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ON

MARIAKANISUB-COUNTY LEVEL 4 HOSPITAL

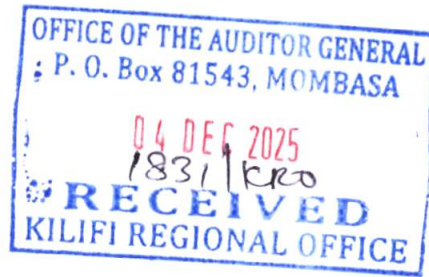
FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KILIFI

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Revised 30<sup>th</sup> June 2025



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**MARIAKANI SUB COUNTY**  
**Level 4 HOSPITAL**  
**(Kilifi County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

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

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**1. ACRONYMS & GLOSSARY OF TERMS**

PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
MSCH	Mariakani Sub County Hospital
HMT	Hospital Management Team
HMB	Hospital Management Board
CECM	County Executive Committee member
DOH	Department Of Health

Fiduciary Management      Key management personnel who have financial responsibility in the entity.

## **2. KEY ENTITY INFORMATION AND MANAGEMENT**

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

Mariakani Sub County Hospital (MSCH) is a level 4 hospital established under gazette notice number 365 dated, 27th January 1989 and is domiciled in Kilifi County under the Health Department. The hospital is governed by a Board of Management..

### **(b) Principal Activities**

#### **i. VISION**

The Vision of MSCH is to be an Excellent, Vibrant patient centered, quality care referral hospital for a healthy population.

#### **ii. MISSION**

The principal activity/ mission of the hospital is to provide high quality, dynamic, wellness oriented promotive, preventive, curative and rehabilitative healthcare services in an organized cost sensitive and customer oriented environment.

#### **iii. CORE VALUES**

- a. Professionalism and integrity.
- b. Customer focus.
- c. Teamwork.
- d. Improved corporate governance.
- e. Innovative creativity.
- f. Relevance and impact.
- g. Equity and Equality.
- h. Security and safety

## KEY ENTITY INFORMATION AND MANAGEMENT CONTINUED

### (c) Key Management

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

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

### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr. Priscillah Kavata Kashero
2.	Head of finance	CPA Charles Ndome
3.	Head of supply chain	Mrs. Jane Mutula
4.	Fund Administrator	CPA Racheal Bahati
5.	Head of Administration	Ms. Josephine Kaleyke Kioko
6.	Head of Nursing services	Mrs. Rose Machu

No.	Name	Details of qualifications and experience
1.	Dr. Priscilla Kashero	Dr. Kashero is a Consultant Pediatrician with masters of Medicine in Pediatrics and Child health (UON). Special interest in health systems and more than 9 years of general practice. The Board Secretary is not a member of ICS Date of Birth 14 <sup>th</sup> Jan 1986
2.	CPA Charles Ndome	Mr. Charles Ndome is an Accountant with more than 8 years' experience and holds a Degree in Bachelor of Commerce (Finance option) from Technical University of Mombasa and is a Certified Public Accountant (CPA-K).
3.	Mrs. Jane Mutula	Mrs. Jane Mutula is the Principal Procurement Officer in the department of health. She has 6 years' experience. She holds Bachelor in business management (Purchasing & supplies management) from Mount University and she's also a member of KISM.
4.	CPA Racheal Bahati	Mrs. Racheal is a Senior Accountant at County Government of Kilifi. She has eleven years' professional experience as an Accountant. She holds Bachelor of Commerce (Accounting) from The University of Nairobi and also a Certified Public Accountant (CPA). Racheal also holds MBA from the University of Nairobi.
5.	Mrs. Josephine Kalekye Kioko	Mrs. Josphine kioko holds a degree in Business Administration from the University of Nairobi, a certificate in Health System, strengthening from KSG with 16 years' experience and a member of the KAHA Kenya Chapter.
6.	Mrs. Rose Machu	Mrs. Rose Machu hold a Diploma in Nursing from KMTC ,Mombasa Campus and a Bachelor of science in Nursing from Pwani University with over 11 years' experience.

**(e) Fiduciary Oversight Arrangements**

The fiduciary oversight of the county is done by:

- I. **The County Assembly**
- II. **Audit Committee**

**(f) Entity Headquarters**

P.O. Box 67  
Mariakani Sub county Hospital  
Mombasa-Nairobi highway  
Mariakani, KENYA

**(g) Entity Contacts**

Telephone: (+254) 0798078912/0722780485  
E-mail: [mariakanihospital@yahoo.com](mailto:mariakanihospital@yahoo.com)

**(h) Entity Bankers**

Cooperative Bank  
Mariakani branch P.O Box 435-80113  
Mariakani.

**(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. 9  
Kilifi, Kenya

### 3. THE BOARD OF MANAGEMENT




Ref	Directors	Details
1.	  Mr. Abdalla Abeid Chairman	<p>Mr. Abeid is currently pursuing his masters in strategic management at the University of Nairobi. He has work experience of over 14 years.</p> <p>He is a Non-Executive Director</p> <p>Date of Birth 18<sup>th</sup> jan 1981</p>
2.	  Dr. Priscilah Kashero Secretary	<p>Dr. Kashero is a Consultant Pediatrician with masters of Medicine in Pediatrics and Child health (UON). Special interest in health systems and more than 9 years of general practice.</p> <p>The Board Secretary is not a member of ICS</p> <p>Date of Birth 14<sup>th</sup> Jan 1986</p>
3.	  Mr. John Kombe Member	<p>CPA John Kombe has bachelors of commerce in finance at the University of Nairobi. He is currently working at JHK services limited and has a working experience of over 26 years.</p>



*Mariakani Subcounty Hospital(Kilifi County Government)  
Annual Report and Financial Statements for the Year Ended 30<sup>th</sup> June 2025*

<p>4.</p>	 <p>Madam Susan Kioko Member</p>	<p>Madam Susan has a diploma in community development from Mombasa polytechnic University. She is dedicated in community service.</p>
<p>5.</p>	 <p>Mrs. Techler Dadu Member</p>	<p>Mrs.Techler has Master of Business Administration in Finance from Taita Taveta University and has a work experience of over 12years .</p>
<p>6.</p>	 <p>Mr. Mohamed Salim Salim Member</p>	<p>Mr. Mohamed is currently working as a General Manager at Alkason Transports LTD with 17 years' experience.</p>
<p>7.</p>	 <p>Mr. Raphael Lwembe Member</p>	<p>Mr. Raphael holds a PhD in Medical Virology at School of Medical Science, Kanazawa University Japan. He has 26 years' experience as a researcher.</p>

8.	 Madam Fatuma Mwambegu Member	Madam Fatuma Mwambegu holds a degree in Special needs Education from Kenya Methodist University.
9.	 Mr. Felix Agoi Member	Mr Felix Agoi has a Bsc. Health Management information System from Kenya Methodist University With working Experience of over 23 years

#### 4. KEY MANAGEMENT TEAM

Ref	Management	Details
1.	 <p>Dr Priscilah Kashero</p>	<p>Medical Superintendent</p> <p>Dr. Kashero is a Consultant Pediatrician with masters of Medicine in Pediatrics and Child health (UON). Special interest in health systems and more than 9 years of general practice.</p> <p>The Board Secretary is not a member of ICS Date of Birth 14<sup>th</sup> Jan 1986</p>
2.	 <p>Josephine Kioko Kaleyke</p>	<p>Hospital Administrator</p> <p>Mrs. Josphine kioko holds a degree in Business Administration from the University of Nairobi, a certificate in Health System, strengthening from KSG with 16 years' experience and a member of the KAHA Kenya Chapter.</p>
3.	 <p>Rose Machu</p>	<p>Nursing Officer In charge</p> <p>Mrs. Rose Machu hold a Diploma in Nursing from KMTC ,Mombasa Campus and a Bachelor of science in Nursing from Pwani University with over 11 years' experience.</p>

4.	 CPA Charles Ndome	<b>Hospital Accountant</b>  Mr. Charles Ndome is an Accountant with more than 8 years' experience and holds a Degree in Bachelor of Commerce (Finance option) from Technical University of Mombasa and is a Certified Public Accountant (CPA-K).
	 Veronica Kilonzo	<b>Health Records and information management Officer.</b>  Veronica Kilonzo holds a Bachelor of Science in Health Records and Information Management With 10 Years Experience.  Date of Birth 14/09/1985

## **5. CHAIRMAN'S STATEMENT**

Mariakani Sub County Hospital is a level 4 Public health facility within Kilifi County. It serves patients from Kaloleni, Rabai sub counties well as some parts of Mombasa, Kwale and Taita Taveta Counties. The Hospital Management Board began the with clear plans to sustain, improve and initiate different operationsas indicated here below;

### **a) Provisions of quality healthcare services**

The board endeavoured to sustain and expand existing services and initiate new ones.

During the years the hospital managed to open a new Modern Dental Unit, start an ophthalmology and skin and lung clinic 24 hour laboratory, x ray, pharmacy and new NBU Unit. These services have gone a long way to meet the growing demand of health care services in the region.

### **b) Human Resource Management**

Mariakani Sub County Hospital has grown Tremendously in the last five years due to improved service delivery. This has however caused challenges among the healthcare workers whose growth in number is not matched by the growth in workload. The board has therefore spearheaded engagement on contract of several healthcare workers under different cadres (I.e. Nurses, pharmacists, clinical officers and patients' attendants through the HSIF programs. This has slightly brought relieve to the workers in these department and also improved customercare relations due to reduction of waiting time.

### **c) Health care Financing and Resource Mobilization**

Members of Hospital Management Board (HMB)have engaged in different operations to help boost the hospitalKitty for improved service delivery and growth.

Efforts were put to streamline the FIF collection process Installing an EMR system to bring some degree ofefficiency.

Plans to hold and engage hospital stakeholders are underway and this is expected to realise more funding forfuture growth and development.

