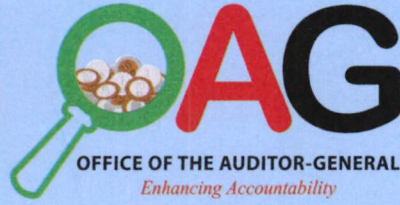


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REPORT

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LUSIGETTI LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU

MS



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**LUSIGETTI LEVEL 4 HOSPITAL  
(Kiambu County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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## **1. Acronyms & Glossary of Terms**

### **a) Acronyms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
NSM	Nursing Service Manager
HAO	Hospital Administrative Officer
HRIO	Hospital Records Information Officer.
KMPDU	Kenya Medical Practitioners and Dental Union.
PSK	Pharmaceutical Society of Kenya
CCC	Comprehensive Care Clinics
PAC	Pre-Anaesthesia Check-up
MBA	Masters of Business Administration
HMT	Hospital Management Team
OPD	Out Patient Department
ALOS	Average Length of Stay
MCH	Maternal-Child Health
MOPC	Medical Out-Patient Clinic
OPD	Out-Patient Department
SHA	Social Health Authority

**b) Glossary of terms**

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

## **Key Lusigetti level 4 hospital Information and Management**

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

Lusigetti Level 4 Hospital is a level 4 hospital established under gazette notice number VOL.CXXII-NO.24 and is domiciled in Kiambu County Government under the Health Department. The hospital is governed by a Board of Management.

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

#### **Mandate of the department**

To provide health services, create an enabling environment, regulate, set standards and policy for health service delivery.

#### **Core objectives.**

1. Policy Formulation and Implementation
2. Preventive and Promotive Health Services
3. Curative and Rehabilitative Health Services
4. Standards and Regulations
5. Monitoring and Evaluation of provision of Health care services

#### **Vision**

An efficient, effective and high quality health care system that is accessible, equitable and affordable for every person in Kiambu County.

#### **Mission**

To provide health services that are equitable, accessible and accountable to the people of Kiambu County through participatory Leadership.

#### **Key Management**

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

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Joseph Kathare
2.	Head of Finance	Ann Njuguna
3.	Head of Supply chain	Abistany Wanjiru
4.	Hospital Administrative Officer	Godfrey Chege
5.	Nursing Service Manager	Miriam Kimingi

**(d) Fiduciary Oversight Arrangements**

**1.) Audit Committee**

**- Mandate, Roles, Duties and Responsibilities.**

**Mandate**

- (i) The audit committee should drive the assessment of the performance of the head of internal audit.
- (ii) Examine internal and external audit reports and recommendations after management response to ensure action is taken.
- (iii) There should be adequate mechanisms enabling the audit committee to facilitate adequate disposal of all PAC recommendations. This is done by following up to ensure positive action is taken.
- (iv) The audit committee is responsible for communicating with the internal and external auditors.

**Roles Of Audit Committee**

- (i) The audit committee plays a key role with respect to the integrity of the entity's financial information, its system of governance, risk and internal controls, and the legal and ethical conduct of management and employees.

- (ii) Depending upon circumstances affecting an entity, the functions undertaken by an audit committee will generally encompass the following areas: (i) Evaluating whether processes are in place to address key roles and responsibilities in relation to risk management. (ii) Evaluating the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended. (iii) Performing an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process.

- **Responsibilities**

**(-)Financial reporting.**

(i) The audit committee should review, and report to the board and executive management on, the significant financial reporting issues and judgements made in connection with the preparation of the entity's financial statements (having regard to matters communicated to it by the auditor), interim reports, preliminary announcements and related formal statements.

(ii) It is management's, not the audit committee's responsibility to prepare complete and accurate financial statements and disclosures in accordance with financial reporting standards and applicable rules and regulations. However the audit committee should consider significant accounting policies, any changes to them and any significant estimates and judgements. The management should inform the audit committee of the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches. Taking into account the external auditor's view, the audit committee should consider whether the entity has adopted appropriate accounting policies and, where necessary, made appropriate estimates and judgements. The audit committee should review the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context.

(iii) Where, following its review, the audit committee is not satisfied with any aspect of the proposed financial reporting by the entity, it shall report its views to the board and executive management.

(iv) The audit committee should review related information presented with the financial statements, including the business review, and corporate governance statements relating to the audit and to risk management. Similarly, where board approval is required for other statements containing financial information (for example, summary financial statements, significant financial returns to regulators and release of price sensitive

information). whenever practicable the audit committee should review such statements first (without being inconsistent with any requirement for prompt reporting under the Listing Rules).

**(-)Narrative Reporting**

(I) Where requested by the board or executive management, the audit committee should review the content of the annual report and accounts and advise the Executive Management, Accounting Officers, and the Boards or executive management on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the entity's performance, business model and strategy.

(II) This report will inform the board's statement on these matters required under Code of Governance for Public and State Officers and the Code of Governance for State Corporations (Mwongozo). In order for the board to make that statement, any review undertaken by the committee would need to assess whether the narrative in the front of the report was consistent with the accounting information in the back, so as to ensure that there were no surprises hidden in the accounts.

**(-)Whistle blowing**

The audit committee should review arrangements by which staff of the entity or any other person may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The audit committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

**(-) Internal controls and risk management systems**

(I) The audit committee should review the entity's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks).

(II) The entity's management is responsible for the identification, assessment, and management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the board and executive management that it has done so. Except where the board or a risk committee is expressly responsible for reviewing the effectiveness of the internal control and risk management systems, the audit committee should receive reports from management on the

effectiveness of the systems they have established and the conclusions of any testing carried out by internal and external auditors.

(III) Except to the extent that this is expressly dealt with by the board or risk committee, the audit committee should review and approve the statements included in the annual report in relation to internal control and the management of risk.

## **2.) Risk Committee**

### **Rationale for Implementing Risk Management committee**

Each public sector entity has a constitutional and legislative mandate to provide value to its stakeholders in form of services and goods. Entities set strategies that support their missions and visions and set objectives at different levels to achieve those strategies. However, public sector entities face a myriad of challenges and poor reputation as a result of alleged corruption, inefficiencies, budget overruns, and pending bills among others that impede service delivery. Public entities operate in environments that are increasingly complex, volatile and ambiguous where factors such as technology, regulation and policy changes, demographics, restructuring, changing service requirements, inaccurate or incomplete data and information, and natural calamities; create uncertainty. In addition, challenges such as inadequate capacity and limited resources, excessive bureaucracy, silo mentality, differing expectations from stakeholder groups and infrastructure constraints among others, have compounded management of these entities.

### **Benefits of Risk Management Committee**

In a dynamic and complex public sector context, risk management plays a significant role in strengthening government capacity to recognize, understand, accommodate and capitalise on new challenges and opportunities, in analysing uncertainties within decision-making arrangements, in clarifying accountabilities and in demonstrating how the public interest is best served. Effective risk management systems improve government's ability to deliver services to its citizens by focusing on performance, encouraging innovation and supporting the achievement of objectives therefore creating and protecting value through continuous review of its processes and systems and improvement. This promotes accountability in use of limited public resources.

## **3.) County Assembly committees**

Committees of the County Assembly are established and operate pursuant to the Constitution of Kenya, 2010, the Standing Orders, other enabling legislation and Resolutions of the Assembly. The County Assembly Standing Orders provide for the following two broad types of Committees namely-

#### **1. Sectoral Committees**

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

##### **Establishment of the Committee on Health Services**

The Sectoral Committee on Health Services was established on Thursday 5<sup>th</sup> October, 2017, pursuant to the provisions of the Standing Order 203(1).

##### **Functions of the Committee**

Pursuant to the Provisions of the Standing Order 203 (6), the functions of the Committee are to-

1. Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the department;
2. Study the programme and policy objectives of the department and the effectiveness of the implementation;
3. Study and review all county legislation referred to it;
4. Study, assess and analyse the relative success of the department as measured by the results obtained as compared with their stated objectives;
5. Investigate and inquire into all matters relating to the department as they may deem necessary, and as may be referred to them by the County Assembly;
6. To vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order 196 (Committee on Appointments); and
7. Make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

#### **4.) Parliamentary committees**

##### **Mandate.**

The mandate include:

- (i) Reviewing legislation;
- (ii) Reviewing and approving the budget and expenditures for the execution of governance;

- (iii) Scrutinising governance activities, policies and programmes, assessing whether they meet the intended objectives of legislation, policy frameworks and development plans;
- (iv) Conducting investigations on special issues;
- (v) Vetting and approving executive appointments;
- (vi) Providing a platform for public participation in the execution of specified business.

