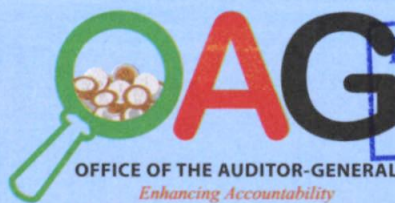


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REPORT

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OF

THE AUDITOR-GENERAL

ON

SAMBURU SUB COUNTY LEVEL 4
HOSPITAL

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FOR THE YEAR ENDED
30 JUNE, 2025

KWALE COUNTY GOVERNMENT

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SAMBURU SUB-COUNTY LEVEL 4 HOSPITAL **(Kwale County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

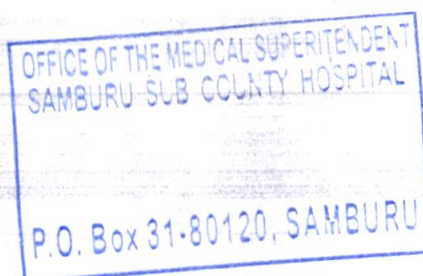
FOR THE YEAR ENDED 30TH JUNE 2025

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

Samburu Sub- County level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Contents

1. Acronyms & Glossary of Terms.....	iv
2. Key Entity Information and Management.....	v
3. The Board of Management.....	viii
4. Key Management Team.....	xiv
5. Chairman’s Statement	xxi
6. Report of The Medical Superintendent.....	xxiii
7. Statement of performance against predetermined objective	xxvi
8. Corporate Governance Statement.....	xxix
9. Management Discussion and Analysis	xxxii
10. Environmental And Sustainability Reporting	xxxvi
11. Report of The Board of Management	xl
12. Statement of Board of Management’s Responsibilities.....	xli
13. Report of the Independent Auditor (<i>specify entity name</i>)	xlii
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position As At 30th June 2025.....	3
16. Statement of Changes in Net Assets for The Year Ended 30th June,2025	5
17. Statement of Cash Flows for The Year Ended 30th June 2025	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June, 2025	8
19. Notes to the Financial Statements	10
20. Appendices.....	56



1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
BOM	Board of Management
OPD	Out Patient Department
NHIF	National Health Insurance Fund

2. Key Entity Information and Management

(a) Background information

Samburu sub-county Hospital is a level (4) hospital established under gazette notice number 4644 and is domiciled in Kwale County under the Health Department. The hospital is governed by a Board of Management

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide curative services to the public.

VISSION

A responsive and efficient healthcare service provider within Samburu sub-county and in Kwale County at large.

MISSION

Samburu Sub-County Hospital exists to serve by providing quality health care services which are affordable to enhance sustainable development.

CORE OBJECTIVE

To Provide Quality and Affordable Health Services
To Enlighten the Public in Observing Health Practices
To Mobilize Resources in Enhancing Health Services Provision

(c) Key Management

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

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

(d) Fiduciary Management

The key management personnel who held office during the period ended 30st June, 2025 and who had direct fiduciary responsibility were:

SN	Designation	Name
1.	Medical Superintendent	Dr. Jusper Mriphe Mwahanje
2.	Head of finance	CPA Munga Zuma Rocha
3.	Health Administrative Officer	Mr. Athumani Omari Ngovi
4.	Nursing Service Manager	Mdm. Rukia Nyamvula Mwadzaya
5.	Head Of Clinical Services	Mdm. Mary Mwaka Mgutu
6.	Laboratory Manager	Mr. Rama Kajambo
7.	Head Of Nutrition Services	Mr. Suleiman Lugua Changoka
8.	Head Of Public Health Services	Mr. Fredrick Rhai Gonzi
9.	Pharmacist	Dr. Ali Said Mohamed

(e) Fiduciary Oversight Arrangements

Clinical Research and Standards Committee.

The committee is responsible by making sure that the facility is well enlightened with what how safe the facility and its surrounding. The committee is majorly composed of the medical superintendent, the facility public health officer, the clinical officer in charge and the health administrative officer.

The committee usually holds sittings at least after every three months to see the implementations of its findings and to improve that which needs to be. The committee is as well concerned with setting standards of services that require to be provided in the facility. Its major role is to ensure that there is quality service delivery to the clients. It sets procedures for the operations to every department and ensure that they are adhered to by them. This is done through closer supervision by the chairperson of the committee who is the medical superintendent.

Audit committee

This committee is made up of the medical superintendent, the clinical officer in charge, the public health officer, the accountant, and the laboratory officer in charge. The committee usually holds its meetings after every six months. It has a responsibility of ensuring that there is adherence to set guidelines in implementing operational procedures in the facility in all the departments. During this quarter the committee had an exercise that covered almost all departments including the finance department. The key findings were that most of the departments are understaffed, lack sufficient workspaces due to lack of infrastructures in the facility including that of accounts. This has paused a great challenge to the implementation of some standards in some of the departments. The committee therefore resolved to escalate the issue to the county executive in order that an immediate action could be taken to have fully implementation of the set strategies to achieve fully the set targets.

Risk Committee

The committee plays a crucial role in ensuring that the working environment within and without the facility is conducive. It's this committee that usually gives updates of the happenings in the facility to all the staffs. The committee has managed to have designated places where in case of any emergency people can easily converge and have updates. The committee as well as sometimes carry out refresher exercises to staffs who underwent first aid trainings. The committee is vibrant in making sure that all equipment and tools are in good working order by conducting an updating exercise. the committee is headed by the head of physiotherapy department.

County Assembly

The county assembly through the public investment and accounting committee has the mandate to ensure that resources within the county health facilities are used prudently and in accordance to the public finance manual act. The committee has as supervisory role to all the public entities in the county. As of late the committee has not visited the hospital but another committee paid a visit to the facility i.e. the county assembly health committee which addressed some of the challenges that were facility the facility.

Key Entity Information and Management.

f) Entity Headquarters

P.O. Box 31-80120
Off Nairobi Mombasa Highway
Samburu Kwale, Kenya.

Samburu Sub- County level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

g) Entity Contacts

Telephone: (254) 81-955-804

E-mail: samburuhospital@gmail.com

h) Entity Bankers

Kenya Commercial Bank

Mariakani Branch

P.O Box 464

Mariakani

i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

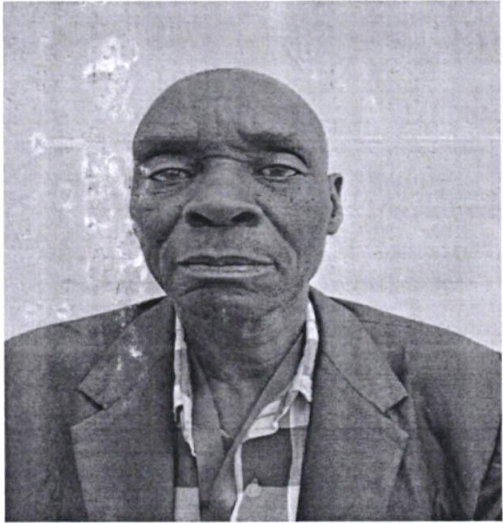
k) County Attorney

P.O. Box. 4-80403

Kwale, Kenya

3. The Board of Management

Ref	Directors	Details
1.	Director 1  <u>DAVID CHAJEMBE MNYAKA-BOM CHAIRMAN</u>	David Mnyaka Chajembe was born on 30/12/1965. David Chajembe is the Chairman to the Board of Management of Samburu Sub County hospital since Jul, 2023. David is a holder of Bachelor degree in theology which he got it in the year 2019. He has as well acquired an honorary doctorate in Church leadership. David Chajembe is the Chairman to the Board of Management of Samburu Sub County hospital since Jul, 2023. David is a holder of Bachelor degree in theology which he got it in the year 2019. He is a devoted head of the board since his appointment. He is a full time preacher under New Apostolic Churches of Kenya. He is full of management skills that has enabled the facility sail into heights that could never be expected. Through his dedication and wisdom, the Hospital is presumed to get into national standards in the near future.

2.	 <u>MR. MWAHANJE SALIMU MUSA-MEMBER</u>	Mwanhanje Salimu Musa was born on 14/7/1987. Since his completion of his education, Mwanhanje has been practicing as a taxi driver something which he has heavily invested in and has made his success story in his life. He has a big story of success on this venture and enjoys doing the same in life. Mwanhanje serves as the chairman of the finance subcommittee of the board of management. He has shown greater dedication in his chairmanship and set objectives that are aimed at propelling the facility to greater heights.
3.	 <u>MR. PATRICK KAMANZA MNARO-MEMBER</u>	Mr. Patrick Kamanza Mnaro was born in 1953. He schooled during colonial rule where he sat for his secondary education examination at the Mariakani Joint Harambee Secondary School and attained his East African School Certificate. He has served as Kasemeni location Chief. Currently he is practicing subsistence farming as well as doing business. Mnaro is a member of the audit

		subcommittee of the board of management. He is a devoted member and always giving constructive ideas to help the subcommittee deliver its mandate as expected.
4.	 <u>KHADIJA ABDI RAHMAN-MEMBER</u>	Khadija Abdirahman was born in the year 1978 in Matuga. She has a Diploma certificate in Information Management. Today she is a well business lady located in Macknon road which is in Samburu sub-county in Macknon road ward. Khadija is a member of the finance subcommittee of the board of management. She is a devoted member to the subcommittee and always in touch with the progress of the facility's operations
5.	 <u>DR. JUSER MRIPHE MWAHANJE-BOM SECRETARY</u>	Born in the 1993, Mwanhanje is a practicing medical doctor and serving as the medical superintendent in Samburu sub county. He is a graduant from the Nairobi University holding an MBCHB in 2022. He has achieved a vast of experience in the field. He has served in various facilities including Msambweni County

