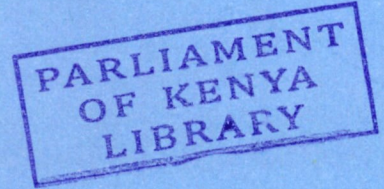


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

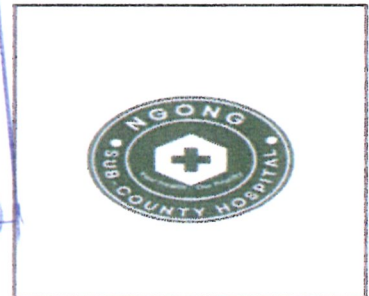
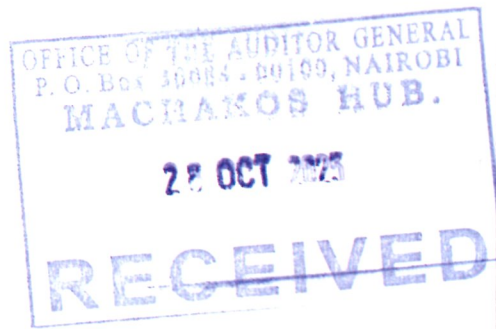
**ON**

**NGONG LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KAJIADO**

PAPERS LAID	
DATE	19/11/2025
TABLED BY	Sen. Mutinda on behalf of Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Belinda



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## **NGONG SUB COUNTY HOSPITAL (Level 4) (Kajiado County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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

CCC:	Comprehensive Care Centre
CSR:	Corporate Social Responsibility
CME:	Continuous Medical Education
DBR:	Daily Bed Return
EID:	Early infant diagnosis
FIF:	Facility Improvement Fund
FY:	Financial Year
GOPC:	Gynaecology/Obstetrics Clinic
HBP:	High Blood Pressure
HMT:	Health Management Team
HMIS:	Hospital Management Information System
HTN:	Hypertension
ICT:	Information and Communication Technology
MED SUP:	Medical Superintendent
NHIF:	National Hospital Insurance Fund
OSHA:	Occupational Health & Safety Act
O.T:	Occupational Therapy
OPD:	Outpatient Department
PFMA:	Public Financial Management Act
POPC:	Paediatrics Outpatient Clinic
PMTCT:	Prevention of Mother to child transmission
SOPC:	Surgical Outpatient Clinic
UHC:	Universal Healthcare
WHO:	World Health Organization
ENT:	Ear, Nose and Throat
SDG:	Sustainable Development Goal
UN:	United Nations
PWD:	People Living With Disability
AGPO:	Access to Government Procurement Opportunities
OSHA:	Occupational Safety and Health Act

SPAS:	Staff Performance Appraisal System
HPV:	Human Papilloma Virus
CECM:	County Executive Committee Member
CMB:	Christian Blindness Mission

## **2. Key Entity Information and Management**

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

Ngong Sub County Hospital is a level 4 hospital that started as a health center in 1997. It was established on 11<sup>th</sup> January 2019, under gazette notice number 578 and is domiciled in Kajiado County under the Health Department.

It is situated in the peri - urban catchment area of Ngong town, Kajiado North Sub County. It has a catchment population of 39154. The hospital sits on 5 acre piece of land.

It is the primary referral center for the lower levels of care (Dispensaries and health centers).

It comprises of a hospital management board, hospital administration and a Hospital Management Team. Ngong Sub County Hospital offers quality specialized healthcare to patients in Kajiado North Sub County and Kajiado West. The services include; General Outpatient, inpatient, Mental Health, Dental, Nutrition, Reproductive health, Comprehensive Care Centre, laboratory, Pharmacy, Radiology and Imaging, Rehabilitative, Maternal and Child Health, Maternity services and Mortuary services.

It is SHA accredited and empaneled. It has a bed capacity of 82. The Mortuary has a capacity of 12 fridges.

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

The principal activity/mission/ mandate of the hospital is to provide, preventive, rehabilitative, Promotive and Curative medical services.