**Lusigetti hospital has the following oversight managerial committees**

**a) Human Resource Committee.**

This team is responsible for reviewing, continuously assessing and planning the human resource component of the hospital. Comprises Med supt, HAO, NSM, Lab In Charge, Pharmacist in charge, Accountant in charge.

**b) Quality Committee.**

This committee is in charge of ensuring the hospital offers high standards of quality on each front. Specifically, the Quality Committee provides oversight, monitoring and assessment of key organisational processes, outcomes and external reports; makes recommendations concerning physician credentialing and other oversight activities; and recommends appropriate Board policies.

Pharmacist in charge, Lab in charge, NSM, Procurement and HAO.

**c) Rewards and Sanctions Committee.**

Comprises of Med Supt, HAO,NSM, This committee is in charge of rewarding or sanctioning staff according to performance.

**d) Data Review Committee.**

Comprises HRIO, Med supt, Pharmacist I/C, Lab I/C. This committee is in charge of ensuring data presented is accurate verifiable and presented in a timely manner

**e) Infection prevention Control Committee.**

This committee is responsible for ensuring the health safety of staff and patients with regards to the environment. Comprises Public health officer, HAO, NSM Pharmacist I/C, Lab I/C.

**Key Lusigetti level 4 hospital Information and Management (continued)**

**(e) Lusigetti Level 4 Hospital Headquarters**

P.O. Box 2000-00902  
Lusigetti Building/House/Plaza  
Dagoretti – Mutarakwa Avenue/Road/Highway  
Kikuyu, Kenya

**(f) Lusigetti Level 4 Hospital Contacts**

Telephone: (+254) 704002077  
E-mail: [lusigettisubcountyhospital@gmail.com](mailto:lusigettisubcountyhospital@gmail.com)  
Website: [www.kiambucounty.co.ke](http://www.kiambucounty.co.ke)

**(g) Lusigetti Level 4 hospital Bankers**

KCB Bank- Kikuyu branch  
Family Bank

**(h) Independent Auditors**

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


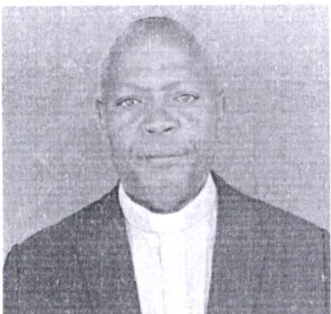
**(i) Principal Legal Adviser**



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

**(j) County Attorney**



P.O. Box. 2344-00900  
Kiambu, Kenya.




**2. The Board of Management**

Ref	Directors	Details
1.	<p><b>Monicah M. Ndung'u</b></p>  <p><b>Masters in International Management and International Relations</b></p>	<p><b>MONICA MUTHONI NDUNGU</b> Advocate of the High Court of Kenya with over 7 years progressive professional experience.</p> <p><b>PROFESSIONALEXPERIENCE</b></p> <ul style="list-style-type: none"> <li>▪ Managing Partner at M M Ndung'u &amp; Associates <ul style="list-style-type: none"> <li>▪ May 2021 - To date</li> </ul> </li> <li>▪ Commercial Legal Associate at Conrad Maloba &amp; Associates Advocates from January 2019 - April 2021</li> <li>▪ Corporate Fundraiser at Amnesty International in London from June 2017- December 2017</li> </ul> <p><b>ACADEMIC QUALIFICATIONS</b></p> <ul style="list-style-type: none"> <li>▪ Queen Mary University of London - Cloud Computing Law: Data Protection and Cyber security</li> <li>▪ Kenya School of Law - Postgraduate Diploma in Law</li> <li>▪ Oxford Brookes University - MSc International Management and International Relations</li> <li>▪ Jomo Kenyatta University of Agriculture and Technology - Bachelor of Laws.</li> <li>▪ Chair of the Board of Management.</li> </ul>
2.	<p><b>Edward Waweru</b></p> 	<ul style="list-style-type: none"> <li>▪ Higher Diploma in Theology</li> <li>▪ Diploma in Theology</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>▪ City of Grace Church to date</li> <li>▪ 2009 – 2021 Beacon of Hope</li> <li>▪ 1987 – 1991 Medical Research Centre</li> <li>▪ 1996 – 1998 New KWALE general distributors</li> </ul> <p>1999 – 2003 Alliance Hotels</p>




3.	<p><b>Samson Njenga</b></p> 	<ul style="list-style-type: none"> <li>▪ Graduate in Armed Forces and records.</li> <li>▪ E.A.C.E Education</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>▪ Kiambu senators office 2013-2021</li> <li>▪ Wamatangi foundation 2006-2013</li> <li>▪ Galot industries 1984-1988</li> <li>▪ Raymond woollen millers 1978-1983</li> <li>▪ Ministry of defence 1964-1976</li> </ul> <p>He is a member of the board.</p>
4.	<p><b>Peter Waweru Kamau</b></p>	<ul style="list-style-type: none"> <li>▪ Retired senior Physiotherapist , Kenyatta National Hospital</li> <li>▪ Member of the board</li> </ul>
5.	<p><b>Dr. Joseph Murithi Kathare</b></p>  <p><b>MbcHb MMED-Family Medicine</b></p>	<p><b>Medical Superintendent</b></p> <ul style="list-style-type: none"> <li>▪ Dr Kathare has 15 years’ work experience as a pharmacist.</li> <li>▪ He has experience in Clinical toxicology, Clinical Pharmacology, Medication Therapy Management(MTM) and managerial functions in the running of a hospital.</li> <li>▪ He holds a BPharm, Msc. Pharmacology and Toxicology, Executive MBA in Health Care Management, Post graduate Diploma in Leadership and PGCert in MTM.</li> <li>▪ Dr. Joseph Murithi is a certified Medication Therapy Management Specialist -USA.</li> <li>▪ Not a member of ICS as per Mwongozo</li> </ul>

### 3. Key Management Team

Ref	Management	Details
1.	<p><b>Dr. Joseph Kathare</b></p>  <ul style="list-style-type: none"> <li>▪ He holds a BPharm, Msc. Pharmacology and Toxicology, Executive MBA in Health Care Management, Post graduate Diploma in Leadership and PGCert in MTM.</li> <li>▪ A Certified Medication Therapy Management Specialist -USA.</li> </ul> <p>15 years' work experience as a Pharmacist.</p>	<p><b>Medical Superintendent</b></p> <ul style="list-style-type: none"> <li>✓ AIE Holder/Accounting Officer.</li> <li>✓ Oversees, Coordinates and is responsible for all the activities of the hospital.</li> <li>✓ Supervises and evaluates the activities of medical, nursing, technical, administrative, maintenance, and all the other personnel in the hospital.</li> <li>✓ He has experience in Clinical toxicology, Clinical Pharmacology, Medication Therapy Management(MTM) and managerial functions in the running of a hospital.</li> </ul>
2.	<p><b>Miriam Kimingi</b></p>  <p>Bachelor of Science in Nursing Degree and a Diploma in Community Health Nursing 12 Years working experience as a Nursing officer in public service.</p>	<p><b>Nursing Services Manager</b></p> <p>Incharge of Nursing services. Supervises nursing staff and is responsible for internal deployment of nurses in the hospital.</p> <p>Commodity nurse charged with management of non- pharmaceuticals</p> <p>Member of HMT.</p>

3.	<p><b>Godfrey Hinga Chege</b></p>  <p><b>Bachelors degree in Business Administration .</b></p>	<p><b>Hospital Administrative officer (HAO)</b></p> <p>Duties include:</p> <ul style="list-style-type: none"> <li>➤ Developing work and leave schedules for staff.</li> <li>➤ Ensuring effective running of daily facility activities.</li> <li>➤ Keeping detailed records of medical and legal documents.</li> <li>➤ Member of HMT</li> </ul> <p>Acts as the secretary during the HMT meetings by taking minutes.</p>
4.	<p><b>Anne Njambi Njuguna</b></p>  <p><b>B.com Finance, ICPAK Accountant</b></p>	<p><b>Hospital Accountant In Charge</b> <b>CPA Anne Njambi Njuguna</b></p> <ul style="list-style-type: none"> <li>● Holds a bachelor degree in commerce finance option and CPA K and is a member of ICPAK.</li> <li>● She has six years' experience in financial reporting and reconciliation.</li> </ul> <p><b>The main responsibilities</b></p> <ul style="list-style-type: none"> <li>● Collection of revenue from different streams in the hospital and payment of casuals and other expenses.</li> </ul>
5.	<p><b>Dorcas Mburu</b></p>  <p><b>Diploma in Laboratory Technology</b> <b>Laboratory Technologist.</b></p>	<p><b>Medical Laboratory Officer In-charge.</b></p> <p>Responsible for supervising the laboratory personnel.</p> <p>Receiving, processing and analysing samples.</p> <p>Conducting lab tests according to standard operating procedures.</p>

