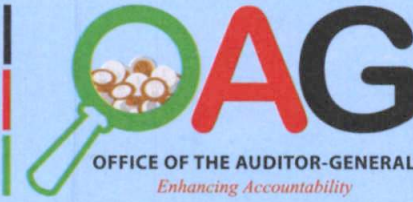


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
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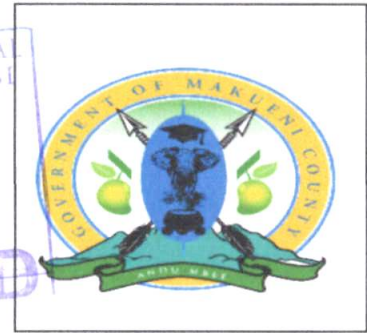
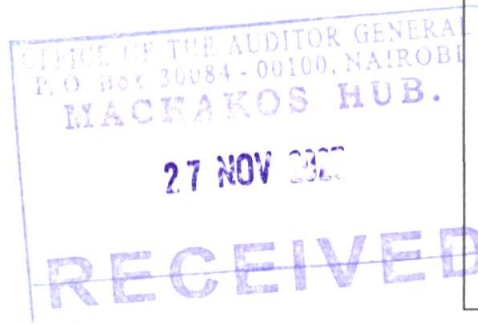
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MUTYAMBUA LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF MAKUENI

09



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**MUTYAMBUA LEVEL 4 HOSPITAL  
(Makueni 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**

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

**2. Key Entity Information and Management**

**(a) Background information**

Mutyambua Sub County Hospital is a Government facility located in Makueni Sub County, Mutyambua sub location, Mutyambua location, Makueni constituency, Makueni County. It is located 16 Kilometres off Mombasa road along Sultan Hamud–Kasikeu road. The hospital started as a dispensary in 1986. It was upgraded to a sub county hospital on 22nd January 2016 via gazette notice no Vol.CXVIII-No.245. The hospital nevertheless, continued to operate as a dispensary until July 2023 when the facility was given go ahead to start charging services and collect FIF funds. The hospital land is approximately 1.5 Acres and has a Catchment population of 4035 individuals; it serves residents of Makueni constituency, Kilome constituency, and some population of Kaiti constituency. The hospital is domiciled in Makueni County under the Health Department and is governed by a Board of Management.

**(b) Principal Activities**

The principal activity/mission/ mandate of the hospital is to promote and participate in the provision of integrated and efficacious promotive, preventive, curative and rehabilitative health care services to all Citizens.

**(c) Key Management**

Mutyambua sub-county hospital’s management is under the following key organs:

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

**(d) Fiduciary Management**

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

| No. | Designation                   | Name                    |
|-----|-------------------------------|-------------------------|
| 1.  | Medical Superintendent        | <b>Richard Kimuli</b>   |
| 2.  | Head of finance               | <b>CPA Isaac Liku</b>   |
| 3.  | Head of supply chain          | <b>Asenath Mutevu</b>   |
| 4.  | Nursing officer, In-charge    | <b>Januaries Sekeni</b> |
| 5.  | Hospital Health Administrator | <b>NA</b>               |

(e) **Fiduciary Oversight Arrangements**

- **Makueni County Assembly;** The County Assembly enacted the various legislation and performed the oversight required. They also reviewed the external audit reports and financial statements of the County Government as required by the law.
- **Controller of Budget (COB);** COB Provided the required guidelines in budget execution, through the county government and processed requisition for funds transferred to the hospital by Makueni County Government department of health services and provided oversight in budget implementation.
- **National Treasury (NT);** The NT Processed exchequer funds received from Makueni County Government, provided guidelines in preparation of hospital annual reports and financial statements.
- **Commission on Revenue Allocation (CRA);** CRA provided support in revenue allocation indirectly via Makueni County Government and also undertook the County Credit Rating;
- **Makueni County Audit Committee;** The Committee supported the hospital by reviewing internal audit reports shared by our mother department of health services and ensured corrective actions were taken to safeguard the internal controls of the County's financial operations. It also spearheaded preparation of the county risk management framework which was disseminated to the hospital.
- **Public Sector Accounting Standards Board;** the board developed the financial reporting templates and provided guidance on the accounting standards to be adopted by level 4 and 5 county hospital.
- **County Health Authority to Incur Expenditure Committee (CHAIEC).** The committee has been reviewing hospital budget, implementation, hospital operations and pending bills report to ensure that funds received are accounted for, suppliers are paid in good time and the hospital continues to offer high quality health care services.
- **Drugs and Therapeutic Committee** - whose primary function is to oversee medication safety and management and pharmacy regulation
- **Medical Board** - whose primary function is to act as an advisory body to the management
- **Hospital management committee/board;** the hospital board plays a crucial role, primarily focusing on strategic oversight, ensuring quality patient care, and overseeing the hospital's financial health and operational efficiency. They set the hospital's strategic direction, establish policies, and evaluate overall performance. Boards are also responsible for maintaining high ethical standards and legal compliance.

- **Hospital management team;** this is responsible for the overall operational and strategic direction of the hospital, ensuring efficient and effective healthcare delivery. This includes strategic planning, financial management, human resources, quality assurance, and regulatory compliance.
- **Executive Expenditure committee;** this committee consists of the executive managers who meet on quarterly basis to check the expenditure of the hospital. The committee also reviews revenue collection, banking and strengthens ways to generate more revenue from the departments. It also sets annual departmental revenue targets and consolidates quarterly departmental budgets for presentation to the Hospital Management Committee. This committee comprises of 6 members as outlined below;
  - Medical superintendent
  - Nursing officer
  - Accountant
  - Laboratory manager
  - HRIO

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

**(f) Entity Headquarters**

P.O. Box 51-90132  
Sultan Hamud  
Sultan Hamud –Kasikeu road  
KENYA

**(g) Entity Contacts**

Telephone: (+254) 113476586  
E-mail: mutyambua.hospital@makueni.go.ke

**(h) Entity Bankers**

Kenya commercial bank,  
Emali branch

**(i) Independent Auditors**

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




**(j) Principal Legal Adviser**

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




**(k) County Attorney**

P.O. Box. 78-90300  
Makueni, Kenya




**3. The Board of Management**

| Ref | Directors  | Details   |
|-----|--|---|
| 1.  |  <p>Name: Daniel Kimaili</p>    | <p>He is the Chairman of the Hospital Management board. He holds a Degree in community development. He is currently active in farming and Community Development activities.</p> <p>He was as appointed on September 2024</p>  |
| 2.  |  <p>Name: Stellamaris Kiio</p> | <p>She is a Member of the Hospital Management Committee. She holds a degree in human resource management, currently a tutor and Community Development champion</p> <p>She was appointed on September 2024</p>   |
| 3.  |  <p>Name: Richard Kimuli</p>  | <p>He is the Medical Superintendent and Secretary to the Hospital Management Board. He holds a Bachelor's Degree in nursing, a graduate of Kenyatta University. He has a wealth of experience having served in various capacities including various non-governmental organisations such as Jacaranda health and MSF Switzerland .</p> |


**Mutyambua Level 4 Hospital (Makueni County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

|           |   |   |
|-----------|---|---|
| <p>4.</p> |  <p>Name: Leonard Mbuvi</p>        | <p>He is a member of the Hospital Management Committee. He holds a degree in social work. Currently he is a business entrepreneur. He was appointed on September 2024</p>   |
| <p>5.</p> |  <p>Name: Benjamin Muli</p>       | <p>He is a member of the Hospital Management Committee. He holds a diploma in nursing and currently he is in private practise. He was appointed on September 2024</p>   |
| <p>6.</p> |  <p>Name: Dr. Benard Mutunga</p> | <p>He is pharmacist who holds a degree in pharmacy and was appointed in September 2024. Currently the sub county medical officer of health Makueni sub county.</p> <p>With a unique blend of pharmaceutical expertise and hands-on experience in public health, he has built his career around improving access to quality care through Primary Health Care (PHC) systems. Over the years, he has consistently championed community-focused health initiatives, integrating preventive care, health education, and essential medical services to support underserved populations.</p> |

**4. Key Management Team**

| Ref | Management  | Details  |
|-----|---|--|
| 1.  | <p><b>Mr. Richard Mwikya Kimuli</b></p>  | <p>He is the Medical Superintendent and Secretary to the Hospital Management Board. He holds a Bachelor's Degree in nursing, a graduate of Kenyatta University. He has a wealth of experience having served in various capacities including various non- governmental organisations such as Jacaranda health and MSF Switzerland</p> |
| 2.  | <p><b>Ms. Agnes Mwende Kiminza</b></p>  | <p>She is the Hospital medical Laboratory Officer. she holds a diploma in medical laboratory science from Mt.Kenya university . She has served in the hospital with dedication and she helped a lot during the transition to level 4 hospital</p>  |
| 3.  | <p><b>Mr. Januaries Muthui</b></p>     | <p>He is the Hospital Nursing Officer in charge. He holds a Degree in nursing from chuka univesity, with working experience with CIHEB Kenya at kitui county.</p>  |



|    |  |   |
|----|--|---|
| 4. | <p><b>CPA Isaac Liku</b></p>  | <p>He is the Hospital accountant. He holds a bachelor's degree in Commerce- (Finance) from The catholic university of Eastern Africa. He is a Certified Public Accountant Finalist(CPA(K)). He has 13 years' experience in Accounting and Financial management in both Private and public sector.</p> |
|----|--|---|

**5. Chairman’s Statement**

I have served as the board chair of Mutyambua Sub County Hospital since September 2024 when the new board was appointed. Since the beginning of my tenure, the hospital has undergone tremendous growth. The board has a leadership and governance role assisted by the Hospital Management Team. We are accountable for the delivery of safe and quality health care services to our patients while at the same time we are challenged by the economic realities and growing health care needs of our community.