#### **VISION**

- To provide personalized health care tailored to the specific needs of each patient.

#### **MISSION**

To deliver compassionate, individualized care that enhances patient outcomes by addressing the distinct needs, preferences, and circumstances of each patient.

#### **CORE VALUES**

- Patient- centered care
- Compassion
- Excellence
- Collaboration
- Empowerment
- Teamwork

- Integrity
- Confidentiality
- Timely Services
- Accountability
- Respect Of Human Rights

## **CORE OBJECTIVE**

To ensure every patient receives personalized, high-quality care by continuously adapting medical practices to meet their individual needs and improving overall health outcomes.

### **(c) Key Management**

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

#### **1. County Department of Health**

The county department of health plays a crucial role in overseeing and implementing health initiatives within the county. The roles and responsibilities typically include: -

- Strategic Planning- Developing and implementing long term health strategies and goals for the county
- Resource Management- Allocating and managing financial and human resources effectively to support health programs and services
- Policy Development- Formulating policies and procedures to address health issues and ensure compliance with local and federal regulations
- Data analysis- Reviewing and interpreting health data to make informed decisions and identify emerging health trends and issues
- Staff Management- Overseeing and supporting the health department staff including recruitment, training and performance evaluation
- Emergency Response- Leading and coordinating responses to health emergencies and crises including planning and preparedness activities

#### **2. Board of Management**

The Board of Management provides overall governance, policy direction, and oversight to ensure the hospital delivers quality and affordable healthcare. It oversees financial and resource management, approves plans and budgets, ensures accountability and compliance with laws, and represents community interests in decision-making. The board also supports staff development, mobilizes resources, and works with stakeholders to promote the hospital's growth and responsiveness to patient and community needs.

### **3. Accounting Officer/ Medical Superintendent**

A Medical Superintendent is crucial in health care institutions and their responsibilities include: -

- Administrative management- overseeing the day-to-day operations of the hospital. This includes ensuring compliance with health care regulations, managing staff and handling budgeting
- Clinical oversight- Ensuring high standard of patient care by monitoring clinical practices, implementing protocols, and facilitating continuous medical education for Staff
- Quality Assurance- implementing quality control measures, conducting audits, and addressing patient complaints to improve service delivery
- Budget Management- Preparing and managing the budget for the hospital or department, including overseeing expenditures and ensuring financial efficiency.
- Patient Relations- Handling patient and family concerns, ensuring high standards of patient satisfaction, and addressing grievances effectively.
- Strategic Planning- Contributing to the strategic direction of the hospital, including planning for future growth, services and technological advancements.
- Liaison with Authorities- Coordinating with government health departments regulatory bodies, and other external agencies to ensure compliance and support hospital objectives
- Resource mobilization- Through the establishment of strong public and private partnership, a lot of resources have been mobilized for the hospital development

### **4. Hospital Management Team**

The Hospital Management Team plays a vital role in ensuring the effective operation of a hospital. Their primary role and responsibilities include: -

- Operational Oversight- Managing day to day operations, including patient flow, departmental coordination and ensuring that hospital processes run smoothly.
- Quality and Compliance- Ensuring adherence to healthcare standards, regulations and accreditation requirements. Implementing quality assurance and improvement programs to enhance patient care and safety
- Communication and Coordination- Facilitating effective communication within the hospital and external stakeholders, including patients, families, regulatory agencies and community partners.
- Human Resources Management- Managing hospital staff. This includes addressing staffing needs, overseeing professional development and handling employee relations.
- The Hospital Management Team ensures that all aspects of hospital operations are efficiently managed, aiming to provide high quality care, maintain financial health and adhere to regulatory standards.
- Monitoring and evaluation-Reviews hospitals performance report, healthy statistics and financial reports as well as identifying gaps and take corrective measures.