**CHAIRMAN’S STATEMENT CONTINUED**

**d) Leadership and governance**

The Hospital Management Board(HMB) Engaged in formulation of several plans all aimed at guiding the team in its activities. Among items were;

- i. Annual Work plan 2024-2025FY
- ii. Strategic plan 2023-2027 FY
- iii. Master plan
- iv. Human Resource Training and development plan

**e) Challenges being faced**

In its effort to grow and develop the facility the HMB has encountered several Challenges

- i) Low FIF collection due to the high poverty levels in the catchment area.
- ii) Public- Private partnership; Most Private organisations situated within the catchment area are yet to embrace Public- Private Partnership Concept
- iii) Mariakani Sub County Hospital was initially constructed to offer healthcare services as a level 3 Facility. There is a great challenge of working space, thus causing congestions in certain operating areas I.e. OPD/Casualty

**f) Future On look**

Members of the HMB are optimistic and hopeful that current challenges will be met with time and the dream to make the hospital the centre of excellence realised.

In future, the team hopes to get into working networks with other minded organisations to help grow and develop this facility



2<sup>nd</sup> Dec

.....

**MR. ABDALLA MOHAMMED ABEID**  
**CHAIRMAN TO THE BOARD**

## **6. REPORT OF THE MEDICAL SUPERINTENDENT**

### **Background Information**

Mariakani Sub County Hospital (MSCH) is a level 4 public health facility that began in 1972 as a dispensary. The capacity and growth of the facility over the years has been tremendous. Currently the facility has four (4) wards, two (2) operating theatres, 24 hour running pharmacy and great outpatient specialized and general clinics.

During the year in focus (2024-2025), the hospital management prioritized to work in the following pillars in keeping with the Kilifi County Dream of Quality health services.

### **1. Increase Revenue**

Revenue is one of the pathways to a good working environment. To bridge the gap of debts and to enable us have a functional Hospital, our initial Focus was to Increase Revenue. Transitioned to mpesa Charges, equipped our laboratory 24 hour pharmacy and x ray unit with reagents to be fully functional and opened the second theatre. These are just some of the initial steps to this success story. This has aided in reducing our debts and timely paid our contracted employees and ensure we provide the best quality care in our environment.

### **2. Provision of quality health care services**

Service delivery was our second pillar, though a working progress we have enabled all cadres to work together to make sure every patient who walks in and out of the facility gets quality health. We are one group of focused service Providers that work towards meeting the Specific Millennium Goals by 2025. Biding by the code of Ethics each cadre has been empowered to deliver service as per their scope. Great support from the county government we now have state of art accident and emergency in construction in addition to the new maternity and paediatric ward.

The Facility has a team of consultants, medical offices and nurses that are well trained, hardworking and dedicated. Several trainings on Customer Care have also been conducted, we conduct weekly CMEs to our medical teams to equip us with current updates on health. We have an EMR system that keeps records, we have 2 pay points, several patients assistants and our prices are friendly. We accept SHA and provide Linda Mama services. We have one of the best Meal Menus in Kilifi County and The administration is always available to answer any individual and public concerns. Best practices are rewarded, we hold interdepartmental meetings that are targeted to improve departments that have

## **REPORT OF THE MEDICAL SUPERINTENDENT CONTINUED**

low numbers. Each patient is an individual, and the goal is to make his or her life better by coming to seek services in our facility.

### **3. Human Resource**

The hospital has a total of 300 personnel that includes Senior Consultants (10) and Medical officers (8), nurses (75), RCOs (21), pharmacists (3), pharm techs (3), lab personnel (8) and 118 support staff.

Due to the continued demand of services, the hospital management team has been forced to engage on contract employees under the most desperate situations i.e. nurses, RCOs, pharm technicians, to curb malpractices and reduce errors in service delivery. All this has been done through the HSIF.

The HMT is in constant communication with the DOH Kilifi for support in providing more skilled personnel particularly in the following cadres: -

Radiographer, Occupational therapists, nurses and specialized personnel in family medicine, oncology, psychiatry, urology. These are categorized in relation to the morbidity cases in the region.

The HMT initiated internship services for clinical officers with the clinical officer's council.

Plans are underway to have the hospital become an internship centre for medical doctors which is also expected to boost the number of skilled personnel in the facility.

#### **iii. Healthcare Financing and Resource Mobilization**

The hospital has two main sources of revenue;

- Social Health Authority (SHA)
- M Pesa Collection.

During 2024- 2025FY, the hospital performed relatively well by collecting Ksh. 96,169,528 against the target of Ksh. 91,167,284.

## **EXPENDITURE**

The total expenditure amounted to Ksh. 92,098,617.

## REPORT OF THE MEDICAL SUPERINTENDENT CONTINUED

### 4. Challenges facing the Hospital

MSCH is faced with several challenges including but not limited to shortage of skilled personnel, minimal revenue income due to poverty level and the effects of drought, lack of adequate working space, infrastructure challenges including lack of modern medical equipment's like CT- Scan, MRI (comprises most of the referrals out) water and electricity inconsistent supply.

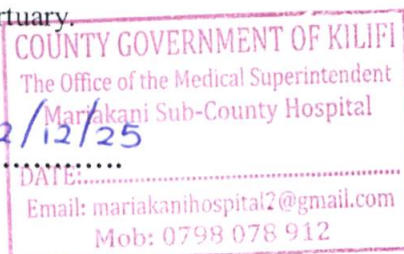
Being a facility along the Nairobi- Mombasa highway, there's urgent need for HDU/ ICU services in order to offer services to RTA victims, needs upgrading of emergency unit which is underway and dialysis services.

There's also a need for a mortuary.

*Kashero.*

*02/12/25*

.....  
**Dr. Priscillah Kashero**  
**Secretary to the Board**



## **7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

Mariakani Sub county hospital has eight strategic pillars/ themes/issues and objectives within the current Strategic Plan. These strategic pillars/ themes/ issues are as follows;

- Promote and expand Services.
- Healthcare Financing and Resource Mobilization.
- Enhance Human Resource capacity
- Improve Hospital Waste Management and disposal
- Enhance Leadership and Governance.
- Scale up Infrastructure and automation.
- Sustain constant Supply of pharmaceutical and no-pharmaceuticals.
- Security and Safety.

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

Strategic Pillar/Theme /Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Infrastructure and automation	<ul style="list-style-type: none"> <li>Ensure quality of stored supplies.</li> </ul>	<ul style="list-style-type: none"> <li>Improved storage facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Complete the drug/ pharmacystores.</li> <li>Improve on the cooling system in the current pharmacy store.</li> </ul>	<ul style="list-style-type: none"> <li>85% complete</li> </ul>
	<ul style="list-style-type: none"> <li>Improve on patient flow</li> </ul>	<ul style="list-style-type: none"> <li>EMR System installed and operational</li> </ul>	<ul style="list-style-type: none"> <li>Install EMR System</li> </ul>	<ul style="list-style-type: none"> <li>Hospital system gone paperless.</li> </ul>
	<ul style="list-style-type: none"> <li>Improve on rehabilitative Services</li> </ul>	<ul style="list-style-type: none"> <li>Functional modern physiotherapy.</li> <li>Functional Radiology Department.</li> </ul>	<ul style="list-style-type: none"> <li>Lobby for equipment from partners and the Department of health (DOH).</li> <li>Procure and install back-up system for X-Ray department.</li> </ul>	
		<ul style="list-style-type: none"> <li>Functional Ophthalmology</li> </ul>	<ul style="list-style-type: none"> <li>Source and install ophthalmic equipment</li> </ul>	
		<ul style="list-style-type: none"> <li>Functional Plaster Department</li> </ul>		

<p><b>2. Promote and expand Services.</b></p>	<ul style="list-style-type: none"> <li>To strengthens emergency Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Preparednesscommittee minutes and attendance lists.</li> </ul>	<ul style="list-style-type: none"> <li>Monthly meetings.</li> <li>Prepare Annual work plan.</li> <li>Hold quarterly review meetings.</li> </ul>	
	<ul style="list-style-type: none"> <li>Expand and improve on the existing</li> </ul>	<ul style="list-style-type: none"> <li>Improve on patient flow</li> </ul>		
	<p>healthcare services</p>	<p>system to avoid longwaiting time.</p> <ul style="list-style-type: none"> <li>Ensure continuous supplyof non-pharmaceuticals, pharmaceuticals and reagents.</li> <li>Routine maintenancemedical equipment's.</li> <li>Maintain a displined, motivated workforce.</li> <li>Maintain a vibrant referral system (incoming/outgoing )</li> </ul>		

<p><b>3. Healthcare financing and resource mobilization.</b></p>	<ul style="list-style-type: none"> <li>To ensure sustainability of servicedelivery.</li> </ul>	<ul style="list-style-type: none"> <li>Revenue collectionreport.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure a continuous revenue collection service.</li> <li>Partner with M-pesa and KCBin collecting revenue.</li> <li>Lobby school heads to choosethe facility for Edu-Health.</li> <li>Install EMR System to increase efficiency</li> <li>Ensure timely processing of theNHIF/ Linda Mama claims.</li> <li>Install Internet.</li> <li>Procure more computers andlaptops.</li> <li>Hold stakeholders meetings.</li> </ul>	
		<ul style="list-style-type: none"> <li>Register in place.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a register for all donations</li> </ul>	
<p><b>4. Enhance Human Resource Capacity</b></p>	<ul style="list-style-type: none"> <li>Improved performance.</li> </ul>		<ul style="list-style-type: none"> <li>Implement annual staff appraisal and quarterlyreviews.</li> <li>Avail working tools and supplies</li> </ul>	