The board acts as a bridge between the community and the hospital whereby community interests are taken care of. We articulate health issues to the community in a way they can understand. The board normally meets on a quarterly basis to review performance, primary health care and budgeting.

The facility workload has increased overtime, this has necessitated employment of more professional staffs including, five nurses, one clinical officer, one laboratory technologist, one data clerk and one billing clerk to carter for the rising workload.

The facility requires additional infrastructure to accommodate services which are currently not being offered in the hospital, these services include inpatient wards, X-ray unit, theatre unit, dental unit and other specialised clinics.

In addition, the facility needs additional staffs of various cadres to meet the level 4 status

.....  


**Mr. Daniel Kimaili**  
**Chairman to the Board**

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

Mutyambua sub county hospital has undergone tremendous growth in the last few years, upgrading from a level 3 to a level 4 hospital led to increased uptake of services by the community hence increased workload.

Introduction of maternal networks of care which involve focusing on creating connections between people and services and strengthening the functional aspects of health systems while incorporating and emphasizing core relational aspects. They are also be used to strengthen referral systems, thus promoting continuity of care, holding of maternity open days, focused ANC clinics, partner involvement, timely referral of mothers with birth complications and partnering with CHPs, this has seen the hospital deliveries increase, improved quality of care, continuity of care, and improved maternal and new born outcomes in line with the Sustainable Development Goals for maternal and new born health.

Key successes witnessed during the financial year include; Increase in out-patient and maternity workload. The County introduced revenue visibility platform and the hospital adopted cashless payments Via M-PESA, the revenue generated by the hospital is posted the following day, this has increased the hospital collections, the revenue is used to improve services in the hospital. The hospital has the essential laboratory equipment which include automated full hemogram, biochemistry analyser under placement from Biocare systems which has enhanced service delivery in the hospital.

Amid the great achievements, we face challenges which included; inadequate finances, infrastructure, staffing, sanitation supplies, personal protective equipment, human resource development, drugs among other supplies. The facility faces limited space to accommodate both the administrative and curative services. No administration block, no offices. This situation is worse in the outpatient where there is crowding and lack of enough consultation rooms, limited space for medicals records and congestion in most of the service areas.

**Mutyambua Level 4 Hospital (Makueni County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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Underfunding and delayed disbursement of funds by NHIF/SHA has affected the day to day operations of the hospital, the major expenditures in facility include but not limited to buying pharmaceuticals, Non pharmaceuticals, medical equipment, maintenance of plant, building and equipment, casual and contracted professional wages, water and sewerage, bedding and linen, laboratory reagents, food and ration sanitary and cleansing, fuel, publishing printing & general office supplies among others. The facility lack an ambulance and rely on Makueni call centre for referral of patients.

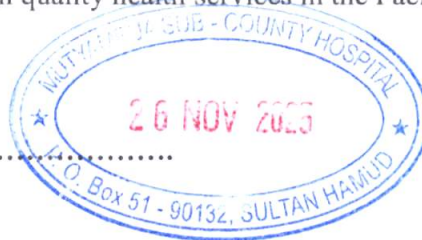
The facility has staff shortage in various departments like nursing, medical, pharmacy, clerks, support staff, dental and laboratory, this has increased the hospital expenditure on contracted professional services, locums and casual wages, some departments are manned by one staff leading to longer waiting time and decreased quality of care.

Having grown from a dispensary to a level 4 facility, this requires additional staff, specialized staff in tandem with the level of care and according to WHO staffing Norms and Standards, the facility is working closely with the department and stakeholders to increase staffing and provide the required equipment across all the hospital sections, the above measures will contribute to delivering quality care, improving health outcomes, and reducing inequities and vulnerability within the community and achieve the overall objective of universal health coverage to all Kenyans.

I wish to thank the County department of health, Mutyambua sub county hospital board, Mutyambua SCH staff, stakeholders and partners for the support continuous support to deliver Accessible, Affordable and high quality health services in the Facility



.....  
**Mr. Richard Kimuli**  
**Secretary to the Board**



## 7. Statement of Performance Against Predetermined Objectives

Mutyambua sub-county hospital has several strategic pillars and objectives within the current Strategic Plan for the FY 2024 - 2025. These strategic pillars are as follows;

Pillar 1: Reduce communicable conditions

Pillar 2: Reverse the rising burden of non- communicable conditions

Pillar 3: Minimize exposure to health risk factors

Pillar 4: Halt and reverse the rising burden of non-communicable conditions.

Pillar 5: Reduce maternal and child mortality

Mutyambua Sub-County hospital develops its annual work plans based on the above pillars. 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 strategic pillars, as indicated in the diagram below:

| Strategic Pillar/Theme/Issues                            | Objective                                       | Key Performance Indicators   | Activities   | Achievements                              |
|--|---|--|--|---|
| Reduce communicable conditions                           | Reducing transmission of new TB infections.     | Number of patients<br>Screened and tested for TB,<br>number of positive patients<br>put Anti TBs | Screening and testing of all patients with respiratory conditions and initiating those infected on treatment | All new TB clients initiated on treatment |
| Reverse the rising burden of non-communicable conditions | Reducing of mother to child transmission of HIV | Counselling and Testing of HIV to all mothers before and after delivery                          | Putting HIV positive mothers on ARVs and HIV exposed children to prophylaxis                                 | 100% achievement                          |

*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

|  |   |   |   |                  |
|--|---|---|---|------------------|
| Minimize exposure to health risk factors               | Safety and Security Measures  | The hospital commits to carry out safety and security baseline assessment           | Preparing tools for baseline assessment (50%)<br>Sensitizing managers to carry out the assessment (50%) | 100% Achievement |
| Strengthen our community health component through CHPS | Provide essential knowledge and skills to our community health promoters to improve screening at the community level. | Number of CHPS trained and active   | Continuous trainings monthly  | 100% achievement |
| Reduce maternal and child mortality                    | Reducing facility based maternal mortality rate   | The hospital commits to reduce facility maternal mortality rate from 0 to 0 persons | Conducting Quarterly MPDSR  | 100% achievement |

**8. Corporate Governance Statement**

Corporate governance is the structure of rules, practices, and processes used to direct and manage a company. Good Corporate Governance ensures the delivery of Quality services as well as meeting the needs of our stakeholders. Mutyambua sub-county hospital is committed to ensuring that the needs of our customers and the expectations of our stakeholders are met through the adoption of ethically driven business policies, procedures and processes.

We believe that our services should be carried out in a fair, transparent and accountable manner. It is our integral responsibility to disclose timely and accurate information on our financial performance as well as provide the leadership and effective governance for the hospital.

The hospital is run by a Health Management Committee appointed by the Executive Committee Member for health services Makueni County. The committee is charged with a mandate of

- Oversight and administrative supervision
- Promoting development

To approve plans, programmes and budgets for implementation The committee has three sub committees appointed among the members

**A. Finance and general purpose committee**

Should comprise of

1. Not less than 4 members
2. 3 members should be from the community
3. Accountant should be a member of the committee
4. Can co-opt the administrator and the records officer
5. Chairman should be appointed from the members of the community

**Members of the committee**

|    |                        |          |
|----|------------------------|----------|
| 1. | Daniel Kimaili         | Member   |
| 2. | Leonard Mbuvi          | Chairman |
| 3. | Stellamaris kiio       | Member   |
| 4. | Medical superintendent | Member   |

**B. Quality improvement committee**

This committee holds meetings once in a quarter and is supposed to look into the quality of services being offered to the community and address the emerging issues from the community members. It's also involved in identification of key areas that needs improvement and come up with the possible interventions to be undertaken. primary healthcare matters including personal hygiene, water and sanitation, waste management, immunization and maternal child welfare.

