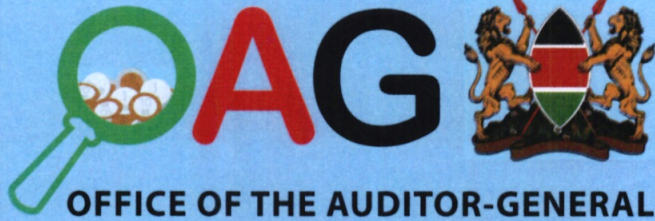


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

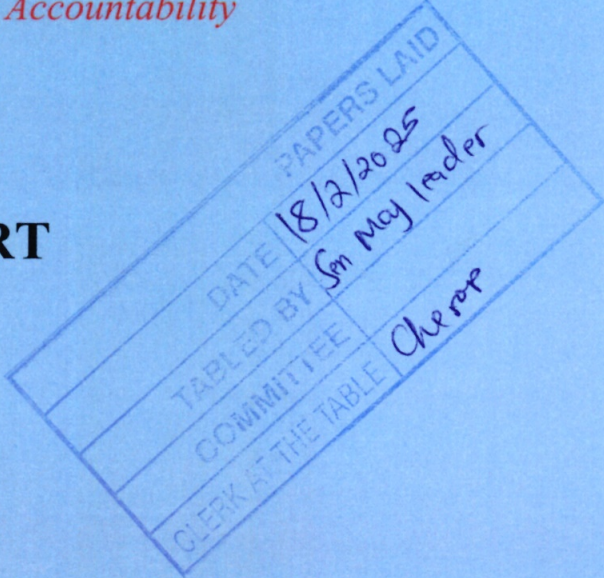
**THE AUDITOR-GENERAL**

**ON**

**WANGIGE LEVEL 4 HOSPITAL**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**COUNTY GOVERNMENT OF KIAMBU**





*Revised 30<sup>th</sup> June 2024*



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## **Wangige Level 4 HOSPITAL (Kiambu County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

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

**Table of Contents**

1. Acronyms & Glossary of Terms .....	ii
2. Key Entity Information and Management.....	iii
3. The Board of Management.....	vi
4. Key Management Team .....	viii
5. Chairman’s Statement .....	x
6. Report of The Medical Superintendent .....	xi
7. Statement of Performance Against Predetermined Objectives .....	xiii
8. Corporate Governance Statement.....	xv
9. Management Discussion and Analysis.....	xvii
10. Environmental And Sustainability Reporting.....	xix
11. Report of The Board of Management.....	xxi
12. Statement of Board of Management’s Responsibilities.....	xxii
13. Report of the Independent Auditor (specify entity name).....	xxiv
14. Statement of Financial Performance for The Year Ended 30 June 2024.....	1
15. Statement of Financial Position As At 30 <sup>th</sup> June 2024 .....	3
16. Statement of Changes in Net Asset for The Year Ended 30 June 2024 .....	5
17. Statement of Cash Flows for The Year Ended 30 June 2024 .....	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2024 .....	8
19. Notes to the Financial Statements .....	10
20. Appendices .....	54

**1. Acronyms & Glossary of Terms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
HAO	Hospital Administrative Officer
NSM	Nursing Service Manager
KAM	Kenya Associations of Manufacture
MOPC	Medical Outpatient Clinic
POPC	Paediatric Outpatient Clinic
GOPC	Gynaecology Outpatient Clinic
TB	Tuberculosis
CCC	Comprehensive Care Centre
OSHA	Occupational Safety Health Administration
ENT	Ear Nose Throat
IMCI	Integrated Management of Childhood Illness
CWC	Child Welfare Clinic
PMTCT	Prevention of Mother to Child Transmission
FY	Financial year
CEC	County Executive Committee

**2. Key Entity Information and Management**

**(a) Background information**

Wangige Hospital is a level 4 hospital established under gazette notice number 3616 and is domiciled in Kiambu County under the Health Department. The hospital is governed by a Board of Management.

**(b) Principal Activities**

The principal activity mandate of the hospital is to provide health services, create an enabling environment regulate and set standards and policy for health service delivery.

**Vision**

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

**Mission**

To provide health services that is equitable, accessible and accountatable to the people of Kiambu County through participatory Leadership

**Core objective**

Preventive and promote health services  
 Curative and rehabilitative health service

**(c) Key Management**

The Wangige hospital’s management is under the following key organs:

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

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility are:

No.	Designation	Name
1.	Medical Superintendent	Dr Derrick Munene
2.	Head of finance	Francis N Kagwi
3.	Head of supply chain	Eunice Ndonga
4.	Administrative officer	Caroline Wamuyu
5.	Nursing service manager	Pauline Njeri

(c) **Fiduciary Oversight Arrangements**

1. **Human Resource Committee:** - Comprises Medical Superintendent, Hospital Administrative Officer, Nurse Service Manager, and Laboratory in Charge, Pharmacist in charge and Accountant. This team is responsible for Reviewing, continuously assessing and planning the human resource component of the hospital.
2. **Procurement Committee:** - Comprises of Medical Superintendent, Hospital Administrative Officer, Nurse Service Manager, Accountant and Procurement Officer responsible for procurement processes in the hospital.
3. **Quality improvement team:** - Comprises of Pharmacist in charge, Laboratory in Charge, Nurse Service Manager, Procurement and Hospital Administrative Officer. This committee is in charge of ensuring the hospital offers high standards of quality on each front.
4. **Advisory Committee:** - Comprises of Medical Superintendent, Hospital Administrative Officer, Nurse Service Manager, This Committee is in charge of staff training, staff appraisal or sanctioning staff according to Performance.
5. **Data Review Committee:** - Comprises of Hospital Records Information Officer, Medical Superintendent, Laboratory in Charge, and Pharmacist in charge. This committee is in charge of ensuring data presented is accurate Verifiable and presented in a timely manner
6. **Infection prevention Control Committee:** - Comprises Public health officer, Hospital Administrative Officer, Nurse Service Manager, Laboratory in Charge and Pharmacist in charge. This committee is in charge of ensuring the health safety of staff and patients with regards to the environment.
7. **Medicine and therapeutic committee:** - Comprises of Medical Superintendent, Hospital Administrative Officer, and Pharmacist in charge. This committee is in in charge of audit of drugs reaction and advice the acquisition of Essential drugs