	<ul style="list-style-type: none"> <li>• Staff development and motivation</li> </ul>		<ul style="list-style-type: none"> <li>• Engage in CMEs through workshop sensitization meetings.</li> <li>• Engage in staff rotations.</li> <li>• Monthly hospital CME programs.</li> <li>• Offer staff tea, snacks etc. during meetings</li> <li>• Offer lunch for theatre staffs</li> <li>• Annual staff meetings.</li> <li>• Staff satisfaction surveys.</li> </ul>	
<b>5. Improve hospital waste management and disposal.</b>	<ul style="list-style-type: none"> <li>• Maintain a clean, hygiene environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Waste collected.</li> <li>• Waste segregated.</li> <li>• Waste disposed</li> </ul>	<ul style="list-style-type: none"> <li>• Supply of waste collections bins, buckets and bin liners.</li> <li>• Maintain the waste holding area.</li> <li>• Supply of colour coded bins &amp; liners.</li> <li>• Treatment of waste.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Scale up IPC programs</li> </ul>	<ul style="list-style-type: none"> <li>• IPC committee functional</li> </ul>	<ul style="list-style-type: none"> <li>• IPC committee meetings.</li> <li>• Distribution of IPC Materials.</li> </ul>	

	<ul style="list-style-type: none"> <li>Maintain a conducive therapeutic environment.</li> </ul>		<ul style="list-style-type: none"> <li>Constant supply of water in the hospital.</li> <li>Provide handwashing materials at designated places.</li> <li>Engage in landscaping.</li> </ul>	<ul style="list-style-type: none"> <li>Plant more trees &amp; shrubs.</li> </ul>
	<ul style="list-style-type: none"> <li>Waste Disposal</li> </ul>		<ul style="list-style-type: none"> <li>Revive disposal committee.</li> <li>Enlist all items for disposal.</li> <li>Seek disposal authority from the chief officer DOH.</li> <li>Engage in the disposal</li> </ul>	



**8. CORPORATE GOVERNANCE STATEMENT**

MSCH has a non-executive board comprising of nine members. The board is responsible to the CECM HealthServices, Kilifi. The HMC met six (1) times.

Kindly see the table below indicating the number of meetings and attendance:

<b>Date of meeting</b>	<b>No. of HMT members present</b>	<b>No. of HMT members sent apology.</b>	<b>No. of HMT members absent.</b>
8/7/2024	9	-	-

**Succession Plan.**

Members have been of organised in structured manner to ensure smooth running of the board so as to actualize their purpose in overseeing operations in the facility.

The member has been divided into 3 sub- Committees namely:

- Finance Sub- committee
- Quality and health care services
- Promotive & Preventive

**Process of appointment and Removal**

Members of the HMC are appointed by the CECM Health.

They can be removed following recommendation to the CECM by the chairperson or secretary.

**Corporate Governance Statement Continued**

**Roles and functions of the HMB**

- Planning
- Decision making in approving plans, proposed budgets & expenditure.
- Resource Mobilization.
- Act as the link between the entity and the community.
- Monitors overall performance of the hospital as the strategic pillars.

**Induction & training**

On appointment members of the HMC underwent a week long induction organized by the DOH, Kilifi. Continuous training opportunities are provided to ensure that the board remain on course.

**Board and Member Performance**

Each member of the HMB besides the Chairman are selected to at least one of the sub- committees where they are expected to participate fully and help achieve set goals. Members performance is also monitored through attendance patterns and contributions during meetings. In case of conflict of interest, the Board legislative expects the member to resign.

**Board Remunerations, ethics and conduct as well as governance Audit**

Members of the board are entitled to allowance as stipulated in the HSIF Act of Kilifi County Government. During their time in office the HMC are overseen by the member of the County Health Management Board(CHMB) who strive to ensure compliance to ethical issues and code of conduct of public officers.

The CHMB meets every quarter.

**9. MANAGEMENT DISCUSSION AND ANALYSIS**

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization.

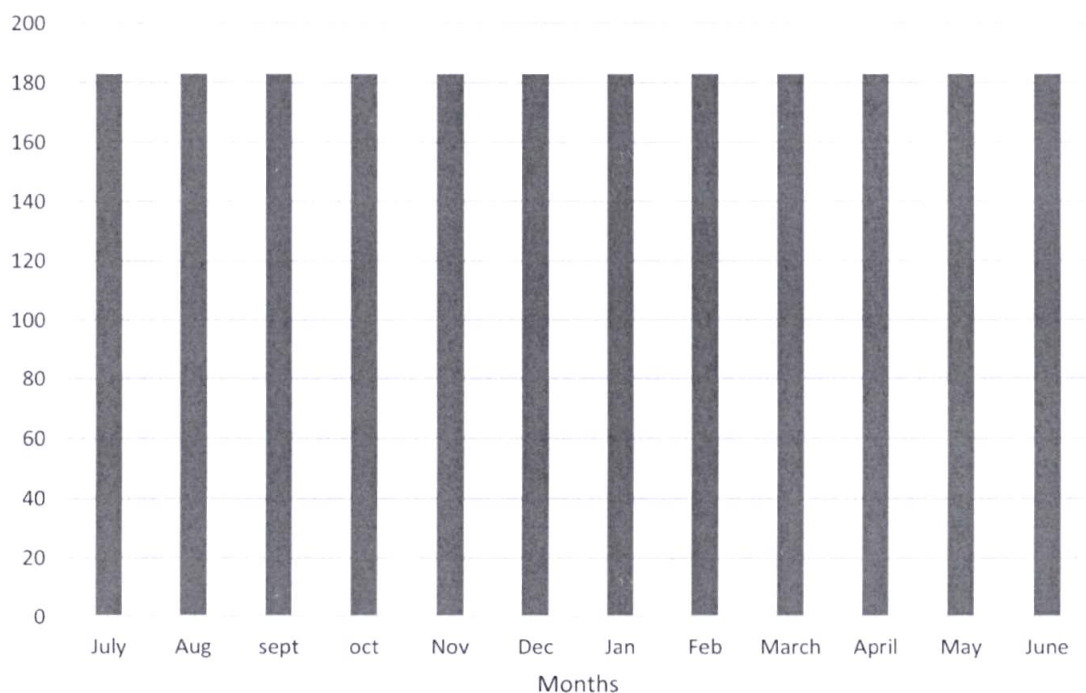
The overall leadership and governance of MSCH will be vested in the Hospital Management Board. The Boardmembers are appointed in accordance with the policies of the County Government of Kilifi. The day-to-day management of the hospital is vested on the Chief Executive Officer.

**Clinical/operational performance**

○ **Bed capacity of the hospital.**

month	July	Aug	sept	oct	Nov	Dec	Jan	Feb	March	April	May	June
bed capacity of the hospital	183	183	183	183	183	183	183	183	183	183	183	183

bed capacity of the hospital

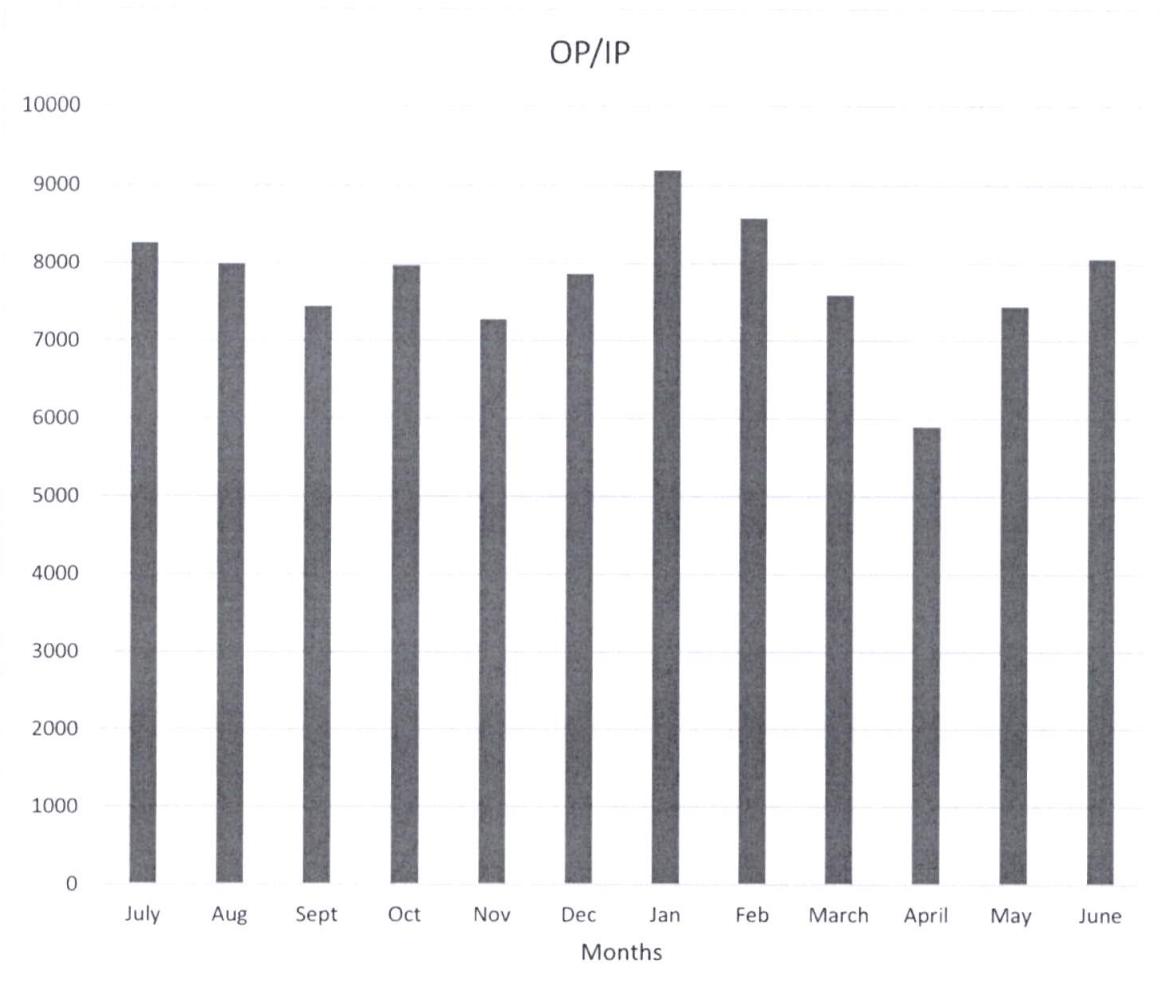


The number of beds were increased from 177 to 183 during the fiscal year 2024/2025.

