

REPUBLIC OF KENYA



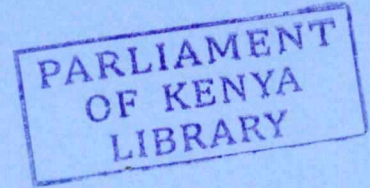
REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**KAJIADO COUNTY REFERRAL LEVEL 5  
HOSPITAL**

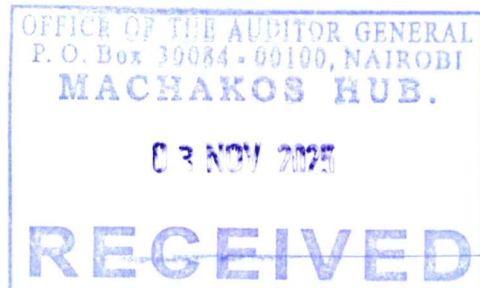
**FOR THE YEAR ENDED  
30 JUNE, 2025**

**COUNTY GOVERNMENT OF KAJIADO**

PAPERS LAID	
DATE	02/12/2025
TABLED BY	S.M.L
COMMITTEE	
CLERK AT THE TABLE	Cherry



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



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**KAJIADO COUNTY REFERRAL LEVEL 5 HOSPITAL  
(County Government Kajiado)**

**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 Kajiado County Referral Hospital.
HMT	Hospital management Team
EEC	Executive Expenditure committee
KCRH	Kajiado county referral Hospital
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
SHA	Social Health Authority
CIC	Co-operative Insurance Company of Kenya (CIC insurance group)
MAKL	Medical Administrators Kenya Limited
IPC	Infection prevention control
EAC	East Africa community
HOD	Head of Department

*(This list is an indication of the common acronyms and glossary of terms; the Kajiado County Referral Hospital should include all from the annual report and financial statements prepared)*

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**2. Key Kajiado County Referral Hospital Information and Management**

**(a) Background information**

Kajiado County Referral Hospital is a level 5 hospital established under gazette notice number 578 and is domiciled in Kajiado County under the Department of Health. The hospital is governed by a Board of Management.

**(b) Principal Activities**

The principal activity/mission/ mandate of the hospital is to provide quality and affordable healthcare.

**VISION**

An efficient, effective and high quality health care system that is accessible, equitable and affordable to all persons.

**MISSION**

Provide patient centred health care with excellence in quality service and access.

**CORE VALUES**

- Honesty
- Integrity
- Trustworthiness
- Compassion
- Legal/ethical compliance

**CORE OBJECTIVE**

To attain the highest possible standard of health in an approach, responsive to the Kajiado population health needs.

**(c) Key Management**

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management
- Others (*specify*)

**(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	Dr. Frederick Ayany
2.	Head of finance/Accountant	Grace Mwelu
3.	Health Administration	William Ntalamia
4.	Head of Accounts Receivable	Lydia Mutisya

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No.	Designation	Name
5.	Head of Nursing Services	Ann Mundia
6.	Head of Pharmacy Department	Dr. Wanjiru Mwangi
7.	Head of Non-pharmaceutical Stores	Maxmillar Cheptot
8.	Head of Laboratory Services	Andrew Teeka

**(e) Fiduciary Oversight Arrangements**

- Kajiado County Referral Hospital has in place structured fiduciary oversight mechanisms to ensure accountability, transparency, and prudent management of resources. The Hospital Board, appointed on 15th November 2023, provides overall governance and policy direction. During the year under review, the Board convened four (4) quarterly meetings to deliberate on strategic, financial, and operational matters.
- 
- In addition, specialized committees of the Board play a critical role in fiduciary oversight. These include:
  - **Finance Committee** – overseeing financial planning, budgeting, and expenditure monitoring.
  - **Resource Mobilization Committee** – guiding partnerships, grants, and sustainability initiatives.
  - **Audit and Quality Improvement Committee** – reviewing internal controls, compliance, and quality assurance processes.
- 
- In addition, the Hospital Management Team (HMT) has established operational oversight committees which ensure day-to-day fiduciary accountability. These include:
  - **Inspection and Acceptance Committee** – verifying and approving all goods, works, and services procured.
  - **Quality Improvement Committee** – monitoring clinical and service standards for continuous improvement.
  - **Executive Expenditure Committee** – overseeing internal expenditure approvals and ensuring adherence to financial regulations.
- 
- Beyond the Hospital Board, external oversight is provided through the County Assembly Health committee which review performance reports and resource utilization. Independent regulatory and professional bodies such as Pharmacy and Poison Board, Nursing council of Kenya and the Kenya Medical Practitioners and Dentist Council also provide additional checks through inspections and compliance audits.

**Key Kajiado County Referral Hospital Information and Management (continued)**

**(f) Kajiado County Referral Hospital Headquarters**

P.O. Box 31- 001100  
 Kajiado, KENYA

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**(g) Kajiado County Referral Hospital Contacts**

Telephone: (+254) 795-080-210  
E-mail: medsuptkajiado@gmail.com  
Website:

**(h) Kajiado County Referral Hospital Bankers**

Kenya Commercial Bank

**(i) Independent Auditors**

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


**(j) Principal Legal Adviser**

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


**(k) County Attorney**



P.O. Box. 11  
Kajiado, Kenya

**3. The Board of Management**



Ref	Name	Details of qualifications and experience
1.	<p>Dr. Onesmus Sintole Saidimu</p> 	<p>Dr. Onesmus Sintole Saidimu, a registered pharmacist, holds a Master of Science in Biotechnology Innovation and Regulatory Science from Purdue University and a Bachelor of Pharmacy from Mount Kenya University. With over a decade of experience in pharmaceutical regulation, he has served as a Senior Regulatory Officer at the Pharmacy and Poisons Board (PPB), Kenya. In his current role, he oversees critical post-marketing surveillance, investigates market complaints, and ensures the safety of health products and technologies (HPTs) through regulatory actions, including recalls and inspections of clinical trial sites and manufacturers.</p> <p>Dr. Saidimu's extensive experience spans multiple regions, including the Coast, South Rift, and Baringo County, where he led inspections of pharmaceutical outlets, investigated drug-related malpractices, and played a key role in the crackdown on illegal pharmaceutical operations. His commitment to safeguarding public health is further highlighted by his nomination to represent Kenya at high-level regional and continental forums, including the development of the East African Community (EAC) Post-Market Surveillance Strategy, in Entebbe Uganda and participation in AUDA-NEPAD's efforts to combat substandard and falsified medical products across Africa in Accra, Ghana</p> <p>In addition to his professional achievements, Dr. Saidimu is an active member of several professional bodies, including the Pharmaceutical Society of</p>

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		Kenya, and has been recognized for his contributions to health regulation and education. His leadership extends to serving as the Board Chair of Kajiado County Referral Hospital and a member of the Presidential Taskforce on Illicit Brews and Drug Abuse. Dr. Saidimu remains committed to advancing regulatory science and public health through continuous professional development and active participation in health policy formulation.
2.	<p>Prof. Solomon Mpoke</p> 	<p>Professor Solomon Mpoke is a professor of Cellular and Molecular immunology. He has also specialized in Public Service, Research and Technical Capacity Building. He has served previously in various organizations and institutions. He is a former National Director at KEMRI where he served from 2010 to 2016. He has served at various tasks forces and committees at both National and County level. Currently, he is the technical advisor on matters Education at the County government of Kajiado. He holds a Post-Doctoral Research Fellow from the University of California, PhD from Wesleyan University, USA, an Executive MBA from JKUAT and a Bsc from the University of Nairobi. He is also a Honorary Professor at the Kanasawa University in Japan</p>
3.	Dr. Alice Lakati	Dr. Lakati is a seasoned epidemiologist and public health expert with over 20 years of distinguished performance. As the pioneering Director of Research and Community Extension at Amref International University, an affiliate of Amref Health Africa, she has led the design and implementation of research and

		<p>evaluations across multiple African countries. Dr. Lakati has taught at both private and public universities in Kenya, Uganda, and Ethiopia.</p> <p>Her service includes participation in various expert committees, including the World Health Organization committee that reviewed safe water guidelines in 2005. At Amref International University, she has held several key positions, including acting Vice-Chancellor and founding Dean of Public Health and Graduate School.</p> <p>Dr. Lakati is a dynamic and strategic leader known for mentoring many young scholars. She holds a PhD in Epidemiology and a Master of Applied Epidemiology. Her passions include education, public health nutrition, community health, and the impact of climate change on health.</p>
4.	<p>Dr. Kenny Matampash</p> 	<p>Dr. Kenny Matampash is the founder and executive director of Neighbours Initiative Alliance (NIA) and Oreteti project. NIA is a Public Benefit Organization (PBO) that advocates for social justice initiatives among the pastoralist communities while Oreteti Project focuses on documenting critically important Maasai oral traditions and historical botanical uses and customs. Dr. Kenny Matampash has worked in the civil society since 1976 and NIA which he founded now operates in 8 counties with headquarters being in Kajiado County.</p> <p>He is a trained teacher by profession. He holds a post graduate diploma in Rural Policy and project planning at the Hague, Netherlands. In addition he has undertaken courses in Democracy and governance, organizational and institutional strengthening, residential corporate governance among others. He is a recipient of the head of state commendation (HSC) awarded to him by the former president Mwai Kibaki</p>

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		in 2012. He has also been awarded an honorary doctorate degree in recognition of his long term contribution and commitment to the training for transformation project in Africa.
5.	<p>Agnes Leina</p> 	<p>Agnes Leina is a gender specialist with over 20 years' experience in rural indigenous Pastoralist communities especially women and girls. She is the founding member of the Anti-Female genital mutilation Board. She is a champion in this country against FGM. She has also participated in defending human rights concerns in areas such as education, climate change, land, and violence against women, early marriages and FGM. She works at the community, national, regional and international levels with different structures and communication strategies. She holds a Master's degree in Rural Sociology and Community Development from the University of Nairobi. She also holds a Bachelor degree in communication and community development from Daystar University. Agnes as well holds a post graduate certificate in International Development from the University of Birmingham, UK.</p> <p>She is the founder and executive director of Il'laramatak Community concerns, an indigenous organization whose main goal is to restore dignity among indigenous people with special emphasis on girls and women.</p>
6.	<p>Dr. Fred Ayany</p> 	<p>Dr. Fred Ayany is the Medical Superintendent of Kajiado Referral Hospital. He is a Pharmacist by Training. Previously he has served as the Medical Superintendent of Kitengela Sub County Hospital, Pharmacist in-charge and Sub-County Pharmacist in Kajiado East. He holds a Bachelor degree in Pharmacy from the University of Nairobi. He serves as the Secretary for KCRH Board.</p>