**Members of the committee**

|    |                                      |             |
|----|--------------------------------------|-------------|
| 1. | Stellamaris Kii                      | Chairperson |
| 2. | Benjamin Muli                        | Member      |
| 3. | Medical Superintendent               | Member      |
| 4. | Nursing officer in charge            | Member      |
| 5. | Public health officer                | Member      |
| 6. | Medical laboratory officer in-charge | Member      |

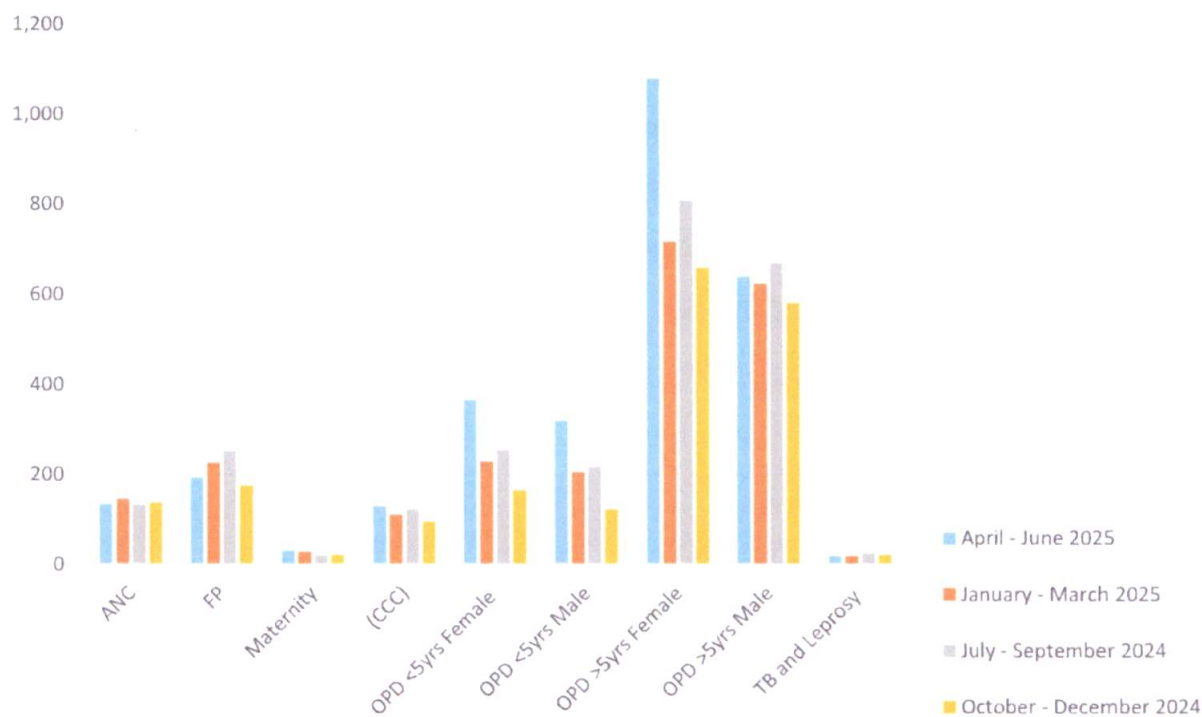
**9. Management Discussion and Analysis**

**Clinical/operational performance**

Mutyambua Sub-County Hospital has a bed capacity of 14 as per the analysis below. The bed capacity has not changed for the last 3 years due to limited infrastructure for expansion.

| F/Y 2024/2025        | Medical | Paediatrics | Maternity | Total |
|----------------------|---------|-------------|-----------|-------|
| Beds -Authorized     | 4       | 2           | 8         | 14    |
| Beds-Actual physical | 2       | 0           | 6         | 8     |
| Cots- Authorized     | 0       | 0           | 0         | 0     |
| Cots-Actual physical | 0       | 0           | 0         | 0     |
| Incubator authorized | 0       | 0           | 0         | 0     |
| Incubator- Actual    | 0       | 0           | 0         | 0     |

**2024-2025 WORKLOAD ANALYSIS**



**Financial performance**

○ **Revenue sources**

The Main revenue streams for the hospitals are mainly

1. County government contributions ( in cash and Kind)
2. Facility improvement funds
3. NHIF/SHA and other insurance claims reimbursements

In this financial year, the facility was able to generate 13% of its revenue from the County government with while 21% of it came for FIF collections. 16% of the revenue came for Insurance reimbursements while 51% was generated from in kind contributions.

○ **Utilisation of funds**

| <b>TOTAL BUDGETS -ALL REVENUE</b> |               |                    |                        |
|-----------------------------------|---------------|--------------------|------------------------|
| <b>YEAR</b>                       | <b>BUDGET</b> | <b>UTILIZATION</b> | <b>ABSORPTION RATE</b> |
| 2024-2025                         | 3,980,000     | 3,110,318          | 78%                    |

## **10. Environmental and Sustainability Reporting**

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

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

In order to deliver on its priorities, Mutyambua sub-county hospital takes a sustainable, long-term approach to business, putting patients at the heart of its operations and delivering consistently high-quality healthcare services. The Hospital upholds the highest standards of clinical governance and ethical behaviour across its platforms, invests significant time and resources in recruiting and retaining skilled staff, makes considerable investment into its facilities and equipment and respects the communities and environment in the areas in which it operates.

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

There is need for sustained proper management of waste and construction of incinerator as the facility currently uses burning chamber.

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

Mutyambua sub county hospital ensures that all staff are facilitated to attend trainings made to enhance their skills. All employee emoluments are also paid on time. The county trains and supports both short term and long term courses.

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

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

All tenders are awarded competitively where every bidder is given a fair chance through a transparent process as prescribed in the procurement and disposal Act.

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

The Board strives to achieve an appropriate balance between its various stakeholders in the best interest of the organization by taking into account their legitimate interest and

expectations in decision making. The Board values the importance of complete, timely, transparent and effective communication with its stakeholders for building and maintaining their trust and confidence by providing regular information on its performance, activities and addressing their concerns whilst having regard to legal and strategic considerations.

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

The main avenues for communication are through stakeholder forums and local advertisements through the hospital notice board which is accessible to the public at all times.

***d) Product stewardship***

The Hospital's Service Charter has been cascaded to all staff and displayed at strategic locations, is monitored on a regular basis. The Charter stipulates the service delivery timelines, commitments and expectations of the hospitals clients.

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

Mutyambua Sub County has made a concerted effort to operate in ways that enhance society and environment through inclusive healthcare inspired towards fulfilling public healthcare needs. We focus on bringing quality healthcare within the reach of all people regardless of their geographic location or economic status. Our Corporate Social Responsibility initiatives express our commitment and concern to the welfare of our employees and the patients we serve. These initiatives focus on community development and health, human rights, empowering people through education and dissemination of information. The hospital through health promotional activities engages communities to create awareness on NCDs and other health educations etc. This ensures citizen visit health facilities for screening early enough before situations become worse.

**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 is to promote and participate in the provision of integrated and efficacious promotive, preventive, curative and rehabilitative health care services to all citizens.

**Results**

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 58

**Board of Management**

The members of the Board who served during the year are shown on page (iv). During the year, no director(s) retired/ resigned.

**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

.....*Richard Kimani*.....

Name *Richard Kimani*

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

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

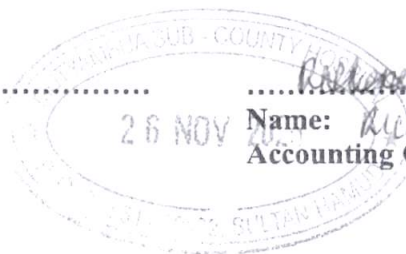
The Board of Management accepts responsibility for the entity’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner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

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

### Approval of the financial statements

The Hospital’s financial statements were approved by the Board on 26/NOV/2025 and signed on its behalf by:

.....  
Name:  
Chairperson



.....  
Name: Abraham Kimani  
Accounting Officer

# REPUBLIC OF KENYA



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P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MUTYAMBUA LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF MAKUENI**

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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 Mutyambua Level 4 Hospital – County Government of Makueni set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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*Report of the Auditor-General on Mutyambua Level 4 Hospital for the year ended 30 June, 2025 - County Government of Makueni*

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

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

### **Basis for Qualified Opinion**

#### **Unconfirmed Property, Plant and Equipment Balance**

The statement of financial position reflects property, plant and equipment balance of Kshs.249,600, which as disclosed in Note 32 to the financial statements relates to acquisition of information and communication technology (ICT) equipment. However, review of the Hospital's records and physical verification revealed assets including land, buildings, motor vehicles, furniture, fittings and office equipment which were not disclosed in the financial statements. Further, ownership documents for the land and motor vehicles were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.249,600, could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.4,000,000 and Kshs.2,668,079 respectively, resulting to under-funding of Kshs.1,331,921 or approximately 33% of the budget.