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

6.	<p><b>Dr. Irene Njiru</b></p>  <p>Bachelor of Pharmacy with over 15 years work experience.</p>	<p><b>Head of Pharmacy Department.</b></p> <p>Supervises the pharmacy staff.</p> <p>Responsible for dispensing of medications, quality testing, formulating and re-formulating dosage forms, monitoring and reporting drug safety, and preparing budgets for drugs.</p>
7.	<p><b>Stephen Njuguna</b></p>  <p>Bachelor's degree in Health System Management, Higher Diploma in Clinical Medicine (Dermatology and Venereology), Higher National Diploma in Human Resource Management, Diploma in Clinical Medicine and Surgery. 12 Years working experience as a clinical officer in public service.</p>	<p><b>Clinical Officer In charge</b></p> <p>Responsible for Management of clinical services in the hospital, clerking of patients in the outpatient which includes; examine, diagnose, order laboratory and imaging investigations, prescribe treatment and perform procedures</p> <p>Offering medical services at dermatology clinic, CCC/TB Clinic, OPD &amp; Casualty.</p> <p>Member of HMT.</p>
8.	<p><b>Abistany Wanjiru Mbogo</b></p>  <p>Master's Degree in Procurement and Logistics (JKUAT)</p>	<p><b>Procurement Officer in Charge</b> <b>[Principal Supply Chain Management Officer]</b></p> <ul style="list-style-type: none"> <li>● Holds a Master's Degree in Procurement and Logistics (JKUAT)</li> <li>● Currently pursuing a Ph. D in Supply Chain Management (JKUAT)</li> <li>● Bachelor of Arts Degree in Social Sciences (Moi University), Certification in Senior Management Course (Kenya School of Government),</li> <li>● Member of Kenya Institute of Supplies Management (KISM),</li> </ul> <p>Has ten years working experience in Supply Chain Management.</p>

#### **4. Chairman's Statement**

The Hospital Board was gazetted in the Kenya gazette on 14<sup>th</sup> February 2025 and issued with appointment letters on 20<sup>th</sup> February 2025 .

The board members include:

Monica M. Ng'ang'a - Chair

Samson Njenga - Member

Edward Waweru -Member

Dr. Peter Waweru Kamau - Member

Lusigetti level 4 Hospital has continued to grow despite some challenges that have once in a while affected effective service delivery to our patients. The Hospital Board of Management was able to achieve numerous results which have gone a long way in improving healthcare as well as revenue collection for the facility.

Notably, we were able to operationalize the theatre therefore the number of referrals was reduced hence improving the reliability which has made the facility enhance the number of patients seeking our services. We were also able to provide the hospital with a reliable water supply and this has reduced the stress on the staff therefore they can now offer the services uninterrupted and comfortably.

This has not been easy to achieve due to financial challenges whereby the funds have been reimbursed sometimes long overdue making the achievements delayed and even demoralising. This notwithstanding we intend to win the patients' confidence so that they can seek better healthcare from our facility we are also optimistic that once the new ward is completed, we will be able to have more patients and this will lead to increased revenue collection as we strive to offer quality healthcare.

Lusigetti Board Chair.



.....  
**Monica M. Ndung'u.**  
**Board Chair**

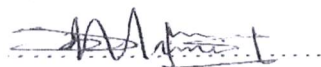
## 5. Report of The Medical Superintendent

Lusigetti **level 4** Hospital is in Kiambu County, Kikuyu Sub County, Nachu ward. It covers a total area of 96.3km<sup>2</sup>. The hospital started as a dispensary back in the year 1956 with the out patient department only. It upgraded to a health centre in 1974 with Out Patient, Maternity, Laboratory and MCH departments only. Currently it is gazetted as a level four hospital in kikuyu sub-county to serve a population of 142,876 in the five administrative wards. The facility however is serving a catchment population of 4,652 households. The Government of Kenya and the County Government of Kiambu department of health services is determined to improve access to and equity of quality essential health care services and to ensure that the health sector plays its role in the realisation of Vision 2030, public service reforms and the Sustainable Development Goals. Lusigetti **level 4** Hospital's health sector situation is such that the respiratory tract infections take up a huge proportion of the common health conditions affecting the population. The population is over five years of age, 1897 clients were diagnosed with a variety of these respiratory conditions in the past year and skin conditions coming a close second with 1197 clients diagnosed.

There has also been a worrying trend with the insurgence of Non-communicable diseases such as hypertension and diabetes with hypertension recording the highest number of 1957 known cases and diabetic cases second with 642 cases. The Health Management Team is in full realisation of the burden before it and are working to eliminate the communicable diseases as well as to halt and reverse the non-communicable disease trend by employing joint measures such as nutrition counselling, medical outreaches and in reaches and proper use of medicines and medicine products. The 2024/2025 Financial Year was significant in the hospital's calendar in many ways. It was during this period that the Hospital made unprecedented milestone achievements in the service delivery and reform continuity front despite the challenges of the Covid-19 Pandemic. On behalf of the hospital, I am pleased to share through this report, our experiences and how we surmounted the challenges thereof in the hope that the lessons learnt could provide valuable insights on navigating unforeseen crisis situations with minimal disruptions to service delivery. : Over the last year, Lusigetti Level 4 hospital has made remarkable strides. We were able to equip the theatre. Our weekly outpatient workload has grown from an average of 500 patients per week. We are grateful to the general public for trusting in our facility to provide healthcare services to them and their kin. The theatre is now fully equipped to conduct operations going forward. As a facility

we have tried to reduce our expenditure by procuring a commercial printer which has an affordable toner but is able to print a bigger workload and help make copies. The prior situation was a change of toner every 2 weeks due to the inability of the previous printer. We have also managed to equip our laboratory with additional Haemoglobin machine, to facilitate turn-around time for Antenatal mothers, who mainly utilise the Linda mama program, to ensure they are promptly and adequately served as the Full Haematology machine is being utilised for other general patients. Through the support of the County Government, we have also received a Biochemistry Analyser and Electrolyte analyser which will ensure that our NCD clinic and Theatre are fully supported in terms of Kidney and Liver function tests again reducing strain on the patients due to affordability and quicker treatment measures taken. We also ensured that our facility can start collection of blood by procuring a designated fridge for that purpose. Due to the FIF fund, we have ensured that from February 2022, stock outs have been a thing of the past and also ensured sustainability with us still having the capacity to waive some costs to patients unable to raise funds. New isolation ward with has been constructed with support from county government of Kiambu

**Challenges:** Lusigetti does not have enough bed space in terms of bed capacity. We only offer maternity services due to limited space with a bed capacity of only 19 beds. This translates to only 10 beds reserved for Caesarean sections and 9 for normal deliveries. Though with the capability to conduct more surgeries if more space is provided.



.....  
**Dr. Joseph Murithi Kathare**  
**Secretary to the Board**

## 6. Statement of Performance Against Predetermined Objectives

Lusigetti **level 4** Hospital has 2 strategic pillars and objectives within the current Strategic Plan for the FY 24- FY 25. These strategic pillars/ themes/ issues are as follows;

Pillar /theme/issue 1: Health financing

Pillar/theme/issue 2: Service Delivery

Lusigetti **level 4** hospital develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Lusigetti **level 4** Hospital achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/The me/Issues	Objective	Key Performance Indicators	Activities	Achievements
Health Financing	Eliminate Communicable conditions Eliminate Non Communicable conditions	-Average cost per discharge  -Average length of stay - Bed Turnover	-Immunization -Child health -Screening for communicable conditions -Antenatal Care -Prevention of mother to child HIV transmission -Integrated Vector management -Good hygiene practices -HIV and STI prevention Control and prevention of neglected tropical diseases -Health promotion and education for NCD -Institutional Screening for NCD’s -Workplace Health & Safety -Food quality & Safety -Health Promotion and education on violence / injuries -Pre hospital Care -OPD/Accident and Emergency Management for injuries	-Reduction in mortality and morbidity rates from 10% - Reduction in number HIV prevalence. -Reduction in the NCD complications

**Lusigetti Level 4 Hospital (Kiambu County Government)**

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

Service Delivery	Provide essential Medical services	<ul style="list-style-type: none"> <li>-Average waiting time</li> <li>-Medical equipment utilization</li> <li>- Insurance claim processing time</li> </ul>	<ul style="list-style-type: none"> <li>- General Outpatient</li> <li>- Integrated MCH / Family Planning services</li> <li>- Accident and Emergency</li> <li>- Emergency life support</li> <li>- Maternity</li> <li>- Newborn services</li> <li>- Reproductive health</li> <li>- In Patient services</li> <li>- Clinical Laboratory</li> <li>- Specialized laboratory</li> <li>- Imaging</li> <li>- Pharmaceutical</li> <li>- Blood safety</li> <li>- Rehabilitation</li> <li>- Palliative care</li> <li>- Specialized clinics</li> <li>- Comprehensive youth friendly services</li> <li>- Operative surgical services</li> <li>Specialized Therapies</li> </ul>	<ul style="list-style-type: none"> <li>-Increase in the number of caesarean sections</li> <li>-Reduction of waiting times for patients.</li> <li>- Diversification of tests done at the laboratory.</li> </ul>
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The achievements are outlined as above are measured as part of performance of the staff for intense the staff would rate highly if the waiting time for a patient in his /her department reduces. Another example is a staff would rate highly if they increase the number of caesarean sections conducted. This data is derived from weekly workload report staff signed performance contracts that are tailored to the above specific objectives of the Lusigetti Hospital. They performance review is to be conducted twice a year mid-year review and end of year review.