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

**(f) Entity Headquarters**

P.O. Box 178-00127  
Kitsuru Road  
Kabete, Kenya

**(g) Entity Contacts**

Telephone: (+254) 748293903  
E-mail: wangigehospital@gmail.com  
Website: www.kiambu.go.ke

**(h) Entity Bankers**

Family Bank Kenya (Wangige branch)  
Kenya Commercial Banks (kikuyu branch)

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**



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

**(k) County Attorney**

P.O. Box. 2344-0900  
Kiambu, Kenya



**3. The Board of Management**

Ref	Directors	Details
1.	 <p>Charles Edward Kabetu (Dr) Chairman to the board</p>	<p>Born in 1956, Dr. Kabetu has over 30years experience, he is Adjust professor Department of Anaesthesiology Jomo Kenyatta University. Dr. Kabetu is also Chief medical specialist in Anaesthesia and critical care-KNH. Dr. Kabetu holds a Master Medical Anaesthesia-1984-1987 UON. Bachelor of Medicine and Bachelor of Surgery-1977-1983 UON.</p>
2.	 <p>Alice Njeri Nganga</p>	<p>Born in 1971, Mrs Alice Njeri is front office Manager of KAM health Services. Mrs Alice Njeri is also sale and marketing. Mr Kaja holds diploma Sales Management-2007-2008 Universal College Nairobi</p>
3.	 <p>Amos Gitungo Kaja</p>	<p>Born in 1961, Mr Kaja is Administrator of Rafiki Children Home under Rafiki AIDS Ministry. Mr Kaja is also sale and marketing. Mr Kaja holds diploma sale and marketing- Griffins College</p>

4.	 Rachael Nyanbura Nyonyo	Born in 1957, Mrs Racheal Nyambura is proprietor and manager of Ramos Medical Clinic. Mrs Racheal Nyambura is also Guidance and counselling. Mrs Racheal Nyambura holds diploma in Nursing-1977-1980 KMTC
5.	 Dr. Derrick Munene Muketha Secretary to the board	Born in 1990, Dr. Derrick is a Consultant Pharmacist. Dr. Derrick is also a Medical Superintendent at Wangige L 4 Hospital. Dr. Derrick holds a Master of Medical in Public Health – UoN, Master of Health Economic and Policy-UoN, Bachelor of Pharmacy-UoN.

**4. Key Management Team**

Ref	Management	Details
1.	 Dr. Derrick Munene Muketha- Bachelor of Pharmacy, MSc Health Economic and Policy, Master in Public Health	Medical Superintendent Work Experience-11 Years Responsibilities: Management of the hospital: oversee the implementation of the Boards resolutions; prudent management of resources; and formulation of long term strategies and business plans.
2.	 Caroline Wamuyu Gichuki Diploma in Community Development and Counselling,	Head of Administration Work Experience:-9 yrs. Responsibilities: Provides leadership while creating a positive and productive culture is involved in the planning, direction and coordination of day-to-day operations to deliver the best quality of patient care is overall in charge of setting standards to drive operational excellence.
3.	 Pauline Njeri Kananu -BSC-Nursing/Diploma Comm.Nursing	Head of Nursing Service Manager Work Experience-28 years Responsibilities: Formulation, review and interpretation of Kiambu County health care policies relating to nursing services; ensuring to Nursing Statutory and regulatory requirements; facilitating development and review of training programs for nurses in the Hospital.

4.	 <p>CPA Francis N.Kagwi- B.Comm-Finance/CPA K</p>	<p>Head Of Finance Work Experience-19 Years Responsibilities: Coordinating the preparation of budgets Financial Reporting; providing administrative direction as head of the finance section to achieve the vision and mandate of the Hospital.</p>
5.	 <p>Eunice Ndonga Diploma -supply Chain Management/CIPS Level V</p>	<p>Head Of Supply Chain Work Experience-9 years Responsibilities: Reviewing procurement evaluation reports and provide professional procurement or asset disposal; interpretation, implementation and enforcement of the Public Procurement regulations</p>

## **5. Chairman’s Statement**

It is my pleasure to present the Hospital’s 2023/24 annual report and Financial Statements. The Board of Management is proud of the achievements realized by the hospital in this period, where the board has interacted with the team in year 2023/24 in its two time sittings.

I am particularly impressed by the “can do attitude” of staff coupled with their commitment to delivering the best possible service to patients.

### **Regulatory environment**

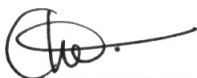
Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital.

### **Sector Alignment**

The Hospital’s operations are also influenced by various global, regional and national strategies aimed at promoting, restoring, and maintaining the Health care service delivery. The agenda aims to provide affordable healthcare for all households through NHIF scheme.

### **Acknowledgement**

On behalf of the Board, I would like to thank all our stakeholders especially the Health department, The Kiambu County and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years



.....  
**Dr Charles Edward Kabetu**

**Chairman to the Board**

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

I am pleased to present the Hospital's annual report and financial statements for the year 2023/24. The report highlights the hospital's operational and financial performance as well as our strategic direction.

It's a great team driven by a will to provide highest quality of care and ensure customer satisfaction.

The service providers have formed an organization with seamless cog wheels running to provide a health service that is equitable, accessible and accountable to the people of Kiambu County. This is the most important asset that has driven the accomplishments recounted in this report that I provide to you- the

### **Health workforce.**

We have a variety of disciplines working together and guided by personal, social and ethical principles.