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**4. Key Management Team**

Ref	Management	Details
1.	Dr. Fred Ayany, Bachelor of Pharmacy	Medical Superintendent; Team leader
2.	William Ntalamia, Bachelor of Business Information Technology, MBA (Administration & Finance)	HOD Health Administration
3.	Lydia Mutisya, Bachelor of Business Administration	Deputy HOD Health Administration
4.	CPA Mutua Grace Mwelu, CPA-K, Bachelor of Commerce	HOD Finance
5.	Dr. Simeon Sinkeet, Bachelor of Medicine & Surgery, General Surgery (COSESCA)	HOD Surgery
6.	Dr. John Mandela, Bachelor of Medicine & Surgery, Orthopaedic Surgery (COSESCA)	Head of Orthopaedics
7.	Dr. Pheobe Wamalwa, Bachelor of Medicine & Surgery, MMED-Paediatrics, Fellowship-Endocrinology	HOD Paediatrics
8.	Dr. Nancy Omundi, Bachelor of Medicine & Surgery, MMED-Internal Medicine	HOD internal Medicine
9.	Dr. Bernadette Hangalla, Bachelor of Medicine & Surgery, MMED-Anaesthesiology	HOD theatre
10.	Anne Mundia, BSN, Masters in Reproductive Health	HOD Nursing Services
11.	Caroline Chesire, BSN	Deputy HOD Nursing Services
12.	Dr. Chege Macharia, Bachelor of Medicine & Surgery, MMED-Obstetrics & Gynaecology	HOD OBGYN
13.	Gideon Leshushu, Bachelor in Clinical Medicine	HOD Clinical Services
14.	Andrew Teeka, Bachelor in Medical Lab	HOD Lab Services
15.	Dr. Peter Kioria, Bachelor of Medicine & Surgery, MMED-Radiology	HOD Diagnostic Services
16.	Lynette Saidimu, Bachelor in Health Records & information	HOD Health Records
17.	Dr. Wanjiru Mwangi, Bachelor of Pharmacy	HOD Pharmacy
18.	Stephen Munyi, Diploma in Nutrition & Dietetics	HOD Nutrition

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19.	Benard Kiluva, Bsc. Public Health and Sanitation	HOD Public Health and Hospital sanitation
20.	Anne Nderitu, Diploma in Nursing, Higher Diploma in Accident and Emergency	HOD Outpatient Services
21.	Maxmillar Cheptot , BSN	HOD Non-pharms
22.	Felix Mambo, Diploma in Physiotherapy	HOD rehabilitation Services

**5. Chairman’s Statement**

It is my pleasure to present the Hospital’s 2024/25 annual report and Financial Statements. The Board of Management is proud of the achievements realized by the hospital in this period towards “A real patient centred Specialized care Hospital”. Considering the scale and complexity of operations of the Kajiado County Referral Hospital, I am particularly impressed by the “can do attitude” of staff coupled with their commitment to delivering the best possible service to patients.


During the financial year 2024/2025, the Hospital Board continued to play a pivotal role in steering the strategic direction and growth of Kajiado County Referral Hospital. Notably, the hospital was officially elevated to Level 5 status, a milestone that reflects the progress made in service delivery, infrastructure development, and the overall capacity to meet the healthcare needs of the community.

In alignment with our vision for long-term growth, the Board actively engaged in the development of proposals for the establishment of a Kenya Medical Training College (KMTC) within the hospital premises. This process included participation in the formulation of a comprehensive master plan, undertaken in collaboration with KMTC representatives. The initiative is expected to expand opportunities for training healthcare professionals and further strengthen the hospital’s role as a center of excellence in healthcare and medical education.

Additionally, the Board has continued to prioritize the regularization of hospital land ownership. The process of securing the hospital’s title deeds has commenced, a crucial step toward safeguarding institutional assets and enabling future expansion and development projects.

These achievements and ongoing initiatives demonstrate the Board’s commitment to strengthening governance, enhancing service delivery, and positioning the hospital as a leading referral facility in the region.

DR. ONESMU SATIMU



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**Name**

**Chairman to the Board**

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

I am pleased to present the hospital's Annual Report and Financial Statement for the year 2024/2025. The report highlights the hospital's operational performance as well as the hospital strategic direction.

During the year under review, Kajiado County Referral Hospital recorded significant milestones in line with its mandate as a Level 5 facility. The Outpatient Department, which had been under renovation for one year, was successfully completed and officially opened in November 2024, enhancing patient flow and service delivery.

The hospital also established four specialized clinics namely Plastic Surgery, Paediatric Surgery, Gynae-oncology, and Speech Therapy following the return of doctors who completed specialist training sponsored by the County Government. In addition, the County employed 40 new staff members, including nurses, medical officers, clinical officers, nutritionists, social workers, pharmacists, and clerical officers, thereby strengthening staffing levels, improving quality of care, and advancing the realization of Universal Health Coverage (UHC).

A landmark achievement was the hospital's first neurosurgery case, successfully performed on a middle-aged man with intracranial bleeding by a visiting neurosurgeon, underscoring the facility's growing capacity to handle complex procedures.

Despite these achievements, the hospital faced notable challenges. A prolonged nurses' strike from March to May 2025 hampered service delivery and reduced workload and performance indicators, as patients sought services in private and neighboring county facilities. Furthermore, the transition from NHIF to SHA posed initial difficulties as patients took time to register, though the process has since stabilized.

Overall, the hospital remains committed to improving service delivery, strengthening specialized care, and ensuring accessibility and quality healthcare for the people of Kajiado County

*Dr. Fred Akinyi*

**Name**

**Secretary to the Board**

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**7. Statement of Performance Against Predetermined Objectives**

Strategic Objective	Planned Output/Target	Performance Achieved (2024/2025)	Variance/Remarks
<b>Service Delivery &amp; Infrastructure</b>	Renovate and operationalize the Outpatient Department	Outpatient Department completed and officially opened in <b>Nov 2024</b> , improving patient flow and efficiency	Target achieved
Expand specialized services	Established <b>4 specialized clinics</b> : Plastic Surgery, Paediatric Surgery, Gynaecology, and Speech Therapy		Target achieved
Enhance access to surgical care	Successfully performed the <b>first neurosurgery case</b> (intracranial bleeding) by a visiting neurosurgeon		Not initially planned but milestone achieved
<b>Community Outreach &amp; Preventive Care</b>	Conduct outreach programs for eye health	Conducted <b>5 eye camps</b> , screened <b>1,000+ people</b> , and performed <b>200+ cataract surgeries</b>	Target exceeded
Partner with external organizations for medical outreach	Held a <b>2-day medical camp</b> with UK-based Tosol-Impact Initiative; <b>720 patients attended</b>		Target achieved
<b>Human Resources for Health</b>	Improve staffing levels to meet Level 5 status requirements	County deployed <b>40 new staff</b> (nurses, medical officers, clinical officers, nutritionists, social workers, pharmacists, clerical officers)	Target achieved
<b>Governance &amp; Institutional Strengthening</b>	Attain Level 5 status	Hospital officially elevated to <b>Level 5 status</b>	Achieved
Strengthen training and capacity building	Participated in <b>KMTC master plan development</b> with KMTC representatives		Achieved
Secure hospital land ownership	Initiated process of acquiring <b>hospital title deeds</b>		Ongoing
<b>Challenges</b>	Sustain service delivery amidst sector-wide disruptions	<b>Nurses' strike (Mar–May 2025)</b> disrupted services; workload and indicators declined	Not achieved (external factor)

**8. Corporate Governance Statement**

The governance of Kajiado County Referral Hospital is anchored on principles of accountability, transparency, integrity, and stewardship in the management of public health resources. The Hospital Board plays a central role in providing leadership, oversight, and strategic direction to ensure that the hospital fulfills its mandate of delivering quality healthcare services to the community.

**i) . Appointment of Board Members**

The current Hospital Board was formally appointed on 15th November 2023 in line with the relevant county and national health governance frameworks. The process of appointment ensured compliance with statutory provisions, professional qualifications, and gender diversity considerations. Members serve for a three year renewable term subject to performance and compliance with governance principles. The Board Charter exists to guide the roles, responsibilities, and operations of the Board.

**ii. Roles and Functions of the Board**

The Board is responsible for:

- Providing strategic direction and oversight.
- Approving budgets, work plans, and key hospital policies.
- Ensuring compliance with regulatory frameworks.
- Safeguarding hospital assets and resources.
- Monitoring performance in service delivery.

**iii. Induction, Training, and Development**

Upon appointment, board members were oriented on their roles, hospital operations, governance principles, and ethical conduct. Continuous capacity building is encouraged through training sessions and workshops to enhance members' governance knowledge and decision-making skills.

**iv. Board and Members' Performance**

The performance of the Board is evaluated based on attendance, participation, and the achievement of key strategic objectives. During the current financial year, members actively contributed to policy discussions, oversight of clinical quality, and financial sustainability.

**v. Number of Board Meetings and Attendance**

In the year under review, the Board held four (4) quarterly meetings in line with its schedule. Attendance was satisfactory, with most members demonstrating commitment to their oversight roles.

**vi. Succession Plan**

The Hospital has put in place a succession plan to ensure leadership continuity in both governance and management roles. This plan identifies potential future leaders within the hospital system and ensures a structured approach to filling vacancies when they arise.

**vii. Policy to Manage Conflict of Interest**

Board members are guided by a Code of Conduct that requires full disclosure of potential conflicts of interest. Any member with an interest in deliberations recuses themselves from related discussions and decisions to uphold integrity and transparency.

**viii. Board Remuneration**

Remuneration and allowances for Board members are determined in line with SRC guidelines. Members are entitled to sitting allowances and reimbursements for official duties, as provided for in the policy framework.

**ix. Ethics and Conduct**

Board members adhere to the highest standards of ethics, guided by the Public Service Code of Conduct and institutional values. Professionalism, accountability, and respect for confidentiality are emphasized.

**x. Governance Audit**

A governance audit is periodically conducted to assess compliance with good governance practices. This includes evaluation of board effectiveness, adherence to policies, and alignment with hospital objectives.

**xi. Communication Policy**

The Board upholds an open communication policy, ensuring effective engagement with hospital management, staff, and stakeholders. Key decisions and updates are communicated through official channels to enhance transparency.

**xii. Terms of Reference of Committees**

The Hospital Board has established functional committees to enhance efficiency:

Finance Committee – oversees budgeting, financial management, and resource utilization.

Resource Mobilization Committee – develops strategies for fundraising and partnership building.

Audit and Quality Improvement Committee – ensures accountability, risk management, and continuous improvement in service delivery.

All committees met in the year under review and presented reports to the full Board for consideration.

**xiii. Policy on Related Party Transactions**

The Hospital Board has adopted a clear policy on related party transactions. All such transactions must be declared, documented, and subjected to scrutiny to avoid undue influence, favoritism, or misuse of resources.

## **9. Management Discussion and Analysis**

### **Clinical/operational performance**

Kajiado County Referral Hospital is the main referral hospital within Kajiado County, it is situated in Kajiado central sub county, Ildamat ward near the county headquarters. It serves entire county population for specialized services, complicated cases and referrals. However it also maintains a smaller catchment population of 33782 for 2024 and 38156 for 2025 for basic curative, preventive, promotive and Rehabilitative services.