**(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.	Medical Superintendent	<b>Dr. Faith Masenge</b>
2.	Head of finance	<b>Damaris Teeti</b>
3.	Head of supply chain	<b>Gideon Sane</b>
4.	Health Administration	<b>Steve Ndung'u</b>
5.	Nursing Officer in Charge	<b>Peris Kuria</b>

**(e) Fiduciary Oversight Arrangements**

The budget process at the facility is guided by the County strategic plan and annual work plan. The Hospital departmental needs assessment and prioritization is done. The HMT prepares a strategic plan and an annual work plan. The HMB approves the budget



The overall oversight responsibility of the Hospital has the following committees: -

- Hospital Management Team
- Executive Expenditure Committee
- Medicines and therapeutic Committee
- Human Resource Advisory Committee
- Hospital Training Committee
- Infection Prevention and Control Committee
- Grievance Redress Mechanism Committee
- Maternal and Perinatal Death Response Surveillance

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

- (f) **Entity Headquarters**  
Ngong Sub- County Hospital  
P.O. Box 99- 00208  
Ngong, KENYA
- (g) **Entity Contacts**  
Telephone: (+254) 734862496  
E-mail: ngongsdh@gmail.com
- (h) **Entity Bankers**  
Account number :1153737159  
Account name: Ngong sub-county hospital  
Kenya Commercial Banks, Karen Branch
- (i) **Independent Auditors**  
  
Auditor General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya
- (j) **Principal Legal Adviser**  
  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya
- (k) **County Attorney**  
P.O. Box 31- 001101  
Kajiado, KENYA

**3. The Board of Management**

Ref	Directors	Details
1.	<p><b>Peter Kihika</b></p> 	<p>He was born in 1963, Mr. Kihika is the current Chairman of the Ngong Sub County Hospital Board of Management. Prior to his appointment he served as a member of the same board for a period of three years from 2019 to 2022. He is the CEO Testimony Hardware and Glassmart ltd. He also sits in the advisory committee of PCEA Milele mall Ngong amongst other institutions.                      Holds a BSc in Forestry from Moi University 1990</p>
2.	<p><b>Dr. Caleb Oburu Orange</b></p> 	<p>A senior lecturer in the faculty of veterinary medicine and surgery in the department of veterinary, anatomy and physiology in Egerton University.                      A trained veterinarian, Researcher, Lecturer (Animal physiology He is currently the Dean of faculty of veterinary medicine and surgery, Egerton University. He is a member of the veterinary Board (KVB) and a member of a DAAD Scholars Association (KDSA)                      CPE, KCE, BVM, MSC, PHD.</p>

**3. Gideon Kibowen**



A senior Dental Technologist at the Kenyatta National Hospital. Prior to his appointment he holds a position of National Chair at the Kenya Dental Technologist Association. Additionally, served as a member of the credit committee on the Board of Directors at a deposit taking SACCO. Church Elder at AIC Ongata Rongai local church.

**4. John Sirokei**



He is an Agriculturist in Kajiado North. Prior to his appointment he served in the Lands board in Ngong in which he is still an active member.

**5. James Moyiae**



Senior Clinical Officer at the Kenyatta National Hospital in the Respiratory Disease Unit as a Chest Specialist and is currently heading the asthma clinic He is the Chair of the training committee within the unit.

He is a board member at St Clare's Nembu girls' school Waithaka and Previous Board Member at precious Blood School Kilungu

He holds a Diploma in Clinical Medicine

**6. Gladwell Muiruri**



Senior Pharmaceutical Technologist Quality and Inventory management at Gertrude's Children Hospital.

She is a Pharmacy Line Manager at Avenue Hospital, A Senior Pharmaceutical Technologist and Superintendent at The Aghakan Hospital.

She is a Holder of Diploma in Pharmacy from KMTC, BSc in Health System Management and Certification in Health Information Technology.