This, coupled with adherence to the civil servants' code of ethics, has driven Wangige sub- County Hospital to be a model level four hospital providing highest standard of healthcare.

The past one year has been marked by great strides in all pillars of healthcare by aligning our activities to the Kiambu county strategic plan. We have ensured that we remain accountable to the

County Health Management Team and taken advantage of their reports as a benchmark to improve our service delivery. Despite constant exposure to continuous challenges, we have remained enthusiastic on service provision and remained focused on realizing our primary goal.

### **Infrastructure and equipment**

This financial year will be remembered for many reasons in this hospital. Top on the list is the expansion of service delivery in several departments; the facility has had an upgrade of infrastructure and procurement of new equipment in several departments supported by the hospital facility improvement funds, the county government and collaboration with private donors.

Despite several challenges, the hospital management team in collaboration with the county health management team facilitated operationalization of the surgical operating theatre, introduction of a Radiology department, expansion of service delivery in the laboratory department. Strengthening of administration through decentralization of roles, coupled with the above developments has seen great developments in Wangige sub county hospital as will be demonstrated in this report.

### **Clinical performance**

The department of reproductive health has increased its bed capacity from 15 to 30 by establishing a ward in the recently developed clinical wards block which is in line with the increased Demand for services and a requirement for all model level 4 hospitals. To increase efficiency and Capacity of services being offered,

**Wangige Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

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the hospital for the first time formed a surgical operating theatre and Operationalized the newly constructed operating theatre. Formulation of standards operating protocols derived from national health policies and guidelines have been undertaken. The facility currently Provides surgical services in the department of reproductive health and has seen several lives saved through this initiative. The laboratory services have been expanded; the department has newly procured and installed Laboratory equipment which allows services previously sourced from external service providers to be offered within the facility. There is a newly formed department of radiology with a newly installed x-ray machine and Ultrasound machine in place. Once the infrastructure is fully completed, the hospital will be able to provide extended radiological services. The overall expansion is also taking place in the dental Department which has since seen an extensive revamp and increased demand of services, and the Pharmacy department which has since almost doubled its collections due to efficiency in service delivery.

**Human resource and capacity building**

The past one year has seen the hospital face great bottlenecks in human resource impacting negatively in service delivery and slowing down development plans intended to increase quality and variety of services delivered. The facility has seen a high turnover rate of health care workers in various Departments which not only affects the administrative structure but also the service provision by withdrawing staff already impacted with skill through the hospitals internal capacity building programs Like continuous medical educations. Kindly find the breakdown of the health-workers available in the facility against the work loading the Report.

**Financial performance**

The facility operates through two sources of funds, the NHIF collections from service delivery to approved patients and FIF collections. During the past financial year, a total of Kes 15 million was collected from NHIF and Kes 10 million from FIF bringing our total annual collection to Kes 25 million



.....  
**Dr. Derrick M Muketha**  
**Secretary to the Board**

## 7. Statement of Performance Against Predetermined Objectives

Wangige level 4 hospital has 2 strategic pillars and objectives within the current Strategic Plan for the FY 2023/ 2024. These strategic pillars are as follows;

Pillar 1: Service Delivery

Pillar 2: Health Financing

Wangige level 4 hospital develops its annual work plans based on the above 2 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Wangige level 4 hospital achieved its performance targets set for the FY 2023/2024 period for its 7 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Service Delivery	Eliminate Communicable conditions Eliminate Non Communicable conditions	Average length of stay - Bed Turnover	Immunization -Child health -Screening for communicable conditions -Antenatal Care -Prevention of mother to child HIV transmission -Integrated Vector management - Good hygiene practices - HIV and STI	-Reduction in mortality and morbidity rates by 5% - Reduction in Number of HIV Prevalence. -Reduction in the NCD complications

*Wangige Hospital (Kiambu County Government)*

*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Health Financing	Provide essential Medical services	<ul style="list-style-type: none"> <li>-Average waiting time</li> <li>-Medical equipment utilization</li> <li>-Insurance claim processing time</li> </ul>	<ul style="list-style-type: none"> <li>- General Outpatient</li> <li>- Integrated MCH / Family Planning services</li> <li>- Accident and Emergency</li> <li>- Emergency life support</li> <li>- Maternity</li> <li>- New born services</li> <li>- Reproductive health</li> <li>- In Patient services</li> <li>- Clinical Laboratory</li> <li>- Specialized laboratory</li> <li>- Imaging</li> <li>- Pharmaceutical</li> </ul>	<ul style="list-style-type: none"> <li>-Increase in the number of caesarean sections</li> <li>-Reduction of waiting times For patients.</li> <li>-increased specialised test</li> </ul>
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## **8. Corporate Governance Statement**

The facility is governed by the Board of Management. The Hospital Management Board was gazetted vide the Kenya Gazette Vol. Cxxiii- NO. 3616 dated 16<sup>th</sup> April, 2021. The Board Members were issued with appointment letters dated 19<sup>th</sup> April, 2021 stating their term in office is three (3) years with effect from 1<sup>st</sup> May 2021 which can only be renewed once. The power for appointment and removal of the board members is vested on the County Executive Committee in-charge-of health services member in line with the Constitution of the Kiambu County Health Services Acts (no. 2 of 2019).

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

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

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

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

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

On board meetings; the Board held their first meeting at the hospital on 7<sup>th</sup> July 2021. The Board held four (4) meetings on the last financial year 2023- 2024. The attendance for the all meetings was >100%.

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

***Wangige Hospital (Kiambu County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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

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

The Board has performed exemplary well on their mandates during the last financial year despite challenges and are more committed to achieve much on the next financial year. The board was trained and inducted on their roles and were duly vetted before they were issued with appointment letters. There was no conflict of interest that arose in line with the Board executing their mandates. No Board Member was appointed in the current year.