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

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Deficiencies in Implementation of Universal Health Coverage**

Review of the Hospital's records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit in September, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety-six (96) or approximately 95% of the authorized establishment.

| <b>Staffing Requirement</b>        | <b>Level 4 Standard</b> | <b>Number in Hospital</b> | <b>Variance</b> | <b>Percentage %</b> |
|------------------------------------|-------------------------|---------------------------|-----------------|---------------------|
| Medical Officers                   | 16                      | 0                         | 16              | 100                 |
| Anesthesiologists                  | 2                       | 0                         | 2               | 100                 |
| General Surgeons                   | 2                       | 0                         | 2               | 100                 |
| Gynecologists                      | 2                       | 0                         | 2               | 100                 |
| Pediatricians                      | 2                       | 0                         | 2               | 100                 |
| Radiologists                       | 2                       | 0                         | 2               | 100                 |
| Registered Community Health Nurses | 75                      | 5                         | 70              | 93                  |
| <b>Total</b>                       | <b>101</b>              | <b>5</b>                  | <b>96</b>       | <b>95</b>           |

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

| <b>Equipment &amp; Machines</b>                     | <b>Level 4 Hospital Standard</b> | <b>Actuals in the Hospital</b> | <b>Variance</b> | <b>Percentage %</b> |
|---|----------------------------------|--------------------------------|-----------------|---------------------|
| Beds  | 150                              | 8                              | 142             | 95                  |
| Incubators (Newborn)                                | 5                                | 0                              | 5               | 100                 |
| COTS  | 5                                | 0                              | 5               | 100                 |
| Resuscitaire in labour ward                         | 2                                | 0                              | 2               | 100                 |
| Functional ICU Beds                                 | 6                                | 0                              | 6               | 100                 |
| HDU Beds  | 6                                | 0                              | 6               | 100                 |
| Renal unit with dialysis machines                   | 5                                | 0                              | 5               | 100                 |
| Functional operating theaters Maternity and General | 2                                | 0                              | 2               | 100                 |

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

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

## **2.0 Irregular Engagement of Casual Workers**

The statement of financial performance reflects employee costs of Kshs.4,537,185 in respect to casuals and contractual staff as disclosed in Note 16 to the financial statements. However, Management engaged casual workers for more than three (3) months. This is contrary to Section B.16(1) of the County Public Service Human Resource Manual of May, 2013 which states that (1) casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act, 2007.

Further, approval by the Board for engagement of the casual employees was not provided for audit review.

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

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

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

### Conclusion

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

### Basis for Conclusion

#### 1.0 Lack of Risk Management Policy and Strategy

The Hospital Management had not put in place a Risk Management Policy, strategies, and a risk register to mitigate against risks. It was, therefore, not clear how Management manages risk exposures. This is contrary to Regulation 158 (1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which require the Accounting Officer to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism; and the County Government entity develops a system of risk management and internal controls that builds robust business operations.

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

#### 2.0 Failure to Maintain a Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.249,600. However, review of the Hospital's records and physical verification revealed that the Hospital did not maintain a fixed assets register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, existence of effective measures on assets management could not be confirmed.

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

### **Responsibilities of the Management and those Charged with Governance**

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

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

1 December, 2025

*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*


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


| Description                                      | Note | 2024/2025FY       | 2023/2024FY |
|--|------|-------------------|-------------|
|  |      | Kshs              | Kshs        |
| <b>Revenue from non-exchange transactions</b>    |      |                   |             |
| Transfers from the County Government             | 6    | 860,000           | -           |
| In-kind contributions from the County Government | 7    | 7,170,966         | -           |
| Grants from donors and development partners      | 8    | -                 | -           |
| Transfers from other Government entities         | 9    | -                 | -           |
| Public contributions and donations               | 10   | -                 | -           |
|  |      | <b>8,030,966</b>  | -           |
| <b>Revenue from exchange transactions</b>        |      |                   |             |
| Rendering of services- Medical Service Income    | 11   | 1,409,029         | -           |
| Revenue from rent of facilities                  | 12   | -                 | -           |
| Finance /Interest Income                         | 13   | -                 | -           |
| Miscellaneous Income                             | 14   | 1,058,357         | -           |
|  |      | <b>2,467,386</b>  | -           |
| <b>Total revenue</b>                             |      | <b>10,498,352</b> | -           |
| <b>Expenses</b>                                  |      |                   |             |
| Medical/Clinical costs                           | 15   | 3,689,847         | -           |
| Employee costs                                   | 16   | 4,537,185         | -           |
| Board of Management Expenses                     | 17   | 23,500            | -           |
| Depreciation and amortization expense            | 18   | -                 | -           |
| Repairs and maintenance                          | 19   | 199,870           | -           |
| Grants and subsidies                             | 20   | -                 | -           |
| General expenses                                 | 21   | 929,393           | -           |
| Finance costs                                    | 22   | -                 | -           |
|  |      | <b>9,379,795</b>  | -           |
| <b>Other gains/(losses)</b>                      |      |                   |             |
| Gain/Loss on disposal of non-Current assets      | 23   | -                 | -           |


**Mutyambua Level 4 Hospital (Makueni County Government)**  
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| Description                                  | Note | 2024/2025FY      | 2023/2024FY |
|--|------|------------------|-------------|
|  |      | Kshs             | Kshs        |
| Unrealized gain on fair value of investments | 24   | -                | -           |
| Medical services contracts Gains/Losses      | 25   | -                | -           |
| Impairment loss                              | 26   | -                | -           |
| Gain on foreign exchange transactions        |      | -                | -           |
| <b>Total other gains/(losses)</b>            |      | -                | -           |
| <b>Net Surplus / (Deficit) for the year</b>  |      | <b>1,118,557</b> | -           |

The Hospital's financial statements were approved by the Board on 26/NOV/2025 and signed on its behalf by:

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

  
 .....  
**Head of Finance**  
**ICPAK No:**

  
 .....  
**Medical Superintendent**



*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*


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

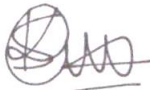
| Description                                   | Note | 2024/2025FY      | 2023/2024FY |
|---|------|------------------|-------------|
|   |      | Kshs             | Kshs        |
| <b>Assets</b>                                 |      |                  |             |
| <b>Current assets</b>                         |      |                  |             |
| Cash and cash equivalents                     | 27   | 1,146,135        | -           |
| Prepayments                                   | 28   | -                | -           |
| Receivables from exchange transactions        | 29   | 659,307          | -           |
| Receivables from non-exchange transactions    | 30   | -                | -           |
| Inventories                                   | 31   | 651,889          | -           |
| <b>Total Current Assets</b>                   |      | <b>2,457,331</b> | -           |
|   |      |                  |             |
| <b>Non-current assets</b>                     |      |                  |             |
| Property, plant, and equipment                | 32   | 249,600          | -           |
| Intangible assets                             | 33   | -                | -           |
| Investment property                           | 34   | -                | -           |
| Biological Assets                             | 35   |                  |             |
| <b>Total Non-current Assets</b>               |      | <b>249,600</b>   | -           |
|   |      |                  |             |
| <b>Total assets (A)</b>                       |      | <b>2,706,931</b> | -           |
|   |      |                  |             |
| <b>Liabilities</b>                            |      |                  |             |
| <b>Current liabilities</b>                    |      |                  |             |
| Trade and other payables                      | 36   | -                | -           |
| Refundable deposits from Patients/Prepayments | 37   | -                | -           |
| Provisions                                    | 38   | -                | -           |
| Finance lease obligation                      | 39   | -                | -           |
| Current portion of deferred income            | 40   | -                | -           |
| Current portion of borrowings                 | 41   | -                | -           |
| <b>Total Current Liabilities</b>              |      | -                | -           |
|   |      |                  |             |
| <b>Non-current liabilities</b>                |      |                  |             |
| Provisions                                    | 38   | -                | -           |
| Non-Current Finance lease obligation          | 39   | -                | -           |
| Non-Current portion of deferred income        | 40   | -                | -           |
| Non - Current portion of borrowings           | 41   | -                | -           |


**Mutyambua Level 4 Hospital (Makueni County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

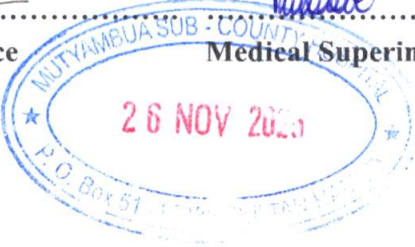
| Description                          | Note | 2024/2025FY      | 2023/2024FY |
|--------------------------------------|------|------------------|-------------|
|                                      |      | Kshs             | Kshs        |
| Service concession Arrangements      | 42   | -                | -           |
| <b>Total non-current liabilities</b> |      | -                | -           |
|                                      |      |                  |             |
| <b>Total Liabilities (B)</b>         |      | -                | -           |
|                                      |      |                  |             |
| <b>Net assets (A-B)</b>              |      | <b>2,706,931</b> | -           |
|                                      |      |                  |             |
| <b>Represented by:</b>               |      |                  |             |
| Revaluation reserve                  |      | -                | -           |
| Accumulated surplus/Deficit          |      | 1,118,557        | -           |
| Capital Fund                         |      | 1,588,374        | -           |
|                                      |      |                  |             |
| <b>Net Assets</b>                    |      | <b>2,706,931</b> | -           |