**7. Dr. Faith Masenge**



A medical Superintendent at NSCH since 2022. A licensed and registered Assistant Chief Pharmacist by the Pharmacy and Poisons Board. She is a member of the pharmaceutical society of Kenya PSK, hospital Pharmacist Association of Kenya OPAK, Kenya Women Pharmacist (KeWoPha), Kenya Medical Practitioners, Pharmacist and Dentist Union (KMPDU) and NSCH management Board. She is the Chairperson of Various committees in the hospital and Currently the Secretary of the Hospital Management Board.

She holds a Bachelor's Degree in Pharmacy from the University of Nairobi. She is currently doing her Master's in Public Health at KEMRI Graduate school.


**4. Key Management Team**

Ref	Management	Details
1.	<p>Dr. Faith Masenge</p> 	<p>Bachelor of Pharmacy Degree (BPharm)(MPSK) Medical Superintendent</p>
2.	<p>Steve Ndung'u</p> 	<p>BA, (Government Public Administration) MSC (Global Health and Development) Chief Health Administrative Officer</p>
3.	<p>Peris Kuria</p> 	<p>BSN Head of Nursing</p>
4.	<p>Jemimah Soyian</p> 	<p>BSC HSM Health Administrative Officer</p>






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5.	<p>Cecilia Chege</p> 	<p>CPA Head of Accounts</p>
6.	<p>Dr. Diana Nyamweya</p> 	<p>Bachelor's Degree in Pharmacy (BPharm)(MPSK) Head of Pharmacy Department</p>
7.	<p>Fridah Mwendu Paul</p> 	<p>Diploma in Health Records &amp; Information Head of Health Records Department</p>
8.	<p>Charity Naserian</p> 	<p>Masters in Nutrition and dietetics Head of Nutrition Department</p>
9.	<p>Mary Metkei</p> 	<p>Bsc. Public Health and Sanitation Head of Public Health Department</p>




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10.	<p>Joseph Bonuke</p> 	<p>Diploma in Occupation therapy  Head of Rehabilitation services</p>
11.	<p>Rudia Auka</p> 	<p>Diploma in Nursing (Midwifery)  Head of Maternity Services</p>
12.	<p>Maryanne Macharia</p> 	<p>Certificate in Nursing  Head of Inpatient Department</p>
13.	<p>Fred Avoga</p> 	<p>Diploma in Clinical Medicine  Head of Clinical Services</p>
14.	<p>Dr. Caroline Kamanga</p> 	<p>MBChB  Head of Curative Services</p>

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15.	<p>Dr. Douglas Kuloba</p> 	<p>MBChB, MMed.SURG General Surgeon</p>
16.	<p>Dr. Ann Nyaboke</p> 	<p>MBChB, MMed.Paediatrics Paediatrician</p>
17.	<p>Dr. Gloria Sane</p> 	<p>MBChB, MMed.Psychiatry Psychiatrist</p>
18.	<p>Dr. Sheila Nyasio</p> 	<p>BDS Head of Dental Services</p>
19.	<p>Dr. Jennifer Timpiyan</p> 	<p>MBChB, MmedObstetrics and Gynaecology (UoN) Gynaecologist</p>

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20.	<p>Mary Sialo</p> 	<p>BSN Head of Eye Unit</p>
21.	<p>Damaris Teeti</p> 	<p>BCOM Finance CPA-K Head of Accounts</p>
22.	<p>Gideon Sane Oseur</p> 	<p>BSC Head of Supply Chain</p>

## **5. Chairman's Statement**

Ngong Subcounty Hospital, a fast-growing medical facility located in Kajiado North Constituency, has a wealth of history having evolved from a modest dispensary to a health centre and now to a level 4 Hospital, with a clear trajectory growth towards becoming a centre of excellence in the near future. Our progress is a testament of dedication, teamwork and commitment of our hospital staff under the leadership of Dr. Faith Masenge.

