements could not be confirmed.

2. Unsupported Payables Balance

The statement of financial position reflects a balance of Kshs.149,653,016 in respect to trade and other payables as disclosed in Note 36 to the financial statements. However, no supporting documents was provided for audit verification. Management indicated that the supporting documents were at the County Headquarters, which is also responsible for verification and payment processing of supplier claims on behalf of the hospital.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.149,653,016 could not be confirmed.

3. Expired Drugs Included in the Inventory

The statement of financial position and Note 31 to the financial statements reflects inventories balance of Kshs.17,394,107. A physical inspection of the non-pharmaceutical, pharmaceuticals and general stores revealed presence of expired and obsolete items still held in stock and expired drugs. However, the Note 31 under inventory disclosures states that "there were zero write-downs of inventory during the year." No impairment assessment, write-down, or write-off was carried out during the year, despite the existence of expired and obsolete inventory that no longer holds service potential.

In the circumstances, the accuracy and valuation of the inventory balance of Kshs.17,394,107 could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalents

The statements of financial position reflected cash and bank balances balance of Kshs.8,695,804. However, the balance as per the cashbook balance was Kshs.1,191,506 resulting in an unexplained variance of Kshs.7,504,298. Further, review of the bank reconciliation as at 30 June, 2025 revealed a total of 65 stale cheques with total value of Kshs.718,247 drawn between August, 2022 and November, 2024 in favor of the Commissioner of Domestic Taxes, NHIF, and other statutory entities. The stale cheques have not been reversed and continue to appear as outstanding items.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.8,695,804 could not be confirmed.

5. Undisclosed Property, Plant and Equipment

The statement of financial position, and as disclosed in Note 32 to the financial statements, reflects Nil balance in relation to property, plant and equipment. However, review of records revealed that the Hospital had various assets which include land, buildings, furniture, computers and equipment. However, these assets were not disclosed in the financial statements. Further, ownership documents for the land were not provided for audit review.

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

6. Long Outstanding Receivables

The statement of financial position and Note 29 to the financial statements reflects an amount of Kshs.186,738,416 in respect of receivables from exchange transactions. The receivables balance includes a balance Kshs.51,525,774 or 30% which have remained outstanding for more than three (3) years. The significant balance of receivables is an indication of Management's inability to collect the receivables which may result in bad debts and inability to effectively deliver services.

In the circumstances, accuracy, completeness and full recoverability of receivables totalling Kshs.186,738,416 could not be confirmed.

7. Long Outstanding Trade Payables

The statement of financial position and as disclosed in Note 36 to the financial statements reflects trade payables balance of Kshs.149,653,016. Ageing analysis revealed that, payables balance of Kshs.13,659,414 or 6.67% had been outstanding for between 1–2 years, Kshs.12,179,212 or 5.95% for between 2–3 years, and Kshs.87,646,529 or 42.8% for over 3 years. This indicates that 55.42% of total payables had been outstanding for more than one year, suggesting delayed settlement of obligations. The outstanding payables contravenes the provisions of Section 53(8) of the Public Procurement and Asset Disposal Act, 2015, which requires Accounting Officers to only commit funds where sufficient budgetary provision exists to meet the resulting obligations.

In the circumstances, accuracy of trade payables balance of Kshs.149,653,016 could not be confirmed. Further, the Hospital is exposed to loss through fines and penalties and Management was in breach of the law.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.92,513,517 and Kshs.61,540,244 respectively, resulting in an under-funding of Kshs.30,973,273 or 33% of the budget. Similarly, the Hospital spent a balance of Kshs.54,145,007 against actual receipts of Kshs.61,540,244, resulting in an under-utilization of Kshs.7,395,237 or 12% of actual receipts.

The under-funding and under-utilization may have 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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

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

Review of the status during audit of Tigoni Level 4 Hospital in 2024/2025 revealed that the following matters remained unresolved.