The Hospital's financial statements were approved by the Board on 26/NOV/2025 and signed on its behalf by:

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

  
 .....  
**Head of Finance**  
**ICPAK No:**

  
 .....  
**Medical Superintendent**

  
 MUTUYAMBUA SUB-COUNTY HOSPITAL  
 P.O. Box 51  
 26 NOV 2025

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

| <b>Description</b>                         | <b>Revaluation reserve</b> | <b>Accumulated surplus/Deficit</b> | <b>Capital Fund</b> | <b>Total</b>     |
|--|----------------------------|------------------------------------|---------------------|------------------|
| <b>As at July 1, 2024 (previous year)</b>  | -                          | -                                  | -                   | -                |
| Revaluation gain                           | -                          | -                                  | -                   | -                |
| Surplus/(deficit) for the year             | -                          | -                                  | -                   | -                |
| Capital/Development grants                 | -                          | -                                  | -                   | -                |
| <b>As at June 30, 2024 (previous year)</b> | -                          | -                                  | -                   | -                |
|  |                            |                                    |                     |                  |
| <b>At July 1, 2025 (current year)</b>      | -                          | -                                  | -                   | -                |
| Revaluation gain                           | -                          | -                                  | -                   | -                |
| Surplus/(deficit) for the year             | -                          | 1,118,557                          | -                   | 1,118,557        |
| Capital/Development grants                 | -                          | -                                  | 1,588,374           | 1,588,374        |
| <b>At June 30, 2025 (current year)</b>     | -                          | <b>1,118,557</b>                   | <b>1,588,374</b>    | <b>2,706,931</b> |

*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

| Description  | Note | 2024/2025FY      | 2023/2024FY |
|--|------|------------------|-------------|
|  |      | Kshs             | Kshs        |
| <b>Cash flows from operating activities</b>        |      |                  |             |
| <b>Receipts</b>                                    |      |                  |             |
| Transfers from the County Government               |      | 860,000          | -           |
| Grants from donors and development partners        |      | -                | -           |
| Transfers from other Government entities           |      | -                | -           |
| Public contributions and donations                 |      | -                | -           |
| Rendering of services- Medical Service Income      |      | 1,409,029        | -           |
| Revenue from rent of facilities                    |      | -                | -           |
| Finance / interest income                          |      | -                | -           |
| Miscellaneous receipts( <i>specify</i> )           |      | 399,050          | -           |
| <b>Total Receipts</b>                              |      | <b>2,668,079</b> | -           |
|  |      |                  |             |
| <b>Payments</b>                                    |      |                  |             |
| Medical/Clinical costs                             |      | 594,010          | -           |
| Employee costs                                     |      | 1,112,773        | -           |
| Board of Management Expenses                       |      | 23,500           | -           |
| Repairs and maintenance                            |      | 199,870          | -           |
| Grants and subsidies                               |      | -                | -           |
| General expenses                                   |      | 930,565          | -           |
| Finance costs                                      |      | -                | -           |
| Refunds paid out                                   |      | -                | -           |
| <b>Total Payments</b>                              |      | <b>2,860,718</b> | -           |
| <b>Net cash flows from operating activities</b>    | 43   | (192,639)        | -           |
| <b>Cash flows from investing activities</b>        |      |                  |             |
| Purchase of property, plant, equipment             |      | (249,601)        | -           |
| Purchase of intangible assets                      |      | -                | -           |
| Proceeds from the sale of PPE                      |      | -                | -           |
| Acquisition of investments                         |      | -                | -           |
| <b>Net cash flows used in investing activities</b> |      | -                | -           |
| <b>Cash flows from financing activities</b>        |      |                  |             |
| Proceeds from borrowings                           |      | -                | -           |
| Repayment of borrowings                            |      | -                | -           |
| Capital grants received                            |      | -                | -           |

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

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|   |    |                  |   |
|---|----|------------------|---|
| <b>Net cash flows used in financing activities</b>          |    | -                | - |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |    | (442,240)        | - |
| Cash and cash equivalents as at 1 July                      | 27 | 1,588,375        | - |
| <b>Cash and cash equivalents as at 30 June</b>              | 27 | <b>1,146,135</b> | - |

*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

| Description  | Original budget  | Adjustments | Final budget     | Actual on comparable basis | Performance difference | % of utilisation |
|--|------------------|-------------|------------------|----------------------------|------------------------|------------------|
|  | a                | b           | c=(a+b)          | d                          | e=(c-d)                | f=d/c%           |
|  | Kshs             | Kshs        | Kshs             | Kshs                       | Kshs                   |                  |
| Budget carryovers from the previous year               | -                | -           | -                | -                          | -                      |                  |
| <b>Receipts</b>  | -                | -           | -                | -                          | -                      |                  |
| Transfers from the County Government                   | 1,800,000        | -           | 1,800,000        | 860,000                    | 940,000                | 48%              |
| Grants from donors and development partners            | -                | -           | -                | -                          | -                      |                  |
| Transfers from other Government entities               | -                | -           | -                | -                          | -                      |                  |
| Public contributions and donations                     | -                | -           | -                | -                          | -                      |                  |
| Rendering of services- Medical Service Income          | 1,200,000        | -           | 1,200,000        | 1,409,029                  | (209,029)              | 117%             |
| Revenue from rent of facilities                        | -                | -           | -                | -                          | -                      |                  |
| Finance / interest income                              | -                | -           | -                | -                          | -                      |                  |
| Miscellaneous receipts ( <i>Insurance Recoveries</i> ) | 1,000,000        | -           | 1,000,000        | 399,050                    | 600,950                | 40%              |
| <b>Total receipts</b>                                  | <b>4,000,000</b> | <b>-</b>    | <b>4,000,000</b> | <b>2,668,079</b>           | <b>1,331,921</b>       | <b>67%</b>       |
| <b>Payments</b>  |                  |             |                  |                            |                        |                  |
| Medical/Clinical costs                                 | 520,000          | -           | 520,000          | 594,010                    | (74,010)               | 114%             |
| Employee costs   | 1,220,000        | -           | 1,220,000        | 1,112,773                  | 7,227                  | 91%              |
| Remuneration of directors                              | 50,000           | -           | 50,000           | 23,500                     | 26,500                 | 47%              |
| Repairs and maintenance                                | 425,000          | -           | 425,000          | 199,870                    | 225,130                | 47%              |
| Grants and subsidies                                   | -                | -           | -                | -                          | -                      |                  |
| General expenses                                       | 1,265,000        | -           | 1,265,000        | 930,565                    | 334,435                | 74%              |
| Finance costs  | -                | -           | -                | -                          | -                      |                  |
| Refunds  | -                | -           | -                | -                          | -                      |                  |
| <b>Total Operational Expenditure paid</b>              | <b>3,480,000</b> | <b>-</b>    | <b>3,480,000</b> | <b>2,860,718</b>           | <b>619,282</b>         |                  |
| <b>Capital Expenditure paid</b>                        | <b>500,000</b>   | <b>-</b>    | <b>500,000</b>   | <b>249,600</b>             | <b>-</b>               |                  |
| <b>Surplus</b>   | <b>20,000</b>    | <b>-</b>    | <b>20,000</b>    | <b>(442,239)</b>           | <b>-</b>               |                  |

*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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**Budget notes**

- The Facility didn't receive the anticipated amounts from the county government due to budget cuts. Reimbursement from the Social Health Authority were not transferred in time despite claims being submitted promptly.
- Due to the low revenue collections, the facility was not able to spend as planned.

**Budget Reconciliation**

|   | Description of Particulars  | Amount in Kshs |
|---|---|----------------|
|   | Actual Surplus Amounts as per the statement of Budget               | (442,239)      |
| 1 | Opening Cash and Bank Balances                                      | 1,588,374      |
|   | Closing Cash and Cash Equivalent as per the statement of Cash flows | 1,146,135      |

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

### **1. General Information**

Mutyambua Sub County Hospital is established by and derives its authority and accountability from Health Act, 2017 that governs the overall health system, including the establishment and regulation of public health facilities, the County Governments Act, 2012 and the Medical Practitioners and Dentists Act 2019. The entity is wholly owned by the Makueni County Government and is domiciled in Makueni County in Kenya.