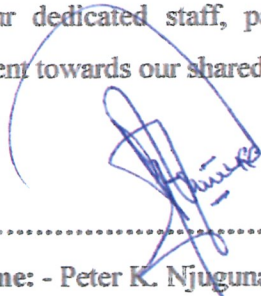
The year just ended 30th June 2025 marked significant milestones and achievements, notably the facility received a utility vehicle from the County Government of Kajiado through the support of His Excellency Governor Joseph Ole Lenku and also acquired a Biochemistry Analyzer through a cost-sharing arrangement with Safaricom PLC. Through the support of REREC and our area MP, Hon. Onesmus Ngogoyo, we secured our own KPLC transformer effectively ending frequent power outages that had previously damaged critical equipment. During the same period, expansion works on the Outpatient Department (OPD) commenced, though completion has been delayed, interventions and lobbying towards its completion are ongoing.

On staffing, the facility welcomed several new staff members across various departments replacing those who had been transferred or retired, thereby improving service delivery. In adherence to the National Government's climate change mitigation agenda, we held a tree-planting day within the hospital grounds an initiative championed by a board member Dr. Caleb Orange in partnership with the Teddy Bagaka Oburu Foundation. We also partnered with a nutritionist to enhance patient nutrition by establishing a hospital vegetable garden, where assorted vegetables are grown, with future plans to introduce a fishpond and a small-scale poultry farming. We were further privileged to have a donor Mr. Warner complete and equip the Newborn Unit. However, the year was not without challenges, the most significant being the prolonged nurses' strike which nearly paralyzed hospital services. This was compounded by the withdrawal of USAID funding, which severely impacted the operations of our Comprehensive Care Clinic, but the hospital retained some staff on locum basis. In conclusion, the hospital's overall performance has been positive, with clear indicators of growth.

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The Social Healthcare Authority Scheme continues to settle service payments and the County Government remains consistent in remitting Facility Improvement Funds. I extend my heartfelt gratitude to the Hospital Board, our dedicated staff, partners/donors and community for their unwavering team spirit and commitment towards our shared vision.



.....  
**Name: - Peter K. Njuguna**

**Chairman to the Board**

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

### **1. Introduction**

The financial year 2024/2025 was both transformative and challenging for Ngong Sub-County Hospital. This report highlights the financial performance, service delivery milestones, infrastructure developments, human resource dynamics, and operational challenges encountered during the year. It also provides recommendations to strengthen institutional capacity and ensure sustainable delivery of quality healthcare. The hospital remained focused on its mission of providing accessible, affordable, and patient-centered healthcare to the Ngong community and surrounding areas.

### **2. Financial Achievements and Developments**

#### **Revenue Improvement:**

During the year, the hospital expanded its service portfolio with the introduction of Ear, Nose and Throat (ENT) services, which quickly became an important revenue stream. The extension of maternity and theatre services to 24-hour operations; facilitated through engagement of healthcare workers on locum contracts; further boosted service delivery and income generation. These initiatives increased internally generated revenue, helping the hospital to partially bridge gaps created by delays in government disbursements.

#### **Donations and Support:**

Ngong Sub-County Hospital also benefited from stakeholder goodwill. A generous well-wisher donated four computers, which strengthened administrative efficiency by supporting data entry, patient record management, and financial reporting. Additionally, the Rural Electrification and Renewable Energy Corporation (REREC) donated a transformer to address frequent power interruptions. This donation is expected to improve service reliability, particularly in critical departments such as theatre, maternity, and laboratory services.

#### **Audit and Compliance:**

In December 2024, the Office of the Auditor General (OAG) conducted a financial and systems audit of the hospital. Preliminary findings commended the hospital for improved compliance with procurement procedures, accountability in expenditure management, and enhanced documentation practices. This marked an important step toward strengthening transparency and public trust in hospital operations.

### **3. Operational and Infrastructure Updates**

A key milestone during the year was the successful implementation of the Social Health Insurance Fund (SHIF), which replaced the National Hospital Insurance Fund (NHIF). The hospital ensured a seamless transition, maintaining uninterrupted services for insured patients while adjusting administrative processes to align with the new scheme.

