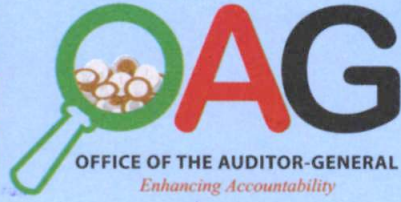


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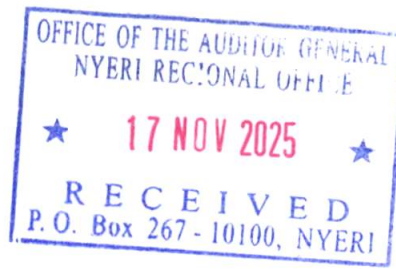
ON

NYERI COUNTY REFERRAL HOSPITAL

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

COUNTY GOVERNMENT OF NYERI

30



NYERI COUNTY REFERRAL HOSPITAL (Nyeri County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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Acronyms & Glossary of Terms

AIDs	Acquired Immuno Deficiency Syndrome
BMI	Body Mass Index
CECM	County Executive Committee Member
CPA	Certified Public Accountant
CPD	Continuous Professional Development
CPSB	County Public Service Board
CSR	Corporate Social Responsibility
CPD	Continuing Professional Development
F/P	Family Planning
GBVRC	Gender Based Violence Recovery Center
HCWs	Health Care Workers
HDU	High Dependency Unit
HIV	Human Immunodeficiency Virus
HMB	Hospital Management Board
HMT	Health Management Team
ICT	Information Communication Technology
ICU	Intensive Care Unit
ICPAK	Institute of Certified Public Accountants of Kenya
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KENAS	Kenya Accreditation Services
KMTC	Kenya Medical Training Institute
KMLTTB	Kenya Medical Laboratory Technologists and Technicians Council
KUTRRH	Kenyatta University Teaching Referral and Research Hospital
LBW	Low Birth Weight
LPG	Liquefied Petroleum Gas
MCH	Mother Child Health
MBA	Master of Business Administration
MBChB	Bachelor of Medicine and Bachelor of Surgery
MMED	Master of Medicine
MPH	Master of Public Health
MPA	Master of Public Administration

Nyeri County Referral Hospital (Nyeri County Government)
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MED SUPT	Medical Superintendent
NCRH	Nyeri County Referral Hospital
NEMA	National Environment Management Authority
NHIF	National Hospital Insurance Fund
NRCH	Nyeri County Referral Hospital
NYEWASCO	Nyeri water and Sanitation Company
ODPC	Office of the Data Protection Commissioner
OPD	Outpatient Department
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
PPAD	Public Procurement and Asset Disposal Act
PGH	Provincial General Hospital
SHA	Social Health Authority
SLDP	Strategic Leadership Development Programme
TB	Tuberculosis
UNDP	United Nations Development Program
UON	University of Nairobi
WHO	World Health Organisation
WRA	Women of Reproductive Age
MOPC	Medical outpatient clinic
ENT	Ear nose and throat
SOPC	Surgical outpatient clinic
GOPC	Gynaecological outpatient clinic
POPC	Paediatric outpatient clinic
OOPC	Orthopaedic outpatient clinic

1. Key Entity Information and Management

Background information

- (a)** Nyeri County Referral Hospital is a level (5) hospital established under gazette notice number 11837 and is domiciled in Nyeri County under the Health Department. The hospital is governed by a Board of Management.
- (b)** The hospital started in the early 1930s as a military hospital and it was referred to as a regional Native Hospital.
- (c)** On 5th July 1945, the maternity ward was opened by His Excellency Sir Philip Mitchell, the then Governor Kenya Colony.
- (d)** On 8th November 1969, the outpatient department was opened by the late President Mzee Jomo Kenyatta. The current outpatient department comprising laboratory, dental, pharmacy and the new maternity block were opened in the year 1982 by the late president Daniel T. Moi.
- (e)** Outpatient services include MCH/ F/P, specialist clinics, counselling, curative and rehabilitative services, GBVRC, laboratory, X-ray, Dental, ophthalmology, oncology service renal dialysis, and psychiatry services
- (f)** Inpatient services include 17 medical and surgical wards, maternity services, ICU services, HDU, and theatre services. It has a bed capacity of 294 beds, 32 baby-cots and 6 incubators. On average the percentage bed occupancy is 92%
- (g)** It is the referral hospital for Nyeri county and the neighbouring counties.

(h) Principal Activities

The principal activity/mandate of Nyeri County Referral Hospital is to provide quality preventive, promotive, curative, and rehabilitative health services to all our clients with dignity, professionalism and within the shortest time possible.

Vision

A referral centre of excellence offering comprehensive health care services and training.

Mission

To improve health and welfare of the population in the region by offering affordable, equitable and accessible health care services through provision of specialised, quality healthcare, medical training and research.

Core Values

Nyeri County Referral Hospital is guided by the following values: -

- Professionalism
- Customer Focus
- Integrity
- Honesty
- Punctuality
- Teamwork
- Innovativeness

Key Management

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

County department of Medical services and Public Health

- a) Coordinate the provision of preventive, promotive, curative, rehabilitative and palliative health services
- b) Develop county health policies, strategies, laws and programs and coordinate their Implementation
- c) Liaise with regulatory bodies in the enforcement of norms, standards and best Health practices
- d) Coordinate implementation of national health policies and laws at the county level;
- e) Coordinate public and private sector health programs and systems at the county level.
- f) Ensure compliance with norms and standards for health facilities and health services
- g) Ensure the implementation of rights to health specified in the Bill of Rights, more particularly the progressive realisation of the right of all to the highest attainable standard of health including reproductive health care and the right to emergency treatment;
- h) Develop and implement measures to promote equitable access to health services to the entire population, with special emphasis on eliminating the disparity in1 for the minority, special groups, marginalised and disadvantaged populations.
- i) Manage day to day human resources under the Department
- j) Facilitate capacity building and professional development for health service personnel
- k) Promote public private partnership to ensure efficient and harmonious development in the common interest to work towards progressive achievement of the right to health
- l) Oversee the management and governance of county health facilities and facilitating their development;
- m) Licence and control undertakings that sell food to the public
- n) Control the management of cemeteries, funeral homes and crematoria
- o) Develop county policies and laws for control of health risk factors and initiating relevant mitigating measures and programs in collaboration with other agencies;
- p) Ensure and coordinate the participation of communities in the governance of health services so as to promote a participatory approach in health care governance.
- q) Promote realisation of health rights;
- r) Procure and manage medical supplies and commodities;
- s) Develop and manage the county health referral system including ambulance services;
- t) Ensure that the purpose of the health services Act and the principles of health services provided are realised;
- u) Facilitate registration, licensing and accreditation of health service providers and health facilities respectively according to standards set by the national ministries responsible for health and relevant regulatory bodies;
- v) Coordinate and conduct high quality and ethical research and ensure dissemination of research findings;
- w) Coordinate health activities in order to ensure complementary inputs, avoid duplication and provide for cross-referral, where necessary to and from institutions within the county and between counties;
- x) Provide for the development, strengthening and expansion of a county health information management system.

Board of Management

The key functions of the hospital management board includes -

- Overseeing Hospital Performance Improvement
- Participating in planning for the Hospital activities.
- Mobilising resources
- Overseeing the Financial Operation of the Hospital
- Ensuring Development of Hospital Human Resources.
- Ensuring communities rights are fulfilled and their needs are adequately met
- Maintaining a Positive Public Image
- Ensuring compliance with environmental regulations and standards
- Enhancing External Relationships and partnerships
- Mitigating Potential Conflicts of Interests
- Risk Management
- Participating in planning for the Hospital activities.
- Mobilising resources
- Overseeing the Financial Operation of the Hospital
- Ensuring Development of Hospital Human Resources
- Ensuring communities rights are fulfilled and their needs are adequately met
- Maintaining a Positive Public Image
- Ensuring compliance with environmental regulations and standards
- Enhancing External Relationships and partnerships.
- Mitigating Potential Conflicts of Interests
- Risk Management
- Regulatory Compliance

Accounting Officer/ Medical Superintendent

Takes overall responsibility in the day to day running of the Hospital on behalf of the Board of Management by;

- a) Providing visionary and transformational leadership
- b) Overseeing the implementation of the Boards resolutions
- c) Providing support to the Board of Management for effective oversight
- d) Evaluate the hospital’s long term healthcare service effectiveness
- e) Review and recommend appropriate actions for strategic operational plans and policies
- f) Review performance improvement activities and patient’s safety efforts
- g) Identify, evaluate and implement the scope of services, practice and governance of the hospital
- h) Prudent management of resources
- i) Formulating long-term strategies and business plans
- j) Monitoring and evaluating performance

Hospital Management Team

The Hospital Management Team comprises in-charges of the various departments within the hospital mainly; Clinical Medicine, Nursing, Radiology, Laboratory, Health Records, Physiotherapy, Occupational Therapy, Theatre, BioMedical Engineering among others.

The Hospital Management Team is headed by the medical superintendent .They are responsible for the day to day operations of the hospital as well as work plans and reports and presenting them to the Hospital board for adoption and approval.

(i) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr Benson Ngari
2.	Deputy Medical superintendent	Dr Mwenda Ricu
3.	Deputy Chief Health Administrative Officer	Hellen Ndachi
4.	Nursing Services Manager	Merioth Mugambi
5.	Senior Health Administrative Officer	Monicah Mwangi
6.	Head of finance	CPA James Maina
7.	Head of supply chain	Alice R Nderitu

(j) Fiduciary Oversight Arrangements

- ❖ The key oversight arrangement is provided by the various operational committees whose mandate is to supervise a specific area of service delivery.
- ❖ The membership of the committees is drawn from the Hospital Management Team Members who are Team Leads of their respective departments.
- ❖ Below are some of the Committees that offer this Fiduciary oversight role;
- ❖ Quality of Care Committee.
- ❖ Executive Expenditure Committee
- ❖ Human Resource Committee
- ❖ Hospital Catering committee
- ❖ Disaster management & prevention committee
- ❖ Integrity and Ethics Committee.
- ❖ Disability mainstreaming committee
- ❖ Cost-sharing/FIF committee.
- ❖ ICT committee
- ❖ Infection/Prevention Committee.
- ❖ Customer Satisfaction Evaluation Committee.
- ❖ Research Ethics and Review Committee
- ❖ Other oversight committees

We also have the Finance and General purpose committee from the Hospital Management Board whose roles include, but are not limited to:

- Review of financial Reports.
- Review of available funding/revenue and recommend revenue raising strategies.
- Development of annual and quarterly budgets proposal for approval by the Board

Other oversight bodies include

- County Assembly
- Parliamentary committees

Key Entity Information and Management (continued)



- (k) Entity Headquarters**
Nyeri County Referral Hospital
P.O. Box 27-10100
Along Kangemi Road,
Nyeri Town Nyeri, Kenya
- (l) Entity Contacts**
Telephone: (+254) 724249963
E-mail: admin@nyerireferralhospital.or.ke
Website: www.nyerireferralhospital.or.ke
- (m) Entity Bankers**
Kenya Commercial Bank Nyeri Branch
P.O Box 840-10100 Nyeri.
- (n) Independent Auditors.**
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (o) Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
- (p) County Attorney**
Kimani Rucuiya
P.O. Box. 1112-10100
Nyeri, Kenya.