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

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

### 3. Adoption of New and Revised Standards

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

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

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

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

| Standard                          | Effective date and impact:   |
|-----------------------------------|--|
|                                   | The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.  |
| IPSAS 46<br>Measurement           | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| IPSAS 47-<br>Revenue              | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>   |
| IPSAS 48-<br>Transfer<br>Expenses | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>  |

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

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

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

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

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

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

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

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 24/25 was approved by Board on **22<sup>nd</sup> June 2024** Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did not record additional appropriations on the FY 2024/2025. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

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

**e. Property, plant and equipment**

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

**Disclosures of unrecognised assets**

The hospital utilises land and building in its operations which are currently not recognised in the financial statements due to the absence of formal valuation and /or legal ownership documentation.

- **Land:**

The hospital is occupied on a piece of land for its operations. However, the land has not been valued and legal ownership documents are not available for reference. As such the

land is not recognised under property, plant and equipment in the statement of financial position. The hospital is working with the relevant county authorities to facilitate issue of the facility title deed and valuation of the land.

- **Hospital building:**

The hospital operates from permanent buildings that are in active use. These buildings have not been valued and no reliable historical costs or fair value data is available. These assets have not been recognised in the statement of financial position. The hospital has initiated efforts to obtain formal valuation in order to comply with applicable asset recognition requirements.

- **Hospital Generator:**

The facility has a generator that serves as a backup power supply for the facility. Documents ascertaining the historical cost of the plant are not available and the plant has not been valued to assert its fair value. This has not been recognised in the statement of financial position. However, the facility is working towards getting a valuation of the asset.

- **Furniture and fittings:**

The Facility has furniture and fixture that have not been valued at costs and therefore, these amounts have not been captured in the financial statements. The facility is liaising with the Department of health to ensure that the assets have been valued.

- **ICT Equipment:**

ICT equipment that has been recognised in the books of account were acquired at the end of the financial year. The Depreciation charge of this items have not been computed as a result. Other ICT items are yet to be valued and included in the financial reports.

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

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

**i. Research and development costs**

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

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

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

**j. Financial instruments**

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

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

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value

through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Fair value through net assets/ equity**

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

#### **Fair value through surplus or deficit**

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

#### **Trade and other receivables**

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

#### **Impairment**

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

## **Financial liabilities**

### **Classification**

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

#### **k. Inventories**

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

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

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

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

#### **l. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements.

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

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

**u. Related parties**

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

**v. Service concession arrangements**

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

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

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

Notes to Financial Statements Continued

6. Transfers from the County Government

| Description   | 2024/2025F     | 2023/2024F |
|---|----------------|------------|
|   | Y              | Y          |
|   | KShs           | KShs       |
| <b>Unconditional grants</b>                                     |                |            |
| Operational grant   | 860,000        | -          |
| Level 4/5 grants  | -              | -          |
| Unconditional development grants                                | -              | -          |
| Other grants ( <i>specify</i> )                                 | -              | -          |
|   | -              | -          |
| <b>Conditional grants</b>                                       |                |            |
| User fee forgone  | -              | -          |
| Transforming health services for Universal care project (THUCP) | -              | -          |
| DANIDA  | -              | -          |
| Wards Development grant   | -              | -          |
| Paediatric block grant  | -              | -          |
| Administration block grant                                      | -              | -          |
| Laboratory grant  | -              | -          |
| <b>Total government grants and subsidies</b>                    | <b>860,000</b> | <b>-</b>   |

6 b Transfers from The County Government

| Name of the Entity sending the grant | Amount recognized to Statement of financial performance*<br>KShs | Amount deferred under deferred income<br>KShs | Amount recognised in capital fund. | Total grant income during the year | Comparative Period |
|--------------------------------------|--|---|------------------------------------|------------------------------------|--------------------|
|                                      |  |   | KShs                               | KShs                               | KShs               |
| Makueni County Government            | 860,000  | -   | -                                  | 860,000                            | -                  |
| <b>Total</b>                         | <b>860,000</b>   | <b>-</b>                                      | <b>-</b>                           | <b>860,000</b>                     | <b>-</b>           |

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

| Description   | 2024/2025FY      | 2023/2024FY |
|---|------------------|-------------|
|   | KShs             | KShs        |
| Salaries and wages  | 3,424,412        | -           |
| Medical supplies-Drawings Rights (KEMSA)                          | -                | -           |
| Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers) | 3,610,375        | -           |
| Utility bills   | 136,178          | -           |
| Food Items  |                  |             |
| General office supplies   |                  |             |
| Fuel for Generator  |                  |             |
| <b>Total grants in kind</b>                                       | <b>7,170,966</b> | <b>-</b>    |

8. Grants From Donors and Development Partners

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

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

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

**Notes to Financial Statements Continued**

**9. Transfers From Other Government Entities**

| Description  | 2024/2025FY | 2023/2024FY |
|--|-------------|-------------|
|  | KShs        | KShs        |
| Transfer from National Government (Ministry of Health) | -           | -           |
| Transfer from Makueni Referral Hospital                | -           | -           |
| Transfer from Department of Health                     | -           | -           |
| <b>Total Transfers</b>                                 | -           | -           |

**10. Public Contributions and Donations**

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

**10 (a)Reconciliations of amortised grants**

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

**Notes to Financial Statements Continued**

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

| <b>Description</b>                                  | <b>2024/2025FY</b> | <b>2023/2024FY</b> |
|---|--------------------|--------------------|
|   | <b>Kshs</b>        | <b>Kshs</b>        |
| Pharmaceuticals                                     | 782,000            | -                  |
| Non-Pharmaceuticals                                 | 112,000            | -                  |
| Laboratory  | 246,000            | -                  |
| Radiology   | -                  | -                  |
| Orthopedic and Trauma Technology                    | -                  | -                  |
| Theatre   | -                  | -                  |
| Accident and Emergency Service                      | -                  | -                  |
| Anesthesia Service                                  | -                  | -                  |
| Ear Nose and Throat service                         | -                  | -                  |
| Outpatient Services                                 | 269,029            | -                  |
| Cancer centre service                               | -                  | -                  |
| Dental services                                     | -                  | -                  |
| Reproductive health                                 | -                  | -                  |
| Paediatrics services                                | -                  | -                  |
| Farewell home services                              | -                  | -                  |
| Ambulance services                                  | -                  | -                  |
| Other medical services income ( <i>specify</i> )    | -                  | -                  |
| <b>Total revenue from the rendering of services</b> | <b>1,409,029</b>   | <b>-</b>           |

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

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

13. Finance /Interest Income

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

14. Miscellaneous Income

| Description   | 2024/2025FY      | 2023/2024FY |
|---|------------------|-------------|
|   | KShs             | KShs        |
| Insurance recoveries                                | 1,058,357        | -           |
| Income from sale of tender                          | -                | -           |
| Services concession income                          | -                | -           |
| Sale of goods (water, publications, containers etc) | -                | -           |
| Write backs (Deposits, payments in advance etc)     | -                | -           |
| Bad debts recovered                                 | -                | -           |
| <i>Others (Specify)</i>                             | -                | -           |
| <b>Total Miscellaneous income</b>                   | <b>1,058,357</b> | -           |

**Mutyambua Level 4 Hospital (Makueni County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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

**1. Medical/ Clinical Costs**

| Description   | 2024/2025FY      | 2023/2024FY |
|---|------------------|-------------|
|   | Kshs             | Kshs        |
| Dental costs/ materials                                 | -                | -           |
| Laboratory chemicals and reagents                       | 138,110          | -           |
| Public health activities                                | -                | -           |
| Food and Ration   | 53,180           | -           |
| Uniform, clothing, and linen                            | -                | -           |
| Dressing and Non-Pharmaceuticals                        | 3,440,597        | -           |
| Pharmaceutical supplies                                 | -                | -           |
| Health information stationery                           | -                | -           |
| Reproductive health materials                           | -                | -           |
| Sanitary and cleansing Materials                        | 57,960           | -           |
| Purchase of Medical gases                               | -                | -           |
| X-Ray/Radiology supplies                                | -                | -           |
| Other medical related clinical costs ( <i>specify</i> ) | -                | -           |
| <b>Total medical/ clinical costs</b>                    | <b>3,689,847</b> | <b>-</b>    |

**2. Employee Costs**

| Description                                | 2024/2025FY      | 2023/2024FY |
|--|------------------|-------------|
|  | Kshs             | Kshs        |
| Salaries, wages, and allowances            | 4,537,185        | -           |
| Contributions to pension schemes           | -                | -           |
| Service gratuity                           | -                | -           |
| Performance and other bonuses              | -                | -           |
| Staff medical expenses and Insurance cover | -                | -           |
| Group personal accident insurance and WIBA | -                | -           |
| Social contribution                        | -                | -           |
| Other employee costs ( <i>specify</i> )    | -                | -           |
| <b>Employee costs</b>                      | <b>4,537,185</b> | <b>-</b>    |