**Mariakani Sub County Hospital**  
**Kilifi County Government**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**  
**MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED**

- Overall patient attendance during the year for both inpatient and outpatient.

Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
OP/IP	8265	7993	7435	7976	7272	7860	9194	8587	7588	5897	7438	8070

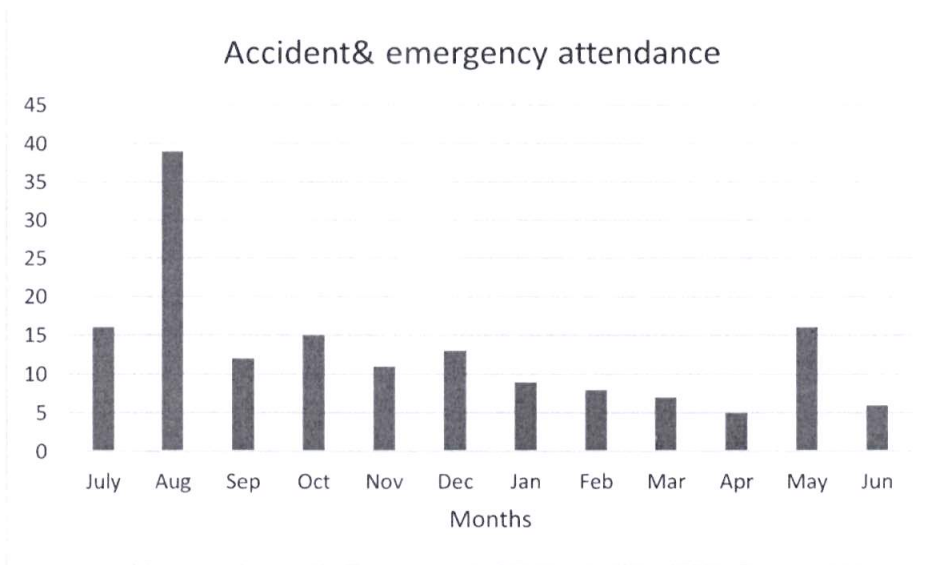


These numbers represent the monthly patient attendance figures for the fiscal year FY24/25.

**MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED**

○ **Accident and Emergency attendance**

month	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Accident&amp; emergency attendance</b>	16	39	12	15	11	13	9	8	7	5	16	6



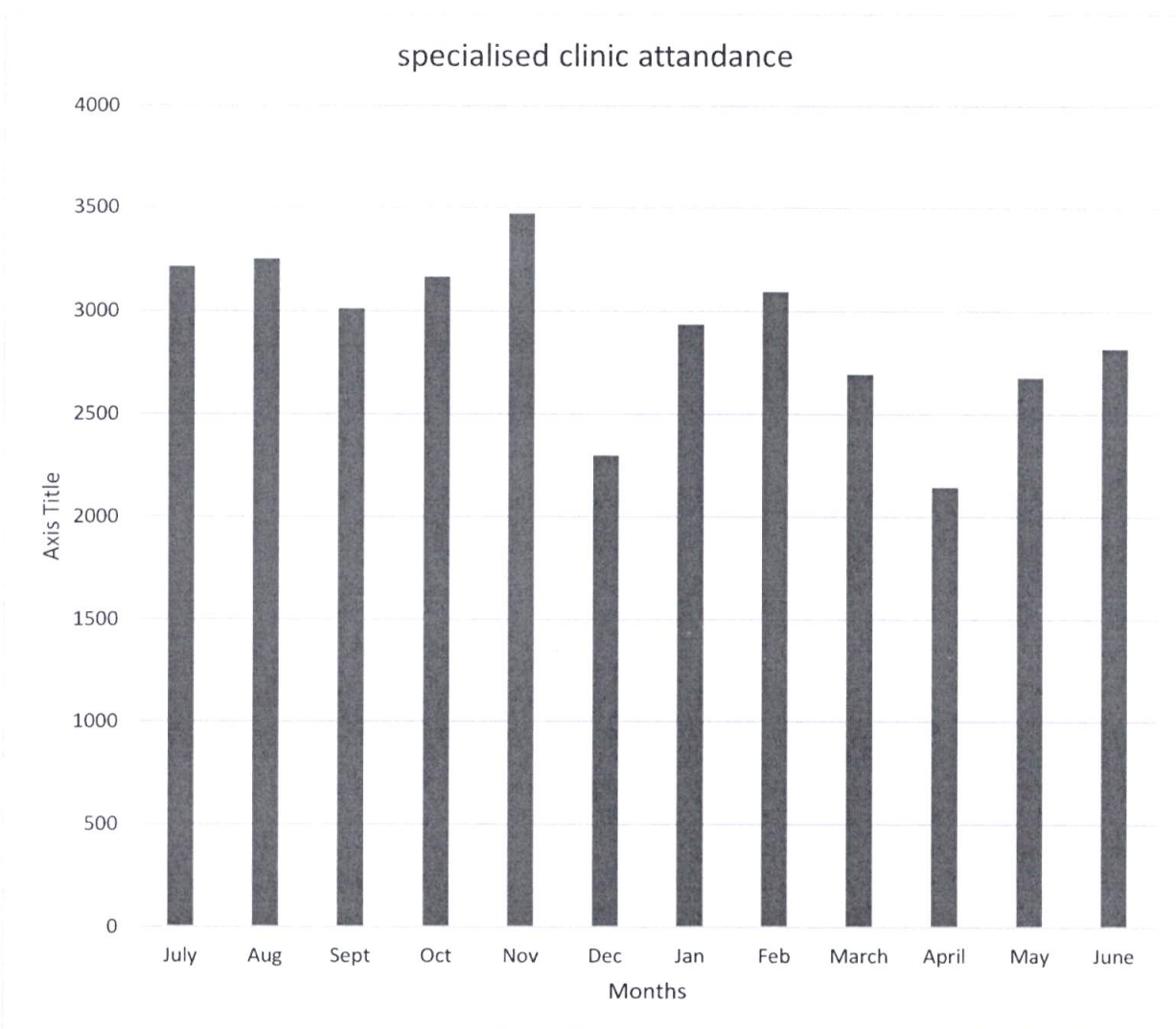
In FY24/25, there is a positive trend in Accident and Emergency (A&E) attendance is characterized by a reduction in A&E visits compared to the previous. This decline in A&E attendance indicates potential improvements in healthcare management and primary care, resulting in fewer emergency cases, which is a positive development.



**MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED**

○ **Specialised clinic attendance**

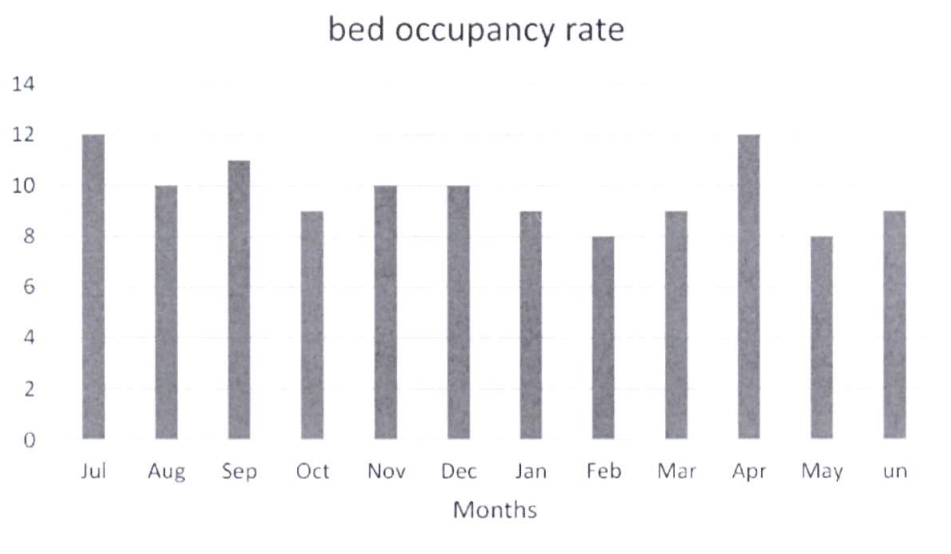
Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
specialised clinic attendance	3216	3252	3013	3168	3469	2300	2935	3095	2695	2146	2678	2819



MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

o Bed occupancy rate

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	un
bed occupancy rate	12	10	11	9	10	10	9	8	9	12	8	9