## **7. Corporate Governance Statement**

Lusigetti Level 4 Hospital is governed by the Hospital Board of Management. The Current Hospital Management Board was gazetted vide the Kenya Gazette Vol. CXXVII- NO. 31 dated 14<sup>th</sup> February 2025 after the expiration of the term of the previous HMB. The Board Members were issued with appointment letters dated 20<sup>th</sup> February, 2025 stating their term in office is three (3) years with effect from 13<sup>th</sup> February 2025

The power for appointment and removal of the board members is vested on the County Executive Committee Member (CECM) in-charge-of health services member in line with the Constitution of the Kiambu County Health Services Acts (no. 2 of 2019).

The Executive Member appointed a Board for Lusigetti Level 4 hospital, comprising of;

- (a) A chairperson who is not a staff of the County Government with a minimum of a diploma;
- (b) The hospital superintendent who is the secretary to the board.
- (c) Four residents of the sub-county in which the hospital is located who have attained basic level education taking into account gender parity and special interest groups.

The Board may co-opt any person with relevant expertise necessary to assist the Board determine a matter.

The Executive Member may remove from office any member of the Board who:

- (a) Has been absent for three consecutive meetings of the Board without the permission of the Chairperson;
- (b) Is adjudged bankrupt;
- (c) Is unable to discharge his or her duties due to physical or mental incapacity;
- (d) Violates or is suspected of violating the provisions of Chapter six of the Constitution; or
- (e) Is charged with a criminal offence in court of law or a traffic offence attracting an imprisonment term of a minimum of six months.

The Board held four (2) meetings in the last financial year 2024- 2025. The attendance for the all meetings was >80%

The Board is in the process of coming up with the succession plan and charter.

As per the Act, the roles and functions of the board are as follows:

- (a) Provide oversight over the general administration of the hospital.
- (b) Promote the development of the hospital.

- (c) Recommend to the Executive Member plans and programs for implementing the county health strategies in the hospital.
- (d) Recommend to the Executive Member budget estimates.
- (e) Establish a hospital – community participation and feedback platform.
- (f) Assessing the delivery of services at the hospital and advice the Executive Member.
- (g) Monitoring the hospital performance against set targets and advice the Executive Member.
- (h) Carrying out any other function that maybe assigned by the Executive Member.

The Board has performed exemplary well on their mandates during the last financial year despite challenges and are more committed to achieve much on the next financial year.

The board was trained and inducted on their roles and were duly vetted before they were issued with appointment letters.

There was no conflict of interest that arose in line with the Board executing their mandates.

The Board Members remunerations/allowances were based on the salary and remuneration commission circulars dated 16<sup>th</sup> April, 2014 Ref. No: SRC/ADM/CIR/1/13(122 ).

The board uses the charter of the Kiambu County Government.

The conduct of the board members was ethical as they followed the code of conduct during their execution of their mandates as per the Kiambu Health Act,2019.

## **8. Management Discussion and Analysis**

### **Clinical Performance**

Lusigetti level 4 hospital continues to provide a wide range of healthcare services to , patients from Kikuyu and its environs. Services include, specialized outpatient clinics and other clinics like Gynaecological procedures, inpatient care, day care procedures for surgery, ophthalmology, dental. The hospital also provides clinical support services that include ,laboratory, pharmacy. The hospital strives to ensure that the clinical services provided are safe, timely, appropriate, innovative, effective, evidence-based and in line with modern technological advances. Clinical governance continues to be strengthened to improve patient safety and ensure quality healthcare. The hospital patient attendance continues to increase despite the many challenges i.e. budgetary constraints.

### **Overall patient attendance**

The average patient attendance for the year 2024/2025, was 27,222 outpatients and 72 in-patients.

### **Specialized clinics Attendance**

Lusigetti runs 5 specialist clinics to review, treat and follow up on patients with issues that require the specialists' intervention. The clinics are run throughout the year with specific emphasis on patients' progress. Mopc, Gopc, Popc, Dopc, Dermatology and Eye

### **Inpatient Admissions**

Lusigetti admits a minimal number of patients who require treatment. This is partly due to limited bed capacity we only have female ward But we are in the process of construction an 70 bed ward unit. A minimal number of the admissions are done from the specialized clinics. The high number of admissions in Obstetrics & Gynaecology (Obs & gynae) is attributed to the free maternity program, an initiative by the National Government to ensure safe delivery for mothers.

### **Average Length of Stay**

The average length of stay (ALOS) is an indicator of efficiency in the provision of inpatient health care in the hospital.

• **Bed occupancy rate.**

In the year 2024/2025 the bed occupancy rate averaged 50 %. This was attributed to the specialized and quality healthcare services offered in the hospital that attracts clients from across the country and beyond.

**Clinical effectiveness**

Clinical effectiveness is the application of the best knowledge, derived from research, clinical experience and patient preferences to achieve optimum processes and outcomes of care for the patients. This involves deliberate actions and frameworks of informing changing and monitoring and evaluation of clinical practice. The hospital being a centre of excellence has ensured quality improvement and clinical effectiveness especially in the highly specialized areas like the Theatre.

**Patient Safety**

Lusigetti Level 4 has embarked on all aspects of patient safety which is an integral component of health service delivery. The hospital is focused to reduce hospital acquired infections and medical errors, reduction of falls and occurrence of venous thrombosis

**Financial performance**

Lusigetti **level 4** Hospital generates revenues from two main sources which are; out of pocket (what patient pays for service) and insurance which is mainly SHA.

The money generated by the hospital is ploughed back to the facility for continued provision of services to the patients. The funds are mainly utilised in payment of casual wages, purchase of drugs and non pharmaceuticals and general administration running costs.



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**Dr. Joseph Murithi Kathare**

**Medical Superintendent**

## **9. Environmental And Sustainability Reporting**

Lusigetti **level 4** Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

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

Sustainability prompts us to think in terms of the future and using global perspective, recognising the connections between economy, society and ecology. The concept carries the aim of improving quality of life for people and communities across the globe, whilst protecting the natural systems upon which life depends.

We support 17 Sustainable Development Goals adopted by UN Member States in Transforming our world: the 2030 Agenda for Sustainable Development. It reflects the commitment behind the Global Goals to make further advances on social progress, economic growth and environmental protection, balancing the three pillars of sustainable development. We have engaged in Community Dialogues to sensitise the community on the services we offer and any feedback that they provide is key to improving our services. Continuous ploughing of the Fif back into the facility has also been key in planning and sustaining the activities of the hospital

### **ii) Environmental performance**

We have a burning chamber which we utilise in burning waste the ones that are put in the black yellow and red bags. We also have ash pits which we put the ash from the chamber due to lack of incinerator we don't burn sharps but take them to Thika Incinerator

### **iii) Employee welfare**

Hiring is on basis of competitive and fair recruitment through the County Public Service Board looking out for Gender balance and following all applicable laws of the land with regards to employment. Workers are provided with PPE and other protective materials to minimize exposure and injury at the Hospital. The hospital is OSHA(Occupational Safety and Health Act of 2007) compliant.

### **iv) Marketplace practices-**

The organisation should outline its efforts to:

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

Procurement processes are done competitively and fairly offering opportunity to all people groups. Lusigetti **level 4** hospital follows to the latter PFM and Public Procurement and Asset Disposal Act

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

Lusigetti **level 4** hospital maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payment practices. Put in place guidelines to offer equal business opportunities.