Significant infrastructure improvements were also undertaken. Renovation works at the Old Maternity Building and the Newborn Unit progressed well and were near completion by the close of the financial year. These upgrades are expected to expand capacity and improve maternal and neonatal care outcomes.

The hospital also played a critical role in public health emergency response. In collaboration with the Sub-County Public Health Department, Ngong Sub-County Hospital responded to two confirmed Mpox cases by instituting isolation protocols, conducting contact tracing, and sensitizing the community. These swift interventions prevented further spread of the disease within the sub-county.

#### **4. Human Resource and Industrial Relations**

Human resource management presented significant challenges during the year. Universal Health Coverage (UHC) staff downed their tools between January and May 2025 following a government directive transferring their payroll management from the Ministry of Health to county governments, effective 1st July 2025. Although staff resumed duties in May after government intervention, the prolonged absence negatively affected service delivery.

In addition, nurses embarked on a separate strike from March 2025, which compounded the staffing crisis and further strained patient care. These industrial actions underscored the need for effective dialogue mechanisms between hospital management, staff unions, and government stakeholders to safeguard continuous service delivery during labor disputes.

Despite these setbacks, the hospital continued to support capacity building and mentorship of staff through continuous medical education (CME) sessions, encouraging teamwork and resilience during the crisis.

#### **5. Challenges Encountered**

The hospital faced a number of operational and structural challenges in the 2024/2025 financial year:

- **Power Supply Issues:** Frequent power surges resulted in the gradual damage of critical diagnostic equipment such as ultrasound machines and laboratory analyzers, leading to interruptions in essential services and increased maintenance costs.
- **Human Resource Disruptions:** Industrial actions by UHC staff and nurses significantly reduced workforce availability, causing delays in service provision and straining the remaining staff.
- **Financial Constraints:** Although internally generated revenue improved, reliance on unpredictable government disbursements limited the hospital's ability to expand services and address urgent equipment needs.
- **Increased Patient Demand:** With the extension of 24-hour maternity and theatre services, the hospital experienced rising patient numbers, further stretching limited resources.

## **6. Conclusion and Recommendations**

The 2024/2025 financial year was marked by resilience, innovation, and progress at Ngong Sub-County Hospital. The introduction of ENT services, successful transition to SHIF, infrastructure upgrades, and strengthened financial accountability highlighted the hospital's commitment to continuous improvement. At the same time, challenges such as industrial disputes, equipment damage from power surges, and financial constraints exposed vulnerabilities that require urgent attention.

To strengthen performance in the coming financial year, the following recommendations are proposed:

1. **Invest in power stabilization systems** (e.g., surge protectors and standby generators) to safeguard critical medical equipment.
2. **Enhance dialogue and stakeholder engagement** to resolve industrial disputes quickly and minimize disruption to services.
3. **Strengthen resource mobilization** through partnerships with donors, community organizations, and private sector actors.
4. **Prepare adequately for the UHC payroll transition** by collaborating closely with county governments to ensure staff welfare and prevent further strikes.
5. **Continue expanding specialized services** to meet patient demand and generate sustainable revenue streams.

With these measures, Ngong Sub-County Hospital is well positioned to build on its achievements, address existing challenges, and further improve healthcare delivery for the Ngong community in the 2025/2026 financial year.



.....  
**Name: Dr. Faith Masenge**

**Secretary to the Board**

**7. Statement of Performance Against Predetermined Objectives**

Ngong Sub County Hospital develops its annual work plans based on the WHO health systems building blocks. Assessment of the Hospital’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its five strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/The me/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Service Delivery	To achieve customer satisfaction	-Surveys -Patient Satisfaction scores	-Surveys and feedback from patients	-Improved Service Delivery -Increased access to care
Health Information System	To provide timely, reliable and accessible quality health information for evidence-based decision making	-Adopt Technology	-Availability of working health information system	-Improved service delivery and reduced administrative cost -Prudent budgeting and planning to meet population need
Leadership and Governance	-To have a transparent, accountable and fairness in governance	Transparency and accountability Stakeholder engagement	-Quarterly financial reporting -Lobbying for resources for hospital	-Proper planning of services -Improved health infrastructure - Monthly and quarterly HMT and HMB