		Referral Hospital in the capacity of a medical doctor as well as a part time ICU doctor in the Agakhan hospital in Mombasa. He has a vast knowledge in medicine and having practised for quite some time, he has therefore acquired enough skills as well as experience in the field of medicine
6.	 <u>MR. MICHAEL M. MWANGADU-MEMBER</u>	Michael Mwangadu was born on 07/05/1965 He is a member to the board of management for Samburu sub county hospital. He is a member to the finance subcommittee of the board of management. Michael is a well-founded business person and a private farmer. He has a varsity of experience and skills in management especially in business. He is therefore a productive member to the board of management

7.	 <u>MR. PATRICK KARANJA ODERA-MEMBER</u>	Mr. Patrick Karanja was born on 08/08/1984. He is member of the board of management for Samburu sub county hospital. He forms part of the quality assurance subcommittee of the board of management. Professionally, he is pharmaceutical technologist with an experience above ten years (10). He is a devoted member whose contribution in leadership is of great help towards growth and developing of the facility.
8.	 <u>MRS. MARY GIPSON CHARO-MEMBER</u>	Mary Gipson Charo was born on 07/07/1957. She is a board member to Samburu sub county hospital. She is as well a member of quality assurance service subcommittee. She is majorly a private farmer with enough experience in management. She has a touchable contribution towards the development of Samburu sub county hospital

9.	 <u>CHRISTINE EGA MAKUTO-MEMBER</u>	Christine Ega Makuto is a member of the board of management. Born in 1978, she is a devout member and chairs the audit subcommittee. She has a positive and constructive vision towards developing the facility. Being a business specialised person, her experience is what is needed for propelling the facility to much higher levels of development.
10.	 <u>MRS.FATUMA UMAZI SHEHI-MEMBER</u>	Umazi Shehi was born in 1985. Fatuma Umazi Shehi is board member of the Samburu sub county hospital. Being an experienced farmer and a business person with enough experience hence a well-positioned member who is of help in the management of the facility. She is a member of the finance subcommittee of the board of management.

4. Key Management Team

Ref	Management	Details
1.	 <u>DR. JUSPER MRIPHE MWAHANJE-MEDICAL SUPERINTENDENT</u> Jusper is a practicing medical officer. He graduated from the University of Nairobi with an MBCHB in 2020. He has served in various facilities including Msambweni County Referral Hospital in the capacity of a medical doctor as well as a part time ICU doctor in the Agakhan hospital in Mombasa. He has a vast knowledge in medicine and having practised for quite some time, he has therefore acquired enough skills as well as experience in the field of medicine.	The medical superintendent is the chief executive officer to the hospital He oversees all the departments in the hospital He chairs the quality improvement team for the facility He chairs all the executive meetings in the facility He serves as the spokesperson to the hospital He ensures fair distribution of resources in the hospital



ATHMANI NGOVI OMARI-HEALTH ADMINISTRATIVE OFFICER

Ngovi is the Health Administrative Officer (HAO), born in 1977 and a holder of KCPE, KCSE and a certificate of clerical officer and a degree in Business Administration in Human Resource option.

He has a vast experience in management since he has worked for more than two decades in Human Resource Management until his appointment as the Health administrative Officer in 2023.

Athman Ngovi Omari is the hospital Health Administrative Officer since his appointment. He is the administrator to the hospital, He looks after the welfare of the facility staffs He sits as the link between the various departments and the management of the hospital He is the focal person on issues of grievances redress mechanism to the facility He supervises all the non-medical departments and staffs He coordinates issues of referral system of the facility He serves as the secretary to the hospital management team.

2.

3.	 <u>SR. RUKIA NYAMVULA MWADZAYA-NURSING SERVICES MANAGER</u> Rukia Mwadzaya is a qualified nurse holding a degree in nursing (BSC,Nursing) from Pwani university and a diploma certificate in nursing from Kilimanjaro Christian Medical centre.	Rukia Nyamvula Mwadzaya is the manager of nursing services in the facility She is the focal person on issues related to nursing services in the facility She coordinates referral services within and without the facility She ensures smooth running of nursing services in wards, theatre, maternity, MCH and the injection area She controls ordering and consumption of non-pharmaceuticals She works hand in hand with the facility pharmacist to ensure intact stocks in the facility She spear heads the well-being of the nurses in the facility.
4.	 <u>GEORGE WERE OKOBA-PHYSIOTHERAPIST</u>	The Physiotherapist is the in-charge of the physiotherapy department He attends clients with physical challenges including joints disorders He supervises the staffs under the docket He briefs the management concerning department challenges He handles cases related to physical disabilities George Okoba is a qualified

		physiotherapist holding a Bachelor degree of Science in Physiotherapy from the Amref International University where he graduated in July, 2023.
5.	 <u>SULEIMAN CHANGOKA-NUTRITIONIST</u> Suleiman is a qualified nutritionist who graduated from the Technical University of Mombasa with a diploma certificate in the year 2015 and has been practicing to date.	He is the overall of the nutrition department He prepares menu for the inpatients clients He places orders for foodstuffs for the department He manages cases of nutrition deficiency He provides the nutritional ratios for clients
6.	 <u>KAJAMBO MULI RAMA-LABORATORY MANAGER.</u>	He is the in-charge of the laboratory department in the facility He conducts laboratory tests for the clients He maintains laboratory records He places laboratory orders He controls laboratory stocks He is the intermediate between the laboratory and the hospital management He is a member of the Infection Prevention Committee to the

	Kajambo Rama is the in-charge of laboratory department in Samburu sub-county hospital. He graduated in 1998 with a Bachelor Degree from the Technical University of Mombasa of Medical Microbiology He holds a Master's Degree in Epidemiology from the Jomo Kenyatta university of Agriculture and Technology (JKUAT) where he graduated in 2010. He is well experienced in his cadre.	facility.
7.	 <u>FREDRICK GONZI RAI-PUBLIC HEALTH OFFICER</u> Fredrick is a qualified Public Health Officer with a vast of experience for over twenty years. He holds a Diploma Certificate in Public Health from the KMTC Matuga where he graduated in 1997.	Fredrick Gonzi is the personnel in-charge of public health in the facility He is the immediate supervisor of the facility supportive staffs He ensures that health hazardous objects are kept away from the hospital vicinity He is a member of the Infection Prevention Committee in the facility He ensures that the hospital compound is kept clean and health regulations are adhered to by all the departments of the facility
8.		Neema is the in-charge of the Health Records and Information department in the facility She is in-charge of keeping health information records for the clients who visits the facility both inpatients and out patients She is the custodian of hospital health data She maintains day to day clients reports for the facility

	<u>NEEMA MEGAGU RAMADHAN-HEALTH RECORDS OFFICER</u> Neema is alumni of KMTC Msambweni where she graduated with a Diploma Certificate in 2018. She has been in charge of the department since 2021 and therefore having sufficient experience in the area of specialization	She ensures that all issues pertaining the department are known to the management She keeps stationery records of the facility by maintaining stock records
9.	 <u>MARY MWAKA MGUTU-CLINICIAN</u> Mary Mwaka Mugutu is a qualified clinician with a diploma in Clinical Medicine and surgery from KMTC- KISII Campus and graduated in 2009 Since then she has acquired enough experience in the area of specialization.	Mary is the in-charge of the Out Patient Department (OPD) She oversees the attendance of incoming clients in the facility She supervises other clinicians in the facility She prepares the duty rota for the Out Patient Department She links the management to the OPD She controls stocks in the OPD amongst other essential duties within the department.



CPA MUNGA ZUMA ROCHA -ACCOUNTANT

Munga is the accountant to the facility since Jan 2025. He holds a CPA 3 Certificate from the KASNEB. He is a full member of Institute of Certified Public Accountants of Kenya. (ICPAK). He holds a Bachelor degree in Business management (finance and banking option) from Moi University.

He is in-charge of advising the management on financial issues
 He prepares the Financial statements of the facility
 He guides the management in the making of the hospital budgets according to ceilings provided
 He ensures that the facility budget is implemented as required
 He keeps financial records for the facility
 He ensures that financial records are submitted to the County treasury on time
 He guides the head of departments in making departmental budgets
 He ensures proper documentation of all financial transactions at all angles of the facility

10.

(Note: The Med sup and the Entity Secretary will feature both under the 'Board' and 'Management'.)

5. Chairman's Statement

As Samburu hospital, we are grateful to God for the milestone that we have taken in this financial year. Since the beginning of the financial year, the hospital has been able to run smoothly and services were not significantly interrupted hence achieved some of the intended objectives for the year. We have seen that most of the service delivery points running smoothly since many of the clients that happened to visit the facility attested that all the services they came for were provided to them and professionally.

This has helped the facility to make a bigger step towards fulfilling its core agendas including meeting or giving the community with high standard and quality services in adherence to professionalism.

As a facility, Samburu has strived much ahead in making sure that services are provided to the clients with minimal disruptions despite being a young and a growing facility that recently got elevated into the sub county level in the entire county government of Kwale. We have seen that many services were offered to the community as earlier highlighted with minimum obstacles since there has been a tremendous involvement and devotion as well as positive cooperation between the board of management and the facility top management something that has enormously contributed to the great and wonderful achievements by the facility in this financial year.

The facility has had minimum development projects throughout the financial year since most of the projected projects that were to be varied out in this financial year were faced by many challenges to get done one of the key contributing factor towards this has been the delayed release of funds from national treasury something that has derailed the key development projects in the facility including the construction of the modern Outpatient Department Complex structure which has been eagerly waited for by the community as well as the working staffs in the facility. This had some beat of negative impact to the professionals since most of them and their respective departments do not have sufficient rooms to shelter them(departments) but up to date some of these departments are cohabited in others which really hinder some of them to deliver to their expectations.