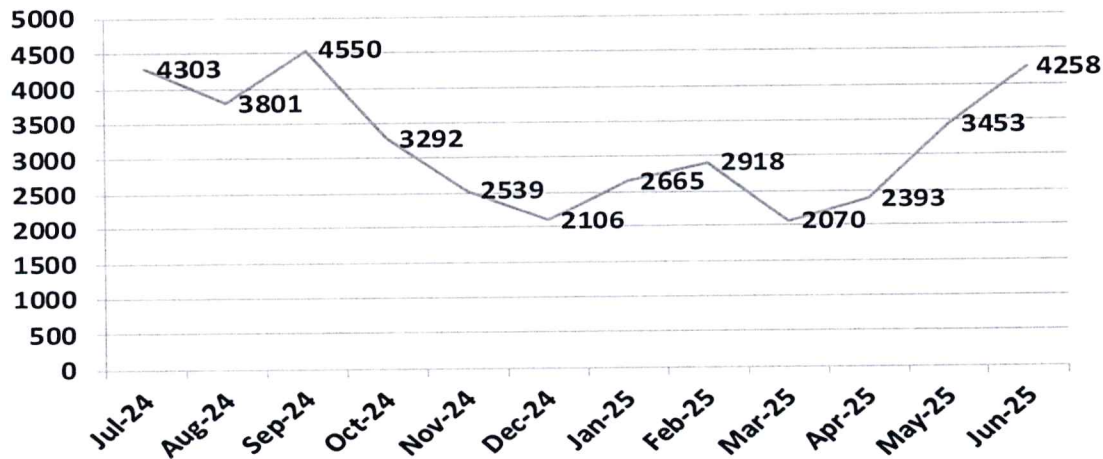
#### **Specialized Healthcare Services offered**

- Medical Outpatient clinic
- Pediatric Outpatient clinic
- Surgical Outpatient clinic
- Pediatric Surgical Outpatient clinic
- Obstetrics/Gynaecology Outpatient Clinic
- Renal and Dialysis clinic
- Orthopaedic Outpatient clinic
- Family medical Clinic
- Endocrinology clinic
- Speech and Language Therapy clinic
- Oncology clinic
- Dermatology clinics
- ENT clinic
- Eye clinic
- TB and Leprosy clinic
- Psychiatric clinic
- Nutrition clinic
- Occupation Therapy Clinic
- Comprehensive Care Clinic
- Physiotherapy clinic
- Intensive care Unit
- Dental clinic
- Neurology clinic

## BED CAPACITY

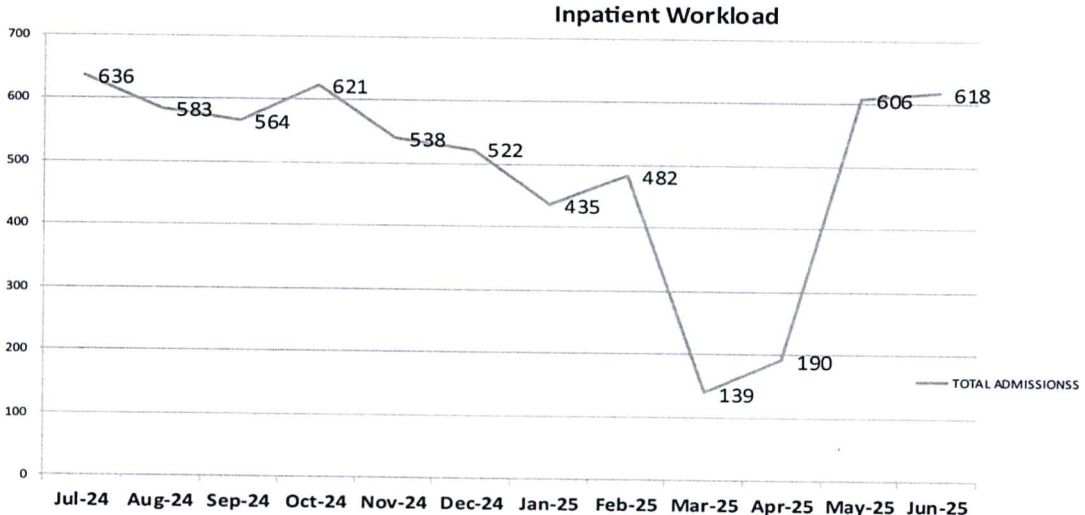
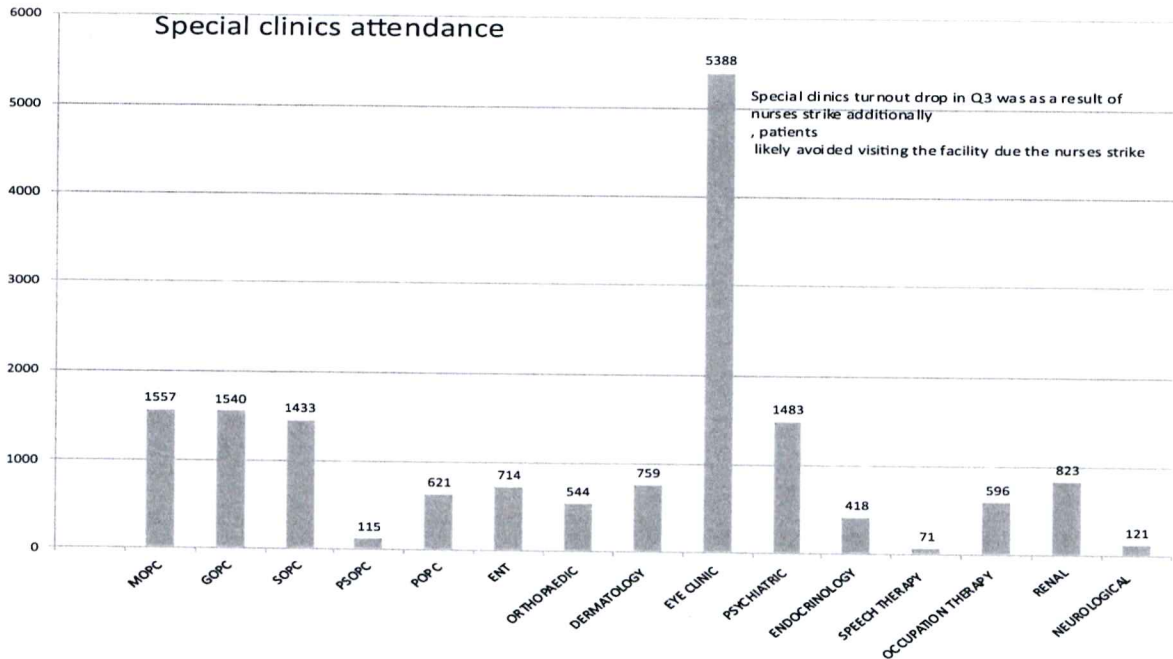
	WARD	NO. OF BEDS	NO. OF COTS	NO. OF INCUBATORS
1	MALE	38	0	0
2	FEMALE	37	0	0
3	PAEDIATRICS	25	5	0
4	MATERNITY	38	0	0
5	NEWBORN	20	17	6
6	GYNAE	10	0	0
7	INTENSIVE CARE UNIT	5	0	0
	TOTALS	173	22	6

## OPD ATTENDANCE



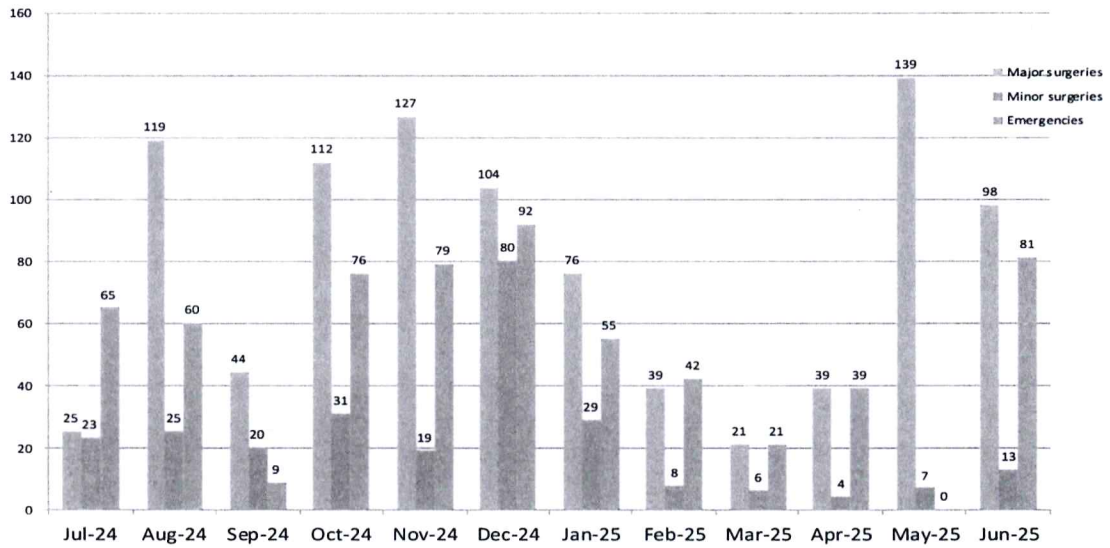
There was a notable drop in OPD attendance in January, Mar, April due to the County Nurses strike.

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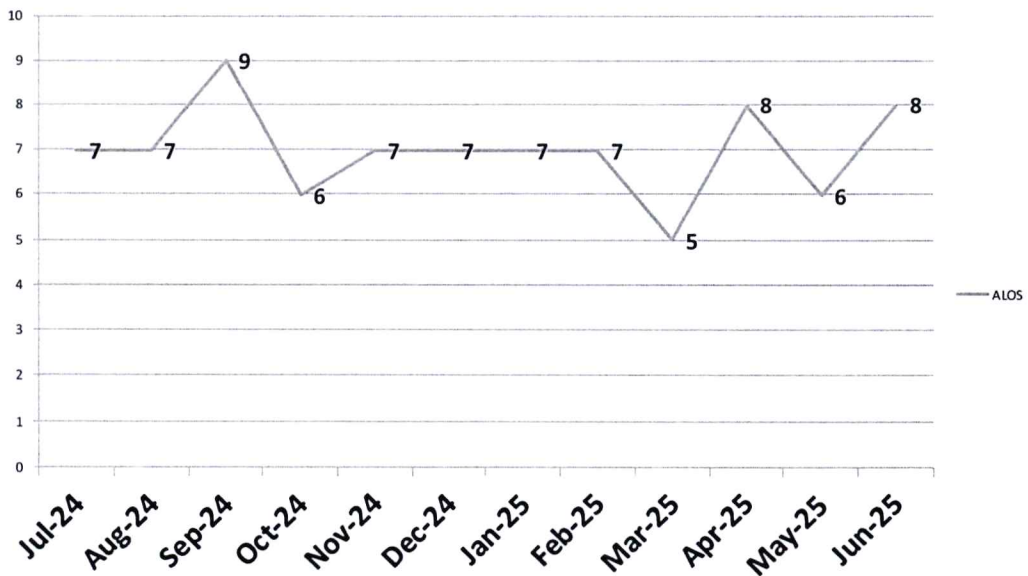


There was a notable drop in patient workload in January, Mar, April this decline coincides with county Nurses strike.