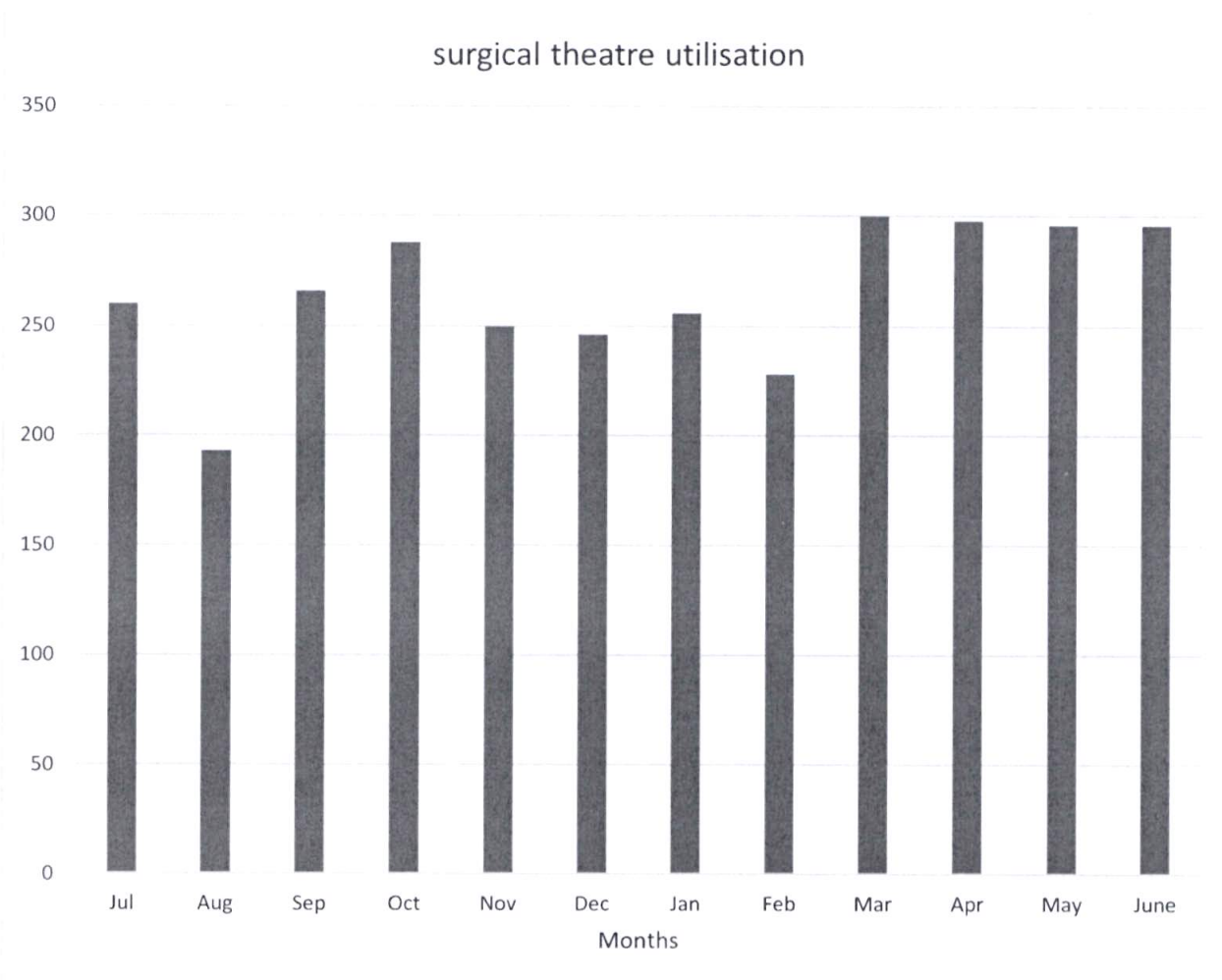




**MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED**

- Surgical theatre utilisation (number of operations over a period of time)

month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
surgical theatre utilization	260	193	266	288	250	246	256	228	300	298	296	296

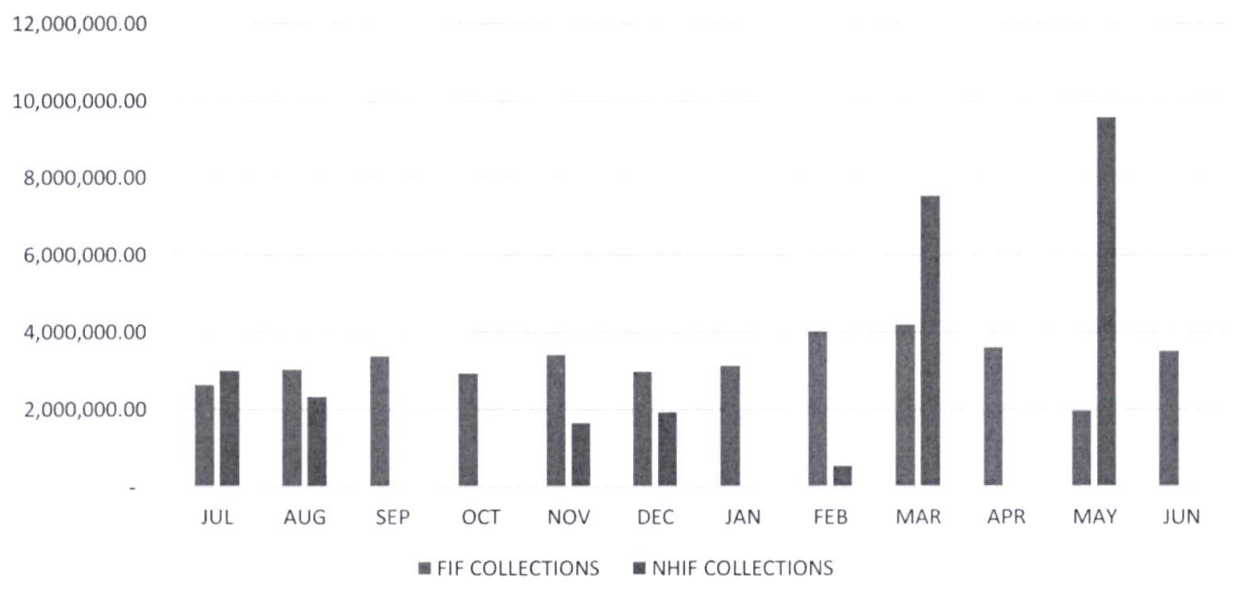


**Mariakani Sub County Hospital  
 Kilifi County Government  
 Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025  
 MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED**

**Financial performance -**

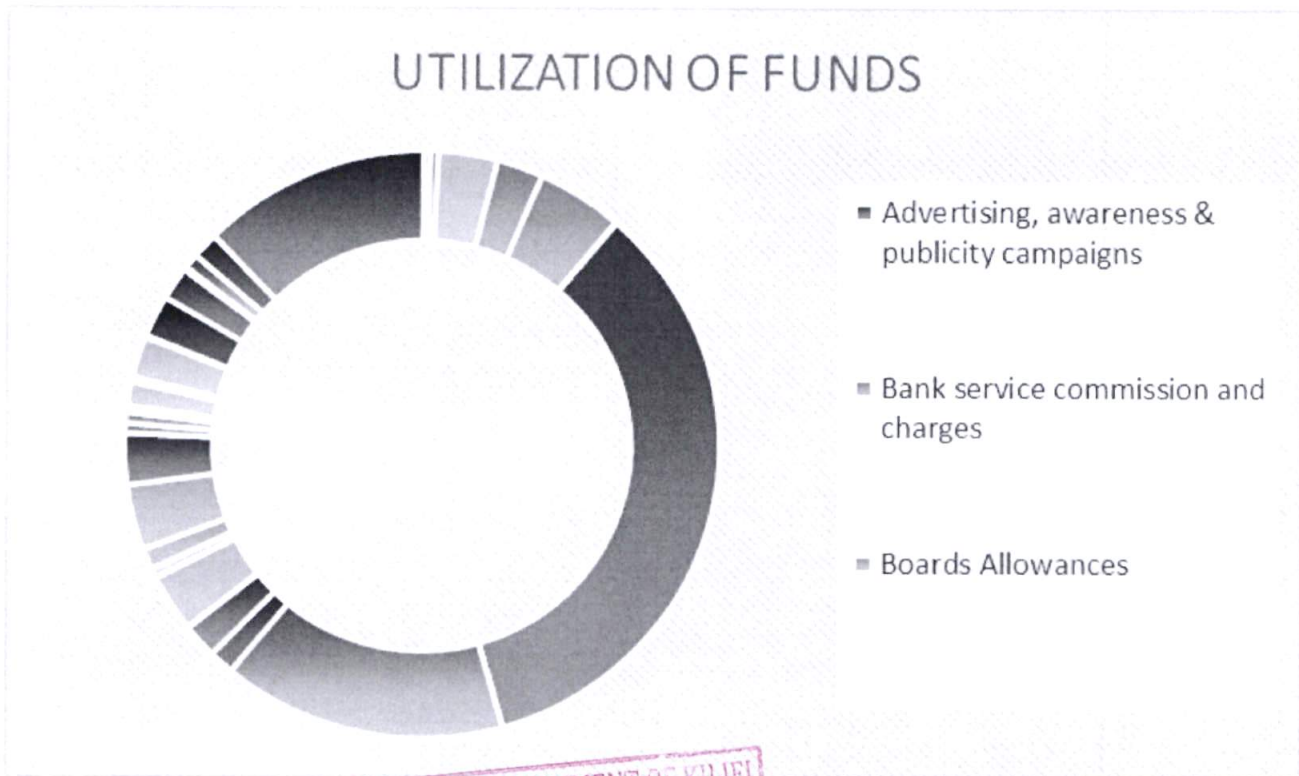
- Revenue sources,
  - Mariakani Sub County Hospital raises its revenues from user fees. These are received through bank collecting agents and mobile money and through NHIF reimbursements.

**MARIAKANI SUBCOUNTY HOSPITAL REVENUE ANALYSIS FY 2024-2025**



o Utilisation of funds

The Hospital exercises economy and efficiency in its expenditure with the aim of achieving quality health access to all.



*Kashero*  
.....  
**Dr. Priscillah Kashero**  
Secretary to the Board

COUNTY GOVERNMENT OF KILIFI  
The Office of the Medical Superintendent  
Mariakani Sub-County Hospital  
02/12/25  
DATE:.....  
Email: mariakanihospital2@gmail.com  
Mob: 0798 078 912

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

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

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

MSCH has put in place several sustainable strategies including: -

- i) Continuous quality improvement of healthcare services.
- ii) Introductions of new services such as dental unit.
- iii) Engage in public-private partnership.
- iv) Partner with NHIF and other insurance firms to enhance UHC clients.

### **ii) Environmental performance**

MSCH uses the National Healthcare Waste management policy control guidelines in managing Hospitalwaste.

We have in place colour-coded bins, IPC materials strategically placed at the handwashing centres etc. Segregated waste is treated before being transported to the county centre for incineration in a suitablydesigned motor vehicles.

The hospital has put in place measures to manage waste within the facility so as not to affect thecommunities around.

### **iii) Employee welfare**

Employee hiring process is a reserve of the County Public Service Board but gender ratio is clearly taken into consideration while deploying staff into the facility.

The Department of Health (DOH) together with other stakeholders have taken a leading role in improving skills through sensitization meetings, workshops, trainings, CMEs etc. staff performance routinely implemented each year. There is a clear policy on further training to skill not available in the facility e.g. Master courses.

