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REPORT

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OF

THE AUDITOR-GENERAL

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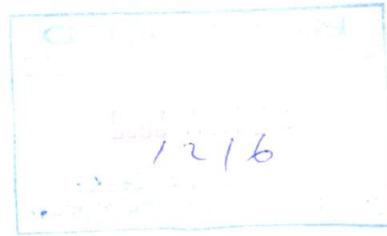
RUMURUTI SUB-COUNTY LEVEL 4 HOSPITAL

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FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNMENT OF LAIKIPIA

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# RUMURUTI SUB COUNTY Level 4 HOSPITAL Laikipia County Government

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

## 2. Key Entity Information and Management

### (a) Background information

Rumuruti Sub County Hospital is a level 4 hospital established under gazette notice number 3461 and is domiciled in Laikipia County under the Health Department. The hospital is governed by a Board of Management.

### (b) Principal Activities

The principal activity/mission/ mandate of the hospital is to :

- i. To provide quality, accessible and affordable health care services
- ii. To Facilitate preventive, promotive and rehabilitative services to the community
- iii. To provide training to different health professionals
- iv. To conduct research in diverse public health fields

### (c) Key Management

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

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

### (d) Fiduciary Management

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

No.	Designation	Name
1.	Chief Executive Officer	Dr. Arthur Kokonya Mumelo
2.	Head of Nursing services	M/s Jennifer Njeri Mungai
3.	Head of finance	Susan Nyambura
4.	Head of supply chain	Zablon Njoroge Mwaniki
5.	Head of pharmacy services	Dr. Apollo Kinga
6.	Head of Laboratory	Nimrod Wambugu
7.	Head of Nutritionist	Alice Njoki

### (e) Fiduciary Oversight Arrangements

- Audit General
- Internal Auditor
- County Assembly
- Development partners



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

**(f) Entity Headquarters**

P.O. Box 23-20231  
Rumuruti  
Hospital Road  
Rumuruti, KENYA

**(g) Entity Contacts**

Telephone: (+254) 701301564  
E-mail: [rumurutihospital@gmail.com](mailto:rumurutihospital@gmail.com), [rumurutihospital@go.ke](mailto:rumurutihospital@go.ke)  
Website: [www.laikipia.go.ke](http://www.laikipia.go.ke)

**(h) Entity Bankers**

Kenya Commercial Bank  
Equity Bank

**(i) Independent Auditors**

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


**(j) Principal Legal Adviser**



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


**(k) County Attorney**

Laikipia County Government  
P.O. Box.1271-10400  
Nanyuki, Kenya

**3. The Board of Management**

Ref	Directors	Details
1.	 <p data-bbox="325 1337 564 1368">Mr. Koome Kiragu</p>	<ul style="list-style-type: none"> <li data-bbox="847 454 1385 846">❖ Mr Koome Kiragu is an enthusiastic advocate of social-economic transformation with extensive experience in various socio-economic sectors in Kenya. He has worked at the Agricultural Finance Corporation, Standard Chartered Bank and has served as a member on the Habitat International Board of Directors for eight years.</li> <li data-bbox="847 860 1385 1451">❖ Koome currently serves as a Trustee of Habitat for Humanity Kenya where he has mobilized several development projects in Laikipia County such as infrastructural development in various schools such as Mukima Secondary School, Lairagwan, Mbombo and Naibor Primary Schools , training of youth from Mukima and Segera in masonry, construction of homes for 80 needy households in Laikipia, drilling of three water boreholes and the provision of free daily porridge to 1,200 pupils at Uasonyiro and Reteti Primary Schools.</li> <li data-bbox="847 1498 1385 1776">❖ Koome is also a board member of the National Drought Management Authority (NDMA), where through his efforts, he successfully secured 5 tons of relief food and fifteen (15) 10,000L water tanks to support the arid regions of Laikipia County.</li> <li data-bbox="847 1823 1385 1930">❖ Mr. Koome holds a Bachelor of Science (Agriculture) from the University of Nairobi and many other professional</li> </ul>

		<p>accolades from various institutions globally.</p>
2.	 <p>Mr. Peter Kamau Nderitu</p>	<p>Mr. Peter holds a Diploma in Science of Human Development from the Tangaza University College and training in Basic counselling and other academic qualifications.</p> <p>He is a seasoned, qualified and passionate community development worker and social worker with more than 22 years' experience working in community driven projects and social protection programmes with different organizations on diverse community and social needs.</p> <p>He has vast experience in lobbying, advocacy and promotion of social and health wellbeing for the less privileged especially people with disabilities and children on streets.</p> <p>Peter is well acquitted in project management, community engagement, resource mobilization for various projects, leadership and capacity building of the community and building stakeholders collaborations and networking.</p> <p>He has been a senior social worker at the L'arche Kenya, a community outreach programme. Before joining L'arche Kenya, he was a social worker and rehabilitation manager at St. Martin Catholic Apostolate where he served in various programs aimed at helping the people with disability, the needy children and the people living with HIV/AIDS and drug addicts.</p>
3.	 <p>Mr. Ekidor Ateyo Lokorio</p>	<p>He holds a Master's in Business Administration in Healthcare Management from Strathmore University, Master of Public Health from Kenyatta University, a Bachelor of Science in Environmental Health from Kenyatta University, a diploma in Clinical Medicine and surgery from KMTC.</p> <p>He is a health professional with background in clinical medicine and has vast experience in</p>

		<p>healthcare management spanning over 15 years.</p> <p>Mr. Ateyo is the Managing Director of Sunview Maternity and Nursing Home. Prior to that, he has served as an executive sales representative of Pfizer Pharmaceutical Laboratories for more than 9 years. He has received two Meritorious Awards by Pfizer Limited, in 2020 and 2017, in recognition for his immense contribution and great service to the organization.</p> <p>Mr. Ateyo has robust Health sector industry knowledge with clear understanding of business dynamics of the health sector and management of health facilities. He has experience in building collaborations between the private health sector and public health sector aimed at strengthening the health systems and attaining the highest quality of health service delivery.</p>
4.	 <p>Mr. Cornelius Argeo Lekopien</p>	<p>He holds a Bachelor of Veterinary Science from the University of Nairobi and is currently pursuing Masters Science in Field Epidemiology.</p> <p>Mr. Cornelius is a dedicated veterinary epidemiologist with a decade of experience working with governmental, non-governmental and community based organizations. He possesses vast knowledge and experience in Disease Surveillance, Outbreak Investigation and employing required response measures.</p> <p>He has been involved in handling humanitarian issues in conflict and post conflict areas including undertaking multi-agency rapid assessment in line with the Kenya Initial Rapid Assessment (KIRA) process.</p> <p>Mr. Cornelius has worked with the county government of Samburu for more than six years, prior to which he served in Laikipia county, offering wide range of services in the counties and other organizations in the region. He is a firm advocate of the the One Health approach as a key strategy for prevention, early detection and control of emerging and re-</p>

		<p>emerging zoonotic diseases and other public health threats.</p>
<p>5.</p>	 <p>Ms. Margaret Nyawira Gakuu</p>	<p>She holds Bachelor of Education Arts, (Math's and Business studies) from Egerton University and other certifications form various institutions globally.</p> <p>Ms. Margaret is a highly self-driven and goal led community development advocate. She has worked in various organizations where she has developed an invaluable social networking and experience in resource mobilization and community development through transformative projects and programs.</p> <p>She boasts of among others, lobbying for the sinking of more than 6 Boreholes across Laikipia, inclusion of Laikipia in the charitable activities by Nobility Organization where several classrooms, dormitories and relief projects have been successfully accomplished and more ongoing projects.</p> <p>She has participated in many other philanthropic activities aimed at feeding the elderly, fighting period poverty, socio-economic empowerment projects, teen mentorship, educational scholarships and general youth mentorship sessions.</p>
	 <p>Ms Polly Munene</p>	<p>She hold a Diploma in Nursing from Kenya Medical Training College and has served in various capacities.</p> <p>Polly Munene is a retired registered nurse with over 30 years' experience. She holds a. Her last posting was as Nurse in charge LHS Maundumeri.</p>

6.