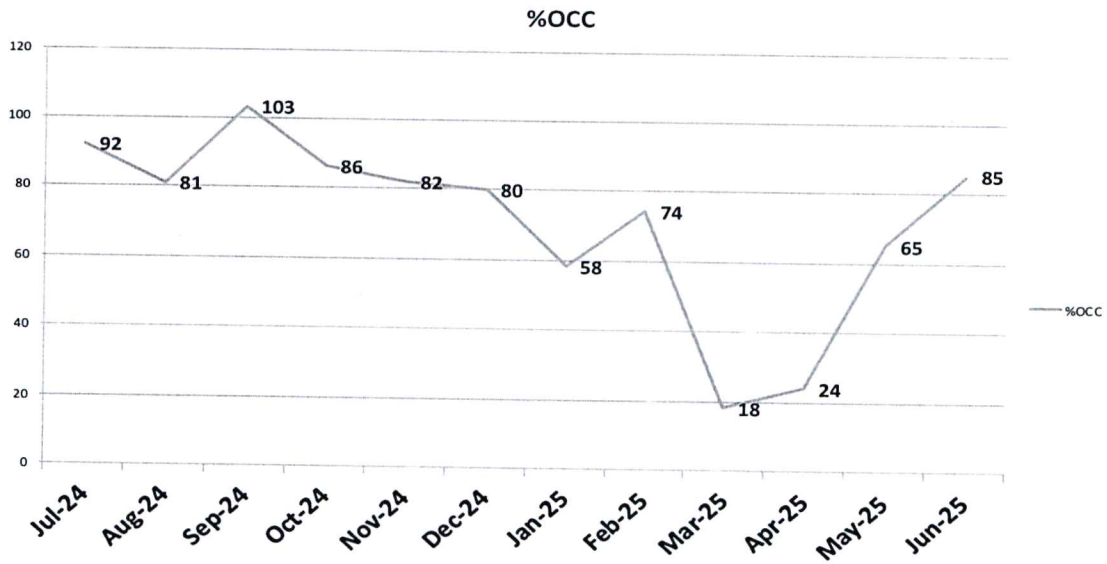
**Surgical Theatre utilization**



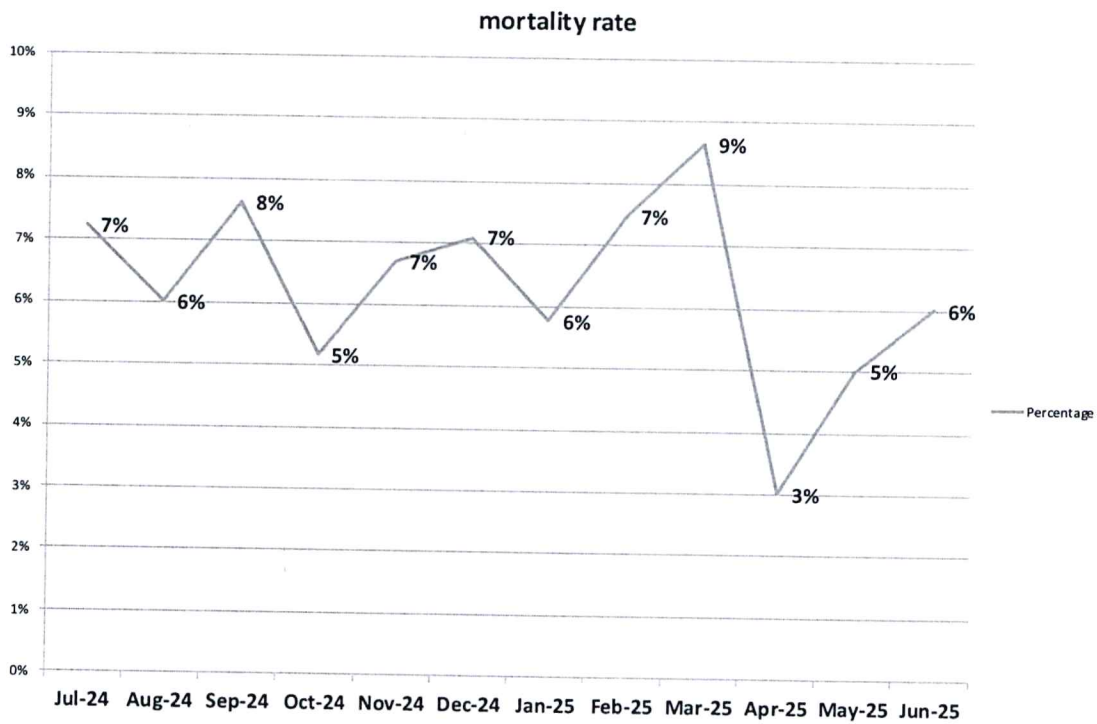
**ALOS**



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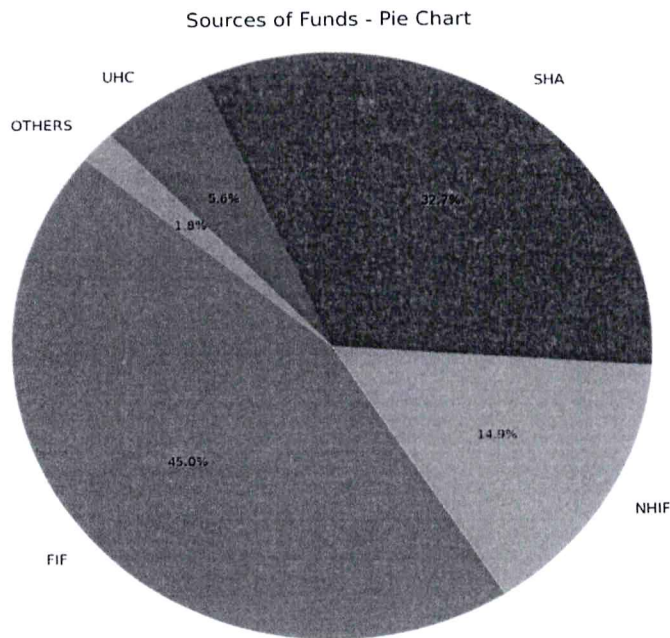
There is a decrease in % occupancy rate in Jan., Mar, Apr, due to the county nurses strike.



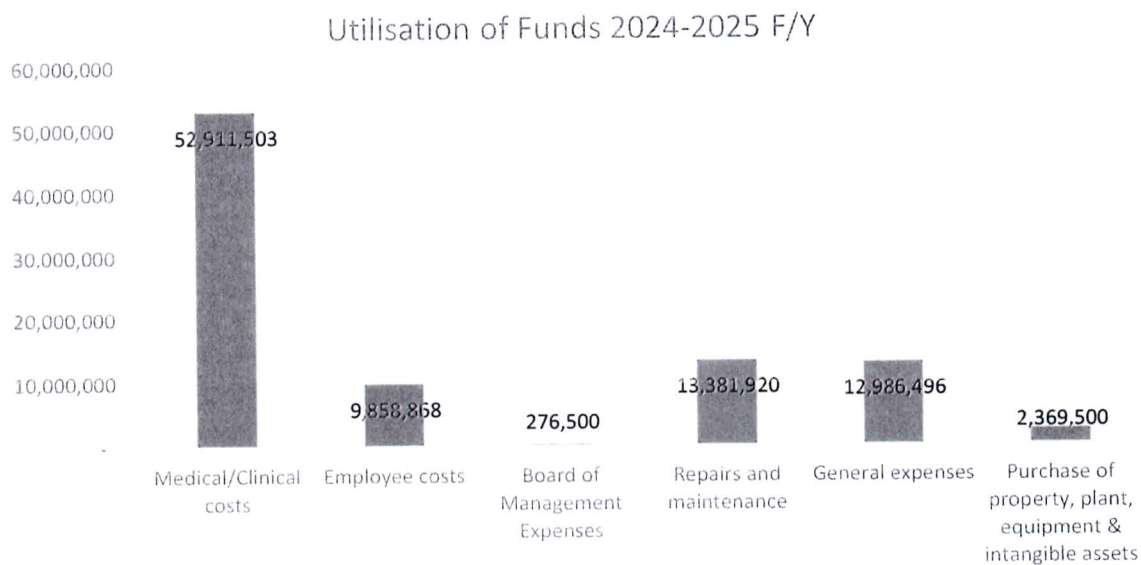
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**Financial performance that includes: -**

- Revenue sources



- Utilisation of funds



## **10. Environmental And Sustainability Reporting**

Kajiado County Referral 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 its effort to have sustainable political and macroeconomic sustainability the hospital management works with the local leadership and involve the community through community health workers and volunteers and also public participation. The management has also formed a committee such as grievance redress mechanism committee that ensures all the community grievances are captured and addressed as they occur and a report given to the management. The Health Management Team holds a meeting every second Tuesday of the month to discuss the hospital's budgets, workloads and hospital's operation.

### *ii) Environmental performance*

The hospital has an active Infection Prevention and Control (IPC) which is in charge of the environmental performance. There is a tremendous reduction of communicable diseases due to awareness on waste segregation protocol amongst the staff. Using partners such as *charg'e d'affaires* we now have a proper incinerator for waste disposal.

In an effort to manage biodiversity the hospital has installed solar flood lights. The county procured a borehole for the hospital hence we now have a sustainable water supply. The hospital's fence is porous and has the effect of letting in stray dogs and other animals.

### *iii) Employee welfare*

Technical employees are employed by the Kajiado Public Service Board, however the hospital employs casual workers and takes into consideration gender and academic qualification and also train the workers on the various policy guiding the operations of the hospital.

### *iv) Market place practices-*

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

Being a public Kajiado referral hospital, the hospital is guided by various government policies and Acts. These guide both workers in various categories and disciplines such as nurses, to abide by various professional standards and guidelines. The requirement that all public servants must abide by Section 6 of the constitution and code of ethics for civil servants is strictly implemented by the management. All workers are not aligned to any political or religious inclination and serve the public without any form of bias.

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

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Kajiado County Referral Hospital takes cognisance of the growing risks in supply chain management which can make an organization more vulnerable to performance failure if their involved suppliers are not managed and evaluated effectively. To this effect, the organization collaborates with its suppliers to improve relationship and ensure of goods and services is always done professionally, timely and qualitatively by monitoring their capabilities to meet current and future demands. The organization also maintains good business practices and treats its own suppliers responsibly by honouring contracts and respecting payment practices.

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

Kajiado County Referral Hospital envision in reaching out to the general public to provide medical services to provide Health services in accordance with the generally accepted health standards in public institutions. The organization being a public Kajiado referral hospital strive to provide health services in the best way possible by following the set national and county health guidelines. As an organization, we believe that best services will not only give you an advantage over the growing private health providers but also ensures that we adhere to the ethical practices required in the health profession. Outreaches done by the organization are therefore not for marketing but sensitization of the community on the various services the hospital offers as well as reaching out to the underprivileged in the society by providing the much needed services at no cost.