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

We maintain ethical marketing practices and a culture of Transparency. Protection of data, commitment to sustainability and human rights

***d) Product stewardship***

The hospital has put in place the following efforts to safe guard its consumers rights and interests:

- a. Set laws and acts that guides in safeguarding its consumers.
- b. The hospital advocates for compliance.
- c. Right to goods and services equally.
- d. Rights to information necessary to them

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

Lusigetti Level 4 Hospital strived to conduct community outreaches where the aim is to take health services nearer to our clients. During such occasions we may encounter patients in need of specialized medication. The patients are usually referred to our facility where they are linked with our specialists. This goes a long way to making our facility to be at par with other top-notch health facilities.

The facility offers job opportunities to qualified members of the community mainly as casual workers. This goes a long way in making the community members feel that the facility cares for some of their own. It also instils confidence to the community members noting that when they visit the facility they may get assistance from the people they know.

**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 Lusigetti level 4 hospital are to promote and provide quality, curative, preventive, promotive and rehabilitative care to Kenyans

**Results**

The results of the Lusigetti level 4 hospital for the year ended June 30 2025 are set out on pages ...1. To 8.

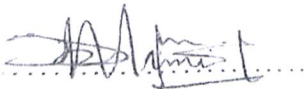
**Board of Management**

The members of the Board who served during the year are shown on page xii-xiii. During the year, five five (5) new directors were appointed.

**Auditors**

The Auditor General is responsible for the statutory audit of the *Lusigetti level 4 hospital* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....

**Dr. Joseph Kathare**  
**Secretary to the Board**

## **11. Statement of Board of Management’s Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and Kiambu Health Services Act, 2019 requires the Board of Management to prepare financial statements in respect of that *Lusigetti level 4 hospital*, which give a true and fair view of the state of affairs of the *Lusigetti level 4 hospital* at the end of the financial year ending 30<sup>th</sup> June 2025 and the operating results of the *Lusigetti level 4 hospital* for that year. The Board of Management is also required to ensure that the *Lusigetti level 4 hospital* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Lusigetti level 4 hospital*. The council members are also responsible for safeguarding the assets of the *Lusigetti level 4 hospital*.

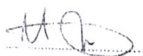
The Board of Management is responsible for the preparation and presentation of the *Lusigetti level 4 hospital’s* financial statements, which give a true and fair view of the state of affairs of the *Lusigetti level 4 hospital* for and as at the end of the financial year ended June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Lusigetti level 4 hospital*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Lusigetti level 4 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 *Lusigetti level 4 hospital’s* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu Health Services Act, 2019. The Board members are of the opinion that the *Lusigetti level 4 hospital’s* financial statements give a true and fair view of the state of *Lusigetti level 4 hospital’s* transactions during the financial year ended June 30, 2025, and of the *Lusigetti level 4 hospital’s* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *Lusigetti level 4 hospital*, which have been relied upon in the preparation of the *Lusigetti level 4 hospital’s* financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Directors have assessed the Fund’s ability to continue as a going concern.

Nothing has come to the attention of the Board of management to indicate that the *Lusigetti level 4 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 15/08/2025 and signed on its behalf by:



.....  
**Monicah Ndung’u**  
**Chairperson-Board of Management**



.....  
**Dr. Joseph Kathare**  
**Accounting Officer**

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

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### **PREAMBLE**

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Lusigetti Level 4 Hospital - County Government of Kiambu set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial

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

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

### **Basis for Qualified Opinion**

#### **Long Outstanding Receivables**

The statement of financial position reflects receivables from exchange transactions amount of Kshs.3,193,030 as disclosed in Note 21 to the financial statements. Included in the amount is Kshs.2,258,870 owed by the now defunct NHIF which has been outstanding for more than one (1) year as per the debtors information provided for audit. Although, the last correspondence to the debtor is dated December, 2024, there was no evidence of efforts made by the Management to recover the debt.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.2,258,870 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final budget amount of Kshs 15,774,449 and actual on comparable basis amount of Kshs.15,774,449 resulting to 100% absorption of the budget. Similarly, the Hospital spent Kshs.13,232,843 against actual receipts of Kshs.15,774,449 resulting to an under-utilization of Kshs.2,541,606 or 16% of the actual receipts.

The under-utilization may have affected implementation of planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

## Key Audit Matters

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

## Other Matter

### Unresolved Prior Year Issues

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Cash and Cash Equivalents
2	2023/2024	Variances in Receivables from Exchange Transactions
3	2023/2024	Budgetary Control and Performance
4	2022/2023	Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements
5	2022/2023	Non-Compliance with NEMA Waste Management Regulations, 2006 on Disposal of Expired Pharmaceutical Supplies
6	2022/2023	Incomplete Fixed Assets Register
7	2022/2023	Failure to Value Assets
8	2022/2023	Hospital Assets not in Use
9	2022/2023	Lack of Risk Management Policy
10	2022/2023	Ineffective Internal Audit Function
11	2022/2023	Ineffective Management of Universal Health Care

## Other Information

The Management is responsible for the Other Information set out on page iii to xxix which comprise of key entity information and Management, 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 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. Deficiency in Implementation of Universal Health Coverage

Review of the Hospital's universal health care records revealed that the Hospital did not meet the required standards of Universal Health Care on both staff and machine and equipment as shown below;

		Minimum Required	In Place	Variance
<b>1</b>	<b>Staffing Requirement</b>			
	Medical Officers	16	3	13
	Anaesthesiologists	2	0	2
	General Surgeons	2	0	2
	Gynaecologists	2	1	2
	Paediatricians	2	0	2
	Radiologists	2	0	2
	Registered Community Health Nurses	75	18	57
	<b>Total</b>	<b>101</b>	<b>23</b>	<b>78</b>
			<b>Services provided</b>	
<b>2</b>	<b>Services Offered</b>			
	Surgical Services	Yes	Minor and Maternity both Emergency and Elective	
	Paediatric Services	Yes	No	
	Radiology Services	No	Machine available but no personnel	
	Renal services	No	No	
	Tuberculosis Services	Yes	Yes	

		<b>Minimum Required</b>	<b>In Place</b>	<b>Variance</b>
<b>3</b>	<b>Bed Capacity</b>	150	22	128
<b>4</b>	<b>Equipment &amp; Machines</b>			
	Incubators (Newborn)	5	5	0
	Cots	5	5	0
	Resuscitaire in Theatre	1	1	0
	Resuscitaire in Labour Ward	2	1	1
	Functional ICU Beds	6	0	6
	HDU Beds	6	0	6
	Renal Unit with Dialysis machines	5	0	5
	Functional Operating Theatres Maternity and General	2	1	1

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

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

## **2. Long Outstanding Payables**

The statement of financial position reflects trade and other payables balance of kshs.4,418,416 as disclosed in Note 26 to the financial statements. Review of ageing analysis revealed that there have been long outstanding payables for more than two (2) years amounting to kshs.3,737,736 and there was no evidence of efforts made by hospital Management to pay the amount. This was contrary to Regulation 42(1) of the Public Finance Management (County Government) Regulations, 2015 which states that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations

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

## **3. Lack of a Mortuary in the Hospital**

Review of hospital records revealed that the hospital has no mortuary facilities. This was contrary to Paragraph 11.14 of Kenya Quality Model for Health, which states that the health facility shall have adequate resources to provide quality mortuary services. The facility shall have in place documented standard operating procedures for body processing.

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

#### **4. Lack of an Approved Budget**

The statement of comparison of budget and actual amount reflects total budgeted revenue of Kshs.15,774,449 and total expenditure budget of Kshs.13,232,843. However, the budget was not approved by the Hospital board hence was not included in the County Government budget estimates as required by Regulation 31(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that all revenue and expenditure shall be entered into the county government budget estimates.

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

#### **5. Non-Compliance with Public Procurement Capacity Building Levy Order**

The Hospital did not comply with the requirements of Legal Notice No.206 of 2023 (The Public Procurement Capacity Building Levy Order, 2023) during the financial year 2024-2025. The Hospital did not deduct the mandatory levy of 0.03% from all contracts signed after 1st Sept 2024. Additionally, a summary of contracts signed after 1st Sept was not provided for audit review.

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

#### **6. Incomplete Fixed Assets Register**

The asset register provided for audit did not include details such as cost of assets, and depreciation rates. Further, review of assets records, revealed that the Hospital owns various classes of assets of undetermined value which have been excluded from the financial statements and which have not been valued and tagged. Further, ownership documents for the Hospital's land were not provided for audit. This was contrary to Regulation 136. (1) of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed and Management was in breach of the Regulations.