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

The board uses the charter of the Kiambu County Government. The conduct of the board members was ethical as they followed the code of conduct during their execution of their mandates as per the Kiambu Health act, 2019.

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

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

### **Overall patient attendance**

Average patient attendance for the year 2023/2024 was

- 44,598 Outpatients

-1,173 in-Patients with 83% Bed Occupancy Rate

### **Specialized clinics Attendance**

MOPC- 2070

POPC- 135

GOPC- 297

TB- 656

CCC-10881

PSYCHATRIC-734

### **In-patient admissions**

Wangige level 4 hospital admits maternity cases only and day case who requires day care treatment. The Maternity capacity is 28 bed with occupancy rate of 83%.This number is deemed to increase with the theatre service that have started coupled by the free maternity programme (Linda Mama)

### **Clinical effectiveness**

This is the application of the best knowledge, derived from Clinical experience, research mentorship and patient preferences to achieve optimum processes and outcomes of care for the patients.

This involves deliberate actions and frameworks of informing Changing and monitoring and evaluation of clinical practice.

### **Patient Safety**

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

### **Antimicrobial stewardship**

The hospital has antimicrobial stewardship committee which has published guidelines on use of antimicrobials in the hospital.

### **Sponsorships and Partnership**

The Facility has continued to partner with UoN crisp, that Support CCC Services, The Unitaid –funded CaP TB project supporting TB clinic Programme

### **Financial performance**

#### **Revenue sources**

The Hospital revenue comprises of grants from the County Government, fees charged for services rendered, public contributions and donations, grants from development partners. During the year under review, revenue grew by 90% from Kshs.11 million reported in the FY 2023/24 to Kshs.20 million.

#### **Utilisation of funds**

The revenue generated during the period was utilized to fund hospital expenditure that totalled Kshs.13 million.

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

Wangige level Hospital exists to transform lives by being efficient, transparent and accountable offering highest attainable standard of care. Our Mission (*To provide health services that is equitable, accessible and accountable to the people of Kiambu County through participatory Leadership*) is what guides us to deliver our strategy, putting the client first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **a) Sustainability strategy and profile**

As a level 4 hospital, we recognize that we must conduct our operations in a manner that considers the environmental and social impact to ensure the success and longevity of the operations. We are committed to being transparent, candid and open about our operation in order to capture the cosmopolitan population of Wangige-Kabete and its environs by identifying and putting into perspective the concept of improving the quality of life for people and communities across the sub-county whilst the MDG: 2030 Agenda for sustainable Development of all UN member state which Kenya is part off.

### **b) Environmental performance**

We intend to construct the modern incinerator and our infection prevention committee is vibrant to ensure all protocol of waste management if adhered to, we also intend have ash pit

### **Employee welfare**

Kiambu County Public Service Board established under Article 235 of the Constitution of Kenya, 2010 and Section 57 of the County Government Act, 2012 is mandated with appoint and promoting of all county employee. The procedures to be followed in appointing persons to hold offices within the scope of the County Government are provided for in the County Government Act, 2012 and guided by the values and principles of the public service spelt out in Article 232 of the Constitution.

The Salaries and Remuneration Commission will, based on recommendation of the County Public Service Board, advice and regularly review the salary and allowances applicable to officers in the county public service, amongst other public officers.

Kiambu County Public Service Board has design a performance management plan to evaluate performance of the county public service and the implementation of county policies as is provided for in Section 47 of the County Government Act.

Kiambu County Public Service Board is compliance with Occupational Safety and Health Act of 2007, (OSHA.)

**c) Market place practices-**

Maintaining a sustainable supply chain Our Commitment Wangige Hospital has several suppliers that supply good and services Through COG -Kiambu-Framework. We ensure our own reputation as service provider is always a top priority. For that reason, we are focused on ensuring our suppliers comply with best practice and adhere to our contract agreement for all services and goods supplied.

**a) Responsible competition practice.**

We as the facility ensure competitive, equal and fair opportunity for all groups of people through adhering to Public Procurement and Assets Disposal Act

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

The Hospital maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payments practices, the management team applies the principal of first in supplies - first payment .The facilities also has a very vibrant receiving and acceptance committee.

**c) Responsible marketing and advertisement**

Through The Recently Gazetted Hospital Board the Facility reach out to the community through them, the Health Promotion Office and the primary Health workers (Community Health Assistances n Community Health Volunteers). We maintain the transparency culture, protection of Hospital Data and ensure patient and staff welfare is paramount.

**d) Product stewardship**

Patients are given the utmost respect and privacy

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

It reaches and outreaches most vulnerable patients and clothing the abandoned children. The facility also undertakes the Covid -19 Vaccination to the villages.

## **Report of The Board of Management**

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the hospital's affairs.

### **Principal activities**

The principal activity mandate of the hospital is to provide health services, create an enabling environment regulate and set standards and policy for health service delivery.

### **Results**

The results of the Wangige level 4 Hospital for the year ended 30<sup>th</sup> June 2024 are set out on page 1 to 55

### **Board of Management**

The members of the Board who served during the year are shown on page (VII). During the year there was no director who retired or resigned and the five (5) directors were appointed with effect from 16<sup>th</sup> April 2021.

### **Auditors**

The Auditor General is responsible for the statutory audit of the Wangige level 4 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board



**Dr. Derrick Munene Muketha**

**Secretary to the Board**

## **12 Statement of Board of Management's Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and Kiambu County Health Act 2019 requires the Board of Management to prepare financial statements in respect of Wangige Hospital, which give a true and fair view of the state of affairs of the Wangige Hospital at the end of the financial year ended on June 30, 2024 and the operating results of the Wangige Hospital for that year/period. The Board of Management is also required to ensure that the Wangige Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Wangige Hospital. The council members are also responsible for safeguarding the assets of the Wangige Hospital.