MSCH has in place guideline on 0.5 HA (which are routinely) implemented to comply on occupational safety and health Act of 2007.

## **ENVIRONMENTAL AND SUSTAINABILITY REPORTING CONTINUED**

### **iv) Market place practices-**

The organisation should outline its efforts to:

#### **a) Responsible competition practice.**

1. MSCH has structured in place to deal with anti-corruption. A HMs subcommittee has been constituted to deal with the vice through information gathering, sharing data, monitoring and evaluation. We also have in place clandestine employees who monitor against the vice and report to the hospital management.
2. As is the norm, the employee in MSCH have been sensitized on how to remain politically neutral and taught to serve all clients with integrity without regard to their political affiliations.
3. MSCH maintain a healthy relationship with all our competitors. We realise that we need the competitors as much as they need this facility and therefore we respect our competitors and even invite some of them to our stakeholder meetings. Competition is appreciated and taken as a challenge to continually improve on the quality of the service that we offer.

#### **b) Responsible Supply chain and supplier relations**

The hospital honours and maintains good relations with her suppliers through being transparent in all supply chain services.

Suppliers are paid promptly and where delay are unavoidable, prior communication is done to avoid conflict.

#### **c) Responsible marketing and advertisement**

MSCH does the marketing of her services through ethically and culturally acceptable means such as community Barazas, radios, social media, medical camps and partners.

#### **d) Product stewardship**

Several efforts have been put in place to safeguard consumer rights and interest i.e.

1. Customer care desk manned by trained customer care personnel. Complaints raised are addressed through the customer care sub-committee that meets monthly. Complaints/ compliments raised are addressed through the customer care subcommittee that meets monthly.
2. Display of patient service charters, patient rights, are placed on all strategic points of the

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING CONTINUED**

hospital. These are written both in Kiswahili and local dialect for ease of understanding.

3. The hospital management monitors a good working relation with opinion leaders to ensure service delivery practice is acceptable to the community.
4. Through the HMC, patients' rights and interests are safeguarded.

**e) Corporate Social Responsibility / Community Engagements**

The hospital management through support from the DOH Kilifi has put in place to ensure compliance of CSR:

- ❖ Through the CCC department and with support from partners, the hospital houses and supports a youth group that comprises of adolescent affected and infected with HIV they are offered Psycho- social, mental, and material support.
- ❖ With support from a regional philanthrope, the hospital has clear guidelines on how to handlecases of the less privileged in the society i.e. waivers, credits, enrolment to UHC for member with long term illnesses or those needing complicated orthopaedic surgeries.
- ❖ The hospital also supports a CHG that are attached to the facility through subsidies to keep their groups active. They are provided with different health skills to make them more effective the area of their jurisdiction.
- ❖ Medical camps- this is another way that the hospital gives back to the community particularly in the area of D, cancer screening and treatment, mother's day etc.
- ❖ Celebration of key Health days where participants are gifted with t-shirts, snacks and lunch i.e. Aids Day celebrated every 1<sup>st</sup> Dec, Mental Health Day (relevant photos and programs available)

**Mariakani Sub County Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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**11. REPORT OF THE BOARD OF MANAGEMENT**

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

**Principal activities**

The principal activities of the entity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services across the county.

**Results**

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

**Board of Management**

The members of the Board who served during the year are shown on page viii to x

**Auditors**

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

By Order of the Board

*Kashero.*

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

The Board of Management is responsible for the preparation and presentation of the MSCH financial statements, which give a true and fair view of the state of affairs of the MSCH for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the MSCH; (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 MSCH financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the MSCH financial statements give a true and fair view of the state of MSCH transactions during the financial year ended June 30, 2025 and of the MSCH financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the MSCH, which have been relied upon in the preparation of the MSCH 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 MSCH will not remain a going concern for at least the next twelve months from the date of this statement.

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES CONTINUED

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 29-Aug-2025 and signed on its behalf by:

*Abdalla Mohammed Abeid* 24 Dec

.....  
**Mr. Abdalla Mohammed Abeid**  
Chairperson  
Board of Management

*Kashero*

.....  
**Dr. Priscillah Kashero**  
Accounting Officer



# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON MARIAKANI SUB COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF KILIFI

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### 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 Mariakani Sub-County Level 4 Hospital - County Government of Kilifi set out on pages 1 to 26, which comprise of

the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Mariakani Sub-County Level 4 Hospital - County Government of Kilifi 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 Health Act, 2017, County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Statement of Financial Performance**

The statement of financial performance reflects total revenue and expenses amount of Kshs.96,169,528 and Kshs.92,098,617 respectively. However, comparison of the revenue and expenses items revealed variances with supporting schedules as tabulated below: -

<b>Item</b>	<b>Financial Statement Amount (Kshs)</b>	<b>Supporting Schedules Amount (Kshs)</b>	<b>Variance (Kshs)</b>
Revenue from Exchange Transactions	96,169,528	-	96,169,528.00
Medical/Clinical Costs	24,104,003	9,076,851	15,027,152.00
Employee Costs	30,258,045	27,999,325	2,258,720.30
Repair and Maintenance Cost	4,097,813	-	4,097,813

In the circumstances, the accuracy and completeness of the statement of financial performance could not be confirmed.

#### **2. Variances between Statement of Cashflows and Statement of Comparison of Budget and Actual Amounts**

The statement of cashflows reflects total receipts amount of Kshs.107,058,886. However, the statement of budget and actual amounts reflects total actual revenue of Kshs.68,815,131 resulting to unreconciled variance of Kshs.38,243,755.

In the circumstances, the accuracy and completeness of the statement of cashflows and the statement of comparison of budget and actual amounts could not be confirmed.

### 3. Unsupported General Expenditure

The statement of financial performance reflects general expenses amount of Kshs.31,808,058 as disclosed in Note 4 to the financial statements out of which Kshs.22,235,033 was not adequately supported as detailed below:

Item	Amount (Kshs)	Missing Information
Fuel Expenses	7,175,843	Vendor statements, fuel register and vehicle work tickets
Travel and Accommodation allowance	15,059,190	Imprest warrant, activity/programme, location, name of person and job group
<b>Total</b>	<b>22,235,033</b>	

In the circumstances, the accuracy, completeness of general expenditure amount of Kshs.22,235,033 could not be confirmed.

### 4. Unsupported Receivables from Non - Exchange Transactions Balance

The statement of financial position reflects receivables from non-exchange transaction balance of Kshs.27,765,090. However, the movement schedule for the year under review was not provided for audit.

In the circumstances, the accuracy and completeness of the receivables from non-exchange transactions balance of Kshs.27,765,090 could not be confirmed.

### 5. Inaccurate Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.1,680,679 as disclosed in Note 9 to the financial statements. However, the balance excludes property, plant and equipment and land in use by the Hospital. Further, available information indicates that part of the Hospital parcel land has been encroached and developed by private developers but Management has not taken any action to reclaim the land.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.1,680,679 could not be confirmed.

### 6. Unsupported Trade and Other Payables Balance

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.31,625,264 as disclosed in Note 10 to the financial statements. However, the supporting schedule reflects Kshs.25,410,878 resulting to unreconciled variance of Kshs.6,214,386.

In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.31,625,264 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mariakani Sub County Level 4 Hospital - County Government of Kilifi 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 amount of Kshs.91,167,284 and actual on comparable basis amount of Kshs.68,815,131 resulting to budget under funding of Kshs.22,352,183, or 25% of the budget. Similarly, the Hospital Spent Kshs.71,466,159 against an actual receipt of Kshs.68,815,131 resulting to overutilization of Kshs.2,651,028 or 4% of the receipts.

The under expenditure 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, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

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

In the prior years' audit reports, several issues were raised under the Report on Revenue Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Hospital in 2024/2025 revealed that the following eight (8) issues remained unresolved:

<b>No</b>	<b>Year</b>	<b>Matter</b>
1	2023/2024	Undisclosed Inventory Balance
2	2023/2024	Undisclosed Land and Buildings
3	2023/2024	Undisclosed Arrears of Revenue
4	2023/2024	Unsupported other Medical Services Income
5	2023/2024	Long outstanding Trade and Other Payables from Exchange Transactions
6	2023/2024	Irregular Procurement of Medical Items
7	2023/2024	Deficiency in Implementation of Universal Health Care
8	2023/2024	Lack of ICT Policy and Disaster Recovery Plan

## Other Information

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

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

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

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

### Conclusion

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

### Basis for Conclusion

#### 1. Non-compliance with the Kenya Quality Model for Health for Level 4 Hospital Requirements

Review of documents revealed that the Hospital had forty-five (45) medical staff against the minimum requirement of two hundred and nineteen (219) resulting to understaffing by one hundred and seventy-four (174) members of staff or 80% which included the shortage of specialists such as Anesthesiologists, Gynecologists and Pediatrics. In addition, the Hospital had twenty-nine (29) equipment and machines against the requirement of forty-four (44) for a Level 4 Hospital resulting to a shortage of fifteen (15) or 34% which included shortage of vital services such as functional ICU beds and high dependency unit which require a minimum of six (6) beds.

This was contrary to Gazette Notice No. 786 Vol.CXXII No. 24 of 4 February, 2020 which provides for classification of healthcare facilities, including the basic essential primary services each level should carry out. Article 43(1) of the Constitution of Kenya, 2010 provides that every person has the right to the highest attainable standard of

health, which includes the right to health care services, including reproductive health care.

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

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 IT Policy and Disaster Recovery Plan

As previously reported, the Hospital does not have an IT Policy, Data Recovery Plan and IT Security Policy which are vital in the effective and efficient management of the entity's IT resources. Further, the Hospital does not have an IT steering Committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions are aligned with the overall Hospital's objectives in an efficient, economic and effective Manner.

In the circumstances, lack of IT Policy and Disaster Recovery plan exposes the Hospital to loss of vital information which could affect the smooth running of its operations.