No.	Financial Year	Audit Issue
1	2023/2024	Failure to prepare a Trial Balance
2	2023/2024	Unauthorized Payments
3	2023/2024	Long Outstanding Stale Cheques
4	2023/2024	Undisclosed Property, Plant and Equipment
5	2023/2024	Long Outstanding Receivables
6	2023/2024	Non-compliance in presentation in the Financial Statements
7	2023/2024	Unbalanced Budget
8	2023/2024	Long Outstanding Trade Payables
9	2023/2024	Non-compliance with Procurement Plan
10	2023/2024	Failure to Develop and Implement Policy Documents
11	2023/2024	Inadequate Facilities
12	2023/2024	Weak ICT
13	2023/2024	Lack of Asset Register
14	2023/2024	Weak Controls in Stores Management

Other Information

The Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of The Medical Superintendent, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Performance Against Predetermined Objectives, 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 Tigoni Level 4 Hospital 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 THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources 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. Procurement of Pharmaceutical Supplies under an Expired Framework Contract

The statement of financial performance, as disclosed in Note 15 to the financial statements, reflects Kshs.51,759,365 on medical/clinical costs. Included in the amount is Kshs.11,985,054 relating to pharmaceutical supplies. Review of the supporting documentation revealed that included in the expenditure is Kshs.6,000,000 paid for drugs procured vide LPO No. 3797539 dated 12 November, 2024 and LPO No. 4480205 dated 20 February, 2025 for Kshs.3,000,000 each. However, the procurement was made under a framework contract between the County Government of Kiambu and a supplier dated 27 October, 2021, which was valid for three years and had expired by the time of the procurements.

In the circumstances, the expenditure was incurred under an expired framework contract, indicating non-compliance with procurement regulations.

2. Engagement of Casuals for More than Three Months

Review of the payroll records for the year under review revealed that the Hospital had twenty-nine (29) casual employees in various departments. The Management engaged casual workers for more than three months contrary to the County Public Service Human Resource Manual, May 2013 Section B. 16(1) which states that "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, the continued engagement of casual workers beyond the prescribed period contravened the Employment Act, 2007 and human resource regulations.

3. Non-Compliance with Public Procurement Capacity Building Levy

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

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

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

Review of the Hospital records and physical inspection in the Hospital of services offered, equipment used, and availability of medical specialists revealed that the Hospital does not meet the Kenya Quality Model for Health Policy guidelines due to staff deficit by twenty-two (22) staff requirements or 23% of the authorized establishment.

	Minimum Required Level 4	Number in Hospital	Variance	Percentage % Gap
Staffing Requirement				
Medical Officers	16	7	(9)	56
Anesthesiologists	2	0	(2)	100
Radiologists	2	1	(1)	50
Registered Community Health Nurses	75	65	(10)	13
Total	95	73	22	23

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

Equipment & Machines	Required	In-Place	Variance	Percentage %
Bed Capacity	150	150	(0)	0
Functional ICU Beds	6	8	(2)	33
HDU Beds	6	0	(6)	100
Renal Unit with Dialysis Machines	5	0	(5)	100
Functional Operating Theatres Maternity and General Ward	2	1	(1)	50
Ambulances		0		100

Further, the Hospital lacked renal services.

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

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

Review of revenue records obtained from the hospital revealed that the facility collected a total Kshs.120,183,172 towards the health facilities improvement. Out of this amount, a total of Kshs.100,762,839 was transferred to County Revenue Fund. However, the County Treasury reimbursed a total of Kshs.61,540,244 to the health facility resulting in a deficit of Kshs.58,642,928. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 Internal Audit Function

During the year under review, the Hospital did not have an internal audit function and had not constituted an audit committee contrary to Section 155(5) of the Public Finance Management Act, 2012 Regulation 157 (1) and 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires operationalization of the internal audit function and establishment of an audit committee to assess effectiveness of the Hospital through an internal performance appraisal commenting on its effectiveness in accordance with formats prescribed by the Public Sector Accounting Standards Board.