The administration itself is not left out by this challenge, where there is no identifiable administrative office throughout the facility. Contrary, some of the offices are habited in the wards something which not only gives unfavourable conditions for working but also exposes the concerned staffs to contracting unexpectedly conditions and diseases to them. Also, this has made it difficult for visitors to locate the offices since they cannot be directly identified which has also paused a great challenge to them. As a result, it has been a factor to elongated time for an individual to be led or identify the administration offices in the facility. This has not just ended there but also has led to the management failures to deliver some of fundamental administrative roles to the facility as well as to the community at large. Something which is highly regrettable by the board of management. To mention but a few is a scenario where the administration has been faced by a challenge of not being able to accommodate visitors of high calibre as per their dignity just because of lack of enough space for offices and in most cases, it was evidence that whenever it happened that the hospital was to host dignified officers, then it found it necessary to ask for an accommodation or room for a conversation from the outside county offices which is termed to be inconveniencing the concerned. This has made it difficult to address issues right at their place respective positions or place and also inability to curb unnecessary movements by staffs as well as visitors to the facility.

Additionally, the unavailability of offices and working rooms has also made it difficult for the management to equip some of the departments since there is insufficient spaces to put some medical equipment that are meant to empower the staffs towards services delivery. It has been a challenge to equip a department like physiotherapy as well as laboratory. These two departments have really faced it hard since they work in small and congested rooms which to some extent has made them impassable or

unfree to navigate within the rooms. This factor has made the management not to have guts to lobby for more needed medical machines or equipment which lames to some fundamental services that are required to be provided by facilities of Samburu class i.e. level four health facilities. This has a bigger percentage towards revenue collection downfall as well as denying the community or clients their right to quality and standard needed health services. Samburu is located near a highway that is prone to road traffic accidents which sometimes gets overwhelmed by victims of this life endangering factor due to the fact that, there is no emergence wing which can adequately handle such scenario in case it happens. This has made the facility to most of the time incur avoidable losses on fuel consumption since if the aforementioned challenge occurs, the facility has to facilitate the victims with referral services to other nearby well equipped health facilities to seek for services which could be provided for if the hospital had the required equipment and room. The board of management to this facility however is on its toes to make sure that the few mentioned challenges that the facility is currently facing the facility shall get addressed to by the county government. The pending projects including that of OPD gets addressed as soon as possible in order to ensure that the facility serves its clients to their expectation.

The facility has an ultrasound machine which was part of the development plan for the facility since, the county government had proposed that the entire radiology department shall get equipped to the requirement but we were only able to be provided with the ultrasound machine which is an indication that everything shall get facilitated fully in the nearby future. As a result, there has been a tremendous increase to visiting clients for radiology services even if since the commencement of the service is not so that long to have created that impact. We therefore anticipate a positive increase of patients to the facility as soon as the department gets fully functionality.

This shall impact positively to the community by the facility hence the need for a stronger commitment, cooperation and focus by both the facility management and the BOM in order to sail the facility to greater heights of excellence for the benefit of Kwale citizens and to the whole Kenya.

Bishop: David Chajembe Mnyaka



Chairman to the Board

6. Report of The Medical Superintendent

Samburu sub county hospital has registered tremendous achievements that have been witnessed in this financial year 2024-2025. As a matter of fact, relating to the structural setup and other considerable factors, the position where the facility is at per now is unimaginable.

The evident changes that the facility has experienced is that to mention but a few are;

The Board of Management.

In the beginning of this financial year, the hospital has been operating minus an oversight management which had been a challenge to the facility management since some activities or issues that the management could not handle could not get addressed and remain unattended for quite a long time due to the absence of the BOM.

The management throughout has struggled to make sure that things become correlated but to some extent could not deliver up to standards or expectation because its limited. For instance, the hospital as a level four facility has been operating in a challenging structural setup. There has been no OPD block since the facility got elevated into a level four facility. This has restrained the facility from operating to its capacity.

The absence of the OPD structure has limited the facility to offer some essential services including emergency responses, lack of administration offices for the management and many more which are fundamental to a facility like this. However OPD block is currently under construction though still in initial stages. This for the last time the facility has been existent has been thorn to the flesh which has impacted negatively to the services provision since most of the departments have been existing by name but in practicality are non-existent. This has been the major contributing factor that has derailed uplifting the number of services that can be offered from within the facility. This as well has limited the management to lobby for more essential basic medical machines for those affected departments since, the major challenge was, “where to keep them”? This to some measurable extent has distorted the reputation of the facility since being a level four hospital being unable to provide some basic services to its clients has been a big blow to it as well as the County administration at large.

Also the management did not have designated administration offices which has been a leeway to failure of the management in dispensing the required services to staffs as well as the community. Miserably, some of crucial offices are harboured in the wards something which tarnishes the credibility of serious health services providing entity.

As a matter of fact, this has exposed some of the staffs to health threats to them considering that some of the concerned are non-medical officers who have no knowledge of guarding themselves against transmissible conditions or diseases. Also, this has posed a major challenge in accommodating dignitaries considering the environment of the location of the offices. In addition, the administration has not been able to handle issues that require high level of secrecy as well as storing or filing of staffs' establishment personal files. It reached a time where the management had to sought for offices from outside the facility in order to handle or hold some visitors who visited the facility in this financial year. As aforementioned, the BOM since its gazzetement, it has played a key role in ensuring that the facility experiences, growth and gradually and steadily heading to achieve and portray its really status quo since its elevation.

The board has shown its muscles and prowess by making sure that what the facility has been lacking gets provided in order to better services provision.

As of now, the facility in this financial year has experienced rewarding of the highly anticipated OPD block which has been long on wait. With the instituting of the OPD, many of the aforementioned challenges like lack of spaces for some departments, lack of administrative offices as well as lack of adequate space for medical machines installation shall become a history even if not to the standard required or needed, the management anticipates that service providing to the clients shall improve right from administrative services to medical ones. This as well will impact on the morale to work by staffs that had remained roaming around for lack of working spaces.

Also, the presence of the BOM has created impact in improving service delivery in the facility. This is evident by the fact that as a facility, there had been no radiology services that could be offered but of now, the County administration has been able to provide the facility with an ultrasound machine which is currently operational. This has made the facility acquire prominence within its environs.

By the help of the BOM, the facility was provided with an x-ray machine awaiting installation. As a facility and more so the management we feel to have missed a lot during the time when the facility operated without the oversight board.

Additional Nursing Station

Through cooperation and coordination by the management, the hospital has had an additional nursing service station. This has not been the case for the previous financial years where both the male and female wards have been manned from a single nursing station which had been operating from the female (general) ward. With the same number of staffs under the nursing department, modalities have been set up to see that every ward is manned from within. This has made a great improvement in managing of

inpatients since the concerned nurse is always in contact with the patients hence improve management of the admitted clients.

As a result, complicating of cases of clients has dropped impressively which has relieved the department from public outcry hence regaining trust to the public at large on patient management in the facility.

Departmental Heads Meetings

This financial year, the hospital management has maintained its tradition to have frequent departmental meetings. As we coming to the closure of this financial year, departments can attest the impact those meetings have to them. Precisely, departments have improved on quality service providing to clients where there has been an improvement in exercising professionalism and due diligence by all most all the concerned staffs in their relative departments by adhering to laid down procedures in executing each ones acquired skills when attending to clients. Through these meetings, there has been a reduced waiting time by clients seeking services since majority of the staffs manning the department have seen the need and importance of being punctual in reporting to work as well as improving service quality through time observing hence taking shortest time possible to serving clients.

On the other hand, this financial year, the facility has had some tough times of lack of funds. This was due to delays in receiving money from SHA.

Hiccups started have been experienced throughout the year despite the fact that the facility has registered some meaningful revenue but bigger portion of it is in the form of claims to SHA, which has not been honour most of them. This has hindered smooth running of the facility by ensuring that most of the small required essentials are made available, but it was not the case in this financial year where survival has been under the mercies of suppliers who accepted deferred payments of their debts leading to accumulation of debts.

It reached a time where the hospital could not even provide a small item like the case of dry cells for blood pressure machines. This hampered with the realization of some of the core objectives of quality and affordable services to the clients.

As a result, some needs of clients for some time could not be met just because of lack of such crucial small items that the facility could not provide.

However, the management tried its level best to see that most of the essential services never stopped to run. Through the goodwill with suppliers, the management had an access to credit facility which made it possible for the facility realise its intended objectives.

As a fact, the facilities financial year's budget of up to twenty-five million was not a hundred percent implemented. Infact a bigger percentage of the budget was not met. As a result, the facility had to end the financial year with huge pending bills owed to suppliers. This was brought about by delayed payment by SHA.

The management has been determined to make sure that there shall not come a point where the facility stops giving services to its clients and therefore being one of the successful financial year of its time.

Dr. Jusper Mriphe Mwahanje

.....
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government entity's performance against predetermined objectives.

Samburu sub-county hospital has 3(three) strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2021/2022- FY 2024/2025. These strategic pillars/ themes/ issues are as follows;

1. Attending clients professionally and improve service quality

The facility is looking forward to see that service rendering by the facility staffs especially those who are holding the offices shall be conducting themselves in a way that is acceptable to the community and adhering to professionalism. This is meant to see that there is improvement on the way that the facility departmental managers conduct themselves in a manner that can be credited.

As a facility, this is our set goal and determined to ensure that for the next two to three years the facility is going to grow in terms of quality service provision to the clients to fit into a world class. The management is devoted to see that everything is in place to have the staffs motivated towards quality service delivery to clients. As per this financial year, the management through the heads of departments have noted a few areas that would require the concerned departmental head put more efforts towards betterment of their departments.