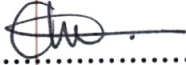
The Board of Management is responsible for the preparation and presentation of the Wangige Hospital financial statements, which give a true and fair view of the state and affairs of the Hospital at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Wangige 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 Wangige Hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu County Health Act 2019. The Board members are of the opinion that the Wangige Hospital financial statements give a true and fair view of the state of Wangige Hospital transactions during the financial year ended June 30, 2024, and of the financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Wangige Hospital, which have been relied upon in the preparation of the Wangige Hospital financial statements as well as the adequacy of the systems of internal financial control.

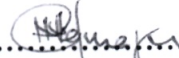
Nothing has come to the attention of the Board of management to indicate that the Wangige Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 31.12.2024 and signed on its behalf by:



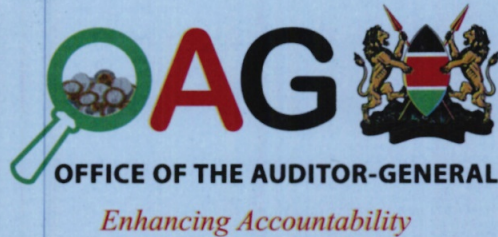
.....  
**Dr. Charles Edward Kabetu**  
**Chairperson**  
**Board of Management**



.....  
**Dr. Derrick Munene**  
**Accounting Officer**

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
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## **REPORT OF THE AUDITOR-GENERAL ON WANGIGE LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KIAMBU**

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### **PREAMBLE**

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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 Wangige Level 4 Hospital – County Government of Kiambu set out on pages 1 to 53 which comprise the statement of

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*Report of the Auditor-General on Wangige Level 4 Hospital for the year ended 30 June, 2024 - County Government of Kiambu*

financial position as at 30 June, 2024 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 the Wangige Level 4 Hospital - County Government of Kiambu as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Health Act, 2017 and the Public Financial Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Lack of Ownership Documents and Failure to Maintain an Asset Register**

The statement of financial position reflects Nil balance for property, plant and equipment as disclosed in Note 31 to the financial statements. Further, the ownership documents pertaining to the parcels of land where the Hospital buildings and structures have been constructed were not provided for audit review. In addition, the asset register was not presented for audit and verification and it was therefore not possible to confirm the propriety of the assets. Physical inspection of the Hospital in the month of December, 2024 also revealed that the Hospitals assets were not tagged for ease of identification and movement.

In the circumstances, it was not possible to ascertain the ownership, existence, security, valuation and location of the Hospital assets and the financial statements may not be fairly stated.

#### **2. Overstatement of Receivables from Exchange Transactions**

The statement of financial position and Note 28 to the financial statements reflects receivables from exchange transactions balance of Kshs.26,840,296. However, during the audit, the supporting documents provided indicated that the Hospital received Facility Improvement Financing (FIF) reimbursements totaling Kshs.10,205,392 and transferred Kshs.3,933,890 to the County Government of Kiambu. Based on these adjustments, the actual receivables balance should be Kshs.9,683,111 (inclusive of the prior year's receivable of Kshs.366,328).

In the circumstances, receivables from exchange transactions balance of Kshs.26,840,296 was overstated by Kshs.18,005,185.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wangige Level 4 Hospital - County

Government of Kiambu Management in accordance with ISSAI 130 on 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 revenue budget and actual on comparable basis totalling Kshs.54,425,000 and Kshs.23,456,265 respectively, resulting to an under budgeted amount of Kshs.30,968,735 or 55% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.54,425,000 and Kshs.32,571,365 respectively, resulting to under expenditure of Kshs.21,853,635 or 39% of the budget.

The under-funding and under-utilization affected the service delivery of the Hospital to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior year Issues**

The audit report for the year ended 30 June, 2023 raised several unsatisfactory issues in regard to Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remained unresolved as at 30 June, 2024.

### **Other Information**

The Board of directors are responsible for the other information set out on page iii to xviii which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Wangige Level 4 Hospital 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 and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements

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. Failure to Prepare a Procurement Plan

The statement of financial performance reflects an amount of Kshs.164,019,609 and Kshs.168,371,664 in respect of total revenue and expenses respectively. However, during the year under audit, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 114(2) of the Public Finance Management (County Governments) Regulations, 2015, which states that 'every year a procurement plan shall be prepared by Accounting Officers to form the basis for procurement activities undertaken by government entities in the fiscal year'.

In the circumstances, Management was in breach of the law and value for money on the procurements could not be confirmed.

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

Audit review of service output from the Kenya Health Information System (KHIS) against the basic essential healthcare services that Wangige Level 4 Hospital offers revealed that the Hospital does not offer some the services accredited to a Level 4 hospital against the requirements of a level 4 hospital.

In overall, the Hospital fails to actualize its role in Universal Health Care through offering primary services and there is therefore need for the hospital to re look its service delivery pillars.

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 effects 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. Ineffectiveness of the Hospital Receipting System

A review of the Hospital receipting system revealed several deficiencies:

- i. Manual Triggered Electronic Receipts: The electronic receipts generated are manually triggered, not serially numbered, and not integrated into the payment system.
- ii. Non-Reconciliation with MPESA Transactions: The generated receipts are not reconciled with MPESA transactions, leading to potential discrepancies in financial reporting.
- iii. Hospital Charges and Tariffs Not Mapped: The Hospital charges and tariffs are not properly mapped within the Check Health Information System (KHIS), resulting in inaccurate financial data capture.
- iv. Non-Integrated Payment System: Payments are processed manually, leading to a lack of integration and automated tracking of receipts.
- v. Local Supplier-Printed Hospital Cards: The Hospital cards presented to patients are printed from a local supplier, and no accurate records of continuity control or tracking were provided during the audit.

In the circumstances, the effectiveness and integrity of the receipting system could not be confirmed.