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	-Strengthen collaboration with private and health related stake holders		<ul style="list-style-type: none"> <li>- Quarterly hospital management board meetings</li> <li>- Monthly HMT meetings</li> <li>- Quarterly hospital sub committee meetings</li> <li>- An Eye medical camp held</li> <li>-Implementation of laid down government policies</li> <li>-Linking the hospital and the communities</li> </ul>	<p>minutes respectively</p> <ul style="list-style-type: none"> <li>- Approximately 350 cases were screened and attended to at the camp.</li> <li>- About 20 eye surgeries were done</li> </ul>
Health System financing	To have equity in financial contribution	<p>Number of patients using SHA medical cover</p> <p>Smooth transition from NHIF to SHA</p> <p>Introduction of ENT and gynaecology services</p>	<p>Community Health talks by Community Health Promoters on importance of having insurance cover</p> <p>Training of SHA staff on how to</p>	<p>Increase in number of registered clients using SHA cover</p> <p>Increase in hospital revenue</p>

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			use the new system Introduction of both ENT and GOPC clinics	
Health workforce	To focus on efficiency and quality service delivery	Number of staff trained on healthcare services Number of Continuous Medical Education	Conducting weekly CME Attending trainings ( Paediatrics, EMOC, Bemoc)	Well trained staff Improved service delivery Quality healthcare
Health products and technologies	To ensure accessibility and affordability	Number of orders placed and received per quarter	Ordering and purchasing of HPTs quarterly Extension of internet access in the facility	Available and accessible HPTs

## **8. Corporate Governance Statement**

Hospitals operate in a demanding environment, strict regulations, and the ultimate goal of patient safety. Effective corporate governance provides the foundation for this success. The Hospital board sets the strategic direction, ensuring the hospital adheres to its mission and vision while navigating the complex regulatory landscape. This clear structure, with the Medical Superintendent translating the vision into actionable plans and department heads leading their teams, fosters accountability and transparency at all levels. To enhance corporate governance and strengthen the boards oversight role the hospital has done capacity building on public management. The board has also helped several consultative meetings with the leadership of the County government of Kajiado on general hospital improvement.

### **Appointment and Induction of Board Members**

Appointment of board members is as prescribed in the County Governments Act, 2012 and the Health Improvement Fund 2020 for effective oversight and performance of their governance role. The CECM Health in consultation with the Governor appoints the board members. The board members were gazetted

### **Roles of Board Members**

The roles of the hospital management board are;

- Governance and Oversight
- Strategic Planning
- Community engagement
- Policy development
- Risk management
- Advocacy – market hospital services to the community
- Resource mobilization

### **Induction, Training and Development**

After appointment the board members were taken through an induction course courtesy of the County Government of Kajiado in collaboration with the Kenya School of Government. The hospital has also ensured continuous capacity building on public finance management for the board members

### **Board Members Performance**

During the financial year under review, the board members have performed their roles in a exemplary manner. The board engaged several potential donors with a view of getting support to improve the hospital. Through the boards efforts the hospital a transformer and a utility vehicle.

### **Number of Board Meetings held**

In the 2024/2025 financial year the board held a total of 4 meetings as required by the Kajiado Health Improvement ACT 2020. All these meetings are documented through minutes.

### **Succession Plan**

The Kajiado Health Improvement ACT 2020 requires that board members serve for a period of three years renewable once. Most of the current board members are serving their first term in office. The county department of health will ensure that the provisions of the above Act are complied with.

### **Policy to Manage Conflict of Interest**

As provided for in the Public Finance Act 2015, Officers in a public entity are not allowed to do business with the same entity they work for.

The hospital and the board have ensured strict compliance with the said Act.

### **Board Remuneration**

The hospital has ensured that board members are remunerated according to a circular issued by The Salaries and Remuneration commission (SRC).