A few cases of miss handling of clients were reported but their effect was not that significant but all in all as Samburu hospital management we are determined to have zero percent towards clients' complaints against the facility. This is achievable as long as the rules and regulations that are in place governing the facility heads of departments and all staffs at large are adhered to. Also there is a guideline that instruct staffs in the facility are expected to conduct themselves in a way that no room of compromise when it comes to offering services to the clients. Therefore, it's upon every member of staff to ensure that there is total observing to the set standards of service delivery by the county government as well as those of Samburu hospital in order to propel the facility to the expected level.

2. Creating conducive working environment

As far as this financial year is concerned, the facility management has been on its tore to have every department staff have enjoyable working conditions. As a result, it was a wholesome predetermined objective that we improve the working environment by ensuring that whatever it takes to have an office to be fully facilitated is done as well as ensuring that the number of staffs that are deployed in that

department or office is sufficient. This has been the core driving agenda since the facility having recently upgraded into a sub-county or level four hospital. You find that many requirements in departments are not availed just because of financial constraints that the facility may have been facing. Also just because the facility has been under micro managed for the whole of previous time it was existent. This has contributed much to the failures to meet some of the predetermined agendas of the facility by the management. This time round, the management has tried hard to see that at least the facility gets funded well so that it can sufficiently supply its needs including the equipping of the hospital departments to ensure effective service rendering to its clients. Since there has been frequent delays in funds disbursement as well as insufficient budget allocation, this has derailed achievement of this projection. Meanwhile, with the little that the facility has received in this current financial year, it has utilized the same prudently to ensure that service delivery remain uninterrupted as well as ensuring every one of the staffs in their respective departments work in conducive surroundings by observing their safety from factors that can hinder their performance.

3. Resources mobilization

The facility management has tried its level best in this current financial year to ensure that there is adequate supply of all basic requirements for the facility operations. There is need to ensure that whatever is needed for normal operations in a facility is available. This can be made possible as long as there are enough resources in the hospital. This financial year it has been for the interest of the facility, to ensure that whatever is available in the facility gets utilised optimally for betterment of the facility. The driving force has been that the hospital gets facilitated for its needs. However the realisation of this was hampered by scarce resources. This has been a challenge since the budget was not fully funded and therefore hampering the facility operations somehow not as per the projections. Also it was the wish for the facility that there is enough deployment of staffs to the newly created departments as well as the pre-existed departments since the number of staffs in all the departments is not enough. This has made some of these department not perform optimally which is contrary to the wish of the facility.

The management tried its effort as well to approach well-wishers who can support the facility by providing or funding some projects in the hospital like building of a perimeter wall, building of maternity wing, building of an administration block etc. so far this financial year there has been no sponsors of projects that have come open to bear with the burden of sponsoring development projects in the facility. This has been the challenge that most of the departments lack offices as well as equipment for working.

Samburu Sub- County level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Hoping in the near future that the plans to have these three pillars get achieved so as to ensure that the facility gets uplifted as well as gain more impact in the community as well as the county at large.

8. Corporate Governance Statement

The facility has been operating with a board of management where the board of management got gazetted on 1st July 2023.

Upon appointment, the hospital board had nine (9) members i.e. the chairperson who is Mr. David Chajembe Mnyaka and other eight members i.e. Mr. Mwahanje Salim Musa, Christine Ega Makuto, Patric Munaro, Khadija Abdirahman, Patrick Karanja Odera, Michael Mwagaro Mwangadu, Mary Gipson Charo, Fatuma Umazi Shehi.

The BOM is also constituted of some subcommittees which is to assist the main board of management in executing its mandate.

The management i.e. the BOM is responsible for the overseeing the wholesome running of the facility by making sure that all the supportive services that is needed in the facility is provided for the thriving of the facility.

The board of management is as well the driving force for the propelling of the facility to greatness as far as standardized health services to the community. It is this board that acts as the supervisory board to the facility where many issues that are propping up within the facility and strategize in making sure that what seems to pause as a challenge to the running of the facility is solved in due time as well as keeping in mind that no adverse effect to the running of the facility.

Roles and responsibilities of the Board of Management

The board of management is consisted of subcommittees i.e.

The Finance subcommittee

The Auditing subcommittee

The Quality Assurance subcommittee

Of the subcommittees, they are mandated to oversee the functionality of the facility in the various areas of concerns.

The subcommittee are scheduled to be meeting to deliberate some issue which later are supposed to be aired to the main board for final resolutions.

The sub committees are consisted of five members where each of them is headed by a chairperson where at least every subcommittee comprises of four board of management members and one who is a staff from the facility.

Succession Planning and Board Charter

Members of the board are appointed in a staggered manner, with a two-month hiatus. This provides stability in oversight of the Fund by ensuring that there is always a proportion of trustees on the board with requisite institutional memory concerning, not only the business of the Fund, but also its long-term strategic perspective. The board has a Board Charter and an approved Governance Framework. These provides trustees with the guiding principles to enable the effective discharge of their duties in overseeing the affairs of the

The BOM is appointed in a way that ensures that they would deliver their mandates accordingly thus ensuring that at every given single time, every area of need in the hospital is well taken care of by the members of the board of management

In order to meet this agenda, the county government has given the BOM with a framework. This provides the board with guiding principles to enable the effective discharge of their duties in overseeing the affairs of the hospital.

Appointment and Removal of Members

The appointment of the board of management is the executive office where they are selected based on their reputation to the public as well as professionalism. The members therefore are expected to act or conduct themselves in a way that is acceptable to the public as well as adhering to etiquette that govern their appointing authority.

It is therefore made known to the members that upon breach of the governing laws of the of their respective office as well as disregarding guiding orders of the appointing authority, then this would lead to their dismissal.

Subcommittee functions

The board of management has at least subcommittee i.e. the Audit subcommittee, the finance subcommittee and the quality assurance subcommittee whose functionality is:

The Audit Subcommittee

The subcommittee has scheduled itself that in every quarter the members meet and deliberate on issues of finance.

Usually, the members meet and scrutinize the financial documents that are for a particular quarter which then gives its recommendations to the management with the expectations that come the next meeting the raised concerns shall have been addressed by the management accordingly before getting to check on the current presented documents to them during the current meeting. By doing so, the subcommittee chaired by Madam Christine Makuto is confident that its giving enough support to the management in making sure that there is proper documentation and adhering to the laid down finance regulations and laws. The subcommittee members are;

Christine Makuto-Chairperson

Mary Gipson-member

Patrick Karanja Odera-member

During this financial year, the subcommittee had one meeting which was done on 23/05/2023.

The subcommittee strategized on how it would carry out its mandate as expected of it since this was its first time meeting.

The Quality Assurance Subcommittee

The subcommittee is also scheduled to meet quarterly. The major role played by the subcommittee is to make sure that the systems of the facility are in order such that no breach of procedures as well as compromising to health service standards. The subcommittee work hand in hand with the facility's Infection Prevention Committee as well as the quality improvement team. The subcommittee is mandated by the board of management to oversee the working environment to be sure that there are conducive and favourable conditions to the staffs as well as ensuring that there is supply of the needed stocks for use by the facility thus making sure that there comes no time where the facility runs out of consumables that would result to interruption of services delivery.

The subcommittee is consisted of

Mr. Patrick Munaro-Chairman

Khadija Abdirahman-Member

David Chajembe Mnyaka-Ex official

Throughout the year, the subcommittee had one meeting on 15/03/2024 and much was discussed on quality service delivery on the facility.

The subcommittee usually gives recommendations to the facility management on areas that would require an attention as well as more commitment by the managing team of the facility. Upon giving the recommendations, the same is reported to the full board so that there can be stressing up on the same issues.

It's this subcommittee that is responsible of giving report to the full board so that if there can be any issues that might require an outside input, say the county administration and so on can be made known to them.

The Finance Subcommittee

The finance subcommittee plays a vital role in dispensing its duties. The subcommittee is composed of three members and chaired by Mr. Salim Mwahanje. The subcommittee usually meet in quarterly basis.

It compiles the challenges that the facility is facing on matters of finance and have them forwarded to the full board to address. Other members to the subcommittee include, Mr. Michael Mwangadu and Madam Fatuma Umazi Shehi.

The subcommittee usually work hand in hand with the management of the facility and has the Accountant as one of the members to the subcommittee.

The subcommittee usually scrutinize the budget of the facility as far as sufficiency is concerned and also monitors the implementation of the budget too.

The subcommittee has also the mandate to ensure that all departments are fairly considered on the distribution of finance resources as well as making sure that the each and every share of the budget is utilized as per the expectations of every department.

During this financial year, the subcommittee had one meeting on 22/05/2025 and much was said as well as strategizing on the way forward on the best way to help on well governance of finance by the facility.

Conflict of Interest and Remuneration

The members of the BOM are all supposed not to undertake any activity that will portray an image of personal gains at the expense of the facility. In adherence to this principle, the members are refrained from taking part in involving themselves with trade activities directly with the facility which to some extent can result to compromising of some fundamental factors that in turn would affect the functionality or lead to biasness on making crucial resolutions for the facility.

Therefore, the members have been made aware that they do not take any part in doing personal related business with the hospital but urged to advocate for the members from within the facility to have organisations that can trade with the facility but have the members to the board to enjoy the remunerations that the facility usually gives them upon having any meeting.