In the circumstances, the Hospital did not benefit from the oversight role and advice from the audit committee and the internal audit function and was in breach of the law.

2. Weak Inventory Controls

The statement of financial position reflects an amount of Kshs.17,3944,107 in respect to inventories. During the physical inspection of the non-pharmaceutical stores, food and

rations and the general store, inspection revealed the following weaknesses in management of inventory:

- i) Some items had S5 bin cards, but were not updated.
- ii) Where bin cards existed, some were kept in a file instead of being located at the bin, defeating the immediate control purpose.
- iii) For sampled items, physical stock quantities differed from balances shown on the bin cards, indicating non-posting of transactions.

In the circumstances, controls over inventory were inadequate, increasing the risk of misstatement and loss of inventory.

3. Weakness in Revenue Controls Due to Qafya System Downtime

Review of the revenue collection process established that the Hospital relies on the Qafya electronic billing system for patient registration, billing, and receipting of medical service income. However, the system had experienced downtime after the system developer temporarily switched it off due to non-payment of contractual fees by the County Executive.

As a result, the hospital resorted to using an M-PESA Paybill for revenue collection during the period of downtime.

In the circumstances, the adequacy of controls over revenue system could not be confirmed.

4. Incomplete Asset Register

Review of the fixed asset register revealed that key details were missing for all assets. Specifically, the register lacked the asset category, asset serial number, asset number, date of purchase, purchase price, and document number. The absence of this information makes asset tracking and physical verification difficult and hinders accurate asset valuation and financial reporting.

In the circumstances, the incomplete asset register undermines effective asset management and control, increasing the risk of misstatement, misappropriation, or loss of assets.

5. Lack of Approved Staff Establishment

During the audit, it was noted that the Hospital does not have an approved staff establishment as required by the Health Act, 2017. Management did not provide a formally approved document showing authorized positions, grades, job titles, and optimal staffing levels for the entity.

In the circumstances, the authenticity and adequacy of the current number of employees could not be confirmed.

6. Lack of Risk Management Policy, Information Communication Technology Policy and a Disaster Recovery Plan

Review of records revealed that the Hospital did not have in place, a Risk Management Policy, a Disaster Recovery Plan and Information Communication Technology Policy in place to ensure that the Hospital develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the absence of the policies exposes the Hospital to unmitigated risks.

7. Underutilization of Inpatient Building

Inspection of the hospital facilities carried out in the month of November 2025 revealed that the facility had three story building that was constructed by the county Government of Kiambu in the year 2018. Physical verification of the building revealed the following;

- i) The building had never been handed over to the facility. No handing over minutes were provided.
- ii) The building was being underutilized. Only the Ground floor and part of first floor was being utilized.
- iii) The painting of the outer part of the building was chipping off hence needed a retouch.

In the circumstances, the underutilization of the building limits the hospital's capacity to provide adequate healthcare services to public.

8. Non-Staggered Appointment of Board Members

Review of the appointment letters for Board members revealed that all members were appointed effective 13 February, 2025 for a uniform term of three years. This contravenes the requirement of Section 19(1) of the Facilities Improvement Financing Act, 2023, which stipulates that; the appointments of the members to the Board and Committee in this part shall be in such a manner that the respective expiry of their terms shall fall at different dates.

In the circumstances, simultaneous expiry of all members' terms exposes the Hospital to a loss of governance continuity.