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

**17. Board of Management Expenses**

| Description                        | 2024/2025FY   | 2023/2024FY |
|------------------------------------|---------------|-------------|
|                                    | Kshs          | Kshs        |
| Chairman's Honoraria               | -             | -           |
| Sitting allowance                  | 23,500        | -           |
| Mileage                            | -             | -           |
| Insurance expenses                 | -             | -           |
| Induction and training             | -             | -           |
| Travel and accommodation allowance | -             | -           |
| Airtime allowances                 | -             | -           |
| <b>Total</b>                       | <b>23,500</b> | <b>-</b>    |

**18. Depreciation and Amortization Expense**

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

**19. Repairs And Maintenance**

| Description                          | 2024/2025FY    | 2023/2024FY |
|--------------------------------------|----------------|-------------|
|                                      | Kshs           | Kshs        |
| Property- Buildings                  | 199,870        | -           |
| Medical equipment                    | -              | -           |
| Office equipment                     | -              | -           |
| Furniture and fittings               | -              | -           |
| Computers and accessories            | -              | -           |
| Motor vehicle expenses               | -              | -           |
| Maintenance of civil works           | -              | -           |
| <b>Total repairs and maintenance</b> | <b>199,870</b> | <b>-</b>    |

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

**20. Grants And Subsidies**

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

**21. General Expenses**

| <b>Description</b>                 | <b>2024/2025FY</b> | <b>2023/2024FY</b> |
|------------------------------------|--------------------|--------------------|
|                                    | <b>Kshs</b>        | <b>Kshs</b>        |
| Advertising and publicity expenses | -                  | -                  |
| Catering expenses                  | -                  | -                  |
| Waste management expenses          | -                  | -                  |
| Insecticides and rodenticides      | -                  | -                  |
| Audit fees                         | -                  | -                  |
| Bank charges                       | 10,365             | -                  |
| Conferences and delegations        | -                  | -                  |
| Consultancy fees                   | -                  | -                  |
| Contracted services                | -                  | -                  |
| Electricity expenses               | 216,178            | -                  |
| Fuel and Lubricants                | 41,650             | -                  |
| Other fuel                         | 9,000              | -                  |
| Insurance                          | -                  | -                  |
| Research and development expenses  | -                  | -                  |
| Travel and accommodation allowance | 365,280            | -                  |
| Legal expenses                     | -                  | -                  |
| Licenses and permits               | -                  | -                  |
| Courier and postal services        | -                  | -                  |
| Printing and stationery            | 69,500             | -                  |
| General Office Supplies            | 111,420            | -                  |
| Rent expenses                      | -                  | -                  |
| Water and sewerage costs           | 35,000             | -                  |

| Description  | 2024/2025FY    | 2023/2024FY |
|--|----------------|-------------|
|  | Kshs           | Kshs        |
| Skills development levies  | -              | -           |
| Telephone and mobile phone services                                    | 48,500         | -           |
| Internet expenses  | 22,500         | -           |
| Staff training and development   | -              | -           |
| Subscriptions to professional bodies                                   | -              | -           |
| Subscriptions to newspapers periodical, magazines, and gazette notices | -              | -           |
| Library books/Materials  | -              | -           |
| Parking charges  | -              | -           |
| <b>Total General Expenses</b>  | <b>929,393</b> | <b>-</b>    |

**22. Finance Costs**

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

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

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

**24. Unrealized Gain On Fair Value Investments**

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

Notes to the Financial Statements (Continued)

**25. Medical Services Contracts Gains /Losses**

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

**26. Impairment Loss**

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

**27. Cash And Cash Equivalents**

| Description                            | 2024/2025FY      | 2023/2024FY |
|--|------------------|-------------|
|  | KShs             | KShs        |
| Current accounts                       | 1,146,135        | -           |
| On - call deposits                     | -                | -           |
| Fixed deposits accounts                | -                | -           |
| Cash in hand                           | -                | -           |
| Others( <i>specify</i> )- Mobile money | -                | -           |
| <b>Total cash and cash equivalents</b> | <b>1,146,135</b> | -           |

Notes to the Financial Statements (Continued)

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

| Description                       |                | 2024/2025FY      | 2023/2024FY |
|-----------------------------------|----------------|------------------|-------------|
| Financial institution             | Account number | KShs             | KShs        |
| <b>a) Current account</b>         |                |                  |             |
| Kenya Commercial bank             | 1158330472     | 1,146,135        | -           |
| Equity Bank, etc                  |                | -                | -           |
| <b>Sub- total</b>                 |                | -                | -           |
| <b>b) On - call deposits</b>      |                |                  |             |
| Kenya Commercial bank             |                | -                | -           |
| Equity Bank – etc                 |                | -                | -           |
| <b>Sub- total</b>                 |                | -                | -           |
| <b>c) Fixed deposits account</b>  |                |                  |             |
| Bank Name                         |                | -                | -           |
| <b>Sub- total</b>                 |                | -                | -           |
| <b>d) Others(specify)</b>         |                |                  |             |
| cash in hand                      |                | -                | -           |
| Mobile money- Mpesa, Airtel money |                | -                | -           |
| <b>Sub- total</b>                 |                | -                | -           |
|                                   |                |                  |             |
| <b>Grand total</b>                |                | <b>1,146,135</b> | -           |

28. Prepayments

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

**29. Receivables From Exchange Transactions**

| Description                  | 2024/2025FY    | 2023/2024FY |
|------------------------------|----------------|-------------|
|                              | KShs           | KShs        |
| Medical services receivables | 659,307        | -           |
| Rent receivables             | -              | -           |
| Other exchange debtors       | -              | -           |
| Less: impairment allowance   | -              | -           |
| <b>Total receivables</b>     | <b>659,307</b> | <b>-</b>    |

**Analysis of Receivables From Exchange Transactions**

| Description        | 2024/2025FY    |                | 2023/2024FY    |                |
|--------------------|----------------|----------------|----------------|----------------|
|                    | Kshs           |                | Kshs           |                |
|                    | Current FY     | % of the total | Comparative FY | % of the total |
| Less than 1 year   | 659,307        | 100%           | -              | %              |
| Between 1- 2 years | -              | %              | -              | %              |
| Between 2-3 years  | -              | %              | -              | %              |
| Over 3 years       | -              | %              | -              | %              |
| <b>Total (a+b)</b> | <b>659,307</b> | <b>100%</b>    | <b>-</b>       | <b>%</b>       |

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

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

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

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

**31. Inventories**

| Description                              | 2024/2025FY    | 2023/2024FY |
|--|----------------|-------------|
|  | KShs           | KShs        |
| Pharmaceutical supplies                  | 418,539        | -           |
| Maintenance supplies                     | -              | -           |
| Food supplies                            | 96,000         | -           |
| Linen and clothing supplies              | -              | -           |
| Cleaning materials supplies              | -              | -           |
| General supplies                         | 137,350        | -           |
| Less: provision for impairment of stocks | -              | -           |
| <b>Total</b>                             | <b>651,889</b> | -           |

**Detailed disclosure on inventories**

|                                  | <b>2024/2025FY</b> | <b>2023/2024FY</b> |
|----------------------------------|--------------------|--------------------|
| Opening balance                  | -                  | -                  |
| Additional Inventory in the year | 1,574,039          | -                  |
| Inventory expensed in the year   | 922,150            | -                  |
| Write-downs in the year          | -                  | -                  |
| Others specify                   | -                  | -                  |
| Closing balance                  | <b>651,889</b>     | -                  |

*Mutyambua Level 4 Hospital (Makueni County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

| Description                        | Land | Buildings and Civil works | Motor vehicles | Furniture, fittings, and office equipment | ICT Equipment  | Plant and medical equipment | Other Assets (specify) | Capital Work in progress | Total          |
|------------------------------------|------|---------------------------|----------------|---|----------------|-----------------------------|------------------------|--------------------------|----------------|
|                                    | Ksh  | Ksh                       | Ksh            | Ksh                                       | Ksh            | Ksh                         |                        | Ksh                      | Ksh            |
| <b>Cost</b>                        |      |                           |                |   |                |                             |                        |                          |                |
| At 1 July 2024 (previous year)     | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Additions                          | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Disposals                          | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Transfers/adjustments              | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Revaluation Adjustments            | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| <b>At 30<sup>th</sup> Jun 2024</b> | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
|                                    | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| At 1 July 2025 (current year)      | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Additions                          | -    | -                         | -              | -   | 249,601        | -                           | -                      | -                        | 249,601        |
| Disposals                          | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Transfer/adjustments               | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| Revaluation Adjustments            | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| <b>At 30<sup>th</sup> Jun 2025</b> | -    | -                         | -              | -   | <b>249,601</b> | -                           | -                      | -                        | <b>249,601</b> |
| <b>Depreciation and impairment</b> | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |
| At 1 July 2025 (previous year)     | -    | -                         | -              | -   | -              | -                           | -                      | -                        | -              |