#### 2. Lack of an Inventory System

The statement of financial position does not reflect inventory balance. However, review of stock control cards at the Hospital revealed the existence of unused pharmaceutical and non-pharmaceutical items of undetermined value. In addition, the Hospital had not conducted an annual inventory stock take and does not have an inventory management policy to provide formal guidance on the management and control of inventory.

In the circumstances, the effectiveness of the internal controls relating medical and pharmaceutical supplies could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether

effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of 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

08 December, 2025

Mariakani Subcounty Hospital(Kilifi County Government)  
Annual Report and Financial Statements for the Year Ended 30<sup>th</sup> June 2025

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Jun-25 KShs	Jun-24 KShs
<b>Revenue from exchange transactions</b>			
Rendering Services-Medical Service Income	1	96,169,528	66,174,717
<b>Total revenue</b>		<b>96,169,528</b>	<b>66,174,717</b>
<b>Expenses</b>			
Medical/ Clinical Costs	2	24,104,003.00	3,607,543.00
Employee costs	3	30,258,045.30	25,511,336
General Expenses	4	31,808,058.05	32,262,975
Board of Management Expenses	5	280,000.00	288,000.00
Depreciation		1,550,698.00	1,315,386
Repair and Maintenance	6	4,097,813.00	4,118,015
<b>Total expenses</b>		<b>92,098,617.35</b>	<b>67,103,255</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets		-	-
<b>Surplus/( deficit) for the period</b>		<b>4,070,911</b>	<b>(928,538)</b>

The notes set out on pages 6 to 25 form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on 29-aug-2025 and signed on its behalf by:

.....  
**Abdalla Mohammed Abeid**  
Chairman  
Board Of Management

.....  
**CPA. Charles Ndome**  
Head of Finance  
ICPAK No: 19724

Kashero/ 02/02/25

.....  
**Dr. Priscillah Kashero**  
Medical Superintendent

COUNTY GOVERNMENT OF KILIFI  
The Office of the Medical Superintendent  
Mariakani Sub-County Hospital  
DATE:.....  
Email: mariakanihospital2@gmail.com  
Mob: 0798 078 912

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Kilifi County Government  
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**15. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2025**

	Note	Jun-25 KShs	Jun-24 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,797,543	275,064
Inventory	4		
Receivables from Non exchange transactions	8	27,765,090	3,320,161
<b>Total Current Assets</b>		<b>29,562,633</b>	<b>3,595,225</b>
<b>Non-current assets</b>			
Property, plant, and equipment	9	1,680,679	3,466,689
<b>Total Non-current Assets</b>		<b>1,680,679</b>	<b>3,466,689</b>
<b>Total assets</b>		<b>31,243,311</b>	<b>7,061,914</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	10	31,625,264.49	11,514,778.20
			-
<b>Total liabilities</b>		<b>31,625,264.49</b>	<b>11,514,778.20</b>
<b>Net assets</b>		<b>- 381,953</b>	<b>- 4,452,864</b>
Prior Year Adjustments			- 9,885,171
Accumulated surplus		(381,953)	5,432,308
<b>Total net assets and liabilities</b>		<b>- 381,953</b>	<b>- 4,452,863</b>

The notes set out on pages 6 to 24 form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on 29-aug-2025 and signed on its behalf by:

*Abdalla Mohammed* 2<sup>nd</sup> Dec

*Kashero* 02/12/25

**Abdalla Mohammed**

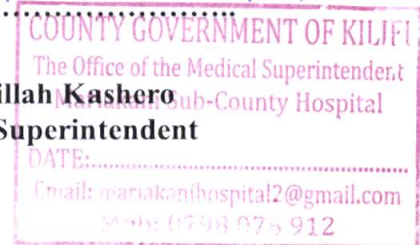
**Abeid  
Chairman**

**Board Of Management**

**CPA. Charles Ndome  
Head of Finance**

**ICPAK No: 19724**

**Dr. Priscillah Kashero  
Medical Superintendent**



**16. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2025**

	Accumulated surplus		Total
	KShs		KShs
<b>Balance as at 1 July 2023</b>		6,380,846	<b>6,380,846</b>
<b>Adjustments</b>		-	-
Surplus/(deficit) for the period	-	948,538	- <b>948,538</b>
Funds received during the year		-	-
Revaluation gain		-	-
Prior Year Adjustment	-	9,885,171	- <b>9,885,171</b>
<b>Balance as at 30 June 2024</b>	-	<b>4,452,863</b>	- <b>4,452,863</b>
			-
<b>Balance as at 1 July 2024</b>	-	<b>4,452,864</b>	- <b>4,452,864</b>
Surplus/(deficit) for the period		4,070,911	4,070,911
<b>Balance as at 30 June 2025</b>	-	<b>381,953</b>	- <b>381,953</b>

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17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	Jun-25 KShs	Jun-24 KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rendering Services-Medical Service Income	1	72,089,493	65,497,615
NHIF Receipts		34,969,393	29,118,168
<b>Total Receipts</b>		<b>107,058,886</b>	<b>94,615,783</b>
<b>Payments</b>			
Medical/ Clinical Costs	2	10,529,037.00	5,815,157
Employee costs	3	26,012,997.41	25,794,514
General Expenses	4	31,337,324.05	31,522,190
Board of Management Expenses	5	280,000.00	288,000.00
Repair and Maintenance	6	3,306,801.00	5,393,583
Transfers to HSIF fund		34,070,248	28,930,000.00
<b>Total Payments</b>		<b>105,536,407</b>	<b>97,743,444</b>
<b>Net cash flows from operating activities</b>		<b>1,522,479</b>	<b>(3,127,662)</b>
<b>Cash flows from Investing activities</b>			
Purchase of PPE			
<b>Net cash flows from Investing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,522,479</b>	<b>(3,127,662)</b>
Cash and cash equivalents at 1 JULY 2024		275,064	3,402,726
<b>Cash and cash equivalents at 30 JUNE 2025</b>	7	<b>1,797,543</b>	<b>275,064</b>

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR YEAR ENDED 30 JUN 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2025	2025	2025	2025	2025	2025
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Transfers from County Govt & FIF Revenue	72,706,283	18,461,001	91,167,284	68,815,131	22,352,153	75%
<b>Total income</b>	<b>72,706,283</b>	<b>18,461,001</b>	<b>91,167,284</b>	<b>68,815,131</b>	<b>22,352,153</b>	<b>75%</b>
<b>Expenses</b>						
Medical/ Clinical Costs	10,886,500	13,582,853	24,469,353	10,529,037.00	13,940,316	43%
Employee costs	7,246,742	23,034,785	30,281,527	26,012,997.41	4,268,530	86%
Board of Management Expenses	500,000	(218,280)	281,720	280,000.00	1,720	99%
General Expenses	29,639,293	2,325,135	31,964,428	31,337,324.05	627,104	98%
Repair and Maintenance	24,433,748	(20,263,492)	4,170,256	3,306,801.00	863,455	79%
<b>Total expenditure</b>	<b>72,706,283</b>	<b>18,461,001</b>	<b>91,167,284</b>	<b>71,466,159</b>	<b>19,701,125</b>	<b>78%</b>
<b>Surplus for the period</b>		<b>(0)</b>	<b>(0)</b>	<b>(2,651,028)</b>	<b>2,651,028</b>	

## **19. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

MSCH entity is established by and derives its authority and accountability from PFM Act 2012. The MSCH is wholly owned by the Kilifi County Kenya and is domiciled in Kilifi Kenya. The entity's principal activity is to provide quality and affordable preventive, promotive, rehabilitative and curative health services across the country.

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

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

The financial statements have been prepared in accordance with the PFM Act 2012 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

Standard	Effective date and impact	
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>	<p>There was no impact of the amendment to IPSAS 41 with respect to the current financial report.</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The</p>	<p>There was no impact of the amendment to IPSAS 42 with</p>

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Standard	Effective date and impact	
	<p>information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>	respect to the current financial report
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>	There was no impact of the amendment to IPSAS 41 with respect to the current financial report
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p>	

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Standard	Effective date and impact	
	<ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>	

ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact	
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>	There was no impact of the amendment to IPSAS 43 with respect to the current financial report
IPSAS 44: Non- Current Assets Held for Sale and	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires:-</p> <ol style="list-style-type: none"> <li>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:</li> </ol>	There was no impact of the amendment to IPSAS 44 with respect to the current financial report

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Standard	Effective date and impact	
Discontinued Operations	<p><b>ii.</b> 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>	

**iii) Early adoption of standards**

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

#### 4. Summary of Significant Accounting Policies

##### a. Revenue recognition

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

##### Transfers from other Government entities

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

##### b. Budget information

The original budget for FY 2024/2025 was approved by Board on **8<sup>th</sup> August 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **1** under section **18** of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

**d. 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. The entity depreciates its assets on a straight-line basis. Furniture, Fittings and Office equipments are depreciated at **12.5%**, ICT equipments are depreciated at **30%** and plant and equipments at **25%**. 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.

**e. Financial instruments**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**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.