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

Responsibilities of the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual

Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing 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.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

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

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

Description	Note	Period ended 2024/2025	Period ended 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
In- kind contributions from the County Government	7	15,442,347	0
		15,442,347	0
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	34,979,109	36,874,817
Revenue from rent of facilities	12	21,000	60,000
Revenue from exchange transactions		35,000,109	36,934,817
Total revenue			36,934,817
Expenses			
Medical/Clinical costs	15	51,759,365	34,231,796
Employee costs	16	8,102,256	8,100,536
Board of Management Expenses	17	116,000	87,500
Repairs and maintenance	19	3,988,029	1,430,035
Grants and subsidies	20	24,036,634	14,725,802
General expenses	21	19,407,718	16,926,039
Total expenses		107,410,002	76,453,770
Other gains/(losses)			
Medical services contracts Gains/Losses	25	85,183,063	36,867,695
Total other gains/(losses)		85,183,063	36,867,695
Net Surplus / (Deficit) for the year		28,215,517	(2,651,258)

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

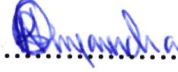
The Hospital's financial statements were approved by the Board on 19th August 2025 and signed on its behalf by:



.....
Chairman
Michael Nyoro
Board of Management



.....
Head of Finance
Eunice Gatibaru
ICPAK No:31639



.....
Medical Superintendent
Dr. Brenda Onyancha

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

15. Statement of Financial Position as at 30th June 2025

Description	Note	Period ended 2024/2025	Period ended 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	8,695,804	13,187,702
Receivables from exchange transactions	29	186,738,416	69,553,053
Inventories	31	17,394,107	22,080,949
Total Current Assets		212,828,327	104,821,704
Non-current assets			
Property, plant, and equipment	32	0	639,098
Intangible assets	33	0	1,106,640
Total Non-current Assets		0	1,745,738
Total assets (A)		212,828,327	106,567,442
Liabilities			
Current liabilities			
Trade and other payables	36	149,653,016	105,532,030
Total Current Liabilities		149,653,016	105,532,030
Non-current liabilities			
Total Liabilities (B)		149,653,016	105,532,030
Net assets (A-B)		63,175,311	1,035,412
Represented by:			
Accumulated surplus/Deficit		63,175,311	1,035,412
Net Assets		63,175,311	1,035,412

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

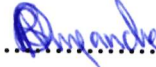
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Dr Brenda Onyancha

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

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	0	4,185,629	0	4,185,629
Surplus/(deficit) for the year	0	(2,651,529)	0	(2,651,529)
As at June 30, 2024	0	1,534,100	0	1,534,370
As at July 1, 2024	0	1,534,100	0	1,534,370
Surplus/(deficit) for the year	0	28,215,517	0	4,781,771
At June 30, 2025	0	29,749,617	0	6,316,141

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

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

Description	Note	Period ended 2024/2025	Period ended 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		61,540,244	62,341,891
Total Receipts		61,540,244	62,341,891
Payments			
Medical/Clinical costs		28,873,844	27,190,619
Employee costs		9,049,602	6,227,342
Board of Management Expenses		86,000	129,000
Repairs and maintenance		817,537	2,019,641
Grants and subsidies		0	9,647,930
General expenses		15,318,024	13,541,461
Total Payments		54,145,007	58,755,993
Net cash flows from operating activities	43	7,395,237	3,585,898
Net increase/(decrease) in cash and cash equivalents		7,395,237	3,585,898
Cash and cash equivalents as at 1 July 2024	27	1,300,567	9,601,804
Cash and cash equivalents as at 30 June 2025	27	8,695,804	13,187,702

Tigoni Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 20X

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the County Government	92,513,517	0	92,513,517	61,540,244	30,973,273	67%
Total receipts	92,513,517	0	92,513,517	61,540,244	30,973,273	67%
Payments						
Medical/Clinical costs	50,277,040	0	50,277,040	28,873,844	21,403,196	57%
Employee costs	9,600,000	0	9,600,000	9,049,602	530,398	94%
Remuneration of directors	96,000	0	96,000	86,000	10,000	90%
Repair and Maintenance	9,997,227	0	9,997,227	817,537	9,179,690	8%
General expenses	22,543,250	0	22,543,250	15,318,024	7,225,226	68%
Total Operational Expenditure paid	92,513,517	0	92,513,517	54,145,007	38,368,510	58%
Surplus	0	0	0	7,395,237	(7,395,237)	100%