### **Ethics and Conduct**

The hospital has ensured strict adherence to the Public Officers Ethics Act of 2003 that establishes a Comprehensive Code of Conduct and Ethics for public officers to promote integrity and ethical behaviour in public service.

All officers are required to carry out duties lawfully, honestly and efficiently to maintain public confidence and avoid conflict of interest.

The same officers make financial declarations, of their income, assets and liabilities to prevent corruption and unethical behaviours.

### **Governance Audit**

As a way to ensure systematic evaluation of the hospital governance frame work policies and practices, the hospital adheres to compliance with regulations, ethical standards and best practices.

The hospital is committed to upholding the highest standard of corporate governance in line with the constitution of Kenya, the Public Finance Management Act, the Mwongozo Code of Governance for state corporations and other applicable laws and regulations.

### **Communication policy**

The facility recognizes that the community is at the heart of our mandate and success as a public health facility. As a Level 4 hospital, we are committed to fostering trust, accountability, and inclusivity in all our engagements with the people we serve. Our corporate governance framework ensures that decisions, policies, and practices reflect transparency, integrity, and respect for the rights and dignity of the community.

The hospital engages the community through dialogue and action days through the community health promoters. Public health officers attached to the facility also attend various community forums where they engage community members on services provided. On issues raised on social media platforms, the hospital gives prompt responses.

### **Terms of Reference of Committees**

For effective governance the facility relies on well-structured committees that provide oversight, guidance, and accountability in hospital management. The Terms of Reference (ToR) of all committees are developed in line with corporate governance principles of transparency, accountability, integrity, equity, and efficiency to ensure alignment with the hospital's mission of delivering quality healthcare services.

Members who serve in the various committees are given appointment letters with clear terms of reference/roles.

### **Policy on Related Party Transactions**

As a public health facility, the hospital recognizes that related party transactions, dealings between the hospital and individuals or organizations with close relationships to its management, staff, or board present potential risks of conflict of interest, unfair advantage, and reputational damage if not properly governed.

In strict conformity with the Public Officers Ethics Act 2003, the hospital ensures that officers who work in the hospital do not do any transactions/business with the institution.

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

The most active committees in the facility are Hospital Management Team, Infection Prevention and Control Committee, Grievance Redress Mechanism committee, Data Quality Committee, Hospital Training Committee, Medicine and Therapeutic Committee, Disciplinary Committee and among others. The Bed Capacity of the hospital has increased to 82 for the financial year 2024/2025. This allows the hospital to fulfil demand levels and provide flexibility in inpatient management

The average length of stay is often used to indicate efficiency in a hospital. ALOS has led to reduction of the cost per discharge and frees up more beds for new patients. It's also more beneficial to the patient and has led to a reduction in the risk of developing hospital acquired infections. The mortality rate has also decreased. Our average length of stay is 3 days in most cases except for a few cases e.g., neonatal sepsis and some major surgeries.

The special clinics are an important link between the hospital and the community. These services have helped patients improve their overall wellbeing and led to a big reduction of referrals. It has helped in decongestion of the busy Kajiado Referral Hospital.

Antenatal clinics are essential for health a pregnancy and a safe delivery of the baby. This Antenatal Clinic offer a range of diagnostic tests, scans and consultations with health care providers to monitor the health of the mother and growing foetus. The antenatal visits have been crucial in identification of potential complications and risk factors that can affect the mother and the foetus. Health education is provided on nutrition, immunization and cervical cancer screening.

Financially and operationally, the hospital continued to balance routine expenditures such as salaries, utilities, and maintenance with capital investments, including infrastructure renovation, purchase of equipment, and support for governance structures through regular board and committee meetings.

Overall, the hospital demonstrated resilience in service delivery despite operational challenges. Continuous quality improvement initiatives, strengthened procurement and planning processes, and enhanced stakeholder engagement remain central to sustaining progress and improving patient outcomes in the coming years.