**Financial liabilities**

**Classification**

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

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

**g. 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.

**h. 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.

**i. Comparative figures**

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

**j. Subsequent events**

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

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

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

There were no judgments, estimates and assumptions made in this financial statement.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Transfers from the County Government**

Description	6/30/2025 KShs	6/30/2024 KShs
Rendering Services-Medical Service Income	96,169,528.06	66,174,717.00
<b>Total</b>	<b>96,169,528.06</b>	<b>66,174,717.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. Medical/ Clinical Costs**

<b>Description</b>	<b>6/30/2025</b>	<b>6/30/2024</b>
	<b>KShs</b>	<b>KShs</b>
Sanitary and cleaning Materials	256,800.00	62,626.00
Dressing and Non-Pharmaceuticals	5,537,780.00	910,375.00
purchase rehabilitative supplies	9,600.00	20,000.00
X-Ray/Radiology supplies	26,000.00	154,800.00
Food and Ration	3,246,271.00	4,985.00
Laboratory chemicals and reagents	3,956,752.00	2,362,147.00
Insecticides and rodenticides	138,500.00	30,760.00
Chemical and Industrial Gases	9,083,583.00	35,000.00
Pharmaceutical supplies	1,848,717.00	26,850.00
Inventory Adjustment		
<b>Total</b>	<b>24,104,003.00</b>	<b>3,607,543.00</b>

**3. Employee Costs**

<b>Description</b>	<b>6/30/2025</b>	<b>6/30/2024</b>
	<b>KShs</b>	<b>KShs</b>
Salaries, wages, and allowances	28,341,036.85	24,282,736.00
Employer Contributions to Compulsory National Social Security Schemes	1,917,008.45	1,228,600.06
Staff medical expenses and Insurance cover	-	-
<b>Total</b>	<b>30,258,045.30</b>	<b>25,511,336.06</b>

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**4.General Expenses**

Description	6/30/2025 KShs	6/30/2024 KShs
Telephone and mobile phone services	979,168.00	1,206,289.00
Printing and stationery	30,000.00	153,800.00
Water and sewarges	1,666,000.00	942,150.00
General Office Supplies	1,316,757.00	2,104,555.00
Courier and postal services	4,440.00	17,205.00
Advertising and publicity expenses	16,000.00	227,420.00
Travel and accommodation allowance	15,059,190.00	10,649,130.00
Training Expenses - Other (Bud	74,000.00	100,000.00
Catering Expenses	1,287,120.00	3,076,020.00
Conferences and delegations	1,696,302.00	2,090,160.00
Computer accessories	1,558,830.00	1,540,565.00
Fuel expenses	7,175,843.00	8,123,621.00
Hire of Transport	335,000.00	347,500.00
Internet Connections	382,858.00	757,190.00
Purchase of workshop tools spares and small equip	17,000.00	-
purchase of household & institutional appliances	185,250.00	873,280.00
Bank service commission and charges	24,300.05	26,930.00
Other Fuels (Wood,Charcoal, Cooking gas etc)	-	4,160.00
Other Operating Expenses	-	43,000.00
Purchase of Medical & Dental Equipment	-	-
Purchase of office furniture & fittings	-	-
<b>Total</b>	<b>31,808,058.05</b>	<b>32,282,975.00</b>

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**5. Board of Management Expenses**

Description	6/30/2025 KShs	6/30/2024 KShs
Sitting allowance	280,000.00	288,000.00
<b>Total</b>	<b>280,000.00</b>	<b>288,000.00</b>

**6. Repairs And Maintenance**

Description	6/30/2025 KShs	6/30/2024 KShs
Motor vehicle expenses	1,561,923.00	1,495,444.00
Computers	94,700.00	353,000
Buildings	1,594,070.00	1,876,051.00
Maintenance of Medical & Dental Equipment	798,620.00	393,520.00
Maintenance of Plant, Machinery	48,500.00	
Maintenance of Office Furniture and Equipment	-	-
<b>Total</b>	<b>4,097,813.00</b>	<b>4,118,015.00</b>

**10 Related party balances**

a) Related party transactions	6/30/2025 KShs	6/30/2024 KShs
Rendering Services-Medical Service Income	96,169,528.06	66,174,717.00
<b>Total</b>	<b>96,169,528.06</b>	<b>66,174,717.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Cash And Cash Equivalents**

<b>Description</b>	<b>6/30/2025</b>	<b>6/30/2024</b>
Current account	1,797,542.59	275,064.09
	-	-
<b>Total cash and cash equivalents</b>	<b>1,797,542.59</b>	<b>275,064.09</b>

Detailed analysis of the cash and cash equivalents are as follows:

<b>Description</b>	<b>Account number</b>	<b>6/30/2025 KShs</b>	<b>6/30/2024 KShs</b>
Current account			
<b>Co-Operative Bank</b>			
KCG-HSIF MARIAKANI SUB-COUNTY HOSPITAL HSIF ACCOUNT	1141764338000	718,910.39	95,577.09
KCG-HSIF MARIAKANI SUB-COUNTY HOSPITAL PBF ACCOUNT	1141254535100	1,078,632.20	179,487.00
<b>Grand total</b>		<b>1,797,542.59</b>	<b>275,064.09</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 Cash generated from operations**

	6/30/2025		6/30/2024
	KShs		KShs
<b>Surplus for the year before tax</b>	4,070,910.71	-	948,537.56
<b>Adjusted for:</b>			
Depreciation	-		-
Gains/ losses on disposal of assets	-		-
Interest income	-		-
Finance cost	-		-
<b>Working Capital adjustments</b>			
Increase in inventory	-		-
Increase in receivables			
Increase in payables	-		-
<b>Net cash flow from operating activities</b>	<b>4,070,910.71</b>	<b>-</b>	<b>948,537.56</b>

**8. Receivables From Non -Exchange Transactions**

Description	6/30/2025		6/30/2024
	KShs		KShs
<b>Current Receivables</b>			
Transfers from HSIF	27,765,090.00		3,320,161.00
Less: impairment allowance	-		-
<b>Total Current receivables</b>	<b>27,765,090</b>		<b>3,320,161</b>
<b>Non Current receivables</b>			
Long term loan repayments due	-		-
<b>Total Non current receivables</b>	<b>-</b>		<b>-</b>
<b>Total receivables from exchange transactions</b>	<b>27,765,090</b>		<b>3,320,161</b>

*Analysis of Receivables from Non -Exchange Transactions*

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**9. Property, Plant and Equipments**

Description	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical	Total
			equipment	
<b>Depreciation</b>	<b>12.50%</b>	<b>30%</b>	<b>25%</b>	
<b>COST OR VALUATION</b>				
At 1 <sup>st</sup> July 2024	1,053,800	3,161,160	1,882,500	6,097,460
Additions	-	-	-	-
<b>At 30<sup>th</sup> June 2025</b>	<b>1,053,800</b>	<b>3,161,160</b>	<b>1,882,500</b>	<b>6,097,460</b>
At 1st July 2024	263,450	1,896,696	705,938	2,866,084
Depreciation for the year	131,725	948,348	470,625	1,550,698
<b>At 30<sup>th</sup> June 2025</b>	<b>395,175</b>	<b>2,845,044</b>	<b>1,176,563</b>	<b>4,416,782</b>
<b>Net book values</b>				
At 30 <sup>th</sup> June 2024	790,350	1,264,464	1,176,563	3,466,689
At 30 <sup>th</sup> June 2025	658,625	316,116	705,938	1,680,679

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. Trade and other Payables**

Description	6/30/2025 KShs	6/30/2024 KShs
<b>Current Receivables</b>		
Trade Payables	31,625,264.49	11,514,778.20
<b>Total Trade and Other Payables</b>	<b>31,625,264.49</b>	<b>11,514,778.20</b>

**11**

**Depreciation**

Description	6/30/2025 KShs	6/30/2024 KShs
Property, plant and equipment	1,550,698.00	1,315,385.50
Intangible assets	-	-
<b>Total</b>	<b>1,550,698.00</b>	<b>1,315,385.50</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

Description	6/30/2025	6/30/2024
	Kshs	Kshs
Pharmaceuticals	13,600,410.50	17,331,867.74
Laboratory	10,152,460.00	8,739,390.00
Radiology	11,577,300.00	9,891,000.00
Orthopedic and Trauma Technology	2,143,300.00	1,807,900.00
Theatre	2,682,000.00	1,981,480.00
Ear Nose and Throat service	48,100.00	6,000.00
Nutrition service	100,250.00	73,300.00
Dental services	2,500.00	887,400.00
Ambulance Services	2,000.00	-
Attachment services	280,000.00	-
Dental Unit	848,000.00	-
Eye Unit	93,550.00	-
In Patient	8,762,510.00	-
Medical Records	404,250.00	-
Medical Reports	139,500.00	-
Mortuary	81,000.00	-
Occupational Therapy	102,550.00	-
Out Patient Department	10,011,450.00	-
PHISIO THERAPY	241,300.00	-
Other medical services income	34,897,097.50	25,456,379.26
	<b>96,169,528.00</b>	<b>66,174,717.00</b>

**20. APPENDICES**

**APPENDIX I : Progress on Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
NA			

**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.

*Kashero/*

.....  
**Dr. Priscillah Kashero**  
**Accounting Officer**

COUNTY GOVERNMENT OF KILIFI  
The Office of the Medical Superintendent  
Mariakani Sub-County Hospital  
02/12/25  
DATE:.....  
Email: mariakanihospital@gmail.com  
Mob: 0798 078 912

**APPENDIX II: INTER-ENTITY CONFIRMATION LETTER**



MARIAKANI SUB COUNTY HOSPITAL P.O BOX 67,  
MARIAKANI.

The Health Services Improvement Fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Mariakani Sub County Hospital] as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2025				Amount Received by [beneficiary entity] (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT24194Q9ZPS	12/07/2024				3,274,361.00		
FT24215YKDYW	02/08/2024				3,738,544.00		
FT24253FQG XK	10/09/2024				3,901,023.00		
FT2426220T7M	18/09/2024				2,419,600.00		

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FT24278MM0J9	04/10/2024				4,115,184.00		
FT243179CB41	12/11/2024				4,355,955.00		

FT24346PDYPJ	11/12/2024				6,754,541.00		
FT250148LVDZ	14-1-2025				3,982,373.00		
FT25038QDCZP	07-2-2025				3,763,021.00		
FT25065TLXS2	06/03/2025				3,431,388.00		
FT2509340LRL	04/04/2025				5,184,503.00		
FT25100FCX6H	10/04/2025				1,100,000.00		
FT25107GWJ5K	17/04/2025				1,000,000.00		
FT251263H7TM	06/05/2025				12,414,901.00		
FT25135MLQB7	16/05/2025				1,800,000.00		
FT251563X664	05/06/2025				3,977,771.00		
<b>Total</b>					<b>65,213,165.00</b>		

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

Head of Accounts department of beneficiary entity:

Name RACHEAL BAHATI Sign ..........Date 29-aug-2025

Name CHARLES NDOME Sign ..........Date 29-aug-2025