The members are usually given transport allowance as well as sitting allowances where the chairperson to the full board as well as to any of sitting subcommittee gets transport allowance of Kenya shillings two thousand (2,000) and a sitting allowance amounting to Kenyan shillings four thousand five hundred (4,500) hence making a total of Kenya shillings six thousand five hundred for the chairmen (6,500) and the rest of the members are due for Kenya shillings two thousand (2,000) as transport allowance and Kenyan shillings three thousand per sitting thus making it to Kenyan shillings Five thousand (5,000) for each member for every sitting they have

9. Management Discussion and Analysis

By virtue of the facility becoming a level four facility, there has been a significant increase of clients i.e the number of patients served in the facility has gone up. This one calls for an intervention to have the number of beds in the facility get increased since there is high probability that the number of inpatients would as well increase significantly. Currently the facility has a total of thirty-six beds for to accommodate inpatients. This is small considering that the facility is located along a busy highway which is prone road traffic accidents. Therefore, there is need to have prior plans to make the facility have a bigger space in order to accommodate more inpatients. The beds are in maternity, male ward and the general ward which houses both women and children below five years of age.

Also a total number of sixteen thousand six hundred and sixty people were the clients that were attended in the facility during this financial year. Other important changes that have been observed in this financial year in relation to service provision are:

- A total of one hundred and fifty -two accidents and emergency cases were reported in the financial year.
- Special clinics had eleven thousand two hundred and twenty-five (11,225).
- An average length of stay in the facility of up to 0.51 days.
- The bed occupancy rate for the year was up to 4.5%
- Mortality rate for the year was at for this financial year was at 11%.
- There was an overall patient's attendance of eighteen thousand six hundred and sixty-eight outpatients and six hundred and three inpatients who got attended at the facility.
- Also the facility had theatre surgical cases of up to eight hundred and forty-eight (848)

This serves as indicators that as a facility, there need to have the facility fully developed so that there can be a space to increase the number of services that can be offered in the facility, create more space to accommodate the missing offices for the already existing departments and also a room for improving the quality of service delivery in the facility.

Samburu sub county hospital is a public facility which is managed by the Hospital Management Team (HMT). The facility relies on its own sources of revenue though also getting support from county government of Kwale. This financial year, the facility budget was prepared in full involvement of hospital management team. The budget was at least twenty five million which was purely recurrent. Distribution of the budget to the items of the budget was proportional i.e. the distribution was as per the needs of the various departments in the facility. . Therefore, operations of the facility were not interrupted instead the facility remained operational despite the insufficiency of resources in implementing the budget.

The management implemented the budget according to prioritization of needs of the various departments in the facility. The facility was able to provide most of the requirements of the departments. The implementation was based on apportioning or sharing of what got purchased and got distributed fairly to all the departments in order to have normal running of the departments. Most of the purchases done during the financial year were fast moving items like non pharmaceuticals, office stationeries, a small percentage of laboratory reagents since much of the reagents were bought centrally by the health administration i.e. the county laboratory coordinator makes sure that all the laboratories in the county are facilitated with laboratory reagents.

Most of the items in the budget were allocated with enough funds. Many of the vote heads were not implemented despite good budget allocation because of insufficient funds.

As a result, to this, the county administration played a major role in ensuring that the facility operations got not interrupted by ensuring that all the necessary items were supplied whenever they were requested for from the hospital.

. Many of the challenges that the hospital has faced include;

Lack of infrastructures,

Samburu sub-county hospital has been operating as a health centre until recently where it got elevated into a sub-county. This was done or the elevation was done but there has not been any structural preparedness. This has paused a lot of challenges as far as management of the facility is concerned.

Becoming of the facility into a level four facility has to have infrastructural preparedness but with the case of Samburu hospital, there are a number of departments that do not have an office to be contained, including;

- **Accounts**

This is a newly created department to the facility since previously, the facility has been operated distantly in terms of financing and management. But with the elevation into a sub-county hospital, it was seen by the county administration to have an accountant for the facility. But due to lack of enough building structures, the department didn't have a space where it can operate from. This has been a challenge and therefore, a decision was made to have the department operate from the x-ray buildings. With equipping of the available rooms/office, it was possible to have the officer from there.

- **Nursing**

The department has been operating without a specified place to be called the nursing office. But the coming of a nursing service manager, it necessitated the county to appoint a nurse in charge who shall be the supervisor to the nurses in the facility. This as well brought about a hiccup to the management since there was still no place to house the nursing department office. This led to have the department still be housed inside the ward. It has well functioned throughout the financial year since coordination of nursing services have been made easier since there is a definite system of coordination of service rendering including making of duty rosters, distribution of non-pharmaceuticals to all the concerned departments as well as collection of data, analysis, budgeting and ordering for consumables for the department. This financial year the department of nursing was under financed since the budget made and the allocation for non-pharmaceuticals was only six hundred thousand which is not sufficient to carry the facility for the entire financial year. This has made the department to stretch much in order to meet its objectives. This has resulted to frequently borrowing from other facilities including primary health service providers as well as other hospitals something which derailed the objective of quality service delivery by the facility

- **Comprehensive care clinic (CCC)**

This is a department that is concerned with educating, examining of infectious symptoms or diseases. The department as well help by counselling HIV infected person. This being a new department in the facility also had some its challenges since by virtue of having not been existent before and for its introduction following the elevation of the facility into a level 4 facility, it got introduced and therefore needed a place or room where it can conduct its service delivery effectively. There being no space it was a bit challenging but still a separate room got created for it to get accommodated. Good enough is that most of its activities are facilitated by donors (USAID) it has been smoothly conducting its services well due to employees who are employed by the NGOs as well as providing for with essential consumables which relieved the facility of buying some of the items that are used in the department. Also the NGO has managed to assist run smoothly by buying the department office furniture which is great help and relief to the facility (hospital). Just but a few items that the facility has to procure and facilitate the department like ensuring that there are working BP machines and other essentials.

- **Voluntary counselling and testing (VCT)**

This is department that came into existence during this term of transition. Most of its requirements are donor funded e.g. the testing kits and so on. The bit that posed a challenge to this department was on lack of furniture and office space. Currently the department is housed in a tent that was donated by USAID which is not sufficient as the service rendered in this department requires a lot of privacy and confidentiality. This makes it hard for the department to operate optimally as expected. Although the staffs for the department carry out their duties with high integrity and observing professionalism which serves as the reason as why the department still performs in excellency.

There are some fundamental needs that this facility currently is facility which is a pause many operational challenges. If these challenges or needs are met, then the facility would be in a better condition and place as well as become in a state where effective services can be rendered. Some of these are:

- **No security wall/perimeter wall.**

For the lack of the security wall exposes the hospital to many risks which can be avoided or get controlled could the security wall be in place. This financial year there has been arguments with herders who have been trespassing and have their livestock graze from within the hospital compound. Which has seen the guards who are support staffs face it hard in ensuring that such activities do not happen. Also, there has happened to be theft attempts by individuals from within the surrounding to the facility. This could be easily managed if a perimeter wall was in place. Also there are cases where people can walk from any direction they wish and cannot be restricted.

Other challenge that needs to be addressed faster is the lack of walkway path. This assist in wheeling clients who are unable to walk by themselves but can only move by the help of another person. This can be possible only if the hospital structures are interlinked by the concrete walkway path. As this make it easier to wheel the patient on wheel chairs or trollies which they comfortably move on concrete paths or areas.

As management we are advocating for the face-lifting of the facility so that all the necessary items or structures are put in place to easy operations and make service rendering efficiently.

Financial performance that includes: -

Revenue sources,

The facility usually has channels through which it generates or collects revenue from the services that it sales to the public. The major revenue to the hospital is SHA as well as Mpesa or Pos collection.

The following are the points or departments which the facility gets revenue from i.e. the radiology department, the laboratory department which has several products that it sales with varying charges ranging from shillings fifty upwards, physiotherapy department, inpatient department through the male and general ward as well as theatre, outpatient department which gets its revenue from consultations as well as the special clinic department and finally the pharmacy department.

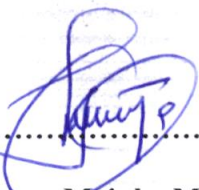
Throughout the financial year, the facility collected revenue which was directly deposited to the hospital Revenue account.

Utilisation of funds etc

This financial year, the facility had a budget of up to 25 million which was meant to cater for the operations of the hospital for the financial year ended June 30, 2025.

Samburu Sub- County level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

The facility managed to utilize the funds generated to her almost ninety percent (90%) even if there were challenges of delayed SHA payments but still many of the operations of the facility remained on and therefore meeting its objective of timely and quality health service providing.



Dr. Juspier Mriphe Mwahanje

Medical Superintendent

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Samburu sub county hospital do exist to provide health care services to the community of Samburu sub county and its neighbouring.

For the last one year, the facility has been able to provide services without any hindrances since there is adequate supply of goods needed for services provision despite delay in paying suppliers due to collection challenges.

By virtue of being able to pay its when resources are available has enabled the hospital to keep a positive relationship with its partners hence giving a going concern picture.

ii) Environmental performance

Samburu sub county hospital currently is operating in an open area i.e. the facility is not having a wall that can serve as a clear demarcation for its land where its situated. As for this financial year, the management got involved much in repairing of damaged chain-link fence where most part of its poles had been destroyed as well as vandalized metallic posts. This created a leeway where domestic animals could encroach and feed within the facility compound as well as having people trespassing. This paused a lot of dangers to the staffs especially those who work on knight shifts. Also there are cases of wild animals passing through the hospital compound, e.g. elephants which exposes the facility and its staffs into dangers.

The location and planning of the facility is important since as of now the facility doesn't have an incinerator or burning chamber. As a facility, since the budget for the facility is limited such that repairing of the fault burning chamber (since there is one which is faulty) is expensive and the costs are near to that of a new one, its therefore the work of the management to lobby to the county to have the burning chamber repaired or have a new one constructed. As management to the facility, a survey has been done by the public health department which recommends that a new burning chamber has to be constructed in a convenient location where its placed away from the wards as well as near the maternity department to prevent fumes that is hazardous as well as awkward smell whenever wastes are burnt. Therefore, the current burning chamber has to be brought down and have the place level as well as cleaned for safety.