Dr. Arthur Kokonya Mumelo

Born in 1983  
MR. Arthur studied Bachelor of medicine & surgery.  
He is the Medical Superintendent at Rumuruti Subcounty hospital.

4. Key Management Team

Ref	Management	Details
1.	 <p>Dr. Arthur Kokonya Mumelo Position: Medical Superintendent</p>	<p>Dr Arthur mumelo is the Medical Superintendent at Rumuruti Subcounty hospital.</p>
2.	 <p>Jennifer Njeri Mungai Position: Nursing in Charge</p>	<p>Diploma in Kenya Community Health Nursing Position: Nursing officer</p>
3.	 <p>Dr Appolo Kinga</p>	<p>Bachelors in Pharmacy Position: Assistant Chief Pharmacist</p>
4.	 <p>Zablon Mwaniki Njoroge</p>	<p>Procurement Officer Bachelor in Procurement and Supply Chain Management Diploma in Management option purchasing and supplies management</p>

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5.	 Susan Nyambura	Certified public Accountant Hospital Accountant
6.	 Nimrod Wambugu	Diploma in medical laboratory sciences . Head of Laboratory Department
7.	 Alice Njoki Njoroge	Diploma in Community Nutrition Nutritionist Incharge

## **5. CHAIRMAN'S STATEMENT**

It is with great pride and a sense of responsibility that I present this year's Chairman's Statement on behalf of the Rumuruti Subcounty Hospital Board. The Financial Year 2024-2025 reporting period has been both dynamic and demanding, as we navigated the evolving healthcare landscape especially major changes in healthcare laws and financing (FIF and SHIA) while remaining committed to our mission of delivering accessible, high quality, and compassionate care to our community,

### **I. Key Activities During the Year**

Throughout the year, the Board, in collaboration with hospital management and staff, oversaw several transformative initiatives aimed at enhancing service delivery and operational efficiency. Notably:

Implementation of an upgraded Hospital Management Information System (HMIS) which has significantly improved data management, billings and patient record-keeping. The full implementation of TAIFA CARE Hospital information System is still ongoing and will be fully complete in September 2025.

Expansion of our Outpatient and Diagnostic Services, allowing us to better serve the growing needs of our catchment population.

Completion of critical infrastructure improvements including:

1. Ongoing completion of the theatre which has a pending septic system that is currently being worked on.
2. Renovation of Radiology block (ongoing) and installation of the X-ray machines.
3. Installation of solar backup systems to ensure uninterrupted power in critical care areas (ongoing)
4. Continuous capacity building for clinical and non-clinical staff, through workshops, trainings, and strategic partnerships with medical training institutions.

In June 2025 we had a hugely successful Medical Camp where we saw over 2500 patients. Through this program and partners we have initiated a feeding program for the CCC TB patients which has also been successful in promoting patient retention (reduced treatment default rates).

### **II. Successes Consolidated**

We are proud to report several key achievements over the past year:

Patient satisfaction scores improved markedly, reflecting our staff's commitment to dignity, empathy, and professionalism.

Staff retention improved driven by targeted welfare programs and improved working conditions.

Strengthened partnerships with county health departments, NGOs, and development partners, leading to increased support in essential services and community outreach.

Notable progress in financial management<sup>3</sup> with a reduction in audit queries and enhanced accountability in procurement and expenditure.

#### Challenges Faced

Despite these gains, we faced several challenges that tested our resilience:

Resource constraints particularly in specialized human resources and medical supplies, occasionally affected service continuity.

The national healthcare funding environment remains unpredictable, impacting budget planning and execution.

Infrastructure wear and tear, especially in older buildings, continues to demand significant maintenance investment.

Occasional staff shortages due to attrition and delayed recruitments also impacted service delivery in critical departments.

#### III. The Way Forward

Looking ahead, the Board is focused on long-term sustainability and strategic growth. Our key priorities for the coming year include:

Seeking additional funding streams, including public-private partnerships, to bridge operational and infrastructural gaps.

Deepening community engagement to ensure the hospital remains responsive to emerging health needs.

Strengthening governance and internal controls, in line with best practices and compliance expectations.

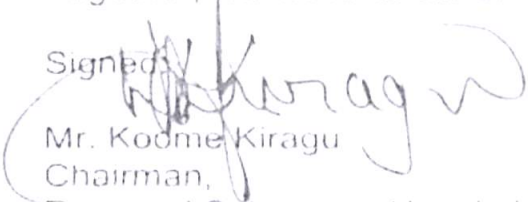
Exploring digital health innovations to improve patient outreach, especially in remote areas.

We remain committed to working closely with all stakeholders including government agencies, partners, and the community to ensure that Rumuruti Subcounty Hospital continues to be a beacon of hope and healing.

On behalf of the Rumuruti Subcounty Hospital Board, I extend heartfelt gratitude to the hospital staff, partners, and the entire community for your unwavering support throughout the year.

Together, we move forward.

Signed

  
Mr. Kodme Kiragu  
Chairman,

Rumuruti Subcounty Hospital B

## 6. REPORT OF THE MEDICAL SUPERINTENDENT

### 1. Introduction

It gives me great pleasure to present this detailed report on the activities, performance, challenges, and strategic direction of the hospital during the reporting period. This report complements the Chairman's address and offers a more in-depth perspective on operational, clinical, and administrative matters within our facility. The past year has been one of both resilience and growth, as we navigated a dynamic healthcare environment shaped by economic pressures, evolving patient needs, and increased demand for quality services.

Through the collaborative efforts of our medical, nursing, administrative, and support staff, we have made meaningful progress in key areas including service delivery, clinical governance, infrastructure, financial performance, and staff development. The hospital remains committed to providing accessible, safe, and patient-centered care to all members of our community.

### 2. Clinical Performance and Service Delivery

During the reporting period, our clinical services recorded a steady increase in patient volumes across all major departments. The data below highlights key performance indicators:

□□□ **Out patient Services:** Improvements in appointment scheduling, triage systems, and clinic hours contributed to this growth.

□□□ **In patient Care:** There were **2100** admissions to our inpatient wards, with an average bed occupancy rate of **70%**. This reflects greater trust in our capacity to manage both acute and chronic conditions.

□□□ **Maternity and Child Health:** A total of **1060** deliveries were conducted. The maternal and neonatal outcomes improved due to increased investment in skilled birth attendants and upgraded maternity equipment.

□□□ **Emergency Services:** Triage efficiency and timely referrals contributed to reduced mortality in high-acuity cases.

□□□ **Diagnostics:** The Radiology Department is in the process of fully installing Xray equipment that is currently in the hospital grounds.

### 3. Quality of Care and Patient Safety

Ensuring quality and safety in patient care remained a core focus. Key activities included:

□□□ **Clinical Governance:** We continued to conduct regular audits, mortality and morbidity reviews, and case presentations. These meetings enhanced accountability, encouraged peer learning, and improved clinical decision-making.

□□□ **Infection Prevention and Control (IPC):** IPC protocols were reinforced across all departments. Hand hygiene compliance improved, and routine environmental audits were conducted. We are proud to report a **[Insert %]** reduction in healthcare-associated infections (HAIs).

□□□ **Patient Feedback Mechanisms:** Quarterly patient satisfaction surveys showed overall satisfaction levels averaging **[Insert %]**, with positive feedback on staff attitude, waiting times, and cleanliness. Complaints were addressed through a structured grievance redressal system.

#### 4. Human Resources and Capacity Building

Our workforce remains the cornerstone of our service delivery. During the year:

- (i) **Recruitment and Staffing:** We welcomed new health professionals, including clinical officers (ophthalmologist), 2 nurses, lab technologists, and pharmacists, to address growing patient numbers and fill critical gaps.
- (ii) **Training and Development:** We conducted weekly Continuous Professional Development (CPD) sessions covering key areas such as emergency obstetric care, mental health, surgical safety, and leadership in healthcare. Additionally, some staff participated in external workshops and certification programs.
- (iii) **Staff Welfare:** Staff well-being initiatives included health checkups, mental health support, team-building retreats, and recognition programs. Despite these efforts, we acknowledge continued stress and burnout among staff due to workload, and we are exploring measures to better address this.