2. The Board of Management



	Directors	Details
1.	 <p>Mr Anthony Maina Mithanga</p>	<p>He is the chairman of the Hospital Management Board and the Executive sub-committee of the Hospital Management Board.</p> <p>He is a Professional with a strong ICT background.</p> <p>He enjoys over 20 years of experience in implementing business solutions for both Private & Public institutions</p> <p>He is the current Chairman & Managing Director of Biometrics Technology Limited, a regional Security Surveillance Company based in Nairobi, Kenya.</p> <p>He is the founding and Managing Consultant of Spasys Limited, a global Management consulting, technology services and outsourcing company based in Nairobi, Kenya.</p> <p>He holds a bachelor of Science degree from the University of Nairobi and is an alumnus of Mangu High School.</p> <p>His tenure comes to an end in September 2025.</p>
2.	 <p>Mr Joseph Kagunda</p>	<p>He holds a Second Class Honours, (Upper Division).</p> <p>Bachelor of Science degree in Information Technology from Moi University. He is a Specialist in Website design and Administration, Computer Maintenance & networking, Database management & Computer programming. He has worked in his professional field in different capacities since 2018. He has held leadership positions in various organisations. He is the chairman of the Finance & General purpose sub-committee of the Hospital Management board.</p>


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<p>3.</p>	 <p>Mr Martin Gathanga Githinji</p>	<p>He is a Finance/Accounting professional with twenty (20)years of experience.</p> <p>He is a Senior Accountant with KUTRRH a position he has held from October 2019 to date.He has also worked in the same institution as the bookstore manager between 2017 and 2019 and as an accountant between 2011 and 2017.</p> <p>He has also worked as a financial consultant with UNDP,an Auditor with Muturi Kihara and Associate Audit firm and as an Accountant with Prudential Capital Group of Companies.</p> <p>He holds a Master of Business Administration (Finance) from University of Nairobi, a Bachelor of Business Administration(Accounting & Finance) from Kenya Methodist University and CPA(K).</p> <p>He is also a member of the Institute of Certified Public Accountants of Kenya.(ICPAK)</p> <p>He has been a member of the hospital management board since his appointment in September 2023.</p> <p>He is a member of the Finance & General purpose sub-committee of the Hospital Management board.</p>
<p>4.</p>	 <p>Fr Charles Macharia</p>	<p>He is a Parish Priest at the St. Peter & Apostle Kabiruini Catholic Parish. He is an Assistant Youth Chaplain at Nyeri Diocese. He also serves as the Assistant Parish Priest at the Holy Cross Ngandu Catholic Parish.</p> <p>He is a Director at the St. Ann Academy Ngandu.</p> <p>He received his Diaconate ordination on 20th April, 2013 and Priestly ordination on 23rd November, 2013.</p> <p>He has served as a Catholic Deacon at Ithenguri & Giakaibeii Parish</p> <p>He is the deputy chairman of the Hospital management Board.</p> <p>He is a member of both the executive & Finance & General purpose sub-committees of the Hospital Management board.</p>



<p>5.</p>	 <p>Ms Winnie Mbugua</p>	<p>She holds a PHD in Human Resource Management Has served as a Branch Manager of the National Hospital Insurance Fund (NHIF) Embu, Thika, Limuru, Westlands & Buruburu branches Partners with the County Government of Nyeri in Registration of Nyeri Residents in benefitting from the Universal Health Coverage. She was instrumental in establishing NHIF central regional office. She has played a key role in establishing Gender mainstreaming in NHIF alongside its other functions. She played a major role in the establishment of Nyahururu, Maralal, Mwea, and Ruiru NHIF offices. She is a member of the Finance & General purpose sub-committee of the Hospital Management board.</p>
<p>6.</p>	 <p>Mr Joram Onditi</p>	<p>He is a project officer with Amref Kenya, Africa CDC Saving lives and Livelihoods (SLL) & Project last Mile (PLM) from August 2022 to date. He has also worked as a project officer AMREF Kenya under the EU COVID-19 Emergency Response Project from July 2020 to July 2022 and as a project manager for various projects under Amref Kenya from July 2008 to September 2019. He has also worked in various healthcare facilities as a clinician in charge and as a program coordinator with APHIA 2 PMTCT Program He has over twenty five (26) years experience in the Healthcare field. He holds a BSc in public health from JKUAT, an Advanced Diploma in Public Health from Kenyatta University and a Diploma in Clinical Medicine from KMTC. He also has a certificate in Leadership and Management in Health from University of Washington He has been a member of the hospital management board since his appointment on 1st August 2023.</p>



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		<p>He is a member of the Quality of Healthcare services sub-committee of the Hospital Management Board.</p>
7.	 <p>Dr Mary Ann N Ndonga</p>	<p>She is a Dental surgeon who has previously worked in the Ministry of Health as a Deputy Director of Medical Services; Head Quality Assurance and Standards.</p> <p>She holds an MBA,MPA and MPH.</p> <p>She has also worked with the Ministry of Education as board chair and board member in Naromoru Boys High School and Leshau Boys High School respectively.</p> <p>She is an accredited court mediator by the Judiciary and has also worked in the HIV&AIDs tribunal as a member for three years.</p>
8.	 <p>Dr Nelson Muriu</p>	<p>He is the Director of Health services in Nyeri County.</p> <p>He holds a MSc in applied epidemiology (JKUAT) and MBChB(UON)</p> <p>Member of Kenya Medical Association and Kenya Field Epidemiology Society</p> <p>He is a member of the Quality of Healthcare Services sub-committee of the Hospital Management Board.</p>

9	<p>Dr Benson M Ngari</p> 	<p>He is the Medical Superintendent and the secretary to the Hospital Management Board.</p> <p>He holds a MBCHB ,MMED (Anaesthesiology) from University of Nairobi.</p>
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3. Key Management Team

	Management	Details
1.	<p>Dr.Benson Ngari-Medical Superintendent</p> 	<p>The medical superintendent.</p> <p>He holds a MBCHB ,MMED (Anaesthesiology) from University of Nairobi.</p> <p>He is the overall in charge and oversees all clinical and administrative functions in the Hospital.</p>
2.	<p>Dr. Mwenda Ricu-Deputy Medical Superintendent OPD</p>	<p>He is the Deputy Medical Superintendent Outpatient Services.</p> <p>He holds a MBCHB from Moi University and MMED (Psychiatry) from University of Nairobi.</p> <p>His role is to coordinate all Outpatient clinical Services</p>
3.	<p>Hellen Ndachi-Deputy Chief Health Administrative Officer</p> 	<p>Holder of MBA(project management) from Kenyatta University;</p> <p>Bachelor of Arts from University of Nairobi</p> <p>Diploma in Project Management(KIM)</p> <p>Head of general administrative/support services</p>

<p>4.</p>	 <p>Monicah W Mwangi- Senior Health Administrative Officer</p>	<p>Holds a Bachelor's degree in commerce majoring in Human Resources from Kenyatta University. She also holds an Advanced Diploma and Diploma in Business Administration from The Association of Business Executives (ABE) U.K</p> <p>She also has a certificate in Senior Management from KSG.</p> <p>Responsible for overseeing the non-medical administrative functions in the facility.</p>
<p>5.</p>	 <p>Merioth Mugambi-Nursing Services Manager</p>	<p>She holds a Bachelors of Science degree in Nursing. Her role is to Provide leadership in nursing practice within the hospital.</p>

<p>6.</p>	<p>CPA James Maina Karani-Head of Finance</p> 	<p>Holds a Bachelor's degree in Commerce majoring in Accounting. He is a Certified Public Accountant(CPA K) and a member of ICPAK.He has a certificate in Senior Management Course from Kenya School of Government.He oversees expenditure and revenue management and ensures adherence to financial guidelines and policies</p>
<p>7.</p>	<p>Alice R Nderitu-Head of Procurement</p> 	<p>She holds a Higher Diploma and a Diploma in supply chain management from the Kenya School of Government.She also has a certificate in Senior management from Kenya school of Government.Her role is procurement of goods, services and works and ensuring compliance on procurement procedures regulations.</p>

4. Chairman's Statement

As the Chairman of NCRH management board, i hereby present the facility's Annual Report and financial statements for the year ended 30th June,2025:

Year 2024 -2025 being the fourth year of implementation of the Health Service Fund (HSF), the fund continued to grow which ensured uninterrupted service delivery to Nyeri residents. Although the hospital did not achieve the set revenue target of Ksh **386,228,943.00**, it realised Ksh **345,754,684** as compared to Kshs. Ksh **351,117,220** in 2023/2024 and Ksh **225,949,037.00** in 2022/2023. This is a **1.5%** drop, which, although seems insignificant, needs to be reversed.. The institution together with the county management should critically scrutinize its revenue trends and associated factors in order to come up with realistic and achievable targets. This will greatly contribute to the implementation of the Nyeri County Health Service Fund, 2021 which aims to transform the health sector and enhance the efficacy in service delivery to Nyeri residents.

As the referral health facility within the county and around the Central region, it prides itself in offering among other services quality specialised health care services including radiology, neurosurgery, orthopaedic surgery, plastic surgery (reconstructive surgery), burns management, critical care services, newborn services, ophthalmology, oncology, palliative care, dialysis services among others boasting of its diverse medical specialists.

I am particularly impressed by the tenacity and resilience of the staff coupled with their commitment to delivering the best possible service to patients. The teams have remained steadfast in the provision of care, beyond the call of duty at all service delivery points to ensure positive clinical outcomes and utmost customer satisfaction.

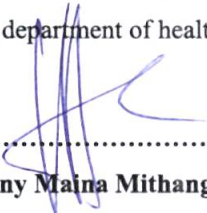
The hospital Management continues to execute its mandate guided by the existing legal, policy, and institutional frameworks that govern the health sector to ensure efficient and effective delivery of services in the Hospital. I would therefore wish to acknowledge and applaud the role and dedication of the Management team in upholding good governance, fostering strategic partnerships and being good stewards of the available resources in our institution for the sake of our clients and all the stakeholders. The hospital has continued to experience challenges such as staff attrition, absence of robust health management information system (HMIS) and infrastructure limitation which calls for more resources and continuous improvement of the quality of services to the clients . In response to this, the Board remains focused and offers effective oversight to the management functions to ensure prudent utilisation of resources as well as supporting initiatives that will sustain Nyeri CRH as a leader in the healthcare sector.

The current HMB whose term comes to an end, has set a firm foundation for the hospital by coming up with the 2024-2027 strategic plan which gives the facility's roadmap. It is expected that this document will be operationalised within the timelines and in the manner that is stipulated..

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On behalf of the Board, I would like to thank all our stakeholders especially the Ministry of Health, the County Government of Nyeri under the able leadership of H.E Mutahi Kahiga EGH, the department of Health, donors, partners and well wishers in health for the support accorded to the hospital without which our achievements would not have been realised. I would like to express my gratitude to the Hospital Board of Management, Nyeri NCRH staff, team leaders, who take such pride in their work, and who exemplify our hospital's mission and values each day.

Finally i wish the incoming management board success as it seeks to inject new ideas, aligns itself to the national, county and department of health's policies and ensures that all decisions are implemented.



.....
Mr. Anthony Maina Mithanga
Chairman, NCRH Management Board

5. Report of The Medical Superintendent

The following is the annual report and financial statements for the year ended June 30th 2025 as presented by the medical superintendent. This report is categorised into operational performance, financial outlook and strategic direction.

Operational performance.