#### **7. Failure to Retain Facilities Improvement Funds (FIF) at Lusigetti Level 4 Hospital**

Review of revenue records obtained from Lusigetti Level 4 hospital revealed that the facility collected a total Kshs.13,643,811 towards the health facilities improvement. Out of this amount, a total of Kshs.13,643,811 was transferred to County Revenue Fund. However, the County Treasury reimbursed a total of Kshs.9,546,718 to the health facilities resulting in a deficit of Kshs.4,082,092. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

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

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

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

### Conclusion

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

### Basis for Conclusion

#### 1. Expiry of Medical Supplies

The statement of financial position reflects an inventory balance of Kshs.3,838,215 as disclosed in Note. 23 to the financial statements. Review of the store records for pharmaceuticals and non-pharmaceuticals revealed that various drugs of undetermined value had expired which date back to year 2013.

In the circumstances, the effectiveness of internal controls on the management of pharmaceutical and non-pharmaceutical could not be confirmed.

#### 2. Lack of a Strategic Plan

During the audit, it was noted the Hospital did not have a strategic plan in place. As a result, operations and resource allocations of the Hospital were not guided by an updated strategic framework and performance targets are not aligned with national and sectoral objectives.

In the circumstances, the Hospital's performance targets aligned with national and sectoral objectives could not be confirmed.

#### 3. Lack of an Internal Audit Function

The Management has not established an internal audit department to oversee the internal controls of the Hospital and no internal audits were conducted during the year under review contrary to Section 155 of the Public Finance Management (PFM) Act, 2012 which states appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions 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 Management and the Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Hospital or to cease its 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

17 December, 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	7,886,493
In- kind contributions from the County Government	7	1,652,608	74,249,170
Grants from donors and development partners	8	-	0
Transfers from other Government entities	9	-	0
Public contributions and donations	10	-	0
		<b>1,652,608</b>	<b>82,135,663</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	13,643,811	0
<b>Revenue from exchange transactions</b>		13,643,811	-
<b>Total revenue</b>		<b>15,296,419</b>	<b>82,135,663</b>
<b>Expenses</b>			
Medical/Clinical costs	12	8,652,451	3,990,221
Employee costs	13	1,244,508	73,967,964
Board of Management Expenses	14	27,000	0
Repairs and maintenance	15	139,829	38,600
Grants and subsidies	16	-	0
General expenses	17	341,352	1,090,630
<b>Total expenses</b>		<b>10,405,137</b>	<b>79,087,415</b>
<b>Other gains/(losses)</b>			
Medical services contracts Gains/Losses	18	-	0
<b>Total other gains/(losses)</b>		-	<b>0</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>4,891,282</b>	<b>3,048,248</b>

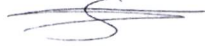
*Lusigetti Level 4 Hospital Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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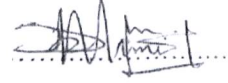
The Hospital's financial statements were approved by the Board on 15/08/2025 and signed on its behalf by:



.....  
**Monica Ndung'u**  
**Chairman**  
**Board of Management**



.....  
**Salome M. Waweru**  
**Head of Finance**  
**ICPAK No:20677**



.....  
**Dr. Peter Kathare**  
**Medical Superintendent**

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

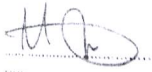
Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	19	3,170,308	1,530,764
Prepayments	20	-	-
Receivables from exchange transactions	21	3,193,030	2,278,395
Receivables from non-exchange transactions	22	4,494,520	0
Inventories	23	3,838,215	1,412,462
<b>Total Current Assets</b>		<b>14,696,073</b>	<b>5,221,621</b>
<b>Non-current assets</b>			
Property, plant, and equipment	24	7,909,000	0
Intangible assets	25	-	0
<b>Total Non-current Assets</b>		<b>7,909,000</b>	<b>0</b>
<b>Total assets (A)</b>		<b>22,605,073</b>	<b>5,221,621</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	26	4,418,416	3,737,466
Refundable deposits from Patients/Prepayments	27	-	0
<b>Total Current Liabilities</b>		<b>4,418,416</b>	<b>3,737,466</b>
<b>Non-current liabilities</b>			
Provisions	28	-	0
Service concession Arrangements	29	-	0
<b>Total non-current liabilities</b>			<b>0</b>
<b>Total Liabilities (B)</b>		<b>4,418,416</b>	<b>3,737,466</b>
<b>Net assets (A-B)</b>		<b>18,186,657</b>	<b>1,484,155</b>
<b>Represented by:</b>			


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Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revaluation reserve		-	0
Accumulated surplus/Deficit		4,418,416	3,737,466
Capital Fund		-	0
<b>Net Assets</b>		<b>22,605,073</b>	<b>5,221,621</b>

*(The notes on pages 10 to 43 form an integral part of the Annual Financial Statements.)*

The Hospital's financial statements were approved by the Board on 15/08/2025 and signed on its behalf by:





.....  
**Monica Ndung'u**  
**Chairman**  
**Board of Management**

.....  
**Salome M. Waweru**  
**Head of Finance**  
**ICPAK No:20677**

.....  
**Dr. Peter Kathare**  
**Medical Superintendent**

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

<b>Description</b>	<b>Revaluation reserve</b>	<b>Accumulated surplus/Deficit</b>	<b>Capital Fund</b>	<b>Total</b>
<b>As at July 1, 2024(previous year)</b>	<b>552,535</b>	<b>0</b>	<b>552,535</b>	<b>552,535</b>
Revaluation gain	-	-	0	-
Surplus/(deficit) for the year	3,048,248	-	3,048,248	3,048,248
Capital/Development grants	-	0	0	-
<b>As at June 30, 2024 (previous year)</b>	<b>3,600,783</b>	<b>0</b>	<b>3,600,783</b>	<b>3,600,783</b>
<b>At July 1, 2024 (current year)</b>	<b>3,600,783</b>	<b>0</b>	<b>0</b>	<b>3,600,783</b>
Revaluation gain	-	-	0	-
Surplus/(deficit) for the year	4,891,282	-	0	4,891,282
Capital/Development grants	-	0	0	-
<b>At June 30, 2025 (current year)</b>	<b>8,492,065</b>	<b>0</b>	<b>0</b>	<b>8,492,065</b>

*Lusigetti Level 4 Hospital Kiambu County Government)*  
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**16. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		0	7,886,493
Grants from donors and development partners		0	0
Transfers from other Government entities		0	0
Public contributions and donations		0	0
Rendering of services- Medical Service Income		13,643,811	0
Revenue from rent of facilities		0	0
Finance / interest income		0	0
Miscellaneous receipts		0	0
<b>Total Receipts</b>		<b>13,643,811</b>	<b>7,886,493</b>
<b>Payments</b>			
Medical/Clinical costs		8,652,451	3,844,392
Employee costs		1,244,508	1,057,408
Board of Management Expenses		27,000	0
Repairs and maintenance		139,829	38,600
Grants and subsidies		0	0
General expenses		341,352	815,455
Finance costs		0	0
Refunds paid out		0	0
<b>Total Payments</b>		<b>13,232,843</b>	<b>5,755,855</b>
<b>Net cash flows from operating activities</b>	43	-	-
<b>Transfers to FIF Fund</b>			
<b>Cash flows from investing activities</b>		(0)	(0)
Purchase of property, plant, equipment		(0)	(0)
Purchase of intangible assets		0	0
Proceeds from the sale of PPE		(0)	(0)
Acquisition of investments		(-)	(0)
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>		0	0
Proceeds from borrowings		(0)	(0)
Repayment of borrowings		0	0

*Lusigetti Level 4 Hospital Kiambu County Government)*

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

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Capital grants received		(0)	(0)
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>1,181,295</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>0</b>	
Cash and cash equivalents as at 1 July 2024	27	1,530,764	505,021
<b>Cash and cash equivalents as at 30 June 2025</b>	<b>27</b>	<b>3,170,308</b>	<b>1,530,764.3</b>