## **2. Poor Inventories Management**

### **2.1 Ineffective Drug Stock Control Management**

Records provided for audit indicate that the Hospital procured, received, and recorded pharmaceutical products on the stock contra cards in the drug store. However, the following issues were noted:

- i. **Missing Batch Numbers and Expiry Dates:** Examination of the drug stock control cards revealed that batch numbers and expiry dates were not consistently captured on the bin cards.
- ii. **Failure to Apply FEFO Method:** The absence of batch numbers and expiry dates resulted in the non-application of the First Expiry First Out (FEFO) stock control method.
- iii. **Expired Drugs:** As a result of these lapses, expired drugs were identified in the store, leading to potential financial losses and waste of pharmaceutical products.

### **2.2. Non-Disposal of Expired Drugs**

The statement of financial position reflects inventories valued at Kshs. 7,641,918 as disclosed in Note 30 to the financial statements. Physical verification and review of records revealed undetermined value of expired drugs that were yet to be disposed of, as per the 'Pharmacy department expired drugs book'.

In the circumstances, existence of effective internal controls in the management of inventories 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 control, 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 Board of Management**

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

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

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

31 December, 2024

**14. Statement of Financial Performance for the Year Ended 30 June 2024**

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	140,563,344	108,111,099
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		<b>140,563,344</b>	<b>108,111,099</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	23,456,265	20,174,426
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
		<b>23,456,265</b>	<b>20,174,426</b>
<b>Total revenue</b>		<b>164,019,609</b>	<b>128,285,525</b>
<b>Expenses</b>			
Medical/Clinical costs	15	12,935,542	6,541,960
Employee costs	16	145,528,544	112,864,199
Board of Management Expenses	17	80,000	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	742,300	719,594
Grants and subsidies	20	4,691,253	4,034,885
General expenses	21	4,394,025	2,957,115
Finance costs	22	-	-
<b>Total expenses</b>		<b>168,371,664</b>	<b>127,118,753</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-

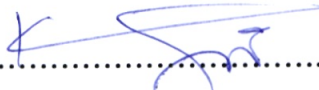
*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		-	-
<b>Net Surplus / (Deficit) for the year</b>		<b>(4,352,053)</b>	<b>1,166,772</b>


The Hospital's financial statements were approved by the Board on 31.12.2024 and signed on its behalf by:

  
 .....

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

  
 .....

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

  
 .....

**Medical Superintendent**

**15. Statement of Financial Position As At 30<sup>th</sup> June 2024**

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	3,736,371	6,073,879
Receivables from exchange transactions	28	26,840,296	5,672,370
Receivables from non-exchange transactions	29	-	-
Inventories	30	7,641,988	3,909,594
<b>Total Current Assets</b>		<b>38,218,655</b>	<b>15,655,834</b>
<b>Non-current assets</b>			
Property, plant, and equipment	31	-	-
Intangible assets	32	-	-
Investment property	33	-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total assets (A)</b>		<b>38,218,655</b>	<b>15,655,834</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	34	33,875,394	16,822,316
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Social Benefits	41	-	-
<b>Total Current Liabilities</b>		<b>33,875,394</b>	<b>16,822,316</b>
<b>Non-current liabilities</b>			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession Arrangements	40	-	-

**Wangige Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Social Benefits	41	-	-
<b>Total non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>33,875,394</b>	<b>16,822,316</b>
<b>Net assets (A-B)</b>		<b>4,343,261</b>	-
<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		(3,235,281)	1,166,772
Capital Fund		-	-
<b>Net Assets</b>		<b>38,218,655</b>	<b>16,822,316</b>

The Hospital's financial statements were approved by the Board on 31.12.2024 and signed on its behalf by:

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

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

.....  
**Medical Superintendent**

**16. Statement of Changes in Net Asset for The Year Ended 30 June 2024**

<b>Description</b>	<b>Revaluation reserve</b>	<b>Accumulated surplus/Deficit</b>	<b>Capital Fund</b>	<b>Total</b>
<b>As at July 1, 2022 (previous year)</b>	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,116,772	-	1,116,772
Capital/Development grants	-	-	-	-
<b>As at June 30, 2023 (previous year)</b>	-	<b>1,116,772</b>	-	<b>1,116,772</b>
<b>At July 1, 2023 (current year)</b>	-	<b>1,116,772</b>	-	<b>1,116,772</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(4,352,053)	-	(4,763,045)
Capital/Development grants	-	-	-	-
<b>At June 30, 2024 (current year)</b>	-	<b>(3,235,281)</b>	-	<b>(3,596,274)</b>

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

**17. Statement of Cash Flows for The Year Ended 30 June 2024**

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
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		23,456,265	12,540,896
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts( <i>specify</i> )		-	-
<b>Total Receipts</b>		<b>23,456,265</b>	<b>12,540,896</b>
<b>Payments</b>			
Medical/Clinical costs		5,370,926	3,434,590
Employee costs		2,943,786	4,540,986
Board of Management Expenses		-	-
Repairs and maintenance		649,900	589,644
Grants and subsidies		15,803,471	1,547,043
General expenses		1,025,690	2,252,090
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>25,793,773</b>	<b>12,364,353</b>
<b>Net cash flows from operating activities</b>	42	<b>2,337,508</b>	<b>176,543</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,337,508</b>	<b>176,543</b>
Cash and cash equivalents as at 1 July	27	6,073,879	5,897,335
<b>Cash and cash equivalents as at 30 June</b>	27	<b>3,736,371</b>	<b>6,073,879</b>