#### 5. Infrastructure, Equipment, and Technology

Infrastructure development remained a strategic priority:

- (i) **Facility Upgrades:** Renovation of the Outpatient Block and Emergency Department was completed, creating a more functional and comfortable environment for patients and staff.
- (ii) **New Facilities:** A new [e.g., **neonatal unit, dialysis center, or minor theatre**] was opened to address service gaps and improve care outcomes.
- (iii) **Equipment:** Significant upgrades were made in diagnostics, surgical equipment, and ICT. We acquired [Insert Equipment, e.g., **an automated hematology analyzer, laparoscopic instruments, digital ultrasound machine**], enhancing service efficiency and diagnostic accuracy.
- (iv) **Health Information Systems:** Electronic medical records were expanded to cover more departments, improving patient data management and reporting capabilities.

#### 6. Financial Performance and Resource Utilization

Despite constrained fiscal space, the hospital managed its resources efficiently:

- (i) **Revenue Generation:** Internally generated revenue increased by largely due to enhanced billing, improved service delivery, and better inventory controls.
- (ii) **Expenditures:** The largest portion of our budget was allocated to salaries, medical supplies, and facility maintenance. We also invested strategically in equipment procurement and infrastructure.
- (iii) **Donor and Government Support:** We remain grateful for the ongoing support from the government and donor partners, whose contributions enabled key service expansions and quality improvements. Efforts toward financial sustainability remain ongoing, including the strengthening of public-private partnerships, cost-recovery initiatives, and enhanced financial accountability mechanisms.

#### 7. Challenges

While we celebrate our achievements, several challenges persist:

- (i) **Staff Shortages:** Some departments remain understaffed, impacting workload distribution and staff morale.

- ☐☐ **Supply Chain Disruptions:** Periodic shortages of essential medicines and supplies affected continuity of care in some clinical areas.
- ☐☐ **Aging Infrastructure:** Some hospital buildings and support systems require extensive refurbishment, which will need significant capital investment.
- ☐☐ **Rising Patient Numbers:** The surge in patient volumes occasionally overwhelms our capacity, particularly in peak seasons, leading to increased waiting times.

#### 8. Strategic Outlook

Looking ahead, the hospital will prioritize the following:

- ☐☐☐ Recruitment and retention of skilled staff
- ☐☐☐ Expansion of critical care and diagnostic services
- ☐☐☐ Digitization of health records and operational processes
- ☐☐☐ Strengthening financial systems and exploring alternate funding sources
- ☐☐☐ Enhancing community engagement and preventive health outreach

#### 9. Conclusion

In conclusion, the year under review has been marked by progress, collaboration, and resilience. I wish to express my sincere appreciation to all staff for their unwavering commitment and professionalism. I also acknowledge the continued guidance and support of the Board of Management, the Ministry of Health, and our partners.

As we look to the future, we remain dedicated to building a stronger, more efficient, and responsive healthcare institution that delivers on its promise of high-quality, compassionate care.

.....  
**Dr. ARTHUR MUMELO**

**Secretary to the Board**

## 7. Statement of Performance Against Predetermined Objectives

*Rumuruti Sub County Hospital* has 8 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 24- FY 25. These strategic pillars/ themes/ issues are as follows:

Pillar 1: Leadership and Governance

Pillar 2: Service Delivery

Pillar 3: Health Products, Vaccines and Technologies

Pillar 4: Health Research

Pillar 5: Human Resources for Health

Pillar 6: Health Infrastructure

Pillar 7: Health Information

Pillar 8: Health Financing

*Rumuruti Sub County hospital* develops its annual work plans based on the above 8 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Board* achieved its performance targets set for the FY 2024/2025 period for its 8 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Leadership and Governance	To strengthen Leadership, Management and Governance (LMG) at Rumuruti Subcounty Hospital	<ul style="list-style-type: none"> <li>Percent of increase in partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Improve existing partnership and develop new ones</li> </ul>	<ul style="list-style-type: none"> <li>12</li> </ul>
Service Delivery	To provide effective health services towards contribution to attainment of universal health coverage by 2025	Proportion of HCWs trained on emergency and trauma care	<ul style="list-style-type: none"> <li>Training of HCWs on Emergency and trauma care</li> </ul>	All ED staff trained
		No. of clients receiving new	<ul style="list-style-type: none"> <li>Cancer screening,</li> </ul>	89

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		specialized services	counselling, palliative care,	
		No. of contracts with private health insurance	• Signed contracts	
Health Products, Vaccines and Technologies		% prescription fill rate	Availability of HPTs	<u>80%</u>
Human Resources for Health	To strengthen the HRH management towards improved health outcomes at Rumuruti Subcounty Hospital.	• % compliance of staff returns to the approved staff establishment	Staff returns	<u>99.9</u>
		No. of departments with work plan	Preparation of work plan	2
		No. of staff with performance targets based on departmental work plans	Setting of performance targets	<u>23</u>
Health Infrastructure	To expand and improve the Rumuruti Subcounty hospital's physical infrastructure for ease of access to health services and to attain the level 5 facility status	Completed renovation against target areas	Renovations	Renovation of car park
		New installations in place	Installation	

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Health Information	To establish health information system for ready access of information for decision making	No. of offices networked	Networking of offices	
		No. of desktop computers or laptops	Installation of laptop computers	3
Health Financing	Provide resource adequacy to achieve the hospital's health delivery mandate.	Amount of revenue generated through NHIF/SHA		Kshs. 7,177,147
		% increase in revenue collected after automation		
		% increase of new SHA clients		

**8. Corporate Governance Statement**

Provide the corporate governance statement as guided below:

Appointment of Board members is guided by the Laikipia Health Services Act, 2014. The CECM appointed the Chair and members under Section 9 of the Act. Appointments consider skills mix to ensure expertise in areas such as finance, women’s organizations, persons with disabilities, NGOs, faith-based organizations, and health.

A Board member may leave office through:

- Written resignation to the Executive Member
- Removal by the Executive Member, in consultation with the Governor, for:
  - Violation of the Constitution or any written law
  - Gross misconduct
  - Physical or mental incapacity
  - Absence from three consecutive meetings without approval
  - Incompetence
  - Bankruptcy

The mandate of the board are:

- Provide oversight over hospital administration
- Promote hospital development
- Approve plans and programs for implementing County health strategies
- Approve estimates before submission to the Executive Member
- **Attendance Record**

NO.	NAME		QTR 1	QTR 2	QTR 3	QTR 4
1	Mr. Koome Kiragu	CHAIRMAN	Present	Present	Present	Present
2	Dr. Arthur Kokonya Mumelo	SECRETARY	Present	Present	Present	Present
3	Mr. Peter Nderitu Kamau	MEMBER	Present	Present	Present	Present

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4	Dr. Cornelius Argeyo Lekopien	MEMBER	Present	Present	Present	Present
5	Fr. John Ngugi Nene	MEMBER	Present	Present	Present	Present
6	Mr. Elias Karugo Mbugu	MEMBER	Present	Present	Absent	Absent
7	Ms Margaret Nyawira Gakuu	CO-OPTED	Present	Present	Present	Present
8	Mr. Ekidor Ateyo Lokorio	CO-OPTED	Present	Present	Present	Present
9	Ms Polly Karwirwa	MEMBER	Present	Present	ABSENT	ABSENT

### Remuneration

Board members are remunerated as follows

Type of Allowances	Chairman	Member
Sitting Allowance	Ksh 15,000	Ksh 10,000
Accommodation and Travel	SRC J.G "S"	SRC J.G "R"

### Code of Conduct

The conduct of Board members is guided by the provisions of the First Schedule of the Laikipia Health Services Act, 2014, and any other applicable laws. Members are required to uphold integrity, accountability, professionalism, and compliance with all statutory obligations.

### Term of Office

The term of office is three years, renewable once for a further and final term. After this, a member must retire for at least three years before being eligible for reappointment. The current Board is serving its first term.

**9. Management Discussion and Analysis**

1. Male Ward - which was Done in collaboration with Mwanzi Farm, is Complete and preparations to have it up and running are underway.