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

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

<b>Description</b>	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>% of utilisation</b>
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c%</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Budget carryovers from the previous year	-	0	2,130,638	2,130,638	0	0%
<b>Receipts</b>						
Transfers from the County Government	0	0	0	0	0	0%
Grants from donors and development partners	0	0	0	0	0	0%
Transfers from other Government entities	0	0	0	0	0	0%
Public contributions and donations	0	0	0	0	0	0%
Rendering of services- Medical Service Income	13,643,811	0	13,643,811	13,643,811	0	100%
Revenue from rent of facilities	0	0	0	0	0	0%
Finance / interest income	0	0	0	0	0	0%
Miscellaneous receipts ( <i>specify</i> )	0	0	0	0	0	0%
<b>Total receipts</b>	<b>13,643,811</b>	<b>0</b>	<b>15,774,449</b>	<b>15,774,449</b>	<b>0</b>	<b>100%</b>
<b>Payments</b>						
Medical/Clinical costs	8,652,451	0	8,652,451	8,652,451	0	100%
Employee costs	1,244,508	0	1,244,508	1,244,508	0	100%
Remuneration of directors	27,000	0	27,000	27,000	0	100%
Repairs and maintenance	139,829	0	139,829	139,829	0	100%
Grants and subsidies	2,827,703	0	2,827,703	2,827,703	0	100%
General expenses	341,352	0	341,352	341,352	0	100%
Finance costs	0	0	0	0	0	0%
Refunds	0	0	0	0	0	0%
<b>Total Operational Expenditure paid</b>	<b>13,232,843</b>	<b>0</b>	<b>13,232,843</b>	<b>13,232,843</b>	<b>0</b>	
<b>Capital Expenditure paid</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>%</b>
<b>Surplus</b>	<b>410,968</b>	<b>2,063,576</b>	<b>2,541,606</b>	<b>2,541,606</b>	<b>0</b>	<b>%</b>

**Budget Reconciliation**

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

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

### **1. General Information**

Lusigetti level 4 hospital is established by and derives its authority and accountability from the Kiambu Health Services Act, 2019. The Lusigetti level 4 hospital is wholly owned by the Kiambu County Government and is domiciled in Kiambu County in Kenya. The Lusigetti level 4 hospital's principal activity is the provision of curative, rehabilitative and preventive Health.

### **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 *Lusigetti level 4 hospital's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. Financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Lusigetti level 4 hospital*. The financial statements have been prepared in accordance with the PFM Act, and Kiambu Health Services Act, 2019 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Lusigetti level 4 hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment.</p>

Standard	Effective date and impact:
and Equipment	IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that Lusigetti level 4 hospital shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the Lusigetti level 4 hospital's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

*iii) Early adoption of standards*

The Lusigetti level 4 hospital did not early – adopt any new or amended standards in the financial year.

*Notes to the Financial Statements (Continued)*

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Lusigetti level 4 hospital* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Lusigetti level 4 hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Lusigetti level 4 hospital.

**b. Budget information**

The original budget for FY 2024/2025 was not approved by Board since there was no board in place. No 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 Lusigetti level 4 hospital upon receiving the respective approvals in order to conclude the final budget. The *Lusigetti level 4 hospital's*

*Notes to the Financial Statements (Continued)*

budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a

classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

**d. Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Lusigetti level 4 hospital recognizes such parts as individual assets with

specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a

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

replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**e. Intangible assets**

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

**Trade and other receivables**

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

**Impairment**

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

**Financial liabilities**

**Classification**

The Lusigetti level 4 hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

*Notes to the Financial Statements (Continued)*

**f. Inventories**

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

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

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

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Lusigetti level 4 hospital.

**g. Provisions**

Provisions are recognized when the Lusigetti level 4 hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Lusigetti level 4 hospital expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

*Notes to the Financial Statements (Continued)*

**h. Contingent liabilities**

The Lusigetti level 4 hospital does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**i. Contingent assets**

The Lusigetti level 4 hospital does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Lusigetti level 4 hospital in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**j. Nature and purpose of reserves**

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

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

The Lusigetti level 4 hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

*Notes to the Financial Statements (Continued)*

**l. Employee benefits**

in surplus or deficit in the period.

**m. Borrowing costs**

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

**n. Related parties**

The Lusigetti level 4 hospital regards a related party as a person or an Lusigetti level 4 hospital with the ability to exert control individually or jointly, or to exercise significant influence over the *Lusigetti level 4 hospital*, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

**o. Service concession arrangements**

The Lusigetti level 4 hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Lusigetti level 4 hospital* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Lusigetti level 4 hospital* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**p. 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

*Notes to the Financial Statements (Continued)*

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.

**q. Comparative figures**

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

**r. Subsequent events**

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

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

The preparation of the Lusigetti level 4 hospital's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Lusigetti level 4 hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Lusigetti level 4 hospital. Such changes are reflected in the assumptions when they occur.( IPSAS 1.140)

*Notes to the Financial Statements (Continued)*

**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:

- i. The condition of the asset based on the assessment of experts employed by the Lusigetti level 4 hospital.
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii. The nature of the processes in which the asset is deployed.
- iv. Availability of funding to replace the asset.
- v. Changes in the market in relation to the asset.

**Provisions**

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

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6 b Transfers from The County Government

Name of the Lusigetti level 4 hospital sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred of under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2023/2024
			KShs	KShs	KShs
Kiambu County Government					7,886,493
<b>Total</b>					<b>7,886,493</b>

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	0	72,910,556
Medical supplies-Drawings Rights (KEMSA)	1,652,608	1,338,614
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0	0
Utility bills	0	0
<b>Total grants in kind</b>	<b>1,652,608</b>	<b>74,249,170</b>

8. Grants From Donors and Development Partners

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

9. Transfers From Other Government Entities

Description	2024/2025	2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	-
Transfer from Institute	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>

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

10. Public Contributions and Donations

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

10 (a) Reconciliations of amortised grants

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

**Notes to Financial Statements Continued**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	2,749,609	0
Non-Pharmaceuticals	7,290,832	0
Laboratory	2,000,120	0
Radiology	0	0
Orthopedic and Trauma Technology	0	0
Theatre	0	0
Accident and Emergency Service	0	0
Anesthesia Service	0	0
Ear Nose and Throat service	0	0
Nutrition service	85,900	0
Cancer centre service	0	0
Dental services	89,750	0
Reproductive health	0	0
Paediatrics services	0	0
Farewell home services	0	0
Ambulance services	0	0
Other medical services income ( <i>records</i> )	1,427,600	0
<b>Total revenue from the rendering of services</b>	<b>13,643,811</b>	<b>0</b>

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

**12. Medical/ Clinical Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	9,944	0
Laboratory chemicals and reagents	1,078,692	321,689
Public health activities	0	0
Food and Ration	1,070,964	180,530
Uniform, clothing, and linen	0	0
Dressing and Non-Pharmaceuticals	2,230,528	1,256,286
Pharmaceutical supplies	2,547,790	602,930
Health information stationery	0	275,172
Reproductive health materials	0	0
Sanitary and cleansing Materials	0	15,000
Purchase of Medical gases	61,925	0
X-Ray/Radiology supplies	0	0
Other medical related clinical costs ( <i>KEMSA</i> )	1,652,608	1,338,614
<b>Total medical/ clinical costs</b>	<b>8,652,451</b>	<b>3,990,221</b>

**13. Employee Costs**

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	1,043,431	866,977
Contributions to pension schemes	165,710	154,681
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	35,367	35,750
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs ( <i>specify</i> )	0	72,910,556
<b>Employee costs</b>	<b>1,244,508</b>	<b>73,967,964</b>

Notes to the Financial Statements (Continued)

**14. Board of Management Expenses**

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance	27,000	116,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>27,000</b>	<b>116,000</b>

**15. Repairs And Maintenance**

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	36,829	38,600
Medical equipment	103,000	0
Office equipment	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Motor vehicle expenses	0	0
Maintenance of civil works	0	0
<b>Total repairs and maintenance</b>	<b>139,829</b>	<b>38,600</b>

Notes to the Financial Statements (Continued)

16. Grants And Subsidies

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

17. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	0	0
Catering expenses	0	50,000
Waste management expenses	0	0
Insecticides and rodenticides	0	0
Audit fees	0	0
Bank charges	4,352	3,596
Conferences and delegations	0	0
Consultancy fees	0	0
Contracted services	140,000	447,156
Electricity expenses	0	0
Fuel and Lubricants	0	0
Insurance	0	0
Research and development expenses	0	0
Travel and accommodation allowance	0	0
Legal expenses	0	0
Licenses and permits	0	0
Courier and postal services	0	0
Printing and stationery	39,500	471,095
Hire charges	0	0
Rent expenses	0	0
Water and sewerage costs	93,500	108,780

**Lusigetti Level 4 Hospital (Kiambu County Government)**  
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Description	2024/2025	2023/2024
	Kshs	Kshs
Skills development levies	0	0
Telephone and mobile phone services	64,000	10,000
Internet expenses	0	0
Staff training and development	0	0
Subscriptions to professional bodies	0	0
Subscriptions to newspapers periodical, magazines, and gazette notices	0	0
Library books/Materials	0	0
Parking charges	0	0
<b>Total General Expenses</b>	<b>341,352</b>	<b>1,090,627</b>