*Wangige Hospital (Kiambu County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a Kshs	b Kshs	c=(a+b) Kshs	d Kshs	e=(c-d) Kshs	f=d/c% %
<b>Revenue</b>						
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	54,425,000	-	54,425,000	23,456,265	30,968,735	45%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total income</b>	<b>54,425,000</b>	-	<b>54,425,000</b>	<b>23,456,265</b>	<b>30,968,735</b>	<b>45%</b>
<b>Expenses</b>						
Medical/Clinical costs	22,992,000	-	22,992,000	12,935,542	10,056,458	56%
Employee costs	6,428,000	-	6,428,000	4,965,200	1,462,800	77%
Remuneration of directors	400,000	-	400,000	80,000	320,000	-
Repairs and maintenance	2,920,000	-	2,920,000	742,300	2,177,700	25%
Grants and subsidies	-	-	-	-	-	-
General expenses	9,760,000	-	9,760,000	4,394,025	4,954,985	49%
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	4,691,253	-	-
<b>Surplus for the period</b>	<b>10,885,000</b>	-	<b>10,885,000</b>	<b>4,352,055</b>	<b>15,648,045</b>	<b>65%</b>
<b>Capital expenditure</b>	<b>43,540,000</b>	-	<b>43,540,000</b>	<b>28,219,310</b>	<b>15,320,690</b>	<b>44%</b>

**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)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

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

### **1. General Information**

Wangige level 4 Hospital is established by and derives its authority and accountability from health Act. The Hospital is wholly owned by the Government of Kenya and is domiciled in Kiambu County. The Hospital's principal activity is to provide health services, create an enabling environment regulate and set standards and policy for health service delivery.

### **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 Wangige hospital 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 42 The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Wangige hospital.

The financial statements have been prepared in accordance with the PFM Act, and Kiambu county Government Health Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Adoption of New and Revised Standards

#### *i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024*

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 2024.*

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

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

*iii) Early adoption of standards*

The Entity did not early adopt any new or amended standards in the financial year

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2023/2024 was approved by Board on August 2023. 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 nil on the FY 2023/2024 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 financial performance has been presented on page 34 under section 18 of these financial statements.

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

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

**e. Property, plant and equipment**

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

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. 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.

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.

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

**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.

*Notes to the Financial Statements (Continued)*

**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.

*Notes to the Financial Statements (Continued)*

**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 creates 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.

**r. Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**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.

*Notes to the Financial Statements (Continued)*

**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, 2024.

## **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.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY 23/24	FY 22/23
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants ( <i>specify</i> )	-	-
	-	-
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	-	-

6 b Transfers from The County Government

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

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 23/24	FY 22/23
	KShs	KShs
Salaries and wages	140,563,344	108,111,109
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
<b>Total grants in kind</b>	<b>140,563,344</b>	<b>108,111,109</b>

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

8. Grants From Donors and Development Partners

Description	FY 23/24	FY 22/23
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants ( <i>specify</i> )	-	-
<b>Total grants from development partners</b>	<b>-</b>	<b>-</b>

(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	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 23/24	FY 22/23
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
	-	-
	-	-
<b>Total Transfers</b>	-	-

10. Public Contributions and Donations

Description	FY 23/24	FY 22/23
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	-

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

Description	FY 23/24	FY 22/23
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
<b>Conditions to be met – remain liabilities</b>	-	-

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Pharmaceuticals	-	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
Other medical services income ( <i>specify</i> )	-	-
<b>Total revenue from the rendering of services</b>	<b>23,456,265</b>	<b>20,174,426</b>

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

**12. Revenue From Rent of Facilities**

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	-	-

*(Provide brief explanation for this revenue)*

**13. Finance /Interest Income**

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

*(Provide brief explanation for this revenue)*

**14. Miscellaneous Income**

Description	FY 23/24	FY 22/23
	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 (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	1,889,638	499,147
Public health activities	-	-
Food and Ration	1,237,753	735,601
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	7,144,763	3,074,075
Pharmaceutical supplies	1,403,000	1,792,875
Health information stationery	1,025,000	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	20,000	50,000
Purchase of Medical gases	109,539	295,562
X-Ray/Radiology supplies	105,850	93,700
Other medical related clinical costs ( <i>specify</i> )	-	-
<b>Total medical/ clinical costs</b>	<b>12,935,542</b>	<b>6,541,960</b>

16. Employee Costs

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Salaries, wages, and allowances	140,563,344	108,111,099
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs ( <i>specify</i> )	4,965,200	4,753,020
<b>Employee costs</b>	<b>145,528,544</b>	<b>112,864,119</b>

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	80,000	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>80,000</b>	<b>-</b>

18. Depreciation and Amortization Expense

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>-</b>	<b>-</b>

19. Repairs And Maintenance

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Property- Buildings	197,950	217,500
Medical equipment	212,500	295,800
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Motor vehicle expenses	141,900	66,344
Maintenance of civil works	189,950	76,200
<b>Total repairs and maintenance</b>	<b>742,300</b>	<b>719,594</b>

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies( <i>Transfer to county government</i> )	4,691,253	4,034,885
<b>Total grants and subsidies</b>	<b>4,691,253</b>	<b>4,034,885</b>

21. General Expenses

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	50,000	60,000
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	40,000	10,000
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	700,000	700,000
Electricity expenses	1,800,000	418,000
Fuel and Lubricants	78,000	120,700
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	-	40,000
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	657,565	629,015
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	700,000	360,000

**Wangige Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Skills development levies	-	-
Telephone and mobile phone services	140,000	170,000
Internet expenses	228,460	449,400
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
<b>Total General Expenses</b>	<b>4,394,025</b>	<b>2,957,115</b>

**22. Finance Costs**

Description	FY 23/24	FY 22/23
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

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

Description	FY 23/24	FY 22/23
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

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

Description	Insert Current FY	FY 22/23
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 23/24	FY 22/23
	KShs	KShs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
<b>Total Gain/Loss</b>	-	-

26. Impairment Loss

Description	FY 23/24	FY 22/23
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	-	-

27. Cash And Cash Equivalents

Description	FY 23/24	FY 22/23
	KShs	KShs
Current accounts	3,736,371	6,073,879
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>3,736,371</b>	<b>6,073,879</b>

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

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

Description		FY 23/24	FY 22/23
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1157562256	3,736,371	6,073,879
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		-	-
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		-	-
<b>d) Others(<i>specify</i>)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>3,736,371</b>	<b>6,073,879</b>