2. Out Patient Department- Renovations are 80% complete that includes the laboratory, casualty, specialized clinics and pharmacy.

3. Out Patient Visits - have increased consistently from September 2023 to March 2024 by 30% and inpatient numbers have also increased by 50%

4. Full Hemogram now functional and patients are receiving this service

5. Ablution Block and Septic Tank - 95% complete - to be fully completed in two weeks.

6. Storage Water Tank - under construction - to be completed in two weeks time.

1. **Human Resource** - the county is in the process of converting the staff on contracts (for example UTJ - USAID Tugenge Jamii) to permanent and pensionable basis.

**- PENDING PROJECTS**

1. EMR

Electronic Medical Records system broke down and a new one is needed especially for outpatient, lab and medical records department

2. LABORATORY EQUIPMENT -

**Section B**

**Entity's compliance with statutory requirements**

The Fund demonstrates a strong commitment to compliance with statutory requirements. However, there are inherent circumstances that may expose it to non-compliance with the Public Finance Management (PFM) Act of Kenya regarding Rumuruti subcounty hospital.

**Section C**

**Key projects and investment decisions the entity is planning/implementing.**

a) INCINERATOR is urgently required- we currently only have an old burning chamber. Rumuruti Subcounty Hospital handles medical waste from the hospital itself and also all the private hospitals within the environs of Rumuruti (outsourcing).

*Pending projects*

- a) MICROBIOLOGY HOOD – For processing of TB sputum samples
- b) BIOCHEMISTRY EQUIPMENT –Fully automated biochemistry machine for processing of renal function test, liver function test including gamma GT, Lipid Profile, uric acid levels,
- c) HBA1C MACHINE – For processing of three monthly sugar levels for the diabetes patients who come for clinics in our facility and also for samples referred from Melwa, Mutara, Thome,Muwarak, Sosian, Luoniek, Nakwang.

3. Theatre completion and equipping is in progress

4. RADIOLOGY EQUIPMENT

5.1. The Radiology building was completed in 2018 the procurement of equipment is ongoing through PPP.

- a) Ultrasound Machine
- b) X-ray Machine –

6. INCINERATOR

For infection, prevention and control and waste disposal.

*The entity's Financial Performance*

For the fiscal year 2024/2025, the Hospital has a budgeted of Kshs. 93 million, to be generated from revenue and other donations, strategically focused on initiatives designed to alleviate poor health and malnutrition exacerbated by ongoing drought conditions impacting both human and livestock populations. This persistent drought has had a particularly harsh effect on families.

➤ **Entity's Revenues for the period**

In Kind Contributions from The County Government	98,600,926.76
Revenue from the rendering of services	17,229,589.50
<b>Total Revenue</b>	<b>115,830,516.26</b>

• **Entity's Expenditure**

The expenditure incurred on hospital activities reflects the entity's commitment to addressing urgent needs and ensuring community health. These funds are critical for purchase of medical drugs and attending to emergency cases. Monitoring and managing these expenditures effectively is essential to maximize impact and ensure accountability in the use of resources.

**Expenditures for the period**

Total medical/ clinical costs	8,934,342.45
Employee costs	65,090,245.71
Total Board of Management Expenses	280,000.00
Total repairs and maintenance	498,444.00
Total General Expenses	6,054,909.00
Depreciation And Amortization Expense	3,324,541.84
Medical services contracts Gains/Losses	104,060.00
<b>Total Expenditures</b>	<b>115,830,516.26</b>

**Section D**

**Major risks facing the entity.**

*The fund is susceptible to various risks, among them include;*

- a. **Revenue Volatility:** Dependence on fluctuating revenue sources can create instability, especially during increased in medical health issues.
- b. **Regulatory noncompliance:** Non-compliance with laws and regulations can result in penalties, penalties and loss of credibility/ damage public trust.

**Section E**

**Material arrears in statutory/financial obligations**

The report confirms that there are no material arrears in the statutory or financial obligations. This is a positive reflection of our diligent financial management and compliance efforts, ensuring that we meet all regulatory requirements on time. Such a strong performance enhances our credibility and stability as an organization.

**SECTION F**

**The entity's financial probity and serious governance issues**

*Financial probity:* The report confirms that there are no findings of financial improbity within the Entity. This outcome reflects the commitment to sound financial practices and strong internal controls. It reassures stakeholders of the integrity and responsible management of resources, contributing to the overall trust and confidence in the Entity.

*Governance issues:* The report indicates that there are no governance issues within the Entity. This result underscores the commitment to ethical practices and effective oversight. It reflects the integrity of the leadership and reinforces stakeholder confidence in the governance framework.

The hospital attended to **15,296** outpatients and 728 inpatients during the year ending 30<sup>th</sup> June 2025 The number of maternal deliveries stood at 1137.

Two- four pages

Clinical/operational performance

Table 1: Summary of OPD Attendance for the FY 2024/2025

OPD Attendance	Q1	Q2	Q3	Q4	Total
Over 5	1783	2145	1424	3403	8535
Under 5	1500	808	1060	2042	5410
Casualty/Emergency department					114
Totals					14059

Table 2: Summary of inpatient for the FY 2024/2025 (Q1)

Wards	Beds	Cots	Admissions	Discharges	Deaths	Absconders
Medical ward Male	7	0	54			
Medical ward Female	10	0	54			
Maternity Ward	8	0	285	285		
Labour Ward	0	0	0	0	0	
Paediatric Ward	6	0	90			
Nursery/Neonatal Ward	0	0	0	0	0	0
Surgical paediatric	0	0	0	0	0	0
Surgical Female	0	0	0	0	0	0
Surgical Male	0	0	0	0	0	0
Gynaecology Ward	0	0	0	0	0	0
Orthopaedic Ward	0	0	0	0	0	0
Other Wards	0	0	0	0	0	0
<b>TOTALS</b>						

Table 3: Summary of inpatient for the FY 2024/2025(Q2)

Wards	Beds	Cots	Admissions	Discharges	Deaths	Absconders
Medical ward Male	7	0	34			
Medical ward Female	10	0	78			
Maternity Ward	8	0	330			
Labour Ward	0	0	0			
Paediatric Ward	6	0	94			
Nursery/Neonatal Ward	0	0	0	0	0	0
Surgical paediatric	0	0	0	0	0	0
Surgical Female	0	0	0	0	0	0
Surgical Male	0	0	0	0	0	0
Gynacology Ward	0	0	0	0	0	0
Orthopaedic Ward	0	0	0	0	0	0
Other Wards	0	0	0	0	0	0

<b>TOTALS</b>					
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Table 4: Summary of inpatient for the FY 2024/2025 (Q3)

Wards	Beds	Cots	Admissions	Discharges	Deaths	Absconders
Medical ward Male	7	0	39	0	0	0
Medical ward Female	10	0	46	0	0	0
Maternity Ward	8	0	272	0	0	0
Labour Ward	0	0	0	0	0	0
Paediatric Ward	6	0	79	0	0	0
Nursery/Neonatal Ward	0	0	0	0	0	0
Surgical paediatric	0	0	0	0	0	0
Surgical Female	0	0	0	0	0	0
Surgical Male	0	0	0	0	0	0
Gynaecology Ward	0	0	0	0	0	0
Orthopaedic Ward	0	0	0	0	0	0
Other Wards	0	0	0	0	0	0
<b>TOTALS</b>						

Table 5: Summary of inpatient for the FY 2024/2025 (Q4)

Wards	Beds	Cots	Admissions	Discharges	Deaths	Absconders
Medical ward Male	7	0	36	0	0	0
Medical ward Female	10	0	56	0	0	0
Maternity Ward	8	0	210	0	0	0
Labour Ward	0	0	0	0	0	0
Paediatric Ward	6	0	80	0	0	0
Nursery/Neonatal Ward	0	0	0	0	0	0
Surgical paediatric	0	0	0	0	0	0
Surgical Female	0	0	0	0	0	0
Surgical Male	0	0	0	0	0	0
Gynaecology Ward	0	0	0	0	0	0
Orthopaedic Ward	0	0	0	0	0	0
Other Wards	0	0	0	0	0	0
<b>TOTALS</b>						