***d) Product stewardship***

The hospital protects, respects, promote and fulfil the following to all its clients in provision of health services:

- The health rights of all its clients to the progressive realization of their right to the highest attainable standard of health including reproductive health care, the right to emergency medical treatment and free maternity care.
- The rights of children to basic nutrition and health care services and extending free medication and vaccination to children under five years of age.
- The rights of vulnerable groups within the society including women, older members of the society, persons with disabilities, children e.t.c in all matters regarding health

The hospital recognizes and adheres to the role of regulatory bodies established under any written law. The hospital also treats all its clients with dignity, respect and ensures that their privacy is well respected.

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

The hospital engages in health outreaches to sensitize the community on health matters and reaching out to the underprivileged by providing free health test and awareness. The hospital for the last financial year was able to do optical, surgery, renal and diabetic outreaches in collaboration with private donors while providing free treatment to patients diagnosed with various eye problems, free surgeries for various surgical procedures and free diabetic clinics and consultation for diabetic patients.

**Kajiado County Referral Hospital (County Government of Kajiado)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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**11. Report of The Board of Management**

The board members submit their report together with the audited financial statements for the year that ended June 30, 2025, which show the state of the *hospital's* affairs.

**Principal activities**

The principal activities of the Kajiado County Referral Hospital to provide Quality and affordable health services to the general public.

**Results**

The results of the Kajiado County Referral Hospital for the year ended June 30 2025 are set out on page

**Board of Management**

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

**Auditors**

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

By Order of the Board

*Dr Fred Ayay* *FA*  
.....

**Name**

**Secretary to the Board**

**12. Statement of Board of Management’s Responsibilities**

Section 164 of the Public Finance Management Act, 2012 (*entities should quote the applicable legislation under which they are regulated*) requires the Board of Management to prepare financial statements in respect of that Kajiado County Referral Hospital, which give a true and fair view of the state of affairs of the Kajiado County Referral Hospital at the end of the financial year/period and the operating results of the Kajiado County Referral Hospital for that year/period. The Board of Management is also required to ensure that the Kajiado County Referral Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Kajiado County Referral Hospital. The council members are also responsible for safeguarding the assets of the Kajiado County Referral Hospital.

The Board of Management is responsible for the preparation and presentation of the Kajiado County Referral Hospital’s financial statements, which give a true and fair view of the state of affairs of the Kajiado County Referral Hospital for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Kajiado County Referral Hospital, (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 Kajiado County Referral Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the Kajiado County Referral Hospital’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*– entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the Kajiado County Referral Hospital’s financial statements give a true and fair view of the state of Kajiado County Referral Hospital’s transactions during the financial year ended June 30, 20xx, and of the Kajiado County Referral Hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Kajiado County Referral Hospital, which have been relied upon in the preparation of the Kajiado County Referral Hospital’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund’s ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*)  
OR

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

**Approval of the financial statements**

The Hospital’s financial statements were approved by the Board on 28/8/25 and signed on its behalf by:

DR. ONEIMUS SATIMU  
.....

Name:  
Chairperson  
Board of Management

Dr Fred Akinyi FAA  
.....

Name:  
Accounting Officer

# REPUBLIC OF KENYA



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

## REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY REFERRAL LEVEL 5 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KAJIADO

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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 Kajiado County Referral Level 5 Hospital - County Government of Kajiado set out on pages 1 to 53 which comprise of

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado County Referral Level 5 Hospital - County Government of Kajiado as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Health Act, 2017.

### **Basis for Qualified Opinion**

#### **Unsupported Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 32 to the financial statements reflect property, plant and equipment balance of Kshs.619,685,960 which comprise of land, buildings and civil works, motor vehicles, office furniture and equipment, ICT equipment, plant and medical equipment. However, ownership documents for land and motor vehicle logbooks were not provided for audit review.

In the circumstances, the accuracy and ownership of property, plant and equipment with a balance of Kshs.619,685,960 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado County Referral Level 5 Hospital – County Government of Kajiado Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 xxvii which comprise of Key Entity Information and Management, The Board of management,

key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Medical superintendent, Statement of Board of management Responsibilities, Statement of Performance Against Predetermined Objectives). 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance with National Cohesion and Integration Act, 2008**

Review of the payroll revealed that the Hospital has three hundred and five (305) employees who are employed by the Board and seconded by the County Executive out of whom one hundred and eighteen (118) or approximately 40% are from the dominant ethnic community in the County. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that no one community should hold more than thirty percent (30%) of the positions.

In the circumstances, Management was in breach of law.

#### **2. Deficiencies in Implementation of Universal Health Coverage (UHC)**

Review of the Hospital's records and interviews conducted to verify the services offered, equipment used, and the 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 174 or approximately 54% of the authorized establishment as detailed below:

Staff Requirements	Level 5 standard	Number in Hospital	Variance	Percentage (%) variance
(%)				
Medical Officers	50	13	37	74
Anesthesiologists	7	1	6	86
Gynecologists	4	2	2	50
Pediatricians	4	1	3	75
General Surgeons	4	2	2	50
Radiologists	4	4	0	100
Registered Community Health Nurses	250	126	124	50
<b>Total</b>	<b>323</b>	<b>149</b>	<b>174</b>	<b>54</b>

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

Service	Level 5 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%) Variance
Functional ICU beds	12	5	7	58%
High Dependency Unit (HDU) Beds	12	0	12	0
Bed Capacity	500	204	296	59%

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.

The audit was conducted in accordance with ISSAIs 3000 and 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

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

## **Responsibilities of the Management and Board of Management**

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

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, SBS  
**AUDITOR-GENERAL**

**Nairobi**

**19 November, 2025**

*Kajiado County Referral Hospital (County Government of Kajiado)*  
*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	FY24-25	FY23-24
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	383,690,456	4,607,730
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	8,466,719	27,012,590
Public contributions and donations	10	20,882,731	2,525,720
		<b>413,039,906</b>	<b>34,146,040</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	127,371,797	91,012,074
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	3,595,135	-
<b>Revenue from exchange transactions</b>		<b>130,966,932</b>	<b>91,012,074</b>
<b>Total revenue</b>		<b>544,006,838</b>	<b>125,158,114</b>
<b>Expenses</b>			
Medical/Clinical costs	15	70,585,607	61,715,004
Employee costs	16	345,775,632	6,732,956
Board of Management Expenses	17	276,500	129,500
Depreciation and amortization expense	18	99,636,188	99,724,948
Repairs and maintenance	19	10,330,230	17,085,576
Grants and subsidies	20	17,902,117	-
General expenses	21	32,392,643	28,114,162
Finance costs	22	-	-
<b>Total expenses</b>		<b>576,898,917</b>	<b>213,502,147</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	- 2,799,216	- 5,499,630
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		<b>- 2,799,216</b>	<b>- 5,499,630</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(35,691,294)</b>	<b>(93,843,663)</b>

**Kajiado County Referral Hospital (County Government of Kajiado)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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*(The notes set out on pages 25 to 33 form an integral part of the Annual Financial Statements.)*


The Hospital's financial statements were approved by the Board on 28/8/25 and signed on its behalf by:

DR. CHERNOI EKIMU

  
.....


**Chairman**

**Board of Management**

GRACE MWELU   
.....

**Head of Finance**

ICPAK No: 15563

Dr Fred Amany   
.....

**Medical Superintendent**

*Kajiado County Referral Hospital (County Government of Kajiado)*  
*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	FY24-25	FY23-24
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	101,928	431
Receivables from exchange transactions	29	53,351,878	23,067,280
Receivables from non-exchange transactions	30	-	-
Inventories	31	36,942,122	15,446,221
<b>Total Current Assets</b>		<b>90,395,928</b>	<b>38,513,932</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	619,685,960	717,052,648
Intangible assets	33	-	-
Investment property	34	-	-
<b>Total Non-current Assets</b>		<b>619,685,960</b>	<b>717,052,648</b>
<b>Total assets</b>		<b>710,081,887</b>	<b>755,566,580</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	15,998,220	27,015,118
Refundable deposits from customers/Patients	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>15,998,220</b>	<b>27,015,118</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	-	-
Service concession liability	42	-	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>15,998,220</b>	<b>27,015,118</b>
<b>Net assets</b>		<b>694,083,667</b>	<b>728,551,462</b>
Revaluation reserve		-	-
Accumulated surplus/Deficit		(312,033,333)	- 275,296,039
Capital Fund		1,006,117,000	1,003,847,500
		<b>694,083,667</b>	<b>728,551,461</b>

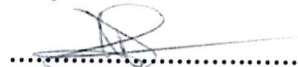
**Kajiado County Referral Hospital (County Government of Kajiado)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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(The notes on pages 34 to 43 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 28/8/25 and signed on its behalf by:

PR. ONESMUC STADIMU



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

GRACE MWELU 

.....  
**Head of Finance**  
**ICPAK No: 15563**

Dr. Fred AIAH 

.....  
**Medical Superintendent**

*Kajiado County Referral Hospital (County Government of Kajiado)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total	
			Fund		
<b>At July 1, 2023</b>	-	-	<b>181,452,376</b>	<b>1,001,218,280</b>	<b>819,765,904</b>
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	(93,843,663)	2,629,220	-	<b>91,214,443</b>
Capital/Development grants	-	-	-	-	-
Adjustments					-
<b>At June 30, 2024</b>	-	-	<b>275,296,039</b>	<b>1,003,847,500</b>	<b>728,551,461</b>
<b>At July 1, 2024</b>	-	-	<b>275,296,039</b>	<b>1,003,847,500</b>	<b>728,551,461</b>
Revaluation gain	-	-	-	-	-
Surplus/(deficit) for the year	-	(35,691,294)	2,269,500	-	(33,421,794)
Capital/Development grants	-	-	-	-	-
Prior year Adjustment		-1,046,000	-	-	-1,046,000
<b>At June 30, 2025</b>	-	<b>(312,033,333)</b>	<b>1,006,117,000</b>	<b>694,083,667</b>	

**Disclosure- Prior year adjustment**

During the year the management identified trade payables of 1,046,000 relating to 2023-2024 that had not been recognized. The error has been corrected by adjusting the opening balance of accumulated deficit in 2024-2025 and the liability has been recognized under trade payables.