**28. Receivables From Exchange Transactions**

Description	FY 23/24	FY 22/23
	KShs	KShs
Medical services receivables	26,840,296	5,672,370
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>26,840,296</b>	<b>5,672,370</b>

**Analysis of Receivables From Exchange Transactions**

Description	FY 23/24		FY 22/23	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

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

Description	FY 23/24	FY 22/23
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors ( <i>non-exchange transactions</i> )	-	-
Less: impairment allowance	-	-
<b>Total</b>	-	-

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

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

Description	FY 23/24		FY 22/23	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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30. Inventories

Description	FY 23/24	FY 22/23
	KShs	KShs
Pharmaceutical supplies	3,351,861	451,372
Maintenance supplies	806,341	963,202
Food supplies	218,542	-
Non Pharmaceutical supplies	2,540,916	1,492,375
Cleaning materials supplies	-	526,463
General supplies	126,558	476,182
Printing Supplies	597,770	-
<b>Total</b>	<b>7,641,988</b>	<b>3,909,594</b>

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

*Notes to the Financial Statements (Continued)*

**31. Property, Plant and Equipment**

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

*Wangige Hospital (Kiambu County Government)*

*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At July 2023 (current year)	-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-		-
Disposals		-	-	-	-	-		-
Impairment		-	-	-	-	-		-
Transfer/adjustment		-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>		-	-	-	-	-	-	-
<b>Net book values</b>								
At 30 <sup>th</sup> Jun 2023 (previous)	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2024 (current)	-	-	-	-	-	-	-	-

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Notes to the Financial Statements (Continued)

**32. Intangible Assets-Software**

Description	FY 23/24	FY 22/23
	KShs	KShs
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**33. Investment Property**

Description	FY 23/24	FY 22/23
	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	-	-
<b>At end of the year</b>	-	-

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

**34. Trade and other Payables**

Description	FY 23/24		FY 22/23	
	KShs		KShs	
Trade payables	-		-	
Employee dues	-		-	
Third-party payments ( <i>e.g. unremitted payroll deductions</i> )	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>33,875,394</b>		<b>16,822,316</b>	
<b>Ageing analysis:</b>	<b>FY 23/24</b>	<b>% of the Total</b>	<b>FY 22/23</b>	<b>% of the total</b>
Under one year	10,000,000	30%	-	%
1-2 years	7,053,078	20%	-	%
2-3 years	16,822,316	50%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>33,875,394</b>	<b>%</b>	<b>-</b>	<b>%</b>

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

Description	FY 23/24		FY 22/23	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others ( <i>specify</i> )	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>FY 23/24</b>	<b>% of the Total</b>	<b>FY 22/23</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>	<b>%</b>	<b>-</b>	<b>%</b>

Notes to the Financial Statements (Continued)

36. Provisions

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

37. Finance Lease Obligation

Description	FY 23/24	Insert Comparative FY
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

38. Deferred Income

Description	FY 23/24	Insert Comparative FY
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

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

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

**39. Borrowings**

Description	FY 23/24	FY 22/23
	KShs	KShs
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the period</b>	-	-

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

Description	FY 23/24	FY 22/23
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

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

**40. Service Concession Arrangements**

Description	FY 23/24	FY 22/23
	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	=	=

**41. Social Benefits**

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with Disabilities benefit Scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non-current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

Notes to the Financial Statements (Continued)

**42. Cash Generated from Operations**

Description	FY 23/24	FY 22/23
	KShs	KShs
Surplus for the year before tax	4,352,053	1,166,772
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>2,337,508</b>	<b>176,543</b>

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

**43. 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
<b>At 30 June 2023 (previous year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2024 (current year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

**Wangige Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

**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 .The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	--	-	-	-
<b>At 30 June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2024</b>			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2024</b>			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2023 (previous year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2024 (current year)</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

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

**Sensitivity analysis**

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

**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 23/24	FY 22/23
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ ( <i>excess cash and cash equivalents</i> )	-	-
<b>Gearing</b>	%	%

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

**44. 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.

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

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

Description	FY 23/24	FY 22/23
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to	-	-
Sales of services to	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for nil employees	-	-
Payments for goods and services for no	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		

**Wangige Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

Description	FY 23/24	FY 22/23
	Kshs	Kshs
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**45. Segment Information**

**46. Contingent Liabilities**

Contingent liabilities	FY 23/24	FY 22/23
	Kshs	Kshs
Court case no against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	-	-

**47. Capital Commitments**

Capital Commitments	I FY 23/24	Insert Comparative FY
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

**48. Events after the Reporting Period**

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

**49. Ultimate and Holding Entity**

The Wangige Level 4 Hospital is under the Department of Health services. Its ultimate parent is the County Government of Kiambu.

**50. Currency**

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

20. **Appendices**

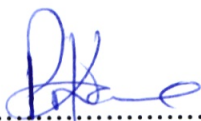
**Appendix 1: Progress on Follow up of Auditor Recommendations**

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

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

**Notes:**

This is the third year and we are yet to received audit opinion of the second year audit from the external auditor



.....  
**Dr Derrick Munene**  
**Accounting Officer**

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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

Name of transferring entity; County Government of Kiambu

Name of Beneficiary entity: Wangige Level 4 Hospital

<b>Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June (Current FY)</b>					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	3 <sup>rd</sup> July 2023	5,306,042		5,306,042	
	1 <sup>st</sup> Sep 2023	4,089,080	-	4,089,080	
	20 <sup>th</sup> Jan 2024	2,442,112	-	2,442,112	
	15 <sup>th</sup> April 2024	3,674,200	-	3,674,200	
<b>Total</b>		<b>15,511,434</b>		<b>15,511,434</b>	

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.....

*Wangige Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

**Appendix IV Reporting of Climate Relevant Expenditures**

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

**Appendix V: Disaster Expenditure Reporting Template**

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