Table 6: Summary of key indicators for the FY 2024/2025

Indicator	Q1	Q2	Q3	Q4	Average
Average length of stay (Days)					0.5

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

Bed Occupancy rate (%)	243.3
Mortality rate (%)	2.8

Table 7: Summary of surgical theatre utilization for the FY 2023/2024

	Q1	Q2	Q3	Q4	Totals
Minor surgeries operated	0	0	0	0	0
Emergencies Operated	0	0	0	0	0
Cold surgical cases	0	0	0	0	0
Major surgeries Operated	0	0	0	0	0
Caesarian Sections	0	0	0	0	0
Totals	0	0	0	0	0

Table 8: Specialized Clinics attendance summary for the FY 2024/2025

Specialized Clinic	New clients	Re-visits	Totals
ENT Clinic Attendance	0	0	0
Eye Clinic Attendance	87	120	207
TB and Leprosy attendance	79	1134	1213
Comprehensive Care Clinic (CCC)	112	7805	7917
Psychiatry Attendance	97	571	668
Orthopaedic Clinic Attendance	798	537	1035
Occupational Therapy Attendance	0	0	0
Physiotherapy Attendance	0	0	0
Medical Attendance	121	963	1084
Surgical Clinics attendances	0	0	0
Paediatrics attendances	0	0	0
Obstetrics/Gynaecology Attendance	0	0	0
Nutrition Clinic	84	965	1049
Oncology Clinic	0	0	0
Renal Clinic	0	0	0
All other special clinics attendance	0	0	0
Totals	1378	12095	13473

Financial performance that includes

- revenue sources,
- utilisation of funds etc

(The management discussion and analysis should be signed by the Chief Executive Officer/Medical Superintendent)

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

### *i) Sustainability strategy and profile*

In collaboration with the **County Government** and development partners, the hospital facilitates training opportunities and scholarships for staff pursuing specialized healthcare education.

- Clear promotion pathways exist for clinical and administrative staff, tied to qualifications, performance, and years of service. Senior healthcare workers mentor junior staff, interns, and students from affiliated medical training institutions *and* Strengthening PWD accessibility and support systems.

### *ii) Environmental performance*

The hospital is in the process of developing a comprehensive environmental policy. However, there are a number of activities that have been undertaken in order to promote sustainability as outlined below.

#### **Environmental performance**

About 100 trees were planted in the hospital green areas. Waste management practices and processes were established with all medical waste from surrounding facilities both private and public incinerated at the hospital's incinerator. Efforts were made to have designated green areas, conserve water and also minimize energy wastage.

*iii) Employee welfare*

**Human Resource Management and Workplace Safety at Rumuruti Sub-County Hospital**

**1. Recruitment and Hiring Policies**

- Rumuruti Sub-County Hospital adheres to transparent, merit-based recruitment policies in line with the guidelines provided by the **Public Service Commission (PSC)** and the **County Government of Laikipia**. The hospital's hiring process is guided by principles of **fairness, inclusivity, and competence**, aimed at ensuring the delivery of quality healthcare services.
- **Gender and Diversity Considerations:** Recruitment efforts are designed to promote **gender equity**, with intentional efforts to balance the representation of **male and female healthcare professionals** across various cadres. Additionally, the hospital upholds national policies on the inclusion of **Youth** and **Persons with Disabilities (PWDs)**, ensuring that these groups are given priority in applicable roles.
- **Affirmative Action:** In line with Article 54 and Article 55 of the Constitution of Kenya, the hospital ensures compliance with **30% representation of youth, women, and PWDs**, particularly in entry-level positions and support roles.
- **Stakeholder Engagement in Recruitment:** The hiring process is inclusive, involving **consultation with departmental heads, the County Public Service Board, and local community health committees** to ensure alignment between staffing and community health needs.

**2. Review and Improvement of HR Policies**

HR policies at Rumuruti Sub-County Hospital are reviewed every **three years** or when significant changes in legislation or healthcare delivery require it. These reviews are conducted in consultation with the **County Department of Health Services**, legal advisors, and staff representatives. Recent policy updates have focused on:

- Incorporating digital recruitment platforms,
- Enhancing internal grievance and disciplinary procedures, and
- Strengthening PWD accessibility and support systems.

**3. Capacity Building and Career Development**

To improve service delivery and retain talent, the hospital has implemented a structured **capacity building and career development framework**:

- **Training and Continuous Medical Education (CME):** Regular CMEs are held for clinical staff to stay updated on medical advancements and best practices. Non-clinical staff receive training in areas such as ICT, financial management, and patient care.

#### **4. Occupational Safety and Health Compliance**

Rumuruti Sub-County Hospital fully complies with the provisions of the **Occupational Safety and Health Act (OSHA), 2007**, and has institutionalized systems to ensure a **safe and healthy working environment**.

##### **Key Measures in Place:**

- **Provision of PPE:** Personal Protective Equipment is provided to all clinical and support staff, with emphasis on infection prevention and control.
- **Medical Surveillance:** Periodic health check-ups are provided for staff, especially those in high-exposure departments such as maternity.

#### **5. Efforts to Minimize Work-Related Injuries**

- Training on **infection prevention and control (IPC)** and **safe handling of biomedical waste**.
- Improved maintenance of hospital infrastructure (lighting, plumbing, and flooring).
- Routine health and safety briefings during departmental meetings.
- Installation of signage and safety equipment (e.g., fire extinguishers, spill kits).

#### **Conclusion**

Rumuruti Sub-County Hospital remains committed to building a **resilient, skilled, and motivated workforce**, while ensuring a **safe, inclusive, and compliant working environment**. Through regular policy reviews, targeted capacity-building, and robust safety systems, the hospital continues to enhance service delivery and staff welfare in alignment with both county and national standards

##### *iv) Market place practices-*

*The organisation should outline its efforts to:*

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

The hospital has zero tolerance to corruption. The hospital collaborates with other health institutions on different areas to ensure continuity of care. For instance; patients' referrals, consultations and trainings.

*b) Responsible Supply chain and supplier relations*

The institution adheres to Public Procurement and Asset Disposal Act (PPDA), 2015 and Public Finance Management Act, 2012.

*c) Responsible marketing and advertisement or Responsible engagement with citizens*

The hospital has an active communication unit and a vibrant social media presence

*v) Corporate Social Responsibility / Community Engagements*

During the reporting period, the institution engaged in several Corporate Social Responsibility (CSR) and community partnership initiatives aimed at improving infrastructure, supporting rehabilitation programs, and contributing to environmental sustainability.

**1. Equipping of the Male Ward – Ongoing Support by Shalimar Flowers**

The institution is currently in the process of equipping the male ward, with support from **Shalimar Flowers**, a key private sector partner. The initiative includes the provision of essential equipment and materials to improve the welfare and healthcare standards for male patients. Once complete, this intervention is expected to significantly enhance service delivery and living conditions within the facility.

**2. Tree Planting Initiative – In Partnership with Kenya Forest Department**

As part of efforts to support environmental conservation, the institution conducted a **tree planting exercise** within the facility. The seedlings were provided by the **Kenya Forest Department** under the **Equity Bank-funded Greening Kenya Initiative**. This collaboration aligns with the national agenda to increase tree cover and mitigate the effects of climate change.

**3. General Manual Labor Support – Contribution by the Prison Department**

The **Prison Department** continues to provide essential manual labor through the involvement of inmates in various institutional and community activities. These tasks go beyond tree planting and include routine maintenance, landscaping, cleaning, and support during construction or rehabilitation works. This engagement contributes to inmate rehabilitation by instilling work ethics and practical skills.

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

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

### **Principal activities**

The principal activities of the entity are to provide quality health care

### **Results**

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 5

### **Board of Management**

The members of the Board who served during the year are shown on page vii-xi. During the year, 1 one director died and none director was appointed with effect from June 30 2025 date.

### **Auditors**

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

By Order of the Board

  
.....