**Kajiado County Referral Hospital (County Government of Kajiado)**  
**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	FY24-25	FY23-24
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities		8,466,719	27,012,590
Public contributions and donations			
Rendering of services- Medical Service Income		83,419,564	62,445,164
Revenue from rent of facilities			
Finance / interest income			
Miscellaneous receipts( <i>specify</i> )			
<b>Total Receipts</b>		<b>91,886,283</b>	<b>89,457,754</b>
<b>Payments</b>			
Medical/Clinical costs		52,911,503	47,824,473
Employee costs		7,985,368	6,202,349
Board of Management Expenses		276,500	129,500
Repairs and maintenance		13,381,920	14,950,606
Grants and subsidies			
General expenses		14,959,996	15,245,873
Finance costs			
Refunds paid out			
<b>Total Payments</b>		<b>89,515,287</b>	<b>84,352,801</b>
<b>Net cash flows from operating activities</b>	43	<b>2,370,996</b>	<b>5,104,953</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment & intangible assets		2,269,500	5,335,750
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		<b>2,269,500</b>	<b>5,335,750</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>101,496</b>	<b>(230,798)</b>
Cash and cash equivalents as at 1 July	27	431	231,229
<b>Cash and cash equivalents as at 30 June</b>	27	<b>101,928</b>	<b>431</b>

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

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**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	-	-	-	431.35	- 431.35	
<b>Receipts</b>						
Transfers from the County Government	-	-	-	-	-	-
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	8,466,719.00	- 8,466,719.00	
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	54,285,077.75	45,088,208.00	99,373,285.75	83,419,563.75	15,953,722.00	83.95
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total receipts</b>	<b>54,285,077.75</b>	<b>45,088,208.00</b>	<b>99,373,285.75</b>	<b>91,886,714.10</b>	<b>7,486,571.65</b>	<b>92.47</b>
<b>Payments</b>						
Medical/Clinical costs	25,167,093.30	32,004,000.00	57,171,093.30	52,911,503.00	4,259,590.30	92.55
Employee costs	9,580,080.00	- 210,000.00	9,370,080.00	7,985,367.50	1,384,712.50	85.22
Remuneration of directors	610,000.00	- 160,000.00	450,000.00	276,500.00	173,500.00	61.44
Repairs and maintenance	7,861,425.20	7,550,000.00	15,411,425.20	13,381,920.00	2,029,505.20	86.83
Grants and subsidies		-	-	-	-	-
General expenses	9,005,679.25	5,109,400.00	14,115,079.25	14,959,996.00	- 844,916.75	105.99
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
<b>Total Operational Expenditure paid</b>	<b>52,224,277.75</b>	<b>44,293,400.00</b>	<b>96,517,677.75</b>	<b>89,515,286.50</b>	<b>7,002,391.25</b>	<b>92.74</b>
<b>Capital Expenditure paid</b>	<b>2,470,800.00</b>	<b>284,000.00</b>	<b>2,754,800.00</b>	<b>2,269,500.00</b>	<b>485,300.00</b>	<b>82.38</b>
<b>Surplus</b>	<b>- 410,000.00</b>	<b>510,808.00</b>	<b>100,808.00</b>	<b>101,927.60</b>	<b>- 1,119.60</b>	<b>101.11</b>

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***Budget notes***

- Differences between original budget and final is due demand for medical services was significantly higher than forecasted
- Expanded service delivery
- Improved collection efficiency
- Transition from NHIF to SHA resulted to increase in cash payments
- Nationwide Doctors, nurses & clinical workers strike which led to an increase in contracted locum staff.

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	101,927.60
1	Reason for differences	0
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	101,927.60

**19. Notes to the Financial Statements**

**1. General Information**

Kajiado County Referral Hospital is established by and derives its authority and accountability from FIF Act. The Kajiado County Referral Hospital is wholly owned by the County Government of Kajiado and is domiciled in Kajiado County in Kenya. The Kajiado County Referral Hospital's principal activity is providing medical care and treatment to patients.

**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 Kajiado County Referral Hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kajiado County Referral Hospital. The financial statements have been prepared in accordance with the PFM Act, and FIF Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**3. Adoption of New and Revised Standards**

*(When an IPSAS becomes effective on 1<sup>st</sup> January 20xx, it is applicable in Kenya from 1<sup>st</sup> July 20xx)*

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

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Standard	Effective date and impact:
	<p>guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Kajiado County Referral Hospital if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<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> <p><i>State the expected impact of the standard to the Kajiado County Referral Hospital if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<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 Kajiado County Referral Hospital 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> <p><i>State the expected impact of the standard to the Kajiado County Referral Hospital if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<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>

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Standard	Effective date and impact:
	<i>State the expected impact of the standard to the Kajiado County Referral Hospital if relevant</i>
IPSAS 49- Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Kajiado County Referral Hospital if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></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 Kajiado County Referral Hospital'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> <p><i>State the expected impact of the standard to the Kajiado County Referral Hospital if relevant</i></p>

**iii) Early adoption of standards**

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

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**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 Kajiado County Referral Hospital and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

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

**b. Budget information**

The original budget for FY 2024-2025 was approved by Board on 8<sup>th</sup> May 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 Kajiado County Referral Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Kajiado County Referral Hospital recorded additional appropriations of **43,813,400** on the FY 2024-2025 budget following the Board's approval. The Kajiado County Referral Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

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*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of .xxx 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 Kajiado County Referral Hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f. Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Kajiado County Referral Hospital. 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 Kajiado County Referral Hospital also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Kajiado County Referral Hospital 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 Kajiado County Referral Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g. Intangible assets**

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

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

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**h. Biological Assets**

The Kajiado County Referral Hospital recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the Kajiado County Referral Hospital, 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 Kajiado County Referral Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Kajiado County Referral Hospital can demonstrate:

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

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

**j. Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Kajiado County Referral Hospital 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 Kajiado County Referral Hospital and a financial liability or equity instrument of another Kajiado County Referral Hospital. At initial recognition, the Kajiado County Referral Hospital measures a financial asset or financial liability at its fair

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

**Subsequent measurement**

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

**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**

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

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**Financial liabilities**

**Classification**

The Kajiado County Referral Hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**k. Inventories**

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

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

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

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

**l. Provisions**

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

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

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

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***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 Kajiado County Referral Hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Kajiado County Referral Hospital will incur in fulfilling the present obligations represented by the liability.

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The Kajiado County Referral Hospital creates and maintains reserves in terms of specific requirements. (Kajiado County Referral Hospital *to state the reserves maintained and appropriate policies adopted.*)

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

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

**r. Employee benefits**

**Retirement benefit plans**

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

**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**

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

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

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

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

### **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 Kajiado County Referral Hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Kajiado County Referral Hospital. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

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

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. 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.

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

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**Notes to Financial Statements Continued**

**6. Transfers from the County Government**

Description	FY24-25	FY23-24
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	0	0
Level 4/5 grants	0	0
Unconditional development grants	0	0
Other grants ( <i>specify</i> )	0	0
	<b>0</b>	<b>0</b>
<b>Conditional grants</b>		
User fee forgone	0	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
<b>Total government grants and subsidies</b>	<b>0</b>	<b>0</b>

**6 b Transfers from The County Government**

Name of the Kajiado County Referral Hospital sending the grant	Amount recognized to of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund,	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
County Government of Kajiado	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Notes to Financial Statements Continued

**7. In Kind Contributions from The County Government**

Description	FY24-25	FY23-24
	KShs	KShs
Salaries and wages	336,926,278	4,607,730
Medical supplies-Drawings Rights (KEMSA)	10,163,424	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	15,119,982	
Medical Gases	8,083,577	
Laboratory supplies		
Utility bills	13,397,195	
<b>Total grants in kind</b>	<b>383,690,456</b>	<b>4,607,730</b>

*(These include payments made directly by the County Governments for staff salaries and medical drugs. These are recorded both as income and expense for completeness of financial statements)*

**8. Grants From Donors and Development Partners**

Description	FY24-25	FY23-24
	KShs	KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants ( <i>specify</i> )	0	0
<b>Total grants from development partners</b>	<b>0</b>	<b>0</b>

*(Provide brief explanation for this revenue)*

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

Name of the Kajiado County Referral Hospital 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	0	0	0	0	0
JICA	0	0	0	0	0
World Bank	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY24-25	FY23-24
	KShs	KShs
Transfer from National Government (Ministry of Health) UHC	8,466,719	27,012,590
<b>Total Transfers</b>	<b>8,466,719</b>	<b>27,012,590</b>

10. Public Contributions and Donations

Description	FY24-25	FY23-24
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from individuals	-	-
Other donations (AMREF & Direct relief)	20,882,731	2,525,720
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	<b>20,882,731</b>	<b>2,525,720</b>

(This amount includes medical gases valued at Kshs. 3,362,730 provided by AMREF and drugs values at Kshs. 17,520,000 provided by Direct Relief for 2024-2025. Management discovered that pharmaceutical in-kind donations valued at KES 2,525,720 received in 2024 were included in inventory but the related non-exchange revenues was omitted. Comparative figures for 2023-2024 have been restated to increase revenue and accumulated surplus by KES 2,525,720 with no effect on Total assets )

10 (a) Reconciliations of amortised grants

Description	FY24-25	FY23-24
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
<b>Conditions to be met – remain liabilities</b>	<b>0</b>	<b>0</b>

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Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY24-25	FY23-24
	Kshs	Kshs
Pharmaceuticals	6,234,087	
Laboratory	6,115,040	
Inpatient	23,918,124	
Medical Exam	244,650	
Radiology	12,313,470	
Outpatient	1,277,490	
Physiotherapy	362,450	
Occupational therapy	32,800	
Plaster	676,300	
Dialysis	118,100	
Antenatal Clinic & Mother Child Care	1,000	
NHIF	14,336,940	53,617,093
SHA	55,355,041	
Eye Clinic	429,650	
Theatre	1,234,500	
Accident and Emergency Service	1,394,400	
Ear Nose and Throat service	10,300	
Public Health	146,750	
Cancer centre service	-	
Dental services	323,550	
Paediatrics services	176,350	
Records	522,165	
Other medical services income	2,148,640	37,394,981
<b>Total revenue from the rendering of services</b>	<b>127,371,797</b>	<b>91,012,074</b>

*(Other medical services fee relates to accounts receivable from CIC, SHA, Defunct NHIF, MAKL & Direct deposits )*

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Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	FY24-25	FY23-24
	Kshs	Kshs
Residential property	0	0
Commercial property	0	0
<b>Total Revenue from rent of facilities</b>	<b>0</b>	<b>0</b>

13. Finance /Interest Income

Description	FY24-25	FY23-24
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
<b>Total finance income</b>	<b>0</b>	<b>0</b>

14. Miscellaneous Income

Description	FY24-25	FY23-24
	KShs	KShs
Administration	20,000	
Mortuary	1,019,170	
Training fees	252,500	
Clinics	2,303,465	
<b>Total Miscellaneous income</b>	<b>3,595,135</b>	<b>-</b>

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY24-25	FY23-24
	Kshs	Kshs
Laboratory chemicals and reagents	5,030,200	8,344,990
Food and Ration	15,430,585	7,203,240
Uniform, clothing, and linen	252,360	586,305
Dressing and Non-Pharmaceuticals	18,324,320	17,780,530
Pharmaceutical supplies	9,139,206	16,679,695

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Health information stationery	3,217,000	3,077,000
Sanitary and cleansing Materials	2,225,297	2,490,573
Purchase of Medical gases	12,116,808	174,500
X-Ray/Radiology supplies	4,849,831	5,287,171
Other medical related clinical costs		91,000
<b>Total medical/ clinical costs</b>	<b>70,585,607</b>	<b>61,715,004</b>

(Other medical/clinical related costs refers to all other costs involved in management of the patients directly not analysed above.)

**16. Employee Costs**

Description	FY24-25	FY23-24
	Kshs	Kshs
Salaries, wages, and allowances	339,537,716	6,457,256
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	246,978	275,700
Group personal accident insurance and WIBA	0	0
Social contribution	5,990,938	-
Other employee costs ( <i>specify</i> )	0	0
<b>Employee costs</b>	<b>345,775,632</b>	<b>6,732,956</b>

(Social contribution relates to expenses incurred by the employer towards social welfare of Employees)

**17. Board of Management Expenses**

Description	FY24-25	FY23-24
	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	276,500	129,500
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	0
Airtime allowances	0	0
<b>Total</b>	<b>276,500</b>	<b>129,500</b>

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Notes to the Financial Statements (Continued)

**18. Depreciation and Amortization Expense**

Description	FY24-25	FY23-24
	Kshs	Kshs
Property, plant and equipment	99,636,188	99,724,948
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>99,636,188</b>	<b>99,724,948</b>

**19. Repairs And Maintenance**

Description	FY24-25	FY23-24
	Kshs	Kshs
Property- Buildings	3,079,520	8,112,624
Medical equipment	3,194,300	2,327,280
Office equipment	-	341,502
Furniture and fittings	491,300	-
Computers and accessories	2,059,110	2,010,170
Motor vehicle expenses	1,256,000	1,894,000
Maintenance of civil works	250,000	2,400,000
<b>Total repairs and maintenance</b>	<b>10,330,230</b>	<b>17,085,576</b>

**20. Grants And Subsidies**

Description	FY24-25	FY23-24
	Kshs	Kshs
FIF 30% to CHMT	17,902,117	-
Education initiatives and programs	-	-
<b>Total grants and subsidies</b>	<b>17,902,117</b>	<b>-</b>

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.*

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Notes to the Financial Statements (Continued)

21. General Expenses

Description	FY24-25	FY23-24
	Kshs	Kshs
Advertising and publicity expenses	-	30,000
Catering expenses	711,500	536,240
Insecticides and rodenticides	326,000	83,500
Bank charges	21,063	39,698
Contracted services	1,933,500	4,607,730
Electricity expenses	16,439,895	8,158,143
Fuel and Lubricants	6,964,219	7,711,447
Travel and accommodation allowance	1,200,900	2,063,000
Printing and stationery	1,134,426	1,278,476
Water and sewerage costs	2,886,000	3,001,900
Telephone and mobile phone services	509,000	428,528
Internet expenses	266,140	175,500
<b>Total General Expenses</b>	<b>32,392,643</b>	<b>28,114,162</b>

22. Finance Costs

Description	FY24-25	FY23-24
	KShs	KShs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Interest on Bank overdrafts/Guarantees	0	0
Interest on loans from commercial banks	0	0
<b>Total finance costs</b>	<b>0</b>	<b>0</b>

*(Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

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

Description	FY24-25	FY23-24
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised ( <i>specify</i> )	0	0
<b>Total gain on sale of assets</b>	<b>0</b>	<b>0</b>

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24. Unrealized Gain On Fair Value Investments

Description	FY24-25	FY23-24
	KShs	KShs
Investments at fair value	0	0
<b>Total gain</b>	<b>0</b>	<b>0</b>

25. Medical Services Contracts Gains /Losses

Description	FY24-25	FY23-24
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	0	0
Non- Comprehensive contracts care with NHIF/SHA	0	0
Linda Mama Program	0	0
Waivers and Exemptions	-	-
	2,799,216	5,499,630
<b>Total Gain/Loss</b>	<b>2,799,216</b>	<b>5,499,630</b>

26. Impairment Loss

Description	FY24-25	FY23-24
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Investments	0	0
<b>Total impairment loss</b>	<b>0</b>	<b>0</b>

27. Cash And Cash Equivalentents

Description	FY24-25	FY23-24
	KShs	KShs
Current accounts	101,928	431
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalentents</b>	<b>101,928</b>	<b>431</b>

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

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

Description		FY24-25	FY23-24
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1153618567	101,928	431
Equity Bank, etc		-	-
<b>Sub- total</b>		<b>101,928</b>	<b>431</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(specify)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>101,928</b>	<b>431</b>

*Provide disclosure on any restricted cash that the Kajiado County Referral Hospital is holding.*

28. Prepayments

Description	FY24-25	FY23-24
	Kshs	Kshs
Insurance	0	0
Rent	0	0
Water	0	0
Internet	0	0
Others specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**29. Receivables From Exchange Transactions**

Description	FY24-25	FY23-24
	KShs	KShs
Medical services receivables- NHIF,CIC,SHA,MAKL	49,973,975	20,164,500
Medical services receivables-fif	3,377,903	2,902,780
Other exchange debtors		-
Less: impairment allowance		
<b>Total receivables</b>	<b>53,351,878</b>	<b>23,067,280</b>

**Analysis of Receivables From Exchange Transactions**

Description	FY24-25		FY23-24	
	Kshs		Kshs	
	30th june 25	% of the total	Comparative 2023/2024	% of the total
Less than 1 year	33,187,378	62%	20,164,500	100%
Between 1- 2 years	20,164,500	%	-	0
Between 2-3 years	-	%	-	0
Over 3 years	-	%	-	0
<b>Total (a+b)</b>	<b>53,351,878</b>	<b>%</b>	<b>20,164,500</b>	<b>%</b>

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

Description	FY24-25	FY23-24
	KShs	KShs
Transfers from the County Government	0	0
Undisbursed donor funds	0	0
Other debtors ( <i>non-exchange transactions</i> )	0	0
Less: impairment allowance	(0)	(0)
<b>Total</b>	<b>0</b>	<b>0</b>

*(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)*

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

Description	FY24-25		FY23-24	
	Kshs		Kshs	
	2024-2025 FY	% of the total	2023-2024 FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (a+b)</b>	0	%	0	%

**31. Inventories**

Description	FY24-25	FY23-24
	KShs	KShs
Pharmaceutical supplies	23,331,083	5,082,904
Non-pharmaceutical supplies	13,468,041	10,003,659
Food supplies	142,998	359,658
Linen and clothing supplies		-
Cleaning materials supplies		-
General supplies		-
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>36,942,122</b>	<b>15,446,221</b>

**Detailed disclosure on inventories**

	FY24-25	FY23-24
	KShs	KShs
Opening balance	15,446,221	14,608,573
Additional Inventory in the year	359,502,159	-
Inventory expensed in the year	(336,973,003)	-
Write-downs in the year	( 1,033,255)	-
Others specify	-	-
Closing balance	36,942,122	15,446,221

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*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
<b>Depreciation rates</b>		<b>2%</b>	<b>25%</b>	<b>20%</b>	<b>33.30%</b>	<b>25%</b>		
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
<b>Cost</b>								
At 1 <sup>st</sup> July 2023	257,544,000	383,024,000	4,220,000	2,856,470	3,646,000	352,101,780	-	1,003,392,250
Additions	0	0	0	2,706,530.00	0	2,629,220.00	0	5,335,750.00
Disposals	0	0	0	0	0	0	0	0
Transfer adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	<b>257,544,000</b>	<b>383,024,000</b>	<b>4,220,000</b>	<b>5,563,000</b>	<b>3,646,000</b>	<b>354,731,000</b>	<b>-</b>	<b>1,008,728,000</b>
At 1 <sup>st</sup> July 2024	257,544,000	383,024,000	4,220,000	5,563,000	3,646,000	354,731,000	-	1,008,728,000
Additions	0	0	0	834,000.00	0	1,435,500.00	0	2,269,500.00
Disposals	0	0	0	0	0	0	0	0
Transfer adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2025</b>	<b>257,544,000</b>	<b>383,024,000</b>	<b>4,220,000</b>	<b>6,397,000</b>	<b>3,646,000</b>	<b>356,166,500</b>	<b>-</b>	<b>1,010,997,500</b>
<b>Depreciation and impairment</b>								
At 30 June 2023	0	15,046,007	2,110,000	1,065,774	1,832,199	171,896,424	-	191,950,404
At July 2023	0	0	0	0	0	0	0	0
Depreciation	0	7,660,480	1,055,000	1,112,600	1,214,118	88,682,750	-	99,724,948
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer adjustment	0	0	0	0	0	0	0	0
<b>At 30th June 2024</b>	<b>-</b>	<b>22,706,487.40</b>	<b>3,165,000.00</b>	<b>2,178,374.00</b>	<b>3,046,317.30</b>	<b>260,579,173.75</b>	<b>-</b>	<b>291,675,352.45</b>
At July 2024	0	0	0	0	0	0	0	0
Depreciation	0	7,660,480	1,055,000	1,279,400	599,683	89,041,625	-	99,636,188
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer adjustment	0	0	0	0	0	0	0	0
<b>At 30th June 2025</b>	<b>-</b>	<b>30,366,967.40</b>	<b>4,220,000.00</b>	<b>3,457,774.00</b>	<b>3,646,000.00</b>	<b>349,620,798.75</b>	<b>-</b>	<b>391,311,540.15</b>
<b>Net book values</b>								
At 30 <sup>th</sup> June 2024	257,544,000	360,317,513	1,055,000	3,384,626	599,683	94,151,826	-	717,052,648
At 30 <sup>th</sup> June 2025	257,544,000	352,657,033	-	2,939,226	-	6,545,701	-	619,685,960

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Notes to the Financial Statements (Continued)

**33. Intangible Assets-Software**

Description	FY24-25	FY23-24
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	0	0
Additions	0	0
Additions–Internal development	0	0
Disposal	(0)	(0)
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	0	0
Amortization for the period	0	0
Impairment loss	0	0
<b>At end of the year</b>	0	0
<b>NBV</b>	<b>0</b>	<b>0</b>

**34. Investment Property**

Description	FY24-25	FY23-24
	KShs	KShs
<b>At beginning of the year</b>	<b>0</b>	<b>0</b>
Additions	0	0
Disposals during the year	(0)	(0)
Fair value gain	0	0
Depreciation ( <i>where investment property is at cost</i> )	(0)	(0)
Impairment	(0)	(0)
<b>At end of the year</b>	<b>0</b>	<b>0</b>

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Notes to the Financial Statements (Continued)

**35. Biological Assets**

Description	FY24-25	FY23-24
	Kshs	Kshs
Trees in a plantation forest	0	0
Animals: Dairy Cattle, Pigs, Sheep	0	0
Others specify	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**36. Trade and other Payables**

Description	FY24-25		FY23-24	
	KShs		KShs	
Trade payables	15,134,234		26,484,511	
Employee dues	863,986		530,607	
Third-party payments (e.g. unremi			-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>15,998,220</b>		<b>27,015,118</b>	
<b>Ageing analysis:</b>	<b>FY 2024/2025</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the total</b>
Under one year	14,952,220	93.46%	16,985,388	62.87%
1-2 years	1,046,000	6.54%	1,215,756	4.50%
2-3 years		0.00%	8,514,684	31.52%
Over 3 years		0.00%	299,290	1.11%
<b>Total</b>	<b>15,998,220</b>		<b>27,015,118</b>	

**37. Refundable Deposits from Customers/Patients**

Description	FY24-25		FY23-24	
	KShs		KShs	
Medical fees paid in advance	0		0	
Credit facility deposit	0		0	
Rent deposits	0		0	
Others (specify)	0		0	
<b>Total deposits</b>	<b>0</b>		<b>0</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	0	%	0	%

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1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>	<b>%</b>	<b>0</b>	<b>%</b>

**38. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
<b>Balance at the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount & time value for money	(0)	(0)	(0)	(0)
<b>Total provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0
<b>Total Provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**39. Finance Lease Obligation**

Description	FY24-25	FY23-24
	Kshs	Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**40. Deferred Income**

Description	FY24-25	FY23-24
	KShs	KShs
Current Portion	0	0
Non-Current Portion	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description	National government	International funders/ donors	Public contributions and donations	Total
<b>Balance b/f</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions during the year	0	0	0	0
Transfers to Capital fund	(0)	(0)	(0)	(0)
Transfers to statement of financial performance	(0)	(0)	(0)	(0)
Other transfers ( <i>Specify</i> )	(0)	(0)	(0)	(0)
<b>Balance C/F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

41. Borrowings

Description	FY24-25	FY23-24
	KShs	KShs
<b>Balance at beginning of the period</b>	<b>0</b>	<b>0</b>
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	(0)	(0)
Repayments of domestic borrowings during the year	(0)	(0)
<b>Balance at end of the period</b>	<b>0</b>	<b>0</b>

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

Description	FY24-25	FY23-24
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

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Notes to the Financial Statements (Continued)

**42. Service Concession Arrangements**

Description	FY24-25	FY23-24
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	(0)
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	<u>0</u>	<u>0</u>

**43. Cash Generated from Operations**

	FY24-25	FY23-24
	KShs	KShs
<b>Surplus/deficit for the year before</b>	<b>- 36,737,294</b>	<b>- 93,843,663</b>
<b>Adjusted for:</b>		
Depreciation	99,636,188	99,724,948.00
Non-cash grants received	2,269,500	1,574,107
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	- 21,495,901	- 837,648
Increase in receivables	- 30,284,598	- 13,846,890
Increase in deferred income	-	-
Increase in payables	- 11,016,898	11,278,984
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>2,370,997</b>	<b>4,049,838</b>

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

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

**44. Financial Risk Management**

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

The Kajiado County Referral Hospital's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	23,067,280.00	2,902,780.00	20,164,500.00	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances		-	-	-
<b>Total</b>	<b>23,067,280.00</b>	<b>2,902,780.00</b>	<b>20,164,500.00</b>	<b>-</b>
At 30 June 2025				
Receivables from exchange	53,351,878.00	33,187,378.00	20,164,500.00	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances		-	-	-
<b>Total</b>	<b>53,351,878.00</b>	<b>33,187,378.00</b>	<b>20,164,500.00</b>	<b>-</b>

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the Kajiado County Referral Hospital's statement of financial position)*

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Kajiado County Referral Hospital has significant concentration of credit risk on amounts due from Defunct NHIF. 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 Kajiado County Referral Hospital's short, medium and long-term funding and liquidity management requirements. The Kajiado County Referral Hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	530,607	26,484,511	27,015,118
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>530,607</b>	<b>26,484,511</b>	<b>27,015,118</b>
<b>At 30 June 2025</b>				
Trade payables	1,280,205	6,527,500	8,190,515	15,998,220
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>1,280,205</b>	<b>6,527,500</b>	<b>8,190,515</b>	<b>15,998,220</b>

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

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

**a) Foreign currency risk**

The Kajiado County Referral Hospital has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Kajiado County Referral Hospital'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)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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

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Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2025</b>			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables			
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

**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>2024 (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 Kajiado County Referral Hospital's financial condition may be adversely affected as a result of changes in interest rate levels. The hospital's interest rate risk arises from bank deposits. This exposes the hospital to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the hospital's deposits.

**Management of interest rate risk**

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

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**Sensitivity analysis**

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs -356,912.94 (2025: KShs 36,048,206.94). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs -1,784,564.70 (2025: KShs 37,475,858.70).

**iv) Capital Risk Management**

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

Description	FY24-25	FY23-24
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	-312,033,333	-275,296,039
Capital reserve	1,006,217,000	1,003,847,500
<b>Total funds</b>	<b>694,183,667</b>	<b>728,551,461</b>
Total borrowings	15,998,220	27,015,118
Less: cash and bank balances	101927.6	431
Net debt/ ( <i>excess cash and cash equivalents</i> )	15,896,292	27,014,687
<b>Gearing</b>	<b>0.02</b>	<b>0.04</b>

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**45. Related Party Balances**

**Nature of related party relationships**

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

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

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

Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	0	0
Sales of services to xxx	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>b) Grants from the Government</b>		
Grants from County Government	383,690,456	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
<b>Total</b>	<b>383,690,456</b>	<b>0</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for kajiado referral employees	336,926,278	0
Payments for goods and services for kajiado referral	46,764,178	0

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Description	FY 2024-25	FY 2023-24
	Kshs	Kshs
<b>Total</b>	<b>383,690,456</b>	<b>0</b>
<b>d) Key management compensation</b>		
Directors' emoluments	276,500	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
<b>Total</b>	<b>276,500</b>	<b>0</b>

**46. Segment Information**

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

**47. Contingent Liabilities**

Contingent liabilities	FY24-25	FY23-24
	Kshs	Kshs
Court case xxx against the hospital	0	0
Bank guarantees in favour of subsidiary	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*(Give details)*

**48. Capital Commitments**

Capital Commitments	FY24-25	FY23-24
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

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**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Kajiado County Referral Hospital**

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

**51. Currency**

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

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**20. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>REPORT ON FINANCIAL STATEMENT</b> 1	Non-Disclosure of Employee Costs Paid by the County Government	The salaries and other allowances expenditure for the medical staff was paid for and expensed in the county executives' financial statements.	Resolved	
2	Inaccuracy of Grants from Donors and Development Partners	The management has requested the respective donor agencies for values after which the management was to address the omissions in the financial statements by restating incorrect balances in the 2024/2025	Resolved	
3	Unsupported Receivables from Exchange Transactions	However, at the time of audit, the defunct NHIF systems were down and no information could be assessed. However, the management was subsequently able to access the information.	Resolved	
4	Unsupported property plant , and equipment	The process of Transferring of ownership documents is ongoing with the relevant authorities.	Not Resolved	2025- 2026
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b> 1.	Failure to Transfer Revenue to the County Revenue Fund Account	The hospital management practice was guided primarily by the facilities improvement Act ,2023, part II Section 5(1), which states that there shall be retention of all monies raised or received by or on behalf of all public health facilities".	Resolved	
2	Lack of Quarterly Revenue Reports	It was an oversight and going forward revenue reports will be prepared and submitted on timely basis.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	Prolonged Engagement of Casual Workers	The engagement of short-term employees for periods of more than three months is due the knowledge, skills and experience they have in their respective areas of specialization. These skills and knowledge may not be readily available to engage others on short term basis without significant interruption of service delivery. The county in addition is developing a policy guideline for a one-year renewable contract for all workers across all health facilities in the county.	Not Resolved	2025-2026
4	Inadequate Storage Space for Pharmaceuticals and Non-Pharmaceuticals	An appropriate store was under renovation. The renovation work is complete and the store has now been put into use for storage of pharmaceutical and non-pharmaceutical products	Resolved	
5	Failure to Update Fixed Assets Register	A record of the valuation of Fixed assets was provided.	Resolved	
6	Deficiencies in implementation of UHC	We have since gotten 30 more newly employed nurses and one gynaecologist deployed to the hospital . HDU has not yet been set up but plans are underway.	Resolved Not Resolved	2025- 2026
7	Non-functioning and un-utilized medical equipment	The hospital has a bigger functional incinerator. The machines are now functioning.	Resolved	
8	Failure to maintain Improvement Financing Account	This arrangement was done in accordance with Section 9(1)b and section 11(1) of Kajiado county health improvement fund 2021	Resolved	
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b> 1	Expiry of medical supplies	Some medicines expired due to reduced consumption during doctors strike, donations with short expiry, and redistribution challenges. Expired drugs were quarantined and reported to public health office for disposal	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Weak Internal controls in Stores and inventory management	The management was In process of installing kenya EMR software. The hospital has started installing TAIFA CARE Software. Training of staff is still ongoing. To be resolved in a month time	Resolved	
3	Use of Manual records	The management was In process of installing kenya EMR software. The hospital has started installing TAIFA CARE. To be resolved in a month time	Resolved	
4	Failure to meet board threshold and forming Board Committees	It was not possible to meet the statutory (4) as the board was appointed on 15 <sup>th</sup> Nov 2023, midway through the financial year.	Resolved	

The matters earlier indicated as resolved in the auditors schedule were addressed when the entity appeared before the County Public Investment and Special Funds Committee on 29<sup>th</sup> May 2025.

**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 Kajiado County Referral Hospital 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.

.....  
*Dr. Fred Ayony JA*  
**Accounting Officer**

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**Appendix II: Projects Implemented by The Kajiado County Referral Hospital**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

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**Appendix III: Inter-Kajiado County Referral Hospital Confirmation Letter**


**Name of Transferring:** Department of Health services

**Name of Beneficiary:** Kajiado County Referral Hospital

Confirmation of amounts received by [Insert name of beneficiary Kajiado County Referral Hospital] as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	01/07/2024	2,902,780.00		2,902,780.00	FIF
	06/08/2024	3,139,696.70		3,139,696.70	FIF
	05/09/2024	3,083,616.20		3,083,616.20	FIF
	01/09/2024	3,938,087.30		3,938,087.30	FIF
	08/11/2024	5,579,711.90		5,579,711.90	FIF
	13/12/2024	5,215,683.90		5,215,683.90	FIF
	22/01/2025	3,674,610.80		3,674,610.80	FIF
	28/02/2025	3,257,137.80		3,257,137.80	FIF
	12/03/2025	3,577,017.50		3,577,017.50	FIF
	26/04/2025	1,959,426.70		1,959,426.70	FIF
	21/05/2025	1,816,494.00		1,816,494.00	FIF
	10/06/2025	3,199,569.00		3,199,569.00	FIF
Total		41,343,831.80		41,343,831.80	

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

**Head of Accounts Department - Disbursing County Department of Health:**

Name ..... Susan Kirobi ..... Sign .....  ..... Date ..... 28/8/25 .....

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Head of Accounts Department - Beneficiary Kajiado County Referral Hospital:

Name ..... *Grace Mweh* ..... Sign ..... *[Signature]* ..... Date..... *28/8/25* .....



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**Appendix IV Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Disaster Expenditure Reporting Template**

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