The facility management has also come up with a proposal to have well-constructed pit latrine so that expired drugs can get disposed of safely, we as well lobby for the facilitation on this since the facility budget cannot sustain these costs. This shall help to keep the environment free from hazardous drugs as well as free from sharp objects like syringes.

It has been challenging to have the expired drugs and used sharps like syringes kept for quite some time and then inform the department of public administration to come and collect the filled up safety boxes to go and dispose them, a practice which in many occurrences, the process has not been effective since there has been delays to execute the same. This has made sometimes to have bad odour in the compound due to the presence of organic wastes which might start decomposing even before collection for the wastes is done by the concerned department.

iii) Employee welfare

Samburu hospital has a number of departments that are manned by experienced and qualified staffs, this is evident through the service that the departments offer to the clients as well as the handling of the clients. Compliments have been made to a number of departments from the community or clients as far as service delivery is concerned.

These staffs are centrally recruited from the county public service board upon a particular department placing a request with the county public service board which in turn advertises to the public and do the interview on behalf of the needy department. As Samburu, we have experienced a balanced distribution of staffs almost in all the departments i.e. the staffs in Samburu are well distributed in terms of gender and tribe at large. The facility enjoys the presence of almost all of the tribes that are in the county as well as in the country as a whole.

The county government has made it possible to have its staffs get motivated in their work since yearly almost all carders have a training for its personnel which gives a room for development and equipping of the staffs for better service delivery. The county government occasionally conducts appraisals for its staffs which serve as a basis for promotions as well as fact-finding the need for training of the staffs in their areas of need this helps to have the staffs to work harder in order to achieve self-set objectives as well as departmental objectives thus ensuring of quality service delivery.

iv) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

As a facility, there are strategies laid down to make sure that the facility provides distinguished services of high quality. This has been made possible by the county government through employing and deploying personnel of high qualification in all the department.

As Samburu, the HMT holds frequent talk to all department heads and staffs at large to see that there is service delivery that is more acceptable to the community, this has placed the facility to be in a good position to dominate in the market in service providing.

b) Responsible Supply chain and supplier relations

Throughout this financial year the facility has maintained timely paying its creditors on time. Through the help of the county government treasury, it has been possible to have the facility to do all what it takes to ensure that there are no stock outs in the facility then having been the trend that at the end of the month a compilation of all the incurred debts by the facility are served to the county treasury for payment.

This has made it possible to have creditors or supplies build a good relationship with the hospital. This has ensured that there is no service delivery interruption caused by lack of supplies in the facility. All the departments work in harmony to ensure that requisitions are done in good time and have the orders executed timely in order to have deliveries as expected. Upon delivery of the ordered goods, a subcommittee is set to inspect the goods to certify whether they are the ones that had been requested with the end user department being the team leader during the inspection. This is to ensure that quality goods or services are delivered as per the given details of the requestor.

c) Responsible marketing and advertisement

Generally, the facility carries out reaches within its environs more frequently which to some extent has made the community well informed on early seeking of medical services upon notice of ailments, which has reduced chances of chronic diseases prevalence in the area.

This has been made possible through handling of cases with high professionalism by the staffs in the facility.

d) Product stewardship

The facility has instituted some mechanisms that are meant to safeguard the welfare of the clients. Usually, the facility through its quality assurance subcommittee, it ensures that very product that is released to the consumption by the clients is of good condition and edible to them. As a result, the quality assurance subcommittee ensures that whatever coming to the facility is inspected by the concerned department to ensure that only products that are harmless to the clients are of the correct quality and their expiry dates are not due. Therefore, the subcommittee then recommends as to whether the delivered

product is either good for consumption or not. This done with the help of every head of department who always stands to be the chairperson of the inspection and acceptance committee hence ensuring quality and harmless products for the facility clients.

v) Corporate Social Responsibility / Community Engagements

Samburu sub county Hospital is in charged with the responsibility to provide and promote quality curative and preventive healthcare services to the community within its environs and without.

The various activities/corporate social responsibilities to the community include the following which are meant to facilitate or enhance health care services;

MCH (Maternal Child Health)-the sub department is endowed with the responsibility of conducting the following services in the facility; health talks, health education, health promotion, vaccination services to both adults and children.

Outreach services, the facilities do conduct outreaches to the locals in order to either do vaccinate or do the health education.

The facility staffs also are sometimes taken for trainings and seminars to have their capabilities strengthened in order to enhance better service delivery to the community. Through donations from NGOs and other donors do take part in making sure that the facility is provided with incentives to enhance superior quality services by sponsoring data review programmes.

11. Report of The Board of Management

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

Principal activities

The principle activity of the hospital is to provide health care services to the public. This is achieved by making sure that whatever health service clients seek from within the hospital is available.

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 9.

Board of Management

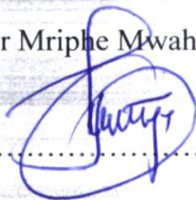
The members of the Board who served during the year are shown on page vii to xii. During the year, all the directors were present and executed their duties as they were expected from the day they took office in this financial year up to the closure of the same.

Auditors

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

By Order of the Board

Dr. Juspier Mriphe Mwahanje



Secretary to the Board

12. Statement of Board of Management's Responsibilities

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

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

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

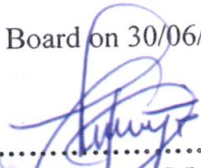
In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern.

Approval of the financial statements.

The Hospital's financial statements were approved by the Board on 30/06/2025 and signed on its behalf by:

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Name: **Bishop David Chajembe Mnyaka**
Chairperson
Board of Management

.....

Name: **Dr. Jisper Mriphe Mwahanje**
Accounting Officer

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON SAMBURU SUB COUNTY LEVEL 4 HOSPITAL - KWALE COUNTY GOVERNMENT FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Samburu Sub County Level 4 Hospital - Kwale County Government set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Samburu Sub County Level 4 Hospital – Kwale County Government 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances Between the Financial Statements and the Ledger - Medical/Clinical Costs

The statement of financial performance and Note 15 to the financial statements reflects medical and clinical costs amounting to Kshs.31,813,338. However, the supporting schedules provided show Kshs.19,587,114, resulting in an unexplained difference of Kshs.12,226,224.

In the circumstances, the accuracy and completeness of medical clinical costs of Kshs.31,813,338 could not be confirmed.

2. Non-Disclosure of Donated Land in the Financial Statements

The statement of financial position and Note 32 to the financial statements reflects property, plant and equipment balance of Kshs.72,332,750. However, the Hospital did not disclose land measuring 8.697 acres on which the Hospital buildings and related assets are situated. According to a letter from the County Government of Kwale dated 8 July, 2024, the land was donated by the public specifically for the establishment and operation of the Hospital. However, the land was neither recognized nor disclosed in the financial statements under property, plant, and equipment or as a donated asset, contrary to the requirements of the Public Sector Accounting Standards (IPSAS), which require that all assets controlled by an entity including donated assets be recognized or adequately disclosed.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.72,332,750 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Samburu Sub County Level 4 Hospital – Kwale County Government 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 expenditure budget and actual amounts on comparable basis of Kshs.25,000,000 and Kshs.12,359,075 respectively, resulting in under-realization of Kshs.12,640,925, or 51% of the budget.

The under absorption may have impacted negatively on service delivery to the residents of Kwale County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, 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 audit of the Hospital in 2024/2025 revealed that the following seven (7) issues remained unresolved.

No.	Financial Year	Audit Issue
1	2023/2024	Inaccurate statement of changes in net assets
2	2023/2024	Inaccurate opening balance in the statement of financial position
3	2023/2024	Unsupported over expenditure
4	2023/2024	Noncompliance with the prescribed format for presentation
5	2023/2024	Staff earning below a third of basic pay
6	2023/2024	Deficiencies in implementation of Level 4 Hospital requirements
7	2023/2024	Noncompliance with the law on ethnic composition

Other Information

The Management is responsible for the Other Information set out on page iii to xxxix which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, statement of the performance against pre-determined objectives, Corporate Governance Statement, Management Discussion and Analysis,

Environmental and Sustainability Reporting, Report of the Board of Management, and Statement of Board of Management 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. Employees' earnings less than 1/3rd of their Basic Pay

The statement of financial performance and Note 16 to the financial statements reflects employee costs of Kshs.103,775,656. Analysis of the payroll records for the period under review revealed that four (4) staff members earned net pay amounts that were less than one-third (1/3) of their respective basic salaries. This state of affairs contravenes the provisions of Section 19(3) of the Employment Act, 2007, which requires that an employee's total lawful deductions not to exceed two-thirds (2/3) of their basic pay.

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

2. Non-compliance with law on Ethnic Composition

Review of the human resource records established that the facility had a total of eighty-two (82) employees as at 30 June, 2025 out of which 44 or 54% were from the dominant ethnic community in the region. This is contrary to Section 7 (2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of Hospital records and staff interviews on service rendered, equipment used and medical specialists in the hospital at the time of audit in November 2025 revealed that the entity did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff of nineteen (19) 74% of the authorized establishment as tabulated below:

Staff requirements	Level 4 Standard	Number in Hospital	Variance	Percentage (%)
Medical Officers	16	3	13	81
Gynecologists	2	1	1	50
Anesthesiologist	2	0	2	100
General Surgeons	2	0	2	100
Pediatrics	2	1	1	50
Total	26	7	19	74

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

Service	Level 4 Standard	Actual in Hospital	Variance	Percentage (%)
Beds	150	44	106	71
New Born Unit Incubators	5	0	5	100
Functional Intensive Care Unit (ICU) Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	6	0	6	100
Two functional operating theatres - Maternity and General	2	2	1	50
Mortuary and Autopsy Facility	1	0	1	100%
Total	176	46	131	74%

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

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

4. Non-compliance with Biomedical Waste Management Regulations

Review of records and physical verification conducted at the facility on 18 November, 2025 established that non-sensitive hospital waste was being accumulated in a waste pit located near the Male Ward and X-ray Block. The pit was not enclosed and the waste burnt outside the designated burning chamber, which had cracks and is currently non-functional. Further, sensitive biomedical waste is accumulated on-site and later collected by a truck for transportation to Msambweni Sub-County Hospital for final disposal. However, Management does not maintain essential waste

management records, including waste tracking logs, disposal certificates, and staff training attendance registers on waste handling practices. This is contrary to the Guidelines for Safe Management of Healthcare Waste (2017) issued by the Ministry of Health, which prescribe proper procedures for segregation, storage, transportation, and final disposal of hazardous and non-hazardous healthcare waste.