**Name**

**Secretary to the Board**

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

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

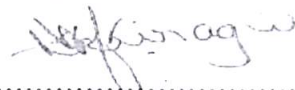
The Board of Management is responsible for the preparation and presentation of *Rumuruti Sub-County Hospital* financial statements, which give a true and fair view of the state of affairs of *Rumuruti Sub-County Hospital* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of *Rumuruti Sub-County 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 *Rumuruti Sub-County 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 *The facility improvement financing act, 2023*). The Board members are of the opinion that *Rumuruti Sub-County Hospital* financial statements give a true and fair view of the state of *Rumuruti Sub-County Hospital* transactions during the financial year ended June 30, 2025, and of *Rumuruti Sub-County Hospital*’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for *Rumuruti Sub-County Hospital* which have been relied upon in the preparation of *Rumuruti Sub-County 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 *Rumuruti Sub-County 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 25 November 2025 and signed on its behalf by:

  
.....  
**Name: Koome Kiragu**  
**Chairperson**  
**Board of Management**

  
.....  
**Name: Dr Arthur Kokonya Mumelo**  
**Accounting Officer**

# REPUBLIC OF KENYA

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HEADQUARTERS  
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NAIROBI

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

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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 Rumuruti Sub-County Level 4 Hospital set out on pages 1 to 22, which comprise of the statement of financial

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*Report of the Auditor-General on Rumuruti Sub-County Level 4 Hospital for the year ended 30 June, 2025 - County Government of Laikipia*

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

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

### **Basis for Qualified Opinion**

#### **1. Unconfirmed Transfers from Other Government Entities**

The statement of financial performance and Note 2 to the financial statements reflect transfers from other government entities- Nyahururu County Referral Hospital amounting to Kshs.1,100,000. However, the statement of financial performance and Notes to the financial statements of the Nyahururu County Referral Hospital had made no disclosure on transfers to Rumuruti Sub-County Hospital.

In the circumstances, the accuracy and completeness of transfers from other entities amounting to Kshs.1,100,000 could not be confirmed.

#### **2. Property, Plant and Equipment**

The statement of financial position and Note 13 to the financial statements reflect property, plant, and equipment totalling Kshs.26,324,568. However, the Hospital's land and its value were not disclosed in the financial statements, and no allotment letter or title deed was provided to confirm ownership.

In the circumstances, the accuracy and completeness of the property, plant, and equipment balance of Kshs.26,324,568 could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects both the final receipts budget and actual amounts on comparable basis of Kshs.115,830,516, representing a 100% budget funding. However, the Hospital spent a balance of Kshs.84,182,483 against actual receipts of Kshs.115,830,516, resulting to an under-absorption of Kshs.31,648,033, or 27% of the actual receipts..

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

### **2. Lack of Approved Budget Estimates**

The statement of financial performance reflects total revenue and expenditure for the year balance of Kshs.115,830,516 and Kshs.84,286,543, respectively. However, Management did not provide approved annual budget estimates for either the revenue or expenditure. As a result, it was not possible to confirm whether the Hospital complied with the required process for preparing and submitting annual budgets.

In the absence of approved estimates, the audit could also not determine whether the expenditures incurred were aligned with the Hospital's planned priorities.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year's Matters**

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

1. Unconfirmed Own Source Generated Revenue
2. Property, Plant and Equipment
3. Failure to Prepare a Budget for the Hospital

4. Non-compliance with Public Sector Accounting Standards Board (PSASB) Reporting Requirements
5. Non-Compliance with Law on Ethnic Distribution
6. Non-maintenance of Fixed Asset Register and Ownership Documents
7. Inconsistencies in Performance Information
8. Lack of Organizational Strategic plan, Disaster Recovery Plan and Risk Management Framework
9. Failure to Establish an IT System and Control Policies
10. Failure to Meet Level 4 Requirements
11. Lack of an Effective Internal Audit and Audit Committee

### **Other Information**

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

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

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

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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**

#### **Non-Compliance with Fiscal Responsibility Principles on Wage Bill**

The statement of financial performance and Note 5 to the financial statements reflect expenditure on employee costs amounting to Kshs.65,090,245, which represent 58% of the total revenue of Kshs.112,507,565. This was contrary to Regulation 25(1)(a) of the Public Finance Management (County Governments) Regulations, 2015, which requires that expenditure on employee costs not to exceed 35% of revenue.

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

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Lack of Disaster Recovery and Emergency Preparedness Framework**

The Hospital did not have an approved Disaster Recovery Plan or formal, documented, and tested emergency procedures in place. In the absence of these critical frameworks, the Hospital remains vulnerable to operational disruptions, data loss, and inadequate response during emergencies.

In the circumstances, the effectiveness of the Hospital's business continuity and emergency preparedness measures could not be confirmed.

##### **2. Failure to Meet Level 4 Hospital Standards Requirements**

Verification of services offered, equipment used and number of members of staff at the Hospital revealed that, the Hospital operated with inadequate staff and equipment

contrary to provisions of the Kenya Quality Model for Health (KQMH). The Hospital lacked key specialists, including Anesthesiologists, General Surgeons, Gynecologists, Pediatrics and Radiologists against the required two for each category of specialist. Further, only one (1) Medical Officer was available against the required sixteen (16), and eighteen (18) Registered Community Health Nurses were deployed instead of the required seventy-five (75). In addition, the Hospital did not have functional Intensive Care Unit (ICU) and High Dependency Unit (HDU) beds against the requirement of six (6) for each unit, renal unit with at least five (5) dialysis machines, two functional operating theatres - maternity and general. Additionally, the Hospital's bed, New Born Unit incubators and New Born Unit cots capacity stood at fifty-two (52), 1(one) and two(2) respectively, against the requirement of one hundred and fifty (150) beds, ten(10) and five (5) respectively.

The Hospital did not offer surgical, radiology, emergency obstetric care, oral health services, renal dialysis, mortuary and autopsy services, advanced life support, caesarean sections and surgical operations services as expected of a Level 4 Hospital.

In the circumstances, the Hospital's capacity to provide adequate and quality healthcare services to the public as required of the Kenya Quality Model for Health Policy Guidelines could not be confirmed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**08 December, 2025**

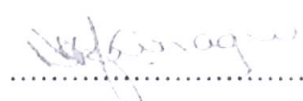
14. Statement of Financial Performance for The Year Ended 30 June 2025

Description	Notes	FY 2024-2025	FY 2024-2025
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
In-kind contributions from the County Government	1	97,500,926.76	64,481,802.00
Transfers From Other Government Entities	2	1,100,000.00	-
<b>Total Revenue from non-exchange transactions</b>		<b>98,600,926.76</b>	<b>64,481,802.00</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	3	17,229,589.50	5,529,605.00
<b>Revenue from exchange transactions</b>		<b>17,229,589.50</b>	<b>5,529,605.00</b>
<b>Total revenue</b>		<b>115,830,516.26</b>	<b>70,011,407.00</b>
<b>Expenses</b>			
Medical and Clinical costs	4	8,934,342.45	2,200,812.00
Employee Costs	5	65,090,245.71	61,211,518.00
Board of Management Expenses	6	280,000.00	285,000.00
Depreciation And Amortization Expense	7	3,324,541.84	54,562.00
Repairs and maintenance	8	498,444.00	340,451.00
General expenses	9	6,054,909.00	2,504,687.00
Medical services contracts Gains/Losses	15	104,060.00	-
<b>Total expenses</b>		<b>84,286,543.00</b>	<b>66,597,030.00</b>
<b>Net Surplus/(deficit) for the period</b>		<b>31,543,973.26</b>	<b>3,414,377.00</b>

The hospital has in accordance with IPSAS 33 opted for the transitional adoption of IPSAS accrual basis of financial statements presentation.