The hospital is of level V status and as such, has aligned itself to provide specialised healthcare services as per SHA policy. It serves as a referral facility within the county with a catchment area projected population of 111,514 and also across the region. The hospital management facilitated and oversaw the implementation of the Annual Work Plan (AWP) 2024/2025 through the various service delivery units. Subsequently within the year in question, the management prepared the AWP 2025/2026, setting targets on key performance indicators in service delivery. The hospital Management held monthly health management (HMT) meetings involving heads of departments to deliberate on key issues related to service delivery as well as participate in the preparation of budget proposals. Similarly, weekly top management meetings bringing together the Medical Superintendent, Deputy Medical Superintendent, Senior Health Administrative Officer, Hospital administrators, Nursing Services Manager, Deputy Nursing Services Manager and the Clinical Officer in charge were held routinely to discuss emerging clinical and operation challenges and recommending timely and appropriate corrective measures. Daily updates and status reports are made available through the Medical Superintendent report that is prepared and submitted by the office of the Nursing Services Manager's Office on 24-hour basis on the hospital operations in the various departments.

Standing committees of the Health Management Team held meetings and conducted various activities towards achieving the agreed upon targets in the performance contract of the County Executive Cabinet Member (CECM), Department of Health. These include; fire safety training by the OSH Committee, revision of the hospital formulary and antimicrobial stewardship (AMS) activities by the Medicines and Therapeutic Committee and quality improvement and compliance audits by the Quality Improvement Team and Infection Prevention and Control Committee respectively.

In the year 2024/2025, the hospital attended to 128,947 out patients and 10,252 inpatients giving a total of 139,199 patients. The utilisation of services in the outpatient decreased by 20% from 162,281 in 2023-2024. While inpatient attendance increased by 13% from 9,099 in 2023-2024. This is attributed to categorization of the hospital as a level 5, restricting to offer mainly inpatient services as opposed to outpatient services. The average bed occupancy is 82%.

The hospital boasts of a diverse pool of medical specialists among many other health care workers who ensure safe, timely, equitable, efficient, effective and patient centred service delivery.

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The mortality rate stood at 60 deaths per 1000 population compared to 64 deaths per 1000 population in 2023-2024 and 73 deaths per 1000 population in 2022-2023 which is an encouraging trend.

The hospital ensured that the facility's laboratory had the required licences and accreditations from Kenya National Accreditation Services (KENAS) and KMLTTB among others. This is in conformity with the requirements by ISO 15189:2012, Clause 4.15 Management Review "Laboratory management shall review the quality management system at planned intervals to ensure its continuing suitability, adequacy and effectiveness and support of patient care'. This demonstrates that the hospital is committed to providing quality, accurate and timely results to facilitate optimal patient care management.

Emergency Medicine Kenya Foundation (EMKF) , a partner, completed a facelift and equipping of our Accident and Emergency department with a twelve bed casualty in December 2024 which has taken our casualty to a new level of care. Smile train has continued to support cleft surgery and equipped the hospital with both pulse oximeters and capnography devices.

As a facility, we have embarked on aspects of patient safety which is an integral component of health service delivery. The strategy was done by strengthening the functions of Infection Prevention and Control (IPC), Antimicrobial Stewardship (AMS), Occupational Safety and Health (OSH) and Quality Improvement Teams(QIT). The ultimate goal is to enhance monitoring and evaluation of key performance indicators of critical service delivery data in order to assess the quality of care and continuously improve in patient care and clinical outcomes.

The facility continued to build the capacity of its staff in all relevant fields to meet their training needs. This is through weekly CPD accredited hospital CMEs, online professional education(webinars), scientific conferences, external workshops etc. This financial year, the facility was able to support training of one officer in SLDP and one in senior management, a milestone. We even intend to sponsor more officers in these management courses.

We maintained active mechanisms for receiving and resolving customer feedback through strengthening of the hospital complaints and compliments committee in the execution of its mandate. This is intended to enhance patient –caregiver engagement.

An Audit exercise by the Office of the Auditor General (OAG) was conducted in December 2024 following the preparation and submission of the annual report and financial report for the year ended 30th June, 2024. The final report from the OAG gave a qualified opinion with regards to our general performance. The hospital gave its response to the relevant oversight bodies.

Financial Outlook

The hospital relied heavily on the internally generated revenue to meet the cost of operations and maintenance; the largest component being cost sharing revenue established under the Nyeri County Health Services Fund Act, 2021.

During the year under review, the hospital generated Kshs **345,754,685.00** against a target of Kshs **386,228,943.00**. Although the hospital did not achieve its target this year, and had a drop of 1.5% from last year, it could have been affected by the SHA policy which restricts primary health care to level IV facilities and below which is supported by the reduced outpatient percentage compared to the increased inpatient percentage..The facility also received in kind contributions from the county government in form of drugs, non-pharmaceuticals, laboratory & X ray supplies and linen. Overall, this enabled the hospital to achieve 58.4 % allocation for the purchase of health commodities.

Strategic Direction

The hospital management aims at diversifying and strengthening specialised services to match those envisioned by SHA. This will be achieved through mobilising resources, efficiently utilizing them and sealing pilferages.

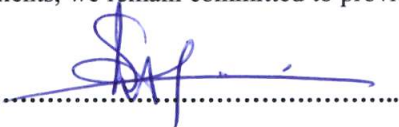
Some of completed cost cutting measure projects are; installation of bulk LPG system for cooking which is saving Ksh 2.8 million per year and use of borehole water for cleaning floors, walkways and for flushing toilets which has reduced water bills of NYEWASCO. The institution has also planned to invest in solar power systems to reduce the cost of electricity.

The Hospital's management board has developed the 2023-2027 strategic plan and is about to be launched. This plan gives a comprehensive discussion key items like resource management, execution of various proposed projects. It finally states on how monitoring and evaluation will be carried out..

Acknowledgement

I would like to thank the entire NCRH management team commitment, team work, professionalism and dedication in provision of quality health services to the clients that seek services in the hospital. Special gratitude to the hospital's Management Board led by the Chairman for injecting their expertise into the hospital, advice during critical times, keen oversight and visionary leadership. The County Government of Nyeri especially the Department of Health is greatly appreciated for its guidance and supervision in the execution of our duties in healthcare delivery. Our esteemed stakeholders and partners in the health sector, for walking with us as we strive to meet the needs of our clients.

To our clients, we remain committed to providing quality, safe ,efficient and timely services that meet their health needs.



Dr Benson Ngari

Medical Superintendent & Secretary to the Board

6. Statement of Performance Against Predetermined Objectives

NCRH drew its strategic themes and objectives within the current Nyeri County Integrated Development Plan FY 2023-2027. These strategic pillars/ themes/ issues are as follows;

Program area 1: Curative and rehabilitative health services.

Program area 2: Preventive and promotive Health services.

Program area 3: General administration, planning, management support and coordination.

The hospital developed its 2024/2025 annual work plan based on the above 3 program areas. Assessment of the Board's performance against its annual work plan was done on a quarterly basis. NCRH achieved its performance targets set for the FY 2024/2025 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar/The	Objective	Key Performance Indicators	Activities	Achievements
Strategic Pillar/The m e/Issues	Preventive and Health Services	1) Proportion of HIV + pregnant mothers receiving preventive ARVs to reduce risk of mother-to-child transmission (PMTCT) 2) Proportion of pregnant women receiving TT2 plus immunization 3) Number of pregnant women receiving IPT2 4) % Children under one year of age fully immunised 5) Number of pregnant women distributed with LLTNs in endemic and epidemic districts 6) Proportion of people receiving MDA for schistosomiasis 7) Number of TB patients completing treatment 8) Number of TB patients tested for HIV 9) Number of newly diagnosed TB cases	- Ensuring that all HIV positive pregnant women are enrolled into care Health promotion Health education	100% 60% 0 19.1% 0 0 97 326 376

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Preventive and promotive Health Services	Halt and reverse the increasing burden of Non-communicable conditions	<p>1) Proportion of adult OPD clients with a BMI of more than 30</p> <p>2) Proportion of women of reproductive age (WRA) screened for cervical cancer</p> <p>3) Number of new outpatients with health conditions.</p> <p>(4) Number of new outpatients found with high blood pressure per 100,000</p> <p>-Supply adequate screening equipment</p>	<p>Facilitate health education in the facility</p> <p>-Stock adequate supplies of health products</p> <p>-Lobby for additional health workers Capacity building of the health workers.</p> <p>-Supply adequate screening equipment -Increase the range of screening equipment/services</p>	<p>No data</p> <p>89%</p> <p>650 per 100000</p>
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Nyeri County Referral Hospital (Nyeri County Government)
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Curative and rehabilitative health services	Reduce the burden of violence and injuries	<p>1) % of new outpatient cases attributed to gender-based violence.</p> <p>2) % of new outpatient cases attributed to road traffic accidents.</p> <p>3) % of new outpatient cases attributed to other injuries.</p> <p>4) Number of patients with injury-related conditions dying in the facility.</p>	<p>-Procurement of the required products Established a blood transfusion unit in the hospital</p> <p>-Collate information on health actions at this level of care</p> <p>-Sensitize and train the Health workers on documentation and data consumption -</p> <p>Construction/ renovation and equipping treatment and rehabilitation center</p>	<p>0.8%</p> <p>0.5%</p> <p>26.8%</p> <p>31</p>
Curative and rehabilitative health services.	Provision of essential medical services	<p>1) % of pregnant women attending at least 4 ANC visits</p> <p>2) % of WRA receiving family planning commodity.</p> <p>3) % of pregnant women getting iron supplements.</p> <p>4) % of deliveries conducted by skilled attendants in health Facilities</p>	<p>-Procurement of required health products</p> <p>-Procure necessary health products</p> <p>-Lobby for one utility vehicle</p> <p>-Lobby for a proper ambulance</p>	<p>87.2%</p> <p>21516</p> <p>72.1%</p> <p>995</p>

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Annual Report and Financial Statements for The Year Ended 30th June 2025

<p>General administration, planning, management support and coordination</p>	<p>-Construction and maintenance of buildings</p>	<p>-Number of constructions done</p>	<p>1.Cabro paving of the parking areas 2.Phased Terrazzo walkways 3.Construction of staff toilets in maternity, ward 14/15 and theatre. 4.Retention wall at the shredder house. 5.Access way and waste holding area: shredder house. 6.Ward 10 renovation 7.2nd phase paed's ward completion 8.Repainting of the hospital 9.Construction of a patient's ablution block. 10.Construction of a patient's ablution block 11.Expansion of surgical unit Lobby for mobilization of resources. -Provide bill of quantities</p>	<p>-Not done -Not done -Not done -Not done -Done -Not done -Not done -Not done -Not done -Not done -Not done -Not done -Not done -Not done</p>
	<p>-Procurement of medicines, medical and other supplies</p>	<p>-% of Medicines procured -% of other supplies procured</p>	<p>-Raising requisitions -Identification of procurement method -Raising of LSO/LPO -Receiving the commodities -Receiving the supplier invoices -Payment process to the supplier</p>	<p>-All approved procurements were completed</p>

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	-Procurement and maintenance of medical and other equipment	-% of medical and other equipment procured -% of medical and other equipment maintained	Raising requisitions -Identification of procurement method -Raising of LSO/LPO -Receiving the commodities -Receiving the supplier invoices	All approved procurements were completed
	-Management and coordination of health services	-Number of management meetings held	-Attending meetings -Supervisory visits	
	-Health sector planning, budgeting and monitoring and evaluation	-Number of plans approved -Number of budgets approved -Number of M & E activities done	-Development of AWP 2024-2025 -Approval of annual and quarterly budgets	-One AWP 2024-2025 -One annual & 4 quarterly budgets

7. Corporate Governance Statement

Nyeri County Referral Hospital is governed by a gazetted Hospital Board whose chairman and members are appointed by the Governor and vetted by the Members of the County Assembly to assess their suitability.