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

5. Non- Compliance with Facility Improvement Financing Act, 2023

Review of records revealed the facility collected Kshs.12,491,254 and transferred an amount of Kshs.11,064,299 to the County Revenue Fund. However, only Kshs.9,780 was reimbursed to the Hospital leaving a balance of Kshs.11,054,519. Further, the Facility Improvement Financing (FIF) revenues were deposited into the general county revenue accounts instead of the designated Facility bank accounts. This is contrary to the provisions of Section 20-25 of the Facilities Improvement Financing Act, 2023 which requires that all revenues collected by health facilities be retained in designated FIF accounts and utilized strictly for approved operational and improvement activities.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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. Inventory Management of Pharmaceutical and Non-Pharmaceuticals

1.1 Expired Medical Supplies

The statement of financial position reflects an inventory balance of Kshs.4,757,700 as disclosed in Note 31 to the financial statements. Review of the store records and audit inspection done on 18/11/2025 on pharmaceuticals and non-pharmaceuticals revealed that 217 units of various drugs of undetermined value had expired as listed in the table below.

No	Drug Name	Batch No	Expiry Date	UOM	Quantity
1	Levonorgestrel Tablets	8145524	31/7/2025	Pack of 35's	87
2	Haloperidol Tablets	82083	31/8/2025	Pack of 100's	4
3	Copper T IUCD	AE-327	31/5/2025	Pack of 1's	22
4	Activated Charcoal	21C184	31/3/2024	Pack of 100's	1
5	Hormonal IUD	TU03H2N	31/1/2025	Pack of 1's	3
6	Medroxyprogesterone	EX5710	31/12/2024	Vial	100
					217

1.2 Stock-Outs of Essential Medical Supplies

The statement of financial position reflects an inventory balance of Kshs.4,757,700 as disclosed in Note 31 to the financial statements. Review of the Hospital stock cards for controlling stores indicated that the Hospital experienced stock out of medical supplies ranging from 10 days to 47 days as detailed below:

S/No.	Drug Name	Uom	Period of Stock-out	Number of days out of stock
1	Clindamycin Injection	Ampoule	26/10/2025 to 18/11/2025	24
2	Esomeprazole Tablets	Pack of 30's	7/11/2025 to 18/11/2025	12
3	Carbimazole Tablets	Pack of 100's	9/11/2025 to 18/11/2025	10
4	Halothane Solution	250ml Bottle	6/11/2025 to 18/11/2025	13
5	Enoxaparin Injection	Pack of 2's	27/10/2025 to 18/11/2025	23
6	Amoxicillin/Clavulanic Acid Tablets	Pack of 10's	29/10/2025 to 18/11/2025	21
7	Hydrocortisone Cream	15g Tube	14/10/2025 to 18/11/2025	36
8	Metoclopramide Tablets	Pack of 100's	8/10/2025 to 18/11/2025	42
9	Iron Sucrose Injection	Ampoule	9/10/2025 to 18/11/2025	41
10	Carbamazepine Tablets	Pack of 100's	3/10/2025 to 18/11/2025	47
11	Medroxyprogesterone	Vial	3/10/2025 to 18/11/2025	47

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

2. Lack of an Approved Risk Management Policy and Disaster Recovery Plan

During the year under review, the Hospital had not put in place risk management policy, strategies, disaster recovery plan and risk register to mitigate against risk. This was contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the effectiveness of risk management could not be confirmed.

3. Lack of Ownership Documents

The statement of financial position and Note 32 to the financial statements reflects property, plant and equipment balance of Kshs.72,332,750. Included in the property, plant and equipment schedule is motor vehicle stated as Kshs.5,245,000. However, Management did not provide the corresponding motor vehicle logbook to confirm ownership, existence and completeness of the recorded assets.

In the circumstances, the effectiveness of measures put in place on asset management could not be confirmed

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024-2025		FY 2023-2024
		Kshs		Kshs
Revenue from non-exchange transactions				
Transfers from the County Government	6	2,662,884		18,754,527
In- kind contributions from the County Government	7	130,162,484		101,714,745
Grants from donors and development partners	8	5,182,211		-
Transfers from other Government entities	9	-		-
Public contributions and donations	10	-		-
		138,007,579		120,469,272
Revenue from exchange transactions				
Rendering of services- Medical Service Income	11	26,100,550		-
Revenue from rent of facilities	12	-		-
Finance /Interest Income	13	-		-
Miscellaneous Income	14	-		-
Revenue from exchange transactions				
		164,108,129		120,469,272
Total revenue				
Expenses				
Medical/Clinical costs	15	31,813,338		21,389,102
Employee costs	16	103,775,656		90,638,835
Board of Management Expenses	17	191,200.		86,655
Depreciation and amortization expense	18	5,420,696		6,189,951
Repairs and maintenance	19	3,597,993		1,801,833
Grants and subsidies	20	5,182,211		
General expenses	21	7,601,819		9,410,569
Finance costs	22			

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Total expenses		157,582,913	129,516,945
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23		
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions			
Total other gains/(losses)			
Net Surplus / (Deficit) for the year		6,525,216	(9,047,673)

(The notes set out on pages 10 to 55 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30/06/2025 and signed on its behalf by:

		
.....		
Chairman	Head of Finance	Medical Superintendent
Board of Management	ICPAK No:18882	

Comparative FY refers to the financial year preceding the current year.

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	295,412	211,972
Prepayments	28		
Receivables from exchange transactions	29	13,609,296	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	4,757,700	975,959
Total Current Assets		18,662,408	1,187,931
Non-current assets			
Property, plant, and equipment	32	72,332,750	60,790,938
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		72,332,750	60,790,938
Total assets (A)		90,995,158	61,978,869
Liabilities			
Current liabilities			
Trade and other payables	36	25,153,956	2,662,884
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		25,153,956	2,662,884
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42		
Total non-current liabilities		-	2,662,884
Total Liabilities (B)		25,153,956	2,662,884
Net assets (A-B)		65,841,202	59,315,986
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		575,404	(5,949,812)
Capital Fund		65,265,798	65,265,798
Net Assets		65,841,202	59,315,986

(The notes on pages 10 to 55 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30/06/2025 and signed on its behalf by:

 Chairman Board of Management	 Head of Finance ICPAK No:18882	 Medical Superintendent
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Comparative FY refers to the financial year preceding the current year.

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)		3,097,861	4,474,859	7,572,720
Revaluation gain				
Surplus/(deficit) for the year		(9,047,673)		(9,047,673)
Capital/Development grants			60,790,939	60,790,939
As at June 30, 2024(previous year)		(5,949,812)	65,265,798	59,315,986
At July 1, 2024 (current year)		(5,949,812)	65,265,798	59,315,986
Revaluation gain				
Surplus/(deficit) for the year		6,525,216		6,525,216
Capital/Development grants				
At June 30, 2025 (current year)		575,404	65,265,798	65,841,202

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	7,730,290
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		12,491,254	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts		-	-
Total Receipts		12,491,254	7,730,290
Payments			
Medical/Clinical costs		3,792,967	2500
Employee costs		-	-
Board of Management Expenses		191,200	86,655
Repairs and maintenance		2,106,294	682,224
Grants and subsidies		-	-
General expenses		6,317,353	6,747,685
Finance costs		-	-
Refunds paid out		-	-
Total Payments		12,407,814	7,519,064
Net cash flows from operating activities	43	83,440	211,226
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		83,440	211,226
Cash and cash equivalents as at 1 July	27	211,972	746
Cash and cash equivalents as at 30 June	27	295,412	211,972

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

Comparative FY refers to the financial year preceding the current year.

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	%
Receipts						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	25,000,000	-	25,000,000	25,000,000	-	100%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (specify)	-	-	-	-	-	%
Total receipts	25,000,000	-	25,000,000	25,000,000	-	100%
Payments						
Medical/Clinical costs	11,630,000	(50,000)	11,580,000	3,792,967	7,787,033	33%
Employee costs	500,000	(500,000)	-	-	-	%
Remuneration of directors	600,000	-	600,000	191,200	408,800	32%
Repairs and maintenance	2,460,000	500,000	2,960,000	2,106,294	853,706	71%
Grants and subsidies	-	-	-	-	-	%
General expenses	8,810,000	(200,000)	8,610,000	6,317,353	2,292,647	73%
Finance costs	-	-	-	-	-	%
Purchase of office furniture and general equipment	1,000,000	250,000	1,250,000	-	1,250,000	0%

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Total Operational Expenditure paid	25,000,000	-	25,000,000	12,407,814	12,592,186	50%
Capital Expenditure paid	-	-	-	-	-	%
Surplus	-	-	-	12,592,186	-	%

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the*

Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)

Budget notes

- 1. Provide an explanation of differences between actual and budgeted amounts (any over/ 90% under) IPSAS 24.14*
- 2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

Budget Reconciliation

Description of Particulars		Amount in Kshs
Actual Surplus Amounts as per the statement of Budget		12,592,186
1	Revenue under collection due to delayed SHA payments	12,296,774
2		-
3		-
4		-
Closing Cash and Cash Equivalent as per the statement of Cash flows		295,412

19. Notes to the Financial Statements

1. General Information

Samburu Sub county entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kwale County Government and is domiciled in Kwale County in Kenya. The entity's principal activity is provision of health services.