(The notes set out on pages 14 to 21 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 25 November 2025



Chairman  
Board of Management



Head of Finance  
ICPAK No:24072



Medical Superintendent

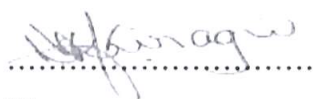
15. Statement of Financial Position As At 30<sup>th</sup> June 2025

Description	Notes	FY 2024-2025	FY 2023/24
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	5,963,741.90	1,802,925.00
Receivables from exchange transactions	11	6,923,467.50	-
Inventories	12	2,901,072.96	15,580,317.00
<b>Total Current Assets</b>		<b>15,788,282.36</b>	<b>17,383,242.00</b>
<b>Non-current assets</b>			
Property plant & equipment	13	26,324,568.41	297,938.00
<b>Total Non-current Assets</b>		<b>26,324,568.41</b>	<b>297,938.00</b>
<b>Total assets (A)</b>		<b>42,112,850.77</b>	<b>17,681,180.00</b>
<b>Liabilities</b>			-
<b>Current liabilities</b>			-
Trade and other payables	14	1,091,663.40	-
<b>Total Current Liabilities</b>		<b>1,091,663.40</b>	-
<b>Non-current liabilities</b>		-	-
<b>Total Non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>1,091,663.40</b>	-
<b>Net assets (A-B)</b>		<b>41,021,187.37</b>	-
<b>Represented By:</b>			-
Accumulated surplus/Deficit		34,958,350.26	3,414,376.00
Capital Fund		6062,837.11	14,266,804.00
<b>Total Net Assets</b>		<b>41,021,187.37</b>	<b>17,681,180.00</b>

In accordance with IPSAS 33, the statement of Financial Position for the FY 2024-2025 has not presented all the Hospital's Assets & Liabilities since the hospital is currently in the transitional phase of adopting IPSAS Accrual Basis of financial statement presentation and therefore has not concluded the measurement of its assets and liabilities.


The notes on pages 14 to 21 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 25 November 2025 and signed on its behalf by:



Chairman

Board of Management



Head of Finance  
ICPAK No:24072



Medical Superintendent

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

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
	Kshs	Kshs	Kshs	Kshs
1st Jul 2023	-			
Surplus/(deficit) for the period	-	3,414,377.00		3,414,377.00
Capital/Development grants	-	-	14,266,804.00	14,266,804.00
<b>Balance as at 30 June 2024</b>	-	<b>3,414,377.00</b>	<b>14,266,804.00</b>	<b>17,681,181.00</b>
<b>Balance as at 1 Jul 2025</b>	-	3,414,377.00	14,266,804.00	17,681,181.00
Revaluation gain	-	-	-	-
Surplus/(deficit) for the period	-	31,543,973.26		31,543,973.26
Capital/Development grants	-	-	(8,203,966.89)	(8,203,966.89)
<b>Balance as at 30 June 2025</b>	-	<b>34,958,350.26</b>	<b>6,062,837.11</b>	<b>41,021,187.37</b>

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	1	97,500,926.76	64,481,802.00
Transfers from other Government entities	2	1,100,000.00	-
Rendering of services- Medical Service Income	3	14,669,849.15	5,529,605.00
<b>Total Receipts</b>		<b>113,270,775.91</b>	<b>70,011,407.00</b>
<b>Payments</b>			
Medical/Clinical costs	4	8,017,809.45	2,200,812.00
Employee costs	5	65,090,245.71	61,211,518.00
Board of Management Expenses	6	280,000.00	285,000.00
Repairs and maintenance	8	498,444.00	340,451.00
General expenses	9	5,879,778.60	2,504,687.00
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>79,766,277.76</b>	<b>66,542,468.00</b>
<b>Net cash flows from operating activities</b>		<b>33,504,498.15</b>	<b>3,468,939.00</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment	13	(29,341,202.00)	(297,938.00)
<b>Net cash flows used in investing activities</b>		<b>(29,341,202.00)</b>	<b>(297,938.00)</b>
<b>Cash flows from financing activities</b>			
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,163,296.15</b>	<b>3,171,001.00</b>
Cash and cash equivalents as at 1 July 2024	10	1,802,925.00	-
<b>Cash and cash equivalents as at 30 June 2025</b>	10	<b>5,963,741.90</b>	<b>1,802,925.00</b>

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	1,802,925.00	-	1,802,925.00	1,802,925.00	-	%
<b>Receipts</b>						
Transfers from the County Government	97,500,926.76	-	97,500,926.76	97,500,926.76	-	100%
Transfers from other Government entities	1,100,000.00	-	1,100,000.00	1,100,000.00	-	100%
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	17,229,589.50	-	17,229,589.50	17,229,589.50	-	100%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total receipts</b>	<b>115,830,516</b>	<b>-</b>	<b>115,830,516</b>	<b>115,830,516</b>	<b>-</b>	<b>100%</b>
<b>Payments</b>						
Medical/Clinical costs	8,934,342.45	-	8,934,342.45	8,934,342.45	-	100%
Employee costs	65,090,245.71	-	65,090,245.71	65,090,245.71	-	100%
Remuneration of directors	280,000.00	-	280,000.00	280,000.00	-	100%
Repairs and maintenance	498,444.00	-	498,444.00	498,444.00	-	100%
General expenses	6,054,909.00	-	6,054,909.00	6,054,909.00	-	100%
Depreciation And Amortization Expense	3,324,541.84	-	3,324,541.84	3,324,541.84	-	100%
<b>Total Operational Expenditure paid</b>	<b>84,182,483.00</b>	<b>-</b>	<b>84,182,483.00</b>	<b>84,182,483.00</b>	<b>-</b>	<b>100%</b>
<b>Capital Expenditure paid</b>	<b>29,341,202.00</b>	<b>-</b>	<b>29,341,202.00</b>	<b>29,341,202.00</b>	<b>-</b>	<b>100%</b>
<b>Surplus</b>	<b>31,648,033.26</b>	<b>-</b>	<b>31,648,033.26</b>	<b>31,648,033.26</b>		<b>100%</b>

19. Notes to the Financial Statements

1. General Information

Rumuruti Sub County entity is established by and derives its authority and accountability from Laikipia Health Service act, 2014 Act. The entity is wholly owned by the Laikipia

County Government and is domiciled in Laikipia County in Kenya. The entity's principal activity is to provide quality health care services.

## **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Rumuruti sub-county hospital*. The financial statements have been prepared in accordance with the PFM Act, and *The facility improvement financing act, 2023*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
Plant and Equipment	<p>infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that 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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><i>State the expected impact of the standard to the Entity if relevant</i></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 2024-2025 was approved by Board on *June*. 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 *entity* recorded additional appropriations of *Zero* on the FY 2024-2025 budget following the Board's approval. The *Hospital* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

*Notes to the Financial Statements (Continued)*

**d. Property, plant and equipment**

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

**e. 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.

**f. Inventories**

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

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

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

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**g. 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.

**h. 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.

**i. Comparative figures**

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

**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.

Notes to Financial Statements Continue

1. In Kind Contributions from The County Government

Description	Kshs	
	FY 2024-2025	FY 2023-2024
Salaries and wages (Casuals)	3,445,760.00	2,966,920.00
salaries and wages ( permanent and pensionable-ippd)	61,644,485.71	58,244,598.00
Pharmaceutical and Non-Pharmaceutical Supplies	2,454,896.00	37,825.00
Accommodation-Domestic Travel		230,100.00
Current Grants to Semi-Autonomous Government Agencies	1,168,443.05	
Utility bills (Electricity)		964,265.00
Water and Sewerage		277,070.00
Food and rations		1,398,488.00
Catering Services		11,670.00
Other Fuel		48,400.00
Telephone		26,500.00
Maintenance of Fuel		78,282.00
Maintenance of Computers & Printers		15,000.00
General office Supplies		80,570.00
Purchase of Sanitary & Cleaning Materials		57,114.00
Furniture and Fittings		45,000.00
Theatre equipment		25,000,000.00
Theatre building		3,787,342.00
Total grants in kind	97,500,926.76	64,481,802.00

2. Transfers From Other Government Entities

Description	Kshs	
	FY 2024-2025	FY 2023-2024
Transfer from NYAHURURU	1,100,000.00	-
Total Transfers	1,100,000.00	-