Budget notes

Transfer from the county government - delay in disbursement
 Medical/clinical cost -partial delivery for medical supplies
 Employee cost- underutilization due staff resignation
 Remuneration-fewer board meeting than anticipated
 Repair&Maintenance-Few repairs
 General expenses-inflation

-

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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	7,395,237
	Opening bank balance from the previous year	1,300,567
	Closing Cash and Cash Equivalent as per the statement of Cash flows	8,695,804

19. Notes to the Financial Statements

1. General Information

Tigoni level 4 hospital is established by and derives its authority and accountability from public finance management (PFM) 2012 Act. The hospital is wholly owned by the Kiambu County Government and is domiciled in Kiambu County in Kenya. The hospital principal activity is providing health services.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

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

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<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>
IPSAS 49- Retirement Benefit Plans	<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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li data-bbox="443 1189 1394 1279">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. <li data-bbox="443 1301 1394 1447">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. <li data-bbox="443 1469 1394 1715">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

Tigoni level 4 hospital did not early – adopt any new or amended standards in the financial

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

Tigoni level 4 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.

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **21st June ,2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the hospital recorded additional appropriations of **nil** on the FY 2024/2025 budget following the Board's approval. The hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

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

Financial assets

Classification of financial assets

Tigoni level 4 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 entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless 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 entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

Tigoni level 4 hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. 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.

Notes to the Financial Statements (Continued)

m. Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The 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.

n. Contingent liabilities

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

o. Contingent assets

Tigoni level 4 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.

p. Nature and purpose of reserves

Tigoni level 4 hospital creates and maintains reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

Tigoni level 4 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)

r. Employee benefits

Retirement benefit plans

Tigoni level 4 hospital do not provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the 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.

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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 raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes. 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	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

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. KShs	Total grant income during the year KShs	Comparative Period KShs
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Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	15,442,347	0
Total grants in kind	15,442,347	0

8. Grants From Donors and Development Partners

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

10. Public Contributions and Donations

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

10 (a) Reconciliations of amortised grants

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Pharmaceuticals	4,178,765	3,163,571
Medical examination	93,500	0
Laboratory	9,968,840	7,457,586
Radiology	4,425,040	4,742,429
Orthopedic and Trauma Technology	337,200	0
Theatre	548,600	577,597
Physiotherapy	473,600	
Accident and Emergency Service	1,163,731	0
Records	2,994,670	0
Ear Nose and Throat service	8,000	4,055
Nutrition service	19,200	16,930
Inpatient income	2,268,478	0
Dental services	118,800	437,544
Reproductive health	1,366,300	167,830
Paediatrics services /MCH	205,100	25,801
Farewell home services	3,031,700	3,020,333
Other medical services income	3,777,585	17,261,140
Total revenue from the rendering of services	34,979,109	36,874,817

Other medical services income: control account, miscellaneous income, deposit.

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Commercial property	21,000	60,000
Total Revenue from rent of facilities	21,000	60,000

13. Finance /Interest Income

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs

14. Miscellaneous Income

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Dental costs/ materials	79,400	294,050
Laboratory chemicals and reagents	6,237,398	5,379,162
Food and Ration	7,318,715	5,080,460
Dressing and non-pharmaceuticals	15,551,323	15,034,404
Pharmaceutical supplies	11,985,054	4,892,957
Sanitary and cleansing Materials	3,548,365	1,781,138
Purchase of Medical gases	4,139,510	954,775
X-Ray/Radiology supplies	2,899,600	814,850
Total medical/ clinical costs	51,759,365	34,231,796

16. Employee Costs

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Other employee costs (<i>casuals</i>)	8,102,256	8,100,536
Employee costs	8,102,256	8,100,536

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Sitting allowance	116,000	87,500
Total	116,000	87,500

18. Depreciation and Amortization Expense

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Property, plant and equipment	146,803	283,902
Intangible assets	0	666,160
Total depreciation and amortization	146,803	952,062