2. Statement of Compliance and Basis of Preparation.

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *hospital's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *hospital*. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45-	<i>Applicable 1st January 2025</i>

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Standard	Effective date and impact:
Property Plant and Equipment	The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Standard	Effective date and impact:
	revenue and cash flow arising from revenue transactions. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>State the expected impact of the standard to the Entity if relevant</i>

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024-2025 was approved by Board on *1/7/2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *hospital* recorded additional appropriations of **25,000,000** on the FY 2024-2025 budget following the Board's approval. The *hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

c. Investment property

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

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

d. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

e. Leases

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

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

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

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

f. Intangible assets

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

Notes to the Financial Statements (Continued)

g. Biological Assets

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

h. Research and development costs

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

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

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

i. Financial instruments

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities
Classification

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

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

The entity create; and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted.*)

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. 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.

t. Related parties

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

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Unconditional grants		
Operational grant	2,662,884	18,754,527
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants (<i>specify</i>)	-	-
	2,662,884	18,754,527
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	2,662,884	18,754,527

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Kwale County Government	2,662,884	-	-	-	18,754,527
Total	2,662,884	-	-	-	18,754,572

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under appendix xxx).

*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6(the part on unconditional grants).

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries and wages	103,775,656	90,638,835
Medical supplies-Drawings Rights (KEMSA & MEDS)	15,952,300	11,075,910
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Laboratory reagents	10,434,528	-
Total grants in kind	130,162,484	101,714,745

8. Grants From Donors and Development Partners

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>Global fund commodities</i>)	5,182,211	-
Total grants from development partners	5,182,211	-

(Provide brief explanation for this revenue)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	5,182,211	-	-	5,182,211	-
Total	5,182,211	-	-	5,182,211	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	FY 2024-2025	FY 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	-	-
Total donations and sponsorships	-	-

10 (a) Reconciliation of amortised grants

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Pharmaceuticals	8,437,578	-
Non-Pharmaceuticals	596,049.00	-
Laboratory	4,087,528	-
Radiology	2,410,834	-
Orthopedic and Trauma Technology	618,378	-
Theatre	3,551,220	-
Accident and Emergency Service	1,989,115	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	319,668	-
Paediatrics services	-	-
Other medical services-Amref	430,000	-
Ambulance services	-	-
Other medical services income(Nhif)	3,660,180	-
Total revenue from the rendering of services	26,100,550	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

13. Finance /Interest Income

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

(Provide brief explanation for this revenue)

14. Miscellaneous Income

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Dental costs/ materials	-	2,500
Laboratory chemicals and reagents	10,600,738	1,031,250
Public health activities	-	-
Food and Ration	6,719,739	6,383,517
Uniform, clothing, and linen	94,400	171,550
Dressing and Non-Pharmaceuticals	999,853	1,138,375
Pharmaceutical supplies	12,630,903	11,075,910
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	385,850	800,140
Purchase of Medical gases	381,855	360,000
X-Ray/Radiology supplies	-	425,860
Other medical related clinical costs (<i>specify</i>)	-	-
Total medical/ clinical costs	31,813,338	21,389,102

16. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Salaries, wages, and allowances	103,775,656	90,638,835
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs	-	-
Employee costs	103,775,656	90,638,835

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2024-2025	FY 2024-2025
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	191,200	86,655
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	191,200	86,655

18. Depreciation and Amortization Expense

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, plant and equipment	5,420,696	6,189,951
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	5,420,696	6,189,951

19. Repairs And Maintenance

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property- Buildings		
Property- Buildings	497,220	205,745
Medical equipment	1,784,380	1,037,500
Office equipment	240,890	155,806
Furniture and fittings	7,500	7,000
Computers and accessories	138,988	20,465
Motor vehicle expenses	929,015	375,317
Maintenance of civil works	-	-
Total repairs and maintenance	3,597,993	1,801,833

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	FY 2024-2025	FY 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	5,182,211	-
Total grants and subsidies	5,182,211	-

21. General Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	42,110	34,020
Waste management expenses	-	1,264,740
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	20,133	5,900
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	-	-
Fuel and Lubricants	3,706,776	3,387,110
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	751,420	645,110
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	550	-
Printing and stationery	67,035	18,930
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	2,023,170	1,844,334
Skills development levies	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Telephone and mobile phone services	130,255	110,220
Internet expenses	-	-
Staff training and development	133,600	
Office supplies	726,770	2,090,645
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
House hold expenses	-	9,560
Total General Expenses	7,601,819	9,410,569

22. Finance Costs

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

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

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

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

24. Unrealized Gain On Fair Value Investments

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current accounts	295,412	1,772
On - call deposits		
Fixed deposits accounts		
Cash in hand	-	210,200
Others(<i>specify</i>)- Mobile money		
Total cash and cash equivalents	295,412	211,972

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

Description		FY 2024-2025	FY 2023-2024
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1125806141	409	1,772
Kenya commercial bank	1332846092	295,003	-
Sub- total		295,412	1,772
b) On - call deposits			
Kenya Commercial bank			
Equity Bank – etc			
Sub- total			
c) Fixed deposits account			
Bank Name			
Sub- total			
d) Others(specify)			
cash in hand		-	210,200
Mobile money- Mpesa, Airtel money			
Sub- total			
Grand total		295,412	211,972

28. Prepayments

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

29. Receivables From Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Medical services receivables	13,609,296	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	13,609,296	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

Analysis of Receivables From Exchange Transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
		%		%
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

30. Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
		%		%
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

31. Inventories

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Pharmaceutical supplies	3,847,876	526,479
Maintenance supplies	648,700	265,500
Food supplies	122,359	100,800
Linen and clothing supplies	-	-
Cleaning materials supplies	85,050	-
General office supplies	53,715	83,100
Less: provision for impairment of stocks	-	-
Total	4,757,700	975,959

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Detailed disclosure on inventories

	FY 2024-2025	FY 2023-2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023 (previous year)	-	-	-	647,200	408,200	649,125	-	3,999,900	5,704,225
Additions	5,112,996	39,640,950	10,490,000	561,275	-	5,846,525	-	-	61,651,746
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	3,999,900	-	(3,999,900)	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024	5,112,996	39,640,950	10,490,000	1,208,475	408,200	10,495,550	-	-	67,355,971
At 1 July 2024 (current year)	5,112,996	39,640,950	10,490,000	1,208,475	408,200	10,495,550	-	-	67,355,971
Additions	-	-	-	-	235,700	-	-	-	235,700
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	16,726,808	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	5,112,996	39,640,950	10,490,000	1,208,475	643,700	10,495,550	-	16,726,808	67,591,671
Depreciation and impairment									
At 1 July 2023 (previous year)	-	-	-	161,800	51,000	162,282	-	-	375,082

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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
Depreciation for the year		1,982,048	2,622,500	151,059	122,400	1,311,944	-	-	6,189,951
Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
At 30 June 2024		1,982,048	2,622,500	312,859	173,400	1,474,226	-	-	6,565,033
At July 2024 (current year)		1,982,048	2,622,500	312,859	173,400	1,474,226		-	6,565,033
Depreciation		991,024	2,622,500	302,119	193,110	1,311,944		-	5,420,696
Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-		-
At 30th June 2025		2,973,072	5,245,000	614,978	366,510	2,786,170		-	11,985,729
Net book values									
At 30 th Jun 2024 (previous)	5,112,996	37,658,902	7,867,500	895,616	234,600	9,021,324			60,790,938
At 30 th Jun 2025 (current)	5,112,996	36,667,878	5,245,000	593,497	277,190	7,709,380		16,726,808	72,332,750

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

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

34. Investment Property

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	FY 2024-2025		FY 2023-2024	
	KShs		KShs	
Trade payables	25,153,956		2,662,884	
Employee dues	-		-	
Third-party payments (e.g. unremitted payroll deductions)				
Audit fee				
Doctors' fee				
Total trade and other payables	25,153,956		2,662,884	
Ageing analysis:	FY 2024-2025	% of the Total	FY 2023-2024	% of the total
Under one year	-	%	-	%
1-2 years	25,153,956	100%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	25,153,956	%	-	%

37. Refundable Deposits from Customers/Patients

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

		Total		the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

38. Provisions

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

39. Finance Lease Obligation

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

40. Deferred Income

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

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

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

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	FY 2024-2025	FY 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	=	=

43. Cash Generated from Operations

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 20xx				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

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

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%		
USD	10%		
20XX (current year)			
Euro	10%		
USD	10%		

b) Interest rate risk

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

Management of interest rate risk

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

IV) Capital Risk Management

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

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates, and close family members.

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

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	-	-
Sales of services to xxx	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
d) Key management compensation	-	-
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46. Segment Information

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

47. Contingent Liabilities

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

48. Capital Commitments

Capital Commitments	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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

51. Currency

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

20. Appendices

Appendix 1: Progress on Follow up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2023/2024	Staff earning below a third of basic pay	Management will advise the affected staff to reorganise their loan obligation to the required margin	Not resolved	1 year
2023/2024	Non Compliance with the law on ethnic composition.	The staff recruitment process is done by County public service board. The hospital only receives staff deployed or posted.	Not resolved	1 year

Guidance Notes:

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

.....
Accounting Officer

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix II: Projects Implemented by the Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

Samburu sub county Level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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		

**Samburu sub county level 4 Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

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