The members are as follows:-

Board member	Board Position	Re-appointment date	Retirement date
Mr. Anthony Maina Mithanga	Chairperson	September, 2022	September, 2025
Fr. Charles Macharia	Member	September, 2022	September, 2025
Mr. Joseph Kagunda Mwangi	Member	September, 2022	September, 2025
Ms. Winnie Mbugua	Member/SHARepresentative	September, 2022	September, 2025
Dr Nelson Muriu	Member-County Director of Health	September, 2022	September, 2025
Dr Benson Ngari	Secretary/Medical Superintendent	October, 2024	September, 2025
Mr Joram Onditi	Member	August 2023	August 2026
Martin Gathanga	Member	September 2023	September 2026
Dr MaryAnn Ndonga	Member	October 2024	October 2027

Role of the Chairman

The Chairman is responsible for the strategic leadership of the board and is pivotal in creating conditions for the overall effectiveness of the board, promotes an open environment for debate and ensures all members are able to speak freely and contribute effectively. He ensures that the Board plays a full and constructive part in the development and determination of the Hospital's strategies and policies. The chairman ensures that board meetings are held as and when necessary and members are supplied with accurate, timely and sufficient information to enable them to discharge their duties effectively.

The following are the details of Board meetings that were held in financial year 2024-2025 :-

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Board meetings

The Chairman, in conjunction with the secretary to board, sets the agenda for each Board meeting which is circulated at least seven days prior to meeting.

In the year under review, the Board held a total of six (6) meetings to consider pertinent issues relating to strategy, institutional performance and sustainability of the Hospital.

Board member	Board Position	No.of board meetings attended
Mr. Anthony Maina Mithanga	Chairperson	6/6
Fr. Charles Macharia	Member	4/6
Mr. Joseph Kagunda Mwangi	Member	6/6
Ms. Winnie Mbugua	Member	5/6
Mr.Martin M Githinji	Member	6/6
Mr.Joram Onditi	Member	5/6
Dr Maryann Ndonga	Member	2/2
Dr. Nelson Muriu	Member	6/6
Medical Superintendent (Dr Shaban Saidi then Dr Benson Ngari)	Secretary	6/6

Independence of board of Management

The Board considered the independence of all the Non-executive members of the board, upon the recommendation of the Chairman, taking into consideration all relevant relationships and circumstances. They are considered independent in character and judgement and free from any business or other relationship or circumstances that could potentially materially interfere with the exercise of their respective and collective independent judgement.

Key board decisions

In Financial year 2024-2025, the Board made the following key decisions:

1. Approving cost cutting measures which included replacing cooking cylinders with installation of LPG gas, completion of sinking of borehole and installing solar system to power it and purchasing of solar/motion sensor bulbs in offices.
2. Resource mobilization by deploying billing clerks in the wards, getting partners to participate in adopt a ward initiative in ward 14, casualty and maternity and repair & maintenance of key equipment in x ray, renal and oncology departments to generate more revenue.
3. Improving the welfare of the patients by approving installation of solar water heating systems in the remaining wards, approving repainting of the entire hospital.
4. Development of the 2023-2027 strategic plan to act as a roadmap for health service delivery, developments and overall strategic direction of the hospital.

Accountability and audit

The board is mandated to ensure that the hospital maintains proper, reasonable and accurate accounting records showing and explaining the transactions and financial position of the hospital in compliance with the Public Finance Management Act No. 18 of 2012 and the prescribed accounting standards.

Conflict of interest

Board members during the year under review were bound by the principles of conflict of interest as highlighted below:

- (1) If a member is directly or indirectly interested in an outcome of any decision of the Board or Committee or other matter before the Board or Committee and is present at a meeting of the Board or Committee at which the matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter: Provided that, if the majority of the members present are of the opinion that the experience or expertise of such member is vital to the deliberations of the meeting, the Board or Committee may permit the member to participate in the deliberations subject to such restrictions as it may impose but such member shall not have the right to vote on the matter in question.
- (2) A member of the Board or Committee shall be considered to have a conflict of interest for the purposes of this Act if he acquires any pecuniary or other interest that could conflict with the proper performance of his duties as a member or employee of the Board or Committee.
- (3) Where the Board or Committee becomes aware that a member has a conflict of interest in relation to any matter before the Board or Committee, the Board or Committee shall direct the member to refrain from taking part, or taking any further part, in the consideration or determination of the matter.
- (4) If the chairperson has a conflict of interest he shall, in addition to complying with the other provisions of this section, disclose the conflict that exists to the chief officer in writing.
- (5) Upon the Board or Committee becoming aware of any conflict of interest, it shall make a determination as to whether in future the conflict is likely to interfere significantly with the proper

and effective performance of the functions and duties of the member of the Board or Committee and the member with the conflict of interest shall not vote on this determination.

Board remuneration

For every Board meeting attended, members are entitled to a sitting allowance, lunch allowance (where lunch is not provided) and transport allowance as guided by Salaries and Remuneration Commission letter to Kiambu County Public Service Board Ref no SRC/TS/29/13(14) dated 28th July 2022. Details of member's emoluments during the year are shown on note 11 in the notes of the financial statement.

Code of conduct & ethics

The board complied with the code of conduct governing public officers during the year under review.

Nyeri County Referral Hospital is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. A formal code of ethics has been approved by the Board and is fully implemented to guide the Board, management, employees and stakeholders on acceptable behaviour in conducting business. All Board members and employees of the Hospital are expected to avoid activities and financial interests that could undermine their responsibilities to the Hospital

8. Management Discussion and Analysis

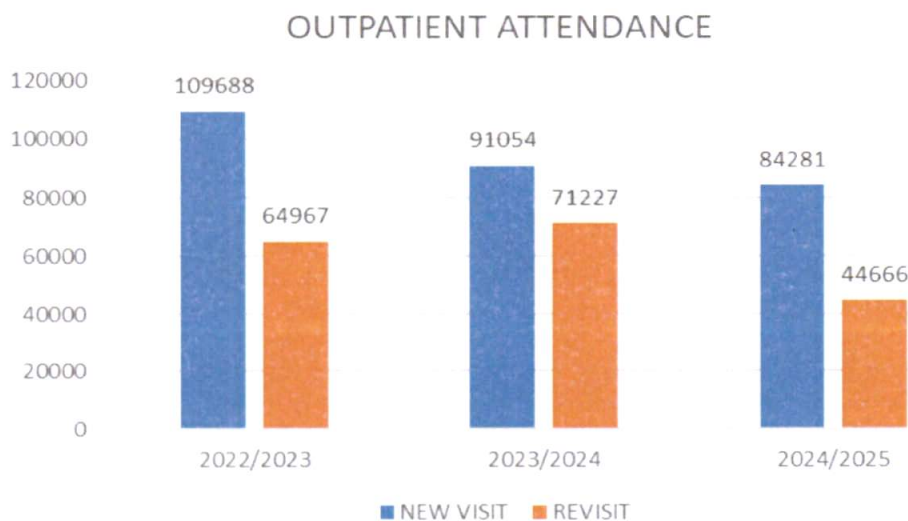
Clinical/operational performance

a) The table below illustrates the Bed capacity of the hospital for the last three Financial years.

INDICATOR	JULY 2022-JUNE 2023	JULY 2023-JUNE 2024	JUL 2024-JUNE 2025
BED CAPACITY	262 BEDS	276 BEDS	276 BEDS
	53 COTS	33 COTS	33COTS
		6 INCUBATORS	6 INCUBATORS

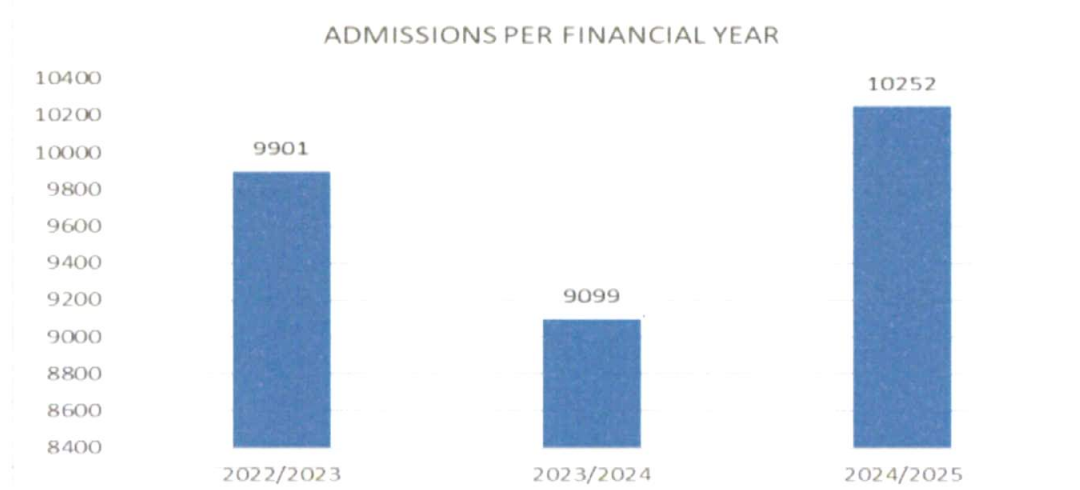
There was an increase in the number of hospital beds in the financial year June 2023/2024 after renovation of Male Medical Ward . There was also a reduction in the number of cots following removal of cots from the Paediatric Ward .

(b) General Outpatient workload



The Hospital workload for the financial Year 2023/2024 experienced a decrease of 8.2% between financial Year 2022/2023 and 2023/2024. This was a result of the Doctors strike that affected outpatient attendances. The hospital workload for the financial Year 2024/2025 experienced a decrease since there were difficulties in retrieving workload from Kenya EMR in the second quarter of 2024/2025 financial year and SHA Outpatient package not operational unlike other financial years where NHIF was covering Outpatient Services

(c) Admissions



The bar graph above shows the trends for hospital admissions for the last 3 financial years. There was a decrease in the number of admissions in the financial year 2023/2024 due to the Doctors Strike in the month of April and May 2024.

d) Accidents and emergencies

Nyeri county referral hospital receives accident victims from across the county. The table below show data on accidents and emergencies from the last three financial years.