19. Repairs And Maintenance

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Property- Buildings	396,521	216,210
Medical equipment	597,520	1,042,125
Office equipment	995,404	0
Furniture and fittings	310,584	0
Computers and accessories	1,688,000	0
Maintenance of plant, machinery and equipment	0	171,700
Total repairs and maintenance	3,988,029	1,430,035

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Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Other grants and subsidies	24,036,634	14,725,802
Total grants and subsidies	24,036,634	14,725,802

21. General Expenses

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs
Catering expenses	164,500	225,435
Insecticides and rodenticides	80,500	5,000
Bank charges	4,271	10,945
Contracted services	2,808,500	3,108,000
Electricity expenses	7,232,362	5,714,099
Fuel and Lubricants	931,900	0
Travel and accommodation allowance	0	32,250
Other fuels	0	932,480
Printing and stationery	6,287,730	4,866,830
Water and sewerage costs	942,955	1,411,000
Telephone and mobile phone services	955,000	620,000
Total General Expenses	19,407,718	16,926,039

22. Finance Costs

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

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

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

24. Unrealized Gain On Fair Value Investments

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	85,183,063	36,867,695
Total Gain/Loss	85,183,063	36,867,695

26. Impairment Loss

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

27. Cash And Cash Equivalents

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Current accounts	8,695,804	13,187,666
Total cash and cash equivalents	8,695,804	13,187,666

Notes to the Financial Statements (Continued)

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

Description		Period ended 2024/2025	Period ended 2023/2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank-FIF	1156960649	8,695,804	11,559
Kenya Commercial bank- NHIF	1273215931	6,905,816	13,158,848
Family bank	001000053768	0	17,295
Family bank	001000068738	60,886	
Sub- total		15,662,506	13,187,702
Grand total		15,662,506	13,187,702

28. Prepayments

Description		Period ended 2024/2025	Period ended 2023/2024
		Kshs	Kshs

29. Receivables From Exchange Transactions

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Medical services receivables	186,738,416	69,553,053
Total receivables	186,738,416	69,553,053

Analysis of Receivables From Exchange Transactions

Description	Period ended 2024/2025		Period ended 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	116,400,101	69.49%	11,086,548	16%
Between 1- 2 years	0	0%	1,361,845	2%
Between 2-3 years	19,225,418	0%	5,578,886	8%
Over 3 years	51,112,897	30.51%	51,525,774	74%
Total (a+b)	186,738,416	100%	69,553,053	100%

30. Receivables From Non-Exchange Transactions

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

Analysis of Receivables from Non-Exchange Transactions

Description	Period ended 2024/2025		Period ended 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total

31. Inventories

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Pharmaceutical supplies	6,006,258	6,298,352
Laboratory	1,804,490	0
Food supplies	206,761	50,425
Linen and clothing supplies	0	1,437,990
Cleaning materials supplies	1,171,697	503,701
Dressing & Non-pharm	3,991,471	
Xray radiology supplies	653,800	
Health information stationery	2,948,110	
General supplies	611,520	13,790,481
Total	17,394,107	22,080,949

Detailed disclosure on inventories

	Period ended 2024/2025	Period ended 2023/2024
Opening balance	22,080,949	0
Additional Inventory in the year	56,621,899	0
Inventory expensed in the year	(61,308,741)	0
Closing balance	17,394,107	0

Tigoni Level 4 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	XRAY PRINTER 30%	Plant and medical Equipment(Autoclave)12.5%	Other Assets (Grass cutter)12.5%	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh

NB: All assets eg Land, Building, software, medical equipments, furnitures&fittings awaits valuation from county to determine their cost for inclusion in the financial statement.



Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Cost		
At beginning of the year	0	1,774,800
At end of the year	0	1,774,800
Amortization and impairment		
At beginning of the year	0	313,200
Impairment loss	0	354,960
At end of the year	0	668,160
NBV	0	1,106,640

34. Investment Property

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

Tigoni Level 4 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

35. Biological Assets

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs

36. Trade and other Payables

Description	Period ended 2024/2025		Period ended 2023/2024	
	KShs		KShs	
Trade payables	148,639,486		103,658,836	
Employee dues	1,013,350		1,873,194	
Total trade and other payables	149,653,016		105,532,030	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	36,167,816	24.17 %	13,616,598	13%
1-2 years	13,659,414	6.67%	19,246,260	18%
2-3 years	12,179,212	5.95%	13,962,589	13%
Over 3 years	87,646,529	42.8%	58,706,583	56%
Total	149,653,016	100%	105,532,030	100%

37. Refundable Deposits from Customers/Patients

Description	Period ended 2024/2025		Period ended 2023/2024	
	KShs		KShs	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total

38. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs

39. Finance Lease Obligation

Description	Period ended 2024/2025	Period ended 2023/2024
	Kshs	Kshs

Tigoni Level 4 Hospital (Kiambu County Government)
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40. Deferred Income

Description	Period ended	Period ended
	2024/2025	2023/2024
	KShs	KShs

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

Notes to the Financial Statements (Continued)

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

Description	National government	International funders/donors	Public contributions and donations	Total
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41. Borrowings

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs

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

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs

43. Cash Generated from Operations

Description	Period ended 2024/2025	Period ended 2023/2024
	KShs	KShs
Surplus for the year before tax	20,162,106	(2,651,258)
Net cash flow from operating activities	20,162,106	(2,651,258)

Notes to the Financial Statements (Continued)

44. Financial Risk Management

Tigoni level 4 hospital 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 financial risk management objectives and policies are detailed below:

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	69,553,053	0	0	0
Bank balances	13,187,707	0	0	0
Total	82,740,760	0	0	0
At 30 June 2025				
Receivables from exchange transactions	186,738,416	0	0	0
Bank balances	15,662,506	0	0	0
Total	202,400,922	0	0	0

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	0	0	105,532,030	105,532,030
Total	0	0	105,532,030	105,532,030
At 30 June 2025				
Trade payables	0	0	204,765,131	204,765,131
Total	0	0	204,765,131	204,765,131

Notes to the Financial Statements (Continued)

(iii) Market risk

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the 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 entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs

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

Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

The 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.

iv) Capital Risk Management

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

Description	Current Period	Comparative Period
	2024/2025	2023/2024
	Kshs	Kshs

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

Tigoni level 4 hospital 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.

Kiambu County Government is the principal shareholder of the hospital, holding 100% of the hospital 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;
- iv) Key Management

Description	2024/20254	2023/2024
	Kshs	Kshs

46. Segment Information

47. Contingent Liabilities

Contingent liabilities	2024/2025	2023/2024
	Kshs	Kshs

48. Capital Commitments

Capital Commitments	2024/2025	2023/2024
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49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

Tigoni level 4 hospital is a County Corporation under the Department of health. Its ultimate parent is the County Government of Kiambu.

51. Currency

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



20. Appendices


Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
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Guidance Notes:

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


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Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
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Tigoni Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	12/07/2024	12,707,428	0	12,707,428	Facility Improvement Fund for the 1 st Quarter
	7/11/2025	17,350,640	0	17,350,640	Facility Improvement Fund for the 2nd Quarter
	07/02/2025	15,894,598	0	15,894,598	Facility Improvement Fund for the 3rd Quarter
	20/05/2025	15,587,578	0	15,587,578	Facility Improvement Fund for the 4th Quarter

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

Head of Accounts Department - Department of Health Services:
 Name: Alex Wany Sign: [Signature] Date: 4/12/25

Head of Accounts Department - Tigoni Level 4 Hospital:
 Name: Fruice Gathani Sign: [Signature] Date: 4/12/25

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

Appendix IV Reporting of Climate Relevant Expenditures

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

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Appendix V: Disaster Expenditure Reporting Template

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