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

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

**19. Cash And Cash Equivalentents**

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	3,170,308	1,530,764
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	0	0
Others( <i>specify</i> )- Mobile money	0	0
<b>Total cash and cash equivalentents</b>	<b>3,170,308</b>	<b>1,530,764</b>

Notes to the Financial Statements (Continued)

19 (a) Detailed Analysis of Cash and Cash Equivalents

Description		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial Bank -FIF ACC	1157562094	1,817,574	1,530,764
Kenya Commercial Bank - SHA ACC	1263472885	1,352,734	0
<b>Sub- total</b>		<b>3,170,308</b>	<b>1,530,764</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank			
Equity Bank – etc			
<b>Sub- total</b>		-	-
<b>c) Fixed deposits account</b>			
Bank Name			
<b>Sub- total</b>		-	-
<b>d) Others(specify)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money			
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>3,170,308</b>	<b>1,530,764</b>

20. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
<b>Total</b>	-	-

*Notes to the Financial Statements (Continued)*

**21. Receivables From Exchange Transactions**

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	3,193,030	2,278,395
Rent receivables	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
<b>Total receivables</b>	<b>3,193,030</b>	<b>2,278,395</b>

**Analysis of Receivables From Exchange Transactions**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	934,160	29%	2,278,395	100%
Between 1- 2 years	2,258,870	71%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (a+b)</b>	<b>3,193,030</b>	<b>100%</b>	<b>2,278,395</b>	<b>100%</b>

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

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

Description	2024/2025	2023/2024
	KShs	KShs
Transfers from the County Government	4,494,520	0
Undisbursed donor funds	0	0
Other debtors ( <i>non-exchange transactions</i> )	0	0
Less: impairment allowance	(0)	(0)
<b>Total</b>	<b>4,494,520</b>	<b>0</b>

*Held at kiambu fif fund account*

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

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,494,520	100%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (a+b)</b>	<b>4,494,520</b>	<b>100%</b>	<b>0</b>	<b>%</b>

**23. Inventories**

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	1,714,598	1,412,462
Maintenance supplies	0	0
Food supplies	31,665	0
Linen and clothing supplies	0	0
Cleaning materials supplies	0	0
General supplies	0	0
Less: provision for impairment of stocks	(0)	(0)
<b>Total</b>	<b>3,838,215</b>	<b>1,412,462</b>

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

**Detailed disclosure on inventories**

	<b>2024/2025</b>	<b>2023/2024</b>
Opening balance		
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	<b>3,838,215</b>	<b>1,412,462</b>

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*Notes to the Financial Statements (Continued)*

**24. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
<b>Cost</b>									
At 1 July 2023(previous year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2024</b>	-	-	-	-	-	-	-	-	-
At 1 July 2024 (current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	7,909,000	-	-	-	-	7,909,000
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2025</b>	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>									
At 1 July 2023(previous year)									
Depreciation for the year	-	-	-	-	-	-	-	-	-

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	-	-	-	-	-	-	-	-	-
At July 2024 (current year)									
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-	-	-	-
<b>Net book values</b>									
At 30 <sup>th</sup> Jun 2024 (previous)	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2025 (current)				<b>7,909,000</b>	-	-	-	-	<b>7,909,000</b>

Notes to the Financial Statements (Continued)

25. Intangible Assets-Software

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

26. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	4,418,416		3,737,466	
Employee dues	0		0	
Third-party payments (e.g. unremitted payroll deductions)	0		0	
Audit fee	0		0	
Doctors' fee	0		0	
<b>Total trade and other payables</b>	<b>4,418,416</b>		<b>3,737,466</b>	
<b>Ageing analysis:</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>2023/2024</b>	<b>% of the total</b>
Under one year	680,950	15%	3,737,466	100%
1-2 years	0	%	0	
2-3 years	0	%	0	
Over 3 years	3,737,466	85%	0	
<b>Total</b>	<b>4,418,416</b>	<b>100%</b>	<b>3,737,466</b>	<b>100%</b>

Notes to the Financial Statements (Continued)

27. Refundable Deposits from Customers/Patients

Description	2024/2025		2023/2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others ( <i>specify</i> )	-		-	
<b>Total deposits</b>	-		-	
<b>Ageing analysis:</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>2023/2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

28. Provisions

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

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*Notes to the Financial Statements (Continued)*

**29. Service Concession Arrangements**

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

**30. Cash Generated from Operations**

Description	2024/2025	2023/2024
	KShs	KShs
Surplus for the year before tax		
<b>Adjusted for:</b>		
Depreciation		
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
<b>Working Capital adjustments</b>		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
<b>Net cash flow from operating activities</b>		

*Notes to the Financial Statements (Continued)*

**31. Financial Risk Management**

The Lusigetti level 4 hospital's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The hospital's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The hospital does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Lusigetti level 4 hospital's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The Lusigetti level 4 hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the hospital's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Lusigetti level 4 hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024 (previous year)</b>				
Receivables from exchange transactions	2,278,395			
Receivables from –non-exchange transactions	0			
Bank balances	-			
<b>Total</b>	<b>2,278,395</b>			
<b>At 30 June 2025(current year)</b>				
Receivables from exchange transactions	3,193,030			
Receivables from –non-exchange transactions	4,494,520			
Bank balances	-			
<b>Total</b>	<b>7,687,550</b>			

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Lusigetti level 4 hospital has significant concentration of credit risk on amounts due from the defunct Nhif. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of the Lusigetti level 4 hospital's short, medium and long-term funding and liquidity management requirements. The Lusigetti level 4 hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	-	3,737,466	3,737,466
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>3,737,466</b>	<b>3,737,466</b>
<b>At 30 June 2025</b>				
Trade payables	-	-	680,950	680,950
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>4,418,416</b>	<b>4,418,416</b>

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

**Sensitivity analysis**

The Lusigetti level 4 hospital analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**iv) Capital Risk Management**

The objective of the Lusigetti level 4 hospital's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The Lusigetti level 4 hospital capital structure comprises of the following funds:

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ ( <i>excess cash and cash equivalents</i> )	-	-
<b>Gearing</b>	-	-

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

**32. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the Lusigetti level 4 hospital include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

Kiambu County Government is the principal shareholder of the *Lusigetti level 4 hospital*, holding 100% of the *Lusigetti level 4 hospital's* equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the Lusigetti level 4 hospital, both domestic and external. The related parties include:

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

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>	-	-
Services to	-	-
Sales of services to	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>	-	-

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Description	2024/2025	2023/2024
	Kshs	Kshs
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
<b>Total</b>	-	-
	-	-
<b>d) Key management compensation</b>		
Directors' emoluments		
Compensation to the medical Sup	-	-
Compensation to key management	-	-
	-	-
<b>Total</b>	-	-

**33. Contingent Liabilities**

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

**34. Events after the Reporting Period**

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

**35. Ultimate and Holding Lusigetti level 4 hospital**

The Lusigetti level 4 hospital is a Semi- Autonomous Government Agency under the Department of Health Its ultimate parent is the County Government of Kiambu

**36. Currency**

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

**19. Appendices**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe:</b>
Non compliance with NEMA	The facility did not comply with NEMA regulations	acknowledged	Not resolved	2 years
Errors in numbering	Facility did not comply	Observed and rectified	resolved	

**Guidance Notes**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Lusigetti level 4 hospital responsible the for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



.....  
**Dr. Joseph Kathare**  
**Accounting Officer**

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**Appendix II: Projects Implemented by The Lusigetti level 4 hospital**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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


Name of Transferring Entity.....Kiambu County FIF FUND ACCOUNT.....

Name of Beneficiary .....Lusigetti level 4 hospital..


Confirmation of amounts received by [Insert name of beneficiary Lusigetti level 4 hospital] as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
KIAMBU COUNTY	12/07/2024	725,400	-	725,400	
KIAMBU COUNTY	15/07/2024	133,737	-	133,737	
KIAMBU COUNTY	18/10/2024	18,000	-	18,000	
KIAMBU COUNTY	07/11/2024	1,600,064	-	1,600,064	
KIAMBU COUNTY	07/02/2025	3,715,758.4	-	3,715,758.4	
KIAMBU COUNTY	20/05/2025	3,386,759.2	-	3,386,759.2	
Total		<b>8,702,582</b>		<b>8,702,582</b>	

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

**Head of Accounts Department - Disbursing Entity:**

Name ...Alex Weru..... Sign  ..... Date .....15/08/2025.....

**Head of Accounts Department - Beneficiary Lusigetti level 4 hospital:**

Name .....Salome Waweru..... Sign  ..... Date.....15/08/2025.....

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**Appendix IV Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Disaster Expenditure Reporting Template**

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