### 3. Rendering of Services-Medical Service Income

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Pharmaceuticals	2,326,521.00	546,345.00
Laboratory	1,027,675.00	359,810.00
In-patient	2,372,096.00	766,321.00
Out-patient	1,297,735.00	585,250.00
Clinics	369,225.00	4,250.00
Records	71,980.00	38,250.00
Medical Legal/Public Health	109,200.00	448,600.00
Maternal Health Care/F.P	110,550.00	32,300.00
Othopedic	78,110.00	
EDU- AFYA	-	56,690.00
Waste Management	10,000.00	
Land Lease	44,250.00	
NHIF-inpatient	1,350,600.00	369,820.00
NHIF-national cover / capitation	360,150.00	748,879.00
SHIF	697,727.50	1,533,270.00
NHIF Civil Servant	14,350.00	39,820.00
SHA	6,885,360.00	
waver/exemptions	104,060	
<b>Total revenue from the rendering of services</b>	<b>17,229,589.50</b>	<b>5,529,605.00</b>

### 4. Medical/ Clinical Costs

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Laboratory chemicals and reagents	1,217,993.00	204,200.00
Food and Ration	3,181,810.45	1,398,488.00
Dressing and Non-Pharmaceuticals	579,200.00	1,000.00
Pharmaceutical supplies	3,534,929.00	285,960.00
Sanitary and cleaning Materials	420,410.00	311,164.00
<b>Total medical/ clinical costs</b>	<b>8,934,342.45</b>	<b>2,200,812.00</b>

**5. Employee Costs**

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Salaries, wages, and allowances Casuals	3,445,760.00	2,966,920.00
Salaries, wages, and allowances permanet staff-ippd	61,644,485.71	58,244,598.00
<b>Employee costs</b>	<b>65,090,245.71</b>	<b>61,211,518.00</b>

**6. Board of Management Expenses**

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance Board of mnngt	280,000.00	285,000.00
<b>Total Board of Management Expenses</b>	<b>280,000.00</b>	<b>285,000.00</b>

**7. Depreciation and Amortization Expense**

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Property, plant and equipment	3,324,541.84	54,562.00
<b>Total depreciation and amortization</b>	<b>3,324,541.84</b>	<b>54,562.00</b>

**8. Repairs and Maintenance**

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Motor vehicle expenses	30,000.00	30,000.00
Maintenance of Buildings and Staions	452,320.00	295,451.00
Maintenance of computer	16,124.00	15,000.00
<b>Total repairs and maintenance</b>	<b>498,444.00</b>	<b>340,451.00</b>

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9. General Expenses

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Catering expenses	976,280.00	74,170.00
Refined Fuels	1,687,000.00	229,231.00
Other Fuels (Gas and Charcoal)	177,600.00	177,669.00
Domestic Travel	1,771,350.00	334,800.00
General Office Supplies	203,670.00	220,770.00
Telephone expenses	20,000.00	46,500.00
Training Expenses	19,000.00	64,000.00
Internet services	10,000.00	
Publishing & Printinting	249,650.00	79,800.00
Supplies and Accessories for Computers and Printers	8,000.00	30,000.00
Postal & Courier	91,822.00	
Electricity expenses	701,891.00	964,265.00
Water Expenses	116,054.00	277,070.00
Bank Charges-	22,592.00	6,412.00
<b>Total General Expenses</b>	<b>6,054,909.00</b>	<b>2,504,687.00</b>

10. Cash And Cash Equivalents

Description	FY 2024-2025		FY2023-2024
	Kshs	Kshs	Kshs
Current accounts-Operations Account KCB1323838511	4,047,140.25		1,788,884.00
Paybill Collection Account Equity 3131320	-		
(Nhit/SIIA) Collection Account KCB1235093948	144,279.65		5,261.00
Paybill Collection Account Equity1830285813415	1,772,322.00		-
Others( <i>specify</i> )- Mobile money			8,780.00
<b>Total cash and cash equivalents</b>	<b>5,963,741.90</b>		<b>1,802,925.00</b>

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(a). Detailed Analysis of Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
Financial institution	Account number	Kshs
a) Current account		
Kenya Commercial bank		
Equity Bank, etc		
Kenya Commercial bank	(OPERATIONS)1323838511	1,788,884.00
Kenya Commercial bank	(NHIF/SHA COLLECTION) 1235093948	-
Kenya Commercial bank	PAYBILL COLLECTION 3131320	5,261.00
Equity Bank	PAYBILL COLLECTION 1830285813415	-
Sub-total		1,794,145.00
Sub- total		
b) On - call deposits		
Kenya Commercial bank		
Equity Bank – etc		
Sub- total		
c) Fixed deposits account		
Bank Name		
Sub- total		
d) Others( <i>specify</i> )		
Mobile money- Mpesa paybill		8,780.00
Sub- total		
Grand total	5,963,741.90	1,802,925.00

## 11. Receivables From Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Medical services receivables SHA	2,935,220.00	
Medical services receivables NHIF	3,663,607.50	-
Cash in hand- Imprest		-
Rent receivables		-
Other exchange debtorsAC 3131320 -Nyahururu hospital	324,640.00	-
Less: impairment allowance		-
<b>Total receivables</b>	<b>6,923,467.50</b>	<b>-</b>

### Analysis of Receivables From Exchange Transactions

Description	2024-2025		2023-2024	
	Current FY	100% of the total	Comparative FY	% of the total
Less than 1 year	3,259,860.00	100%	0	100%
more than 1 year	3,663,607.50			
<b>Total (a+b)</b>	<b>6,923,467.50</b>	<b>100%</b>	<b>0</b>	<b>100%</b>

## 12. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Pharmaceutical supplies	1,650,306.70	1,491,257.00
Non-Pharmaceutical supplies	249,625.02	2,682,150.00
Food supplies	117,956.60	32,385.00
Linen and clothing supplies	-	1,565,395.00
Cleaning materials supplies		
Laboratory	883,184.64	9,809,130.00
Less: provision for impairment of stocks		
<b>Total</b>	<b>2,901,072.96</b>	<b>15,580,317.00</b>

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Notes to the Financial Statements (Continued)

13. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture and Fittings	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Kshs	2% Kshs	20% Kshs	12.50% Kshs	30% Kshs	12.50% Kshs	Kshs	Kshs
Cost								
As at 01 07 2024(beginning of the year)	-	-	-	39,375.00	42,000.00	216,563.00	-	297,938.00
Additions during the year		3,787,342.00				25,553,860.00	-	29,341,202.00
Disposals during the year								-
Transfers/adjustments during the year								-
As at 30 06 2025(close of the year)	-	3,787,342.00	-	39,375.00	42,000.00	25,770,423.00	-	29,639,140.00
Depreciation and impairment								-
As at 01 07 2023+(beginning of the year)	-	-	-	5,625.00	18,000.00	30,937.00	-	54,562.00
Depreciation for the year		75,746.84		4,921.88	12,600.00	3,221,302.88		3,314,571.59
As at 30 06 2025 (close of the year)	-	75,746.84	-	10,546.88	30,600.00	3,252,239.88	-	3,369,133.59
Net book values								-
As at 30 06 2024 end of prior year audited				39,375.00	42,000.00	216,563.00		297,938.00
As at 30 06 2025 (close of the current period)		3,711,595.16	-	34,453.13	29,400.00	22,549,120.13	-	26,324,568.41

14. Trade and other Payables

Description	FY 2024-/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	1,091,663.40		-	
<b>Total trade and other payables</b>	<b>1,091,663.40</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>FY 2024-/2025</b>		<b>FY 2023/2024</b>	
Under one year	1,091,663.40	100%	-	0%
<b>Total</b>	<b>1,091,663.40</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

15. Medical Services Contracts Gains /Losses

Description	FY204-2025	FY 2023-2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	104,060.00	-
<b>Total Gain/Loss</b>	<b>104,060.00</b>	<b>-</b>

16. 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>

**Guidance Notes:**

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

.....  
Accounting Officer

*Rumuruti Sub County Level 4 Hospital (Laikipia County Government)  
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**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	NIL	NIL	NIL	NIL	NIL	NIL
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	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2							
3							

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

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

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

Name ..... Sign ..... Date .....

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

Name ..... Sign ..... Date.....

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Appendix IV Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NIL	NIL	NIL	NIL	NIL	NIL	NIL	N/A	N/A	

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**Appendix V: Disaster Expenditure Reporting Template**

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