*Mutyambua Level 4 Hospital (Makueni County Government)*  
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| Description                             | Land | Buildings and Civil works | Motor vehicles | Furniture, fittings, and office equipment | ICT Equipment | Plant and medical equipment | Other Assets (specify) | Capital Work in progress | Total   |
|---|------|---------------------------|----------------|---|---------------|-----------------------------|------------------------|--------------------------|---------|
|   | Ksh  | Ksh                       | Ksh            | Ksh                                       | Ksh           | Ksh                         |                        | Ksh                      | Ksh     |
| Depreciation for the year               |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| Disposals                               |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| Impairment                              |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| <b>At 30 June 2025</b>                  |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| At July 2025 (current year)             |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| Depreciation                            |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| Disposals                               |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| Impairment                              |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| Transfer/adjustment                     |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| <b>At 30<sup>th</sup> June 2025</b>     |      | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
|   |      |                           |                |   |               |                             |                        |                          |         |
| <b>Net book values</b>                  |      |                           |                |   |               |                             |                        |                          |         |
| At 30 <sup>th</sup> Jun 2025 (previous) | -    | -                         | -              | -   | -             | -                           | -                      | -                        | -       |
| At 30 <sup>th</sup> Jun 2025 (current)  | -    | -                         | -              | -   | 249,601       | -                           | -                      | -                        | 249,601 |

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

**33. Intangible Assets–Software**

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

**34. Investment Property**

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

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Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

| Description   | 2024/2025FY       |                       | 2023/2024FY            |                       |
|---|-------------------|-----------------------|------------------------|-----------------------|
|   | KShs              |                       | KShs                   |                       |
| Trade payables  | -                 |                       | -                      |                       |
| Employee dues   | -                 |                       | -                      |                       |
| Third-party payments (e.g. unremitted payroll deductions) | -                 |                       | -                      |                       |
| Audit fee   | -                 |                       | -                      |                       |
| Doctors' fee  | -                 |                       | -                      |                       |
| <b>Total trade and other payables</b>                     | -                 |                       | -                      |                       |
| <b>Ageing analysis:</b>                                   | <b>Current FY</b> | <b>% of the Total</b> | <b>Compa rative FY</b> | <b>% of the total</b> |
| Under one year  | -                 | %                     | -                      | %                     |
| 1-2 years   | -                 | %                     | -                      | %                     |
| 2-3 years   | -                 | %                     | -                      | %                     |
| Over 3 years  | -                 | %                     | -                      | %                     |
| <b>Total</b>  | -                 | <b>%</b>              | -                      | <b>%</b>              |

37. Refundable Deposits from Customers/Patients

| Description                  | 2024/2025FY       |                       | 2023/2024FY           |                       |
|------------------------------|-------------------|-----------------------|-----------------------|-----------------------|
|                              | KShs              |                       | KShs                  |                       |
| Medical fees paid in advance | -                 |                       | -                     |                       |
| Credit facility deposit      | -                 |                       | -                     |                       |
| Rent deposits                | -                 |                       | -                     |                       |
| Others (specify)             | -                 |                       | -                     |                       |
| <b>Total deposits</b>        | -                 |                       | -                     |                       |
| <b>Ageing analysis:</b>      | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY</b> | <b>% of the Total</b> |

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|                |   |   |   |   |
|----------------|---|---|---|---|
| Under one year | - | % | - | % |
| 1-2 years      | - | % | - | % |
| 2-3 years      | - | % | - | % |
| Over 3 years   | - | % | - | % |
| <b>Total</b>   | - | % | - | % |

**38. Provisions**

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

**39. Finance Lease Obligation**

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

**40. Deferred Income**

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

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

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

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

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

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

| Description  | 2024/2025FY | 2023/2024FY |
|--|-------------|-------------|
|  | KShs        | KShs        |
| Fair value of service concession assets recognized under PPE | -           | -           |
| Accumulated depreciation to date                             | -           | -           |
| Net carrying amount  | -           | -           |
| Service concession liability at beginning of the year        | -           | -           |
| Service concession revenue recognized                        | -           | -           |
| Service concession liability at end of the year              | -           | -           |

43. Cash Generated from Operations

| Description                                    | 2024/2025FY      | 2023/2024FY |
|--|------------------|-------------|
|  | KShs             | KShs        |
| Surplus for the year before tax                | 1,118,557        | -           |
| <b>Adjusted for:</b>                           |                  |             |
| Depreciation                                   | -                | -           |
| Non-cash grants received                       | -                | -           |
| Impairment                                     | -                | -           |
| Gains and losses on disposal of assets         | -                | -           |
| Contribution to provisions                     | -                | -           |
| Contribution to impairment allowance           | -                | -           |
| <b>Working Capital adjustments</b>             |                  |             |
| Increase in inventory                          | (651,889)        | -           |
| Increase in receivables                        | (659,307)        | -           |
| Increase in deferred income                    | -                | -           |
| Increase in payables                           | -                | -           |
| Increase in payments received in advance       | -                | -           |
| <b>Net cash flow from operating activities</b> | <b>(192,639)</b> | -           |

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

**44. Financial Risk Management**

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

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

**(i) Credit risk**

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

| Description                                 | Total amount     | Fully performing | Past due | Impaired |
|---|------------------|------------------|----------|----------|
|   | Kshs             | Kshs             | Kshs     | Kshs     |
| At 30 June 2025 (previous year)             |                  |                  |          |          |
| Receivables from exchange transactions      | -                | -                | -        | -        |
| Receivables from –non-exchange transactions | -                | -                | -        | -        |
| Bank balances                               | -                | -                | -        | -        |
| <b>Total</b>                                | -                | -                | -        | -        |
| At 30 June 2025 (current year)              |                  |                  |          |          |
| Receivables from exchange transactions      | 659,307          | 659,307          | -        | -        |
| Receivables from –non-exchange transactions | -                | -                | -        | -        |
| Bank balances                               | 1,146,135        | 1,146,135        | -        | -        |
| <b>Total</b>                                | <b>1,805,442</b> | <b>1,805,442</b> | -        | -        |

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

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

**(ii) Liquidity risk management**

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

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

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

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

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

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

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

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

**Foreign currency sensitivity analysis**

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

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

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

**Sensitivity analysis**

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

Using the end of the year figures, the sensitivity analysis indicates no impact on the statement of financial performance.

**iv) Capital Risk Management**

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

| Description   | 2024/2025FY  | 2023/2024FY |
|---|--------------|-------------|
|   | Kshs         | Kshs        |
| Revaluation reserve                                 | -            | -           |
| Retained earnings                                   | 1,118,557    | -           |
| Capital reserve                                     | 1,588,374    | -           |
| <b>Total funds</b>                                  | 2,706,931    | -           |
|   |              |             |
| Total borrowings                                    | -            | -           |
| Less: cash and bank balances                        | 1,145,135    | -           |
| Net debt/ <i>(excess cash and cash equivalents)</i> | (1,145,135)  | -           |
| <b>Gearing</b>                                      | <b>-236%</b> | -           |

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

**45. Related Party Balances**

**Nature of related party relationships**

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

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

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

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

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

**46. Segment Information**

**47. Contingent Liabilities**

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

**48. Capital Commitments**

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

**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

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

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

**51. Currency**

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

**20. Appendices**

**Appendix 1: Progress on Follow Up of Auditor Recommendations**

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

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

**Guidance Notes:**

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



.....  
**Accounting Officer**

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

Name of Transferring entity: Makueni County Government

Name of Beneficiary entity: Mutyambua Sub County Hospital

| Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY) |                |               |                 |                    |         |  |
|--|----------------|---------------|-----------------|--------------------|---------|--|
| Reference Number   | Date Disbursed | Recurrent (A) | Development (B) | Total<br>(C)=(A+B) | Remarks |  |
| FT243446N1K0   | 09/12/2024     | 500,000       |                 | 500,000            |         |  |
| FT25155C52KY   | 04/06/2025     | 10,000        |                 | 10,000             |         |  |
| FT25155B00R3   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| FT251550Y21L   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| FT25155J341Z   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| FT25155KVSW3   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| FT251550SWGX   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| FT25155DVQNP   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| FT251557CG59   | 04/06/2025     | 50,000        |                 | 50,000             |         |  |
| Total  |                |               |                 | 860,000            |         |  |

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

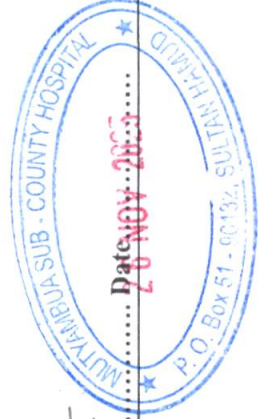
Head of Accounts Department - Disbursing Entity:

Name ..... Eunice Kaburu ..... Sign ..... Date 26/11/2025 .....

Head of Accounts Department - Beneficiary Entity:



Name : ..ISAAC LIKU ..... Sign .....



**Appendix IV Reporting of Climate Relevant Expenditures**

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

**Appendix V: Disaster Expenditure Reporting Template**

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