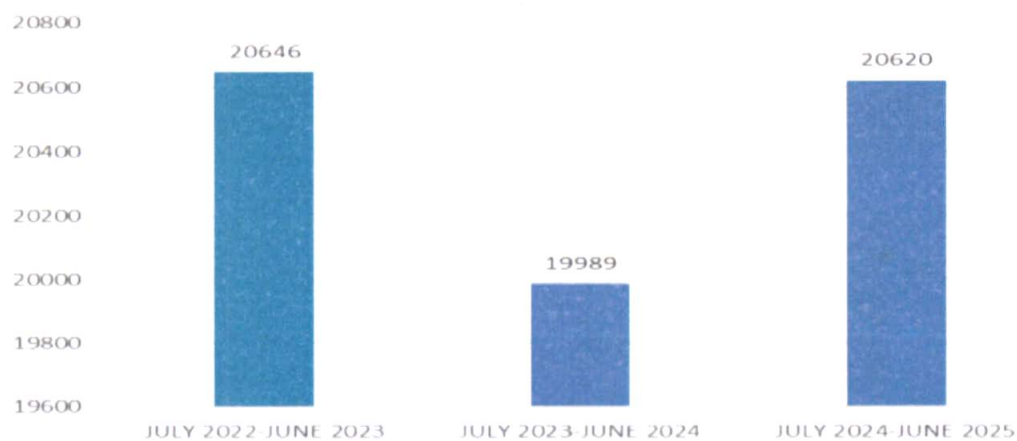
INDICATOR	JULY 2022-JUNE 2023	JULY2023-JUNE 2024	JULY2024-JUNE 2025
Number of Road Traffic accidents	301	253	297

e) Specialized Clinic attendance

CLINIC	2022/2023	2023/2024	2024/2025
ENT	811	570	1046
PSYCH	474	351	185
OOPC	1438	1012	1061

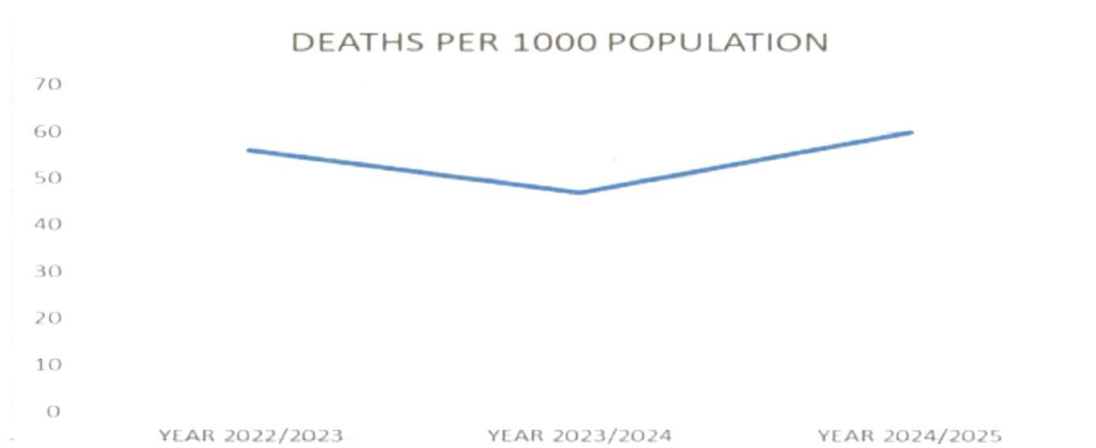
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MOPC	4570	5740	4390
SOPC	1808	1700	1989
POPC	1576	1676	1504
GOPC	1428	1142	1444
ONCOLOGY	4264	4104	5805
RENAL	329	408	458
SPECIAL CLINICS (UROLOGY, PLASTIC AND NEUROSURGERY)	3948	3286	2738
TOTAL	20646	19989	20620



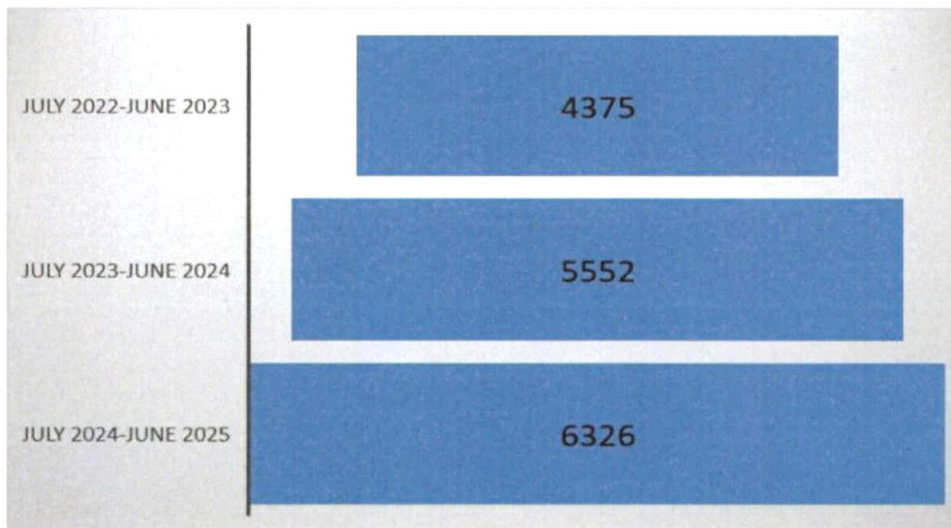
There was a decrease in the hospital special clinic attendance in the financial year 2023/2024 . The months of March, April, May 2024 the special clinics were affected by the Doctors Strike since they are run by Consultants and Medical Officers.

f) Mortality rate



The graph above shows the mortality rate, a slight increase of (27%) in the mortality rate in 2024/2025 financial year compared to the previous years.

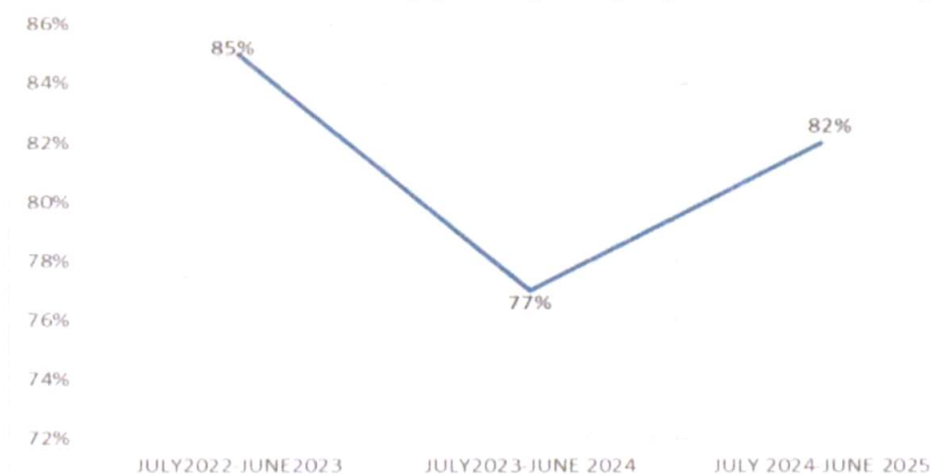
g) Surgical Theatre Utilization



The chart above shows the total number of operations done in the facility for the last 3 Financial years. There has been an increase in the number of surgeries within the last financial year. The hospital serves a training institution partnership with the College of Surgeons of East, Central and Southern Africa (COSECSA) and receives additional surgical specialists thus increasing the number of cases.

(h) Bed occupancy rate

The table below illustrates the average percentage occupancy for the three financial years.



There was a noticeable decrease in the average bed occupancy for the financial Year 2023/2024 due to a decrease in number of admissions due to the Doctors Strike in March, April and part of May 2024

(i) Average length of stay

Financial year	2022/2023	2023/2024	2024/2025
Average length of stay	10 days	10 days	9.2 days

The above table illustrates the average length of stay for the three financial years.

9.Environmental And Sustainability Reporting

Nyeri 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. At NCRH we are adopting sustainability reporting to track and communicate our environmental impact, align with Kenya's Vision 2030, and meet Sustainable Development Goals (SDGs) particularly SDG 3 and SDG 13 (Good health & Climate Action). Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

Nyeri County Referral Hospital recognizes the importance of sustainability in its operations and has established a robust strategy to align with environmental, social, and economic objectives. We are advantaged to have a reliable source of highly qualified workforce who are keen on providing high quality healthcare and keeping the environment clean by ensuring that they practise proper infection prevention control measures, proper healthcare waste management, ensuring proper preventive plant

maintenance to ensure the equipment are working optimally and enhancing efficiency by adopting modern technologies. As a hospital we focus on putting into practice initiatives and programs that deliver long lasting benefits to our clients, stakeholders and staff.

i) Environmental performance

INFRASTRUCTURE CLIMATE RESILIENCE MOVES AT NYERI COUNTY REFERRAL HOSPITAL.

Climate resilience refers to the efforts and strategies aimed at strengthening the ability to withstand and adapt to climate-related challenges and changes. According to the WHO Operational Framework for Building Climate-Resilient Health Systems, climate-resilient and sustainable technologies and infrastructure are crucial. This is complemented by emergency preparedness and management, which are foundational aspects of climate resilience. In addition, infrastructure resilience involves ensuring that hospital buildings, facilities, and utilities are designed or retrofitted to withstand extreme weather events and their effects such as floods, storms, or heatwaves.

The Nyeri County Referral Hospital (NCRH) is pleased to announce that we have addressed climate challenges by installing a solar water heating system. The installation has successfully been made operational in Eight wards, including our busy maternity ward which serves over 130 individuals daily and has brought tremendous relief not only to our patients but also to our staff. Situated in one of the colder towns in Mt Kenya, NCRH can now consistently provide our patients with hot showers and hot water for hand washing even during power outages. This has improved patient hygiene and hand-washing compliance for both patients and staff without any negative impact on health. Additionally, the installed solar systems, which will be connected to the lighting and socket systems, will ensure uninterrupted patient care during power outages, including refrigeration and healthcare procedures. Consequently, this will eliminate the constant need for non-renewable fuel sources to generate power during blackouts.

In regards to carbon footprint and emission reduction, NCRH has installed energy saving bulbs and also set aside a budget to procure and install a solar lighting system in the facility. Solar panels harness natural sunshine to charge, significantly reducing power bills primarily related to lighting and water heating in the hospital. We have also invested in a 2000litre LPG tank which supplies cooking gas to our kitchen. The funds saved will be allocated to enhance other areas of resilience for improved health service delivery.

During the year in review we were able to plant one hundred and fifty tree seedlings as part of our “go green” initiative. The trees enhance air purification and also the green spaces are therapeutic for our patients' healing process.

In conclusion, we wholeheartedly express our gratitude to the hospital management for implementing this vital project and to the Nyeri County Government for their unwavering support. Furthermore, the expansion of solar-powered health facilities is imperative for all facilities, given its indisputable benefits to healthcare and as a necessary measure in light of current climate effects.

ii) Employee welfare

The Nyeri County Referral Hospital does not have any authority to hire staff as this is a function of the County Public Service Board. However we ensure a safe and inclusive workplace, providing training and development opportunities, and encouraging employee engagement in sustainability efforts. We also have a HR and Advisory committee which approves staff training requests among the different cadres in the hospital equitably.

There is a performance appraisal system in place where staff are appraised annually with a mid-year review of their performance. The appraisal forms are then forwarded to the chief officer and the CPSB for rewards and sanctions.

Employees are encouraged and supported to continually build on their skills and knowledge. Continuous medical education is also held every week in the hospital and this is CPD accredited. The hospital has a functional Occupational Safety and Health Committee which ensures the hospital complies with Occupational Health and Safety Act (OSHA, 2007), a Disability Assessment committee and a Gender mainstreaming committee which ensure that the hospital complies with all the regulations and laws.

iii) Market place practices-

a) Responsible competition practice.

The Nyeri County Referral Hospital engages with various stakeholders and partners, this helps strengthen our relationships, deliver on our commitments and succeed in offering quality healthcare services. The hospital is open to partnering with other healthcare institutions who may be offering services that are not available in our facility.

The hospital through the county procurement directorate fairly and competitively advertises for all services and works which are on offer and this gives a fair chance for all traders to trade with us.

The hospital also has a functional and vibrant Ethics and Integrity Committee which ensures ethical practices among staff and our various stakeholders.

Members of staff are also guided by a code of ethics, which they are expected to adhere to. Members of staff are prohibited from actively engaging in politics.

b) Responsible Supply chain and supplier relations

At Nyeri County Referral Hospital we adhere to the PFM Act 2012 and the Public Procurement and Asset Disposal Act 2015

We employ the following methods of procurement:

- Framework
- Open tender
- Request For Quotations

Nyeri CRH has over one hundred suppliers of goods, services and works, we engage them for the various contracts that are on offer.

Our own reputation is always at stake and it is for this reason, we are focused on ensuring our suppliers comply with best practice and adhere to our contract agreement for all services and goods offered. On the other hand, we also ensure that we make prompt payments for goods, services and works delivered.

c) Responsible marketing and advertisement or Responsible engagement with citizens

The hospital doesn't have an established marketing and advertising department. However, in this digital era, we have a vibrant Facebook page and a newly developed website where we market our services. We have adopted ethical transparent and socially responsible marketing and community engagement strategies. This ensures public trust, accurate health communication and compliance with the current laws and regulations. We use evidence based information and clearly state the services offered, their costs and the client obligations in the various service charters displayed across the facility.

We value our patients' privacy and for this reason we have collaborated with the ODPC in matters of data protection.

We also have an active complaints and compliments committee which evaluates all the complaints and compliments raised by all our stakeholders through the various feedback channels which includes suggestion boxes, our hospital hotline number and registers in the facility.

Every financial year we hold stakeholder engagement forums where we showcase our services to our clients and we are also able to get feedback from them.

This information is important in making informed decisions and improving service delivery to our clients.

d) Product stewardship or Awareness Creation

The hospital respects the consumers of our services and we ensure that at all times all their rights are respected. This is outlined in our patient's right charter which is well displayed in the hospital.

Members of staff are well versed with the patient rights charter and are always encouraged to inform our clients.

To promote sustainable Healthcare and community wellbeing NCRH has implemented product stewardship and awareness creation. This has been done by ensuring safe management of medical products and technologies by the Medicines and Therapeutics Committee.

We practice safe pharmaceutical disposal of expired drugs to avoid environmental pollution, we do proper waste segregation to prevent further spread of diseases which may be caused by improper waste segregation.

We also educate our staff, patients and the community on health risks, environmental safety and hospital services in our morning health talks and through the outreaches conducted by some of our staff.

iv) Corporate Social Responsibility / Community Engagements

NCRH seeks to impact people's lives positively through its Corporate Social Responsibility (CSR) initiatives.

The initiatives are aimed at improving lives and enhancing engagement with the public. Through the initiatives mentioned above, NCRH has achieved the following results in FY 2024/2025.

The members of staff were involved in tree planting activities in the hospital during the world hand hygiene day observed in May 2025, this is expected to enhance environmental conservation.

In September 2024 the Hospital celebrated the World Antimicrobial Resistance day and created awareness on rational antibiotic use.

The hospital celebrated Customer Service week on 2nd -6th October 2024 appreciated customers to enhance the customer /client relationship.

The Hospital commemorated World Smile day and a medical camp was conducted in November 2024 for reconstruction for patients with Cleft lips and Palate. A total of thirty one (31) patients benefited from the camp.

The world kidney day was observed in March 2025, our community benefitted from free screening, blood pressure monitoring and health talks.

We also held a maternity open day in March and June 2025 where we showcased the different services offered in our maternity unit to our community.

Our clinical officer ophthalmologists were also able to hold an outreach in one of the local primary schools where learners got free eye check up and health education.

10. 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 entity are to provide quality, preventive, promotive, curative and rehabilitative health services to all our clients with dignity, professionalism and within the shortest time possible.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 8(financial information)

Board of Management

The members of the Board who served during the year are shown on page x-viv. During the year, no director(s) retired/ resigned, and 1 director (s) was appointed with effect from Oct 2024 to Sept 2027.

Auditors

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

By Order of the Board



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Name **DR. BENSON M. NGARI**

Secretary to the Board

11. Statement of Board of Management’s Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the Hospital’s financial statements, which give a true and fair view of the state of affairs of the Hospital for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Nyeri 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 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 all other applicable legislation. The Board members are of the opinion that the Hospital financial statements give a true and fair view of the state of Nyeri County Referral Hospital transactions during the financial year ended June 30, 2024, and of the Hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Nyeri County Referral Hospital 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 and nothing has come to the attention of the Board of management to indicate that the Nyeri 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 27/8/25 and signed on its behalf by:

.....
Name: Mr. Anthony Mithanga
Chairperson
Board of Management

.....
Name: Dr. Benson Ngari
Accounting Officer

REPUBLIC OF KENYA



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HEADQUARTERS
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Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NYERI COUNTY REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF NYERI

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 Nyeri County Referral Hospital - County Government of Nyeri set out on pages 1 to 27, which comprise of the

Report of the Auditor-General on Nyeri County Referral Hospital for the year ended 30 June, 2025 - County Government of Nyeri

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

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

Basis for Qualified Opinion

1. Presentation and Accuracy of the Financial Statements

Review of the financial statements revealed the following anomalies;

- i. The statement of comparison of budget and actual amounts reflects Kshs.428,910,708 and Kshs.440,336,891 as budgeted revenue and actual receipts respectively resulting in revenue over-realization by Kshs.11,426,183. However, the Chairman's Statement in page xviii and the Report of the Medical superintendent in page xxii indicated that the Hospital generated Kshs.345,754,685 against a budget of Kshs.386,228,943 resulting in under collection of Kshs.40,474,258. The variances have not been reconciled.
- ii. The budget reconciliation after the statement of comparison of budget and actual amounts reflects actual surplus as per the statement of financial performance being reconciled with the surplus as per the statement of comparison of budget and actual amounts. However, the Public Sector Accounting Standards Board financial reporting template required reconciliation between the actual surplus amounts as per the statement of comparison of budget and actual amounts and the closing cash and cash equivalent as per the statement of cash flows.

In the circumstances, the financial statements may be misleading to the users.

2. Unsupported Revenue

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects Kshs.368,499,786 in respect to revenue from rendering of services – medical service income which includes Kshs.354,754,685 revenue collected. However, review of bank and Mpesa statements revealed that the Hospital collected a total of Kshs.289,633,535 resulting in a variance of Kshs.56,121,150. Although Management claimed that the amount of Kshs.56,121,150 was erroneously deposited in Mt Kenya Sub County Hospital, there were not documents including bank statements and receipt

vouchers to support the assertion. In addition, Management did not provide evidence of follow up to recover the amount from Mt Kenya Hospital.

In the circumstances, the accuracy and completeness of revenue amount of Kshs.56,121,150 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to the financial statements reflects Kshs.194,053,134 as receivables from exchange transactions. However, Management did not provide detailed analysis of the outstanding receivables from NHIF, SHA, MINET and BRITAM to show details including number of patients and respective number of claims that remained unpaid and the ageing analysis to show how long the claims have been outstanding.

In the circumstances, the accuracy and recoverability of trade receivables balance of Kshs.194,053,134 could not be confirmed.

4. Failure to Value Property Plant and Equipment

The statement of financial position and as disclosed in Note 19 to the financial statements reflects a balance of Kshs.28,534,582 in respect to property plant and equipment net book value. However, Management did not provide evidence to confirm that the useful lives of the assets was reviewed. This is contrary to IPSAS 17 which states that revaluations of property, plant and equipment shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the reporting date.

In addition, Management did not maintain an updated fixed asset register showing details including cost of asset and date acquired, respective depreciation, location, condition and serial numbers. It was also noted that assets were not tagged for ease identification and tracking.

In the circumstances, the accuracy and completeness of the property plant and equipment balance of Kshs.28,534,582 could not be confirmed.

5. Failure to Disclose Value of Land and Buildings

The statement of financial position and as disclosed in Note 19 to the financial statements reflects Kshs.28,534,582 in respect to property plant and equipment. However, this amount did not include the value for land and buildings that the Hospital occupies. Physical verification revealed that the Hospital occupies a piece of land and has a number of buildings whose value had not been determined.

In addition, Management did not provide ownership documents in respect to the land owned by the Hospital.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.28,534,582 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects final budgeted revenue and actual amounts on comparison basis of Kshs.428,910,708 and Kshs.440,336,891 respectively hence surpassing the budget by Kshs.11,426,183. However, out of the actual receipts of Kshs.440,336,891 the Hospital expended Kshs.359,782,140 leading to under absorption of Kshs.80,554,751 or 18% of total receipts.

In the circumstances, the under absorption of funds affected planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. However, review of the status during the audit of the Hospital in the financial year 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Non-Valuation of property, plant and equipment (PPE)
2	2023/2024	Land without title deeds
3	2023/2024	Inadequacies in implementation of universal health coverage
4	2023/2024	Lack of updated asset register

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Expiry of Medical Supplies and Lack of a Disposal Policy

The statement of financial position reflects an inventory balance of Kshs.67,109,264 as disclosed in Note 18 to the financial statements. However, review of the store records on pharmaceuticals and non-pharmaceuticals and a visit to the Hospital's stores in the month of October, 2025 revealed that 282,766 units of various drugs had expired. Some of the drugs date back 6 (six) years and their value could not be determined. Management did not provide explanation on why the drugs were not utilized before their expiry date. In addition, the Hospital did not have in place a disposal policy for expired drugs.

In the circumstances, the public may not obtain value for money in respect to the expired drugs.

2. Failure to Provide the Occupational, Safety and Health Policy for the Hospital

During the year under review, the Hospital did not have an approved Occupational, Safety and Health Policy. This is contrary to Section 71 (a) of the Occupational, Safety and Health Act, 2007.

In the circumstances, the safety of the employees in the Hospital could not be confirmed.

3. Non-Compliance on Remittance of Capacity Building Levy of 0.03%

During the year under review, the Hospital awarded contracts worth Kshs.238,396,033 as from 1 September, 2024 to 30 June, 2025. However, Management did not provide evidence that capacity building levy was deducted and the amount remitted to the Authority as per the Public Procurement Regulatory Authority Circular number 01/2024 (Ref;PPRA/6/5 VOL 11 (224) dated 30 August, 2024 which states that procuring entities are expected to collect the capacity building levy at the rate of 0.03% of the contract sum from suppliers on all procurement contracts signed between the suppliers and procuring entity and remit to the authority through the e-citizen platform.

In the circumstances, non-compliance in respect to capacity building levy may lead to accumulation of penalties and interest.

4. Inadequacies in UHC as per Kenya Quality Model for Level 5 in terms of Staffing, Services and Equipment

Review of services offered, equipment used and staffing levels at the Hospital revealed that the facility did not meet the threshold of a level 5 hospital as prescribed by the Kenya Quality Model for Health policy guidelines as shown below;

	Criteria	Minimum Required	Actual Status as Confirmed	Variance
1	Staffing Requirement			
	Medical Officers	50	24	26
	Anesthesiologists	7	2	5
	General Surgeons	4	2	2
	Pediatricians	4	3	1
	Radiologists	4	1	3
	Registered Community Health Nurses	250	210	40
2	Bed Capacity	500	305	195
3	Equipment & Machines			
	ICU	12	6	6
	HDU	12	0	12
	Operational Theatres	7	3	4
	Incubators (newborn)	10	6	4

In the circumstances, the quality of the health services offered at the facility may not be of the required standards for a level 5 hospital.

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

Review of revenue records revealed that the Hospital collected a total of Kshs.368,499,786 towards the health facilities improvement which include a total of Kshs.

368,499,786 that was transferred to County Revenue Fund. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that monies raised or received by or on behalf of Public Health Facilities be retained by the Facility and be paid into a separate facility improvement financing account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

1. Failure to Fully Automate the Hospital Pharmacy

The Hospital had a Management Information System in place but it was noted that the pharmacy module was not fully automated. Further, the store card functionality of the pharmacy module was not working and therefore distribution of antibiotic drugs was done manually.

In the circumstances, the effectiveness of the internal controls in the management of medical drugs could not be confirmed.

2. Weaknesses in Internal Audit

Audit review conducted in October, 2025 revealed that the Hospital did not have an internal audit unit and there was no internal audit committee in place. This is contrary to Section 155 (1) of the Public Finance Management Act, 2012 which states that a County Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the assurance on risk management, internal controls and governance could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

Nyeri County Referral Hospital Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
In-kind contributions from the County Government	7	36,857,382	78,036,161
		36,857,382	78,036,161
Revenue from exchange transactions			
Rendering of services- Medical Service Income	8	368,499,786	329,004,717
Revenue from exchange transactions		368,499,786	329,004,717
Total revenue		405,357,168	407,040,878
Expenses			
Medical/Clinical costs	9	198,148,625	188,443,906
Employee costs	10	9,031,797	8,750,053
Board of Management Expenses	11	1,507,180	441,500
Depreciation and amortization expense	12	8,320,418	5,686,468
Repairs and maintenance	13	25,365,519	12,658,051
General expenses	14	81,514,292	78,807,602
Total expenses		323,887,831	294,787,580
Other gains/(losses)			
Waivers and Exemptions	15	16,128,999	34,980,028
Net Surplus / (Deficit) for the year		65,340,338	77,273,270

The Hospital's financial statements were approved by the Board on 27/8/25 and signed on its behalf by:

.....
Chairman
Board of Management

.....
Head of Finance
ICPAK No: 18123

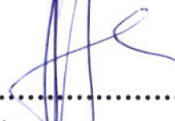
.....
Medical Superintendent

Nyeri County Referral Hospital Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

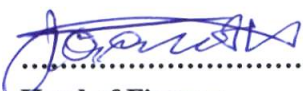
15. Statement of Financial Position As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	8,793,805	37,185,891
Receivables from exchange transactions	17	194,053,134	28,335,028
Inventories	18	67,109,264	54,360,283
Total Current Assets		269,956,203	119,881,202
Non-current assets			
Property, plant, and equipment	19	28,534,582	17,089,690
Total Non-current Assets		28,534,582	17,089,690
Total assets (A)		298,490,785	136,970,892
Liabilities			
Current liabilities			
Trade and other payables	20	1,081,883	-
Total Current Liabilities		1,081,883	-
Total Liabilities (B)		1,081,883	-
Net assets (A-B)		297,408,902	136,970,892
Represented by:			
Accumulated surplus/Deficit		142,613,608	77,273,270
Capital Fund		154,795,294	59,697,622
Net Assets		297,408,902	136,970,892

The Hospital's financial statements were approved by the Board on 27/8/25 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:18123



Medical Superintendent

Nyeri County Referral Hospital Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	-	-	-
Surplus for the year	77,273,270	-	77,273,270
Capital/Development grants	-	59,697,622	59,697,622
As at June 30, 2024	77,273,270	59,697,622	136,970,892
At July 1, 2024	77,273,270	59,697,622	136,970,892
Surplus/(deficit) for the year	65,340,338	-	65,340,338
Capital/Development grants	-	95,097,672	95,097,672
At June 30, 2025	142,613,608	154,795,294	297,408,902

Nyeri County Referral Hospital Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		268,989,373	265,689,661
Miscellaneous receipts <i>Untransferred Revenue wrongly transferred in FY 2023-2024</i>		12,000	343,663
Total Receipts		269,001,373	266,033,324
Payments			
Medical/Clinical costs		161,291,243	121,233,350
Employee costs		9,031,797	8,750,053
Board of Management Expenses		1,507,180	441,500
Repairs and maintenance		25,365,519	12,658,051
General expenses		81,514,292	67,981,997
Pending bills for 22-23 paid in 23-24		-	25,832,640
Over transferred Receipts		-	69,000
Total Payments		278,710,031	236,966,591
Net cash flows from operating activities		(9,708,658)	29,066,732
Cash flows from investing activities			
Purchase of property, plant, equipment		18,683,427	4,300,715
Net cash flows used in investing activities		18,683,427	4,300,715
Net increase/(decrease) in cash and cash equivalents		(28,392,086)	24,766,017
Cash and cash equivalents as at 1 July 2024	16	37,185,891	12,419,874
Cash and cash equivalents as at 30 June 2025	16	8,793,805	37,185,891

**Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

Notes/Explanation to Statement of Cashflow:

- Shs 12,000 included in the Statement of Cashflow is a revenue amount that was not transferred in the County Revenue Collection Account because a similar figure was wrongly transferred in the FY 2023-2024.

- The difference in the PPE in the Cashflow Statement and PPE Schedule is reconciled as below

Description	Amount
PPE in Cashflow Statement	18,683,427
Add 10% Retention	
Pumpteck Solutions	501,480
Bright Path Ltd	299,541
Grayslar Ventures Ltd	105,702
Essential Apparatus Ltd	175,160
PPE in PPE Schedule	19,765,310

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	100%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	34,979,723	-	34,979,723	34,979,723	-	100%
Receipts						
Rendering of services-Medical Service Income	375,286,150	-18,212,547	357,073,603	368,499,786	-11,426,183	103%
Inkind contributions from county government	36,857,382	-	36,857,382	36,857,382	-	100%
Total receipts	447,123,255	-18,212,547	428,910,708	440,336,891	-11,426,183	103%
Payments						
Medical/Clinical costs	211,514,529	-9,435,656	202,078,874	198,148,625	3,930,249	98%
Employee costs	10,720,000	-1,660,166	9,059,834	9,031,797	28,037	100%
Remuneration of directors	900,000	630,680	1,530,680	1,507,180	23,500	98%
Depreciation and Amortization	11,471,178	-2,905,139	8,566,039	8,320,418	245,621	97%
Repairs and maintenance	27,048,241	-1,223,488	25,824,753	25,365,519	459,234	98%
General expenses	86,453,535	-4,469,986	81,983,549	81,514,292	469,257	99%
Waiver and Exemptions	16,500,000	-	16,500,000	16,128,999	371,001	98%
Total Operational Expenditure paid	364,607,483	-19,063,755	345,543,729,	340,016,830	5,526,899	98%
Surplus for the period	82,515,772	-851,207	83,366,979	100,320,061	-16,953,082	105%
Capital Expenditure paid	27,250,000	-6,803,807	20,446,193	19,765,310	680,883	97%
Surplus	55,265,772	7,655,015	62,930,786	80,554,751	17,633,965	128%

Budget notes

The Original Budget was adjusted downward in the Final Budget. This was necessitated by realization that the hospital may not hit the revenue targets that were set at the start of the Financial Year. Therefore so as not to end up with pending bills at the end of the year and to live within our means, the hospital adjusted the Final Budget downward.

Nyeri County Referral Hospital Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Reconciliation of Surplus in the Financial Statement and the Statement of Comparison Between Budget and Actual Amounts

Description	Amount in Kshs
Actual Surplus Amounts as per the Statement of Budget	80,554,751
Less Carryovers from the previous year	-34,979,723
Add Capital Expenditure Incurred	19,765,310
Surplus Amounts as per the Financial Performance	65,340,338

19. Notes to the Financial Statements

1. General Information

Nyeri Provincial General Hospital Entity is established by and derives its authority and accountability from County Governments Act. The entity is wholly owned by the Nyeri County Government and is domiciled in Nyeri County in Kenya. The entity's principal activity is provision of Health Services.

2. Statement of Compliance and Basis of Preparation

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

3. 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

Notes to the Financial Statements (Continued)

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements

transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

b. Budget information

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

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

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

Notes to the Financial Statements (Continued)

c. Property, plant and equipment

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

Trade and other receivables

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

Financial liabilities

Classification

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

d. 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.

Notes to the Financial Statements (Continued)

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

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

e. 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.

f. Comparative figures

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

g. 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

Notes to the Financial Statements (Continued)

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Nyeri County Referral Hospital (Nyeri County Government)
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Notes to the Financial Statements (Continued)

7. In Kind Contributions from The County Government

Description	Current 2024-2025	Comparative 2023-2024
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	19,830,831	44,074,942
Pharmaceuticals and Non-Pharmaceutical Supplies (MEDS)	12,460,535	23,135,614
Utility bills	-	10,825,605
Laboratory Materials	1,754,406	-
X-Ray Materials	2,353,310	-
Linen	458,300	-
Total grants in kind	36,857,382	78,036,161

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

8. Rendering of Services Income - Medical Service Income

Description	2024-2025 Shs.	Description	2023-2024
Revenue Collected	345,754,685	AIE No. 1	24,355,315
Claims Made	129,116,173	AIE No. 2	77,067,851
Total	474,870,858	AIE No. 3	47,571,630
Less 3% for Fund Administration	14,246,126	AIE No. 4	62,219,572
Balance	460,624,947	AIE No. 5	54,475,290
Less 20% for Rural Facilities	92,124,947	Receivables	28,335,028
Net Balance(Hospital Revenue)	368,499,786	Waivers and Exemptions	34,980,028
		Total Revenue	329,004,717

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

9. Medical/ Clinical Costs

Description	Current FY2024-2025	Comparative FY2023-2024
	Kshs	Kshs
Laboratory chemicals and reagents	20,699,183	22,190,218
Food and Ration	23,046,185	21,946,004
Uniform, clothing, and linen	4,265,996	1,250,368
Dressing and Non-Pharmaceuticals	59,560,195	47,207,728
Pharmaceutical supplies	67,010,645	85,967,260
Health information stationery	4,472,720	-
Sanitary and cleansing Materials	3,084,178	3,185,570
Purchase of Medical gases	5,930,565	1,796,702
X-Ray/Radiology supplies	9,041,361	4,624,622
Refund for medical expenses	201,697	-
Other medical related clinical costs (specialized materials)	835,900	275,435
Total medical/ clinical costs	198,148,625	188,443,906

10. Employee Costs

Description	Current FY2024-2025	Comparative FY2023-2024
	Kshs	Kshs
Salaries, wages, and allowances	9,031,797	8,750,053
Employee costs	9,031,797	8,750,053

11. Board of Management Expenses

Description	Current FY2024- 2025	Comparative FY2023-2024
	Kshs	Kshs
Sitting allowance	1,507,180	441,500
Total	1,507,180	441,500

12. Depreciation and Amortization Expense

Description	Current FY2024-2025	Comparative FY2023-2024
	Kshs	Kshs
Property, plant and equipment	8,320,418	5,686,468
Total depreciation and amortization	8,320,418	5,686,468

13. Repairs And Maintenance

Description	Current FY2024-2025	Comparative FY2023-2024
	Kshs	Kshs
Property- Buildings	6,443,497	4,512,620
Medical equipment	10,580,553	3,487,115
Furniture and fittings	736,050	289,328
Computers and accessories	789,419	550,640
Motor vehicle expenses	1,121,900	983,270
Maintenance of civil works	5,694,100	2,835,078
Total repairs and maintenance	25,365,519	12,658,051

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

14. General Expenses

Description	Current FY2024-2025	Comparative FY2023-2024
	Kshs	Kshs
Advertising and publicity expenses	450,080	95,365
Catering expenses	1,783,332	976,050
Insecticides and rodenticides	97,200	131,970
Bank charges	54,880	151,870
Contracted services	21,391,920	20,448,960
Electricity expenses	22,107,170	15,881,361
Fuel and Lubricants	2,900,000	5,350,000
Staff Uniforms	225,195	487,450
Travel Allowances	979,800	3,847,190
Courier and postal services	60,310	46,500
GOS	2,601,388	2,352,372
Membership fees/subscriptions	293,200	405,948
Water and sewerage costs	11,083,242	11,450,852
Telephone and mobile phone services	776,000	831,000
Contracted Professional Services	-	9,800
DSA	5,015,921	2,669,700
Computer Accessories	2,342,700	2,327,270
Internet expenses	1,412,889	316,167
Staff training and development	3,200,209	799,500
Hire of Training Facilities and Equipment	615,400	766,900
Refund of Medical Expenses-outpatient	-	44,565
Workshop tools	150,000	-
Other Fuels	3,876,050	6,632,280
Household-Recurrent	97,405	-
Total General Expenses	81,514,292	78,807,602

Nyeri County Referral Hospital (Nyeri County Government)
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Notes to the Financial Statements (Continued)

15. Waivers and Exemptions

Description	2024-2025	2023-2024
Waivers	11,117,048.00	23,545,156
Exemptions	5,011,951.00	11,434,872
Total Gain/Loss	16,128,999	34,980,028

16. (a) Cash And Cash Equivalents

Description	2024-2025	2023-2024
	KShs	KShs
Current accounts	8,793,805	37,185,891
Total cash and cash equivalents	8,793,805	37,185,891

(b). Detailed Analysis of Cash and Cash Equivalents

Description		2024-2025	2023-2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1175672927	8,793,805	37,185,891
Mobile Money -MPESA	841123	-	-
Sub- total		8,793,805	37,185,891
Grand total		8,793,805	37,185,891

17. Receivables From Exchange Transactions

Description	2024-2025	2023-2024
NHIF	156,615,121	-
SHA	90,730,362	26,639,029
MINET	706,720	1,527,420
BRITAM	2,016,269	168,579
Total receivables	250,068,472	28,335,028
Less 22.4% for Fund Admin and Rural Facilities	56,015,338	
Net Receivables	194,053,134	

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Analysis of Receivables From Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Amount	% of the total	Amount	% of the total
Less than 1 year	129,112,173	52%	28,335,028	100%
Between 1- 2 years	120,956,299	48%		
Total	250,068,472	100%		
Less 22.4% for Fund Admin and Rural Facilities	56,015,338			
Net Receivables	194,053,134			

18. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Pharmaceutical supplies	18,957,316	52,250,493
Non-pharmaceuticals	18,137,306	
Laboratory	3,870,210	
Food supplies	347,283	668,480
X-Ray	5,975,683	-
Cleaning materials supplies	816,800	195,270
General supplies	569,860	1,246,040
Publishing and Printing	596,000	(-)
Computer Accessories	747,500	
Linen	17,091,307	
Total	67,109,264	54,360,283

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	54,360,283	53,140,266
Additional Inventory in the year	12,748,981	1,220,017
Closing balance	67,109,264	54,360,283

Nyeri County Referral Hospital (Nyeri County Government)
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19. Property, Plant and Equipment

Description	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Total
Cost						
At 1st July 2023	3,800,000	9,530,000	382,073	3,872,515	5,704,940	23,289,528
Additions	-		1,770,960	1,607,260	922,495	4,300,715
At 30th Jun 2024	3,800,000	9,530,000	2,153,033	5,479,775	6,627,435	27,590,243
At 1st July 2024	3,800,000	9,530,000	2,153,033	5,479,775	6,627,435	27,590,243
Additions	-	-	1,835,240	783,900	17,146,170	19,765,310
At 30th Jun 2025	3,800,000	9,530,000	3,988,273	6,263,675	23,773,605	47,355,553
Depreciation and impairment	0.1	0.25	0.125	0.3333	0.125	1
At 1st July 2023	380,000	2,382,500	47,759	1,290,709	713,118	4,814,086
Depreciation for the year	380,000	2,382,500	269,129	1,826,409	828,429	5,686,468
At 30th June 2024	760,000	4,765,000	316,888	3,117,118	1,541,547	10,500,554
At 1st July 2024	760,000	4,765,000	316,888	3,117,118	1,541,547	10,500,554
Depreciation	380,000	2,382,500	498,534	2,087,683	2,971,701	8,320,418
At 30th June 2025	1,140,000	7,147,500	815,422	5,204,801	4,513,248	18,820,971
Net book values						
At 30th Jun 2024	3,040,000	4,765,000	1,836,145	2,362,657	5,085,888	17,089,689
At 30th Jun 2025	2,660,000	2,382,500	3,172,851	1,058,874	19,260,358	28,534,582

Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

20. Trade and other Payables

Description	2024-2025		2023-2024	
	KShs		KShs	
Trade payables – 10% Retention				-
Pumpstech Solutions	501,480			-
Bright Path Ltd	299,541			-
Graystar Ventures ltd	105,702			-
Essential Apparatus Ltd	175,160			-
Total trade and other payables	1,081,883			-
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	1,081,883	100%	-	-
Total	1,081,883	100%	-	-

21. Financial Risk Management

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

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

22. Currency

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

20. Appendix: 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)
1.0	Non-Valuation of Property, Plant and Equipment (PPE)	<p>The International Public Sector Accounting Standard (IPSAS) 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time, providing a major tool to help entities along their journey to implement IPSASs. It allows first-time adopters three years to recognize specified assets and liabilities. This provision allows sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period. Attached is a copy of an extract of IPSAS 33 that grants the exemption</p> <p>Going by this, the management is still within the three years transitional period granted by IPSAS 33 to first time adopters. Nevertheless, the management is in consultation with the County Treasury to be included in the valuation exercise that is currently being carried out. See attached documentation that the process is ongoing</p>	Not Resolved	

Nyeri County Referral Hospital (Nyeri County Government)
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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)
2.0	Land Without Title Deeds	The reason for delay in acquiring the title deed for the hospital land is because there is a dispute of ownership between the hospital and the PCEA Nyamachaki Church on a small section of 0.1348Ha that is part of the dental unit. The church has agreed to forfeit part of their portion and be allocated another section that's not occupied. However, both the departments of Health and Lands have continually engaged the church administration and as soon as an agreement is reached, the processing of the title of the hospital land will commence	Not Resolved	
	Budgetary Control and Performance	<p>1. In the month of Aug 23 an amount of Shs 10,488,080.90 was b/f as unspent balances for the year 2022-23</p> <p>2. In the month of June 2024, the hospital received Shs 54,475,290.80 but only spent Shs 41,580,497 and hence an unspent balance of Shs 12,894,794</p> <p>3. The difference between these 2 opening and closing balances is the Shs 2,406,712</p>	Resolved	

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

*Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

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)
1.0	Non-Compliance with Budget Preparation Standards and Budget Estimates	Management Response :The Hospital prepares its budget Annually.However, for Cashflow control purposes, AIEs are issued quarterly as per the County Health Services Fund regulations 2021,section 17(2) which allows for approval of budgets on a quarterly basis	Resolved	
2.0 Deficiencies in Implementation of Universal Health Coverage 2.1 Inadequacies in Universal Health Coverage				
2.1.1	Staffing	Currently, the county is also grappling with a huge wage bill.However, going by the hospital's current workload and considering the bed capacity, the staffing levels are adequate for the majority of the cadres.The department of Health has also continually ensured that there's consistency in terms of staffing by ensuring that staff members who exit the service are replaced as soon as possible.In the calendar year 2024(Jan-Dec)a total of 70 workers left the hospital while 80 workers were posted within the same period	Not Resolved	30th June 2026

Nyeri County Referral Hospital (Nyeri County Government)
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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)
2.1.2	Bed Capacity	Increasing the bed capacity from 315 to 500 would require a heavy investment towards construction of wards and equipping them which is a responsibility of the health department. However, efforts have been put in place to ensure that the bed capacity is increased over time. In the year under the audit (2023-24), there was an expansion of ward 6 by an additional 10 beds. This was done in December 2023. Similarly, there is an on-going project of construction of a 16-bed paediatric ward. The project is expected to be handed over by the end of this financial year (2024-25). The Nyeri County Integrated development plan-2023-27 also has a provision for the construction and equipping of a medical-surgical unit in our facility as one of the county's flagship projects	Not Resolved	30th June 2026
2.1.3	Hospital Equipment and Machines	As the expansion of the hospital infrastructure continues through the support of the Department of Health, the hospital will be able to meet the requirements of the Quality Model for Health checklist. Similarly, the department of Health has continued to set funds aside for the procurement of equipment and machines. of the procured equipment as well as requisition forms for medical equipment whose procurement process has already started in the current financial year which are aimed at addressing the shortage of the said medical equipments. See attached some copies of LPO's of Equipments that have been procured in the Financial year 2024-25 whose total amount to Ksh 6,416,755.00. Also the County Head office is in the process of procuring more	Not Resolved	30th June 2026

***Nyeri County Referral Hospital (Nyeri County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025***

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)
		Equipments More to that, the County signed National Equipment Service Programme whose objective was to address the problem of Equipments gap		
2.2	Non-compliance with the Staff Establishment-Optimum staffing level	Currently, the county is also grappling with a huge wage bill. However, going by the hospital's current workload and considering the bed capacity, the staffing levels are adequate for the majority of the cadres. The department of Health has also continually ensured that there's consistency in terms of staffing by ensuring that staff members who exit the service are replaced as soon as possible. In the calendar year 2024 (Jan-Dec) a total of 70 workers left the hospital while 80 workers were posted within the same period. The department is also in the process of recruiting theatre nurses and clinical officers (anaesthetists) while an ICT Officer has been seconded from the Department of ICT	Resolved	
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1.0	Governance structure - Lack of audit committee	Health being a devolved unit, the hospital currently draws internal audit services from the County Directorate of Internal Audit who regularly conducts internal audits in the hospital after which these reports are presented to the County Audit committee for review	Resolved	

Nyeri County Referral Hospital (Nyeri County Government)
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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)
	Lack of updated Asset Register	Management Response :The assets of the hospital are properly secured through an inventory for each department whose similar copy is maintained by the stores/procurement department.Also, the hospital maintains an Asset register where all the assets of the hospital are registered. However, the historical assets like buildings, land and the old assets that were acquired before devolution lack some essential information like date of acquisition,ownership documents, leasehold terms and cost of acquisition which can only be ascertained after valuation a process that is ongoing	Not Resolved	30th June 2026
2.0	Lack of Risk Management Policy	Management Response : The hospital in the month of Dec 2024 engaged a Quality Assurance officer who is a Risk Management Expert who trained 28 healthcare workers drawn from different cadres from 9th – 11th Dec 24 on Risk Management.a list of people who were trainedAs part of the Training, the workers were taken through how to develop a Risk Register which has since been developed and a Risk Management Policy which the hospital is in the process of developing.	Not Resolved	30th June 2026

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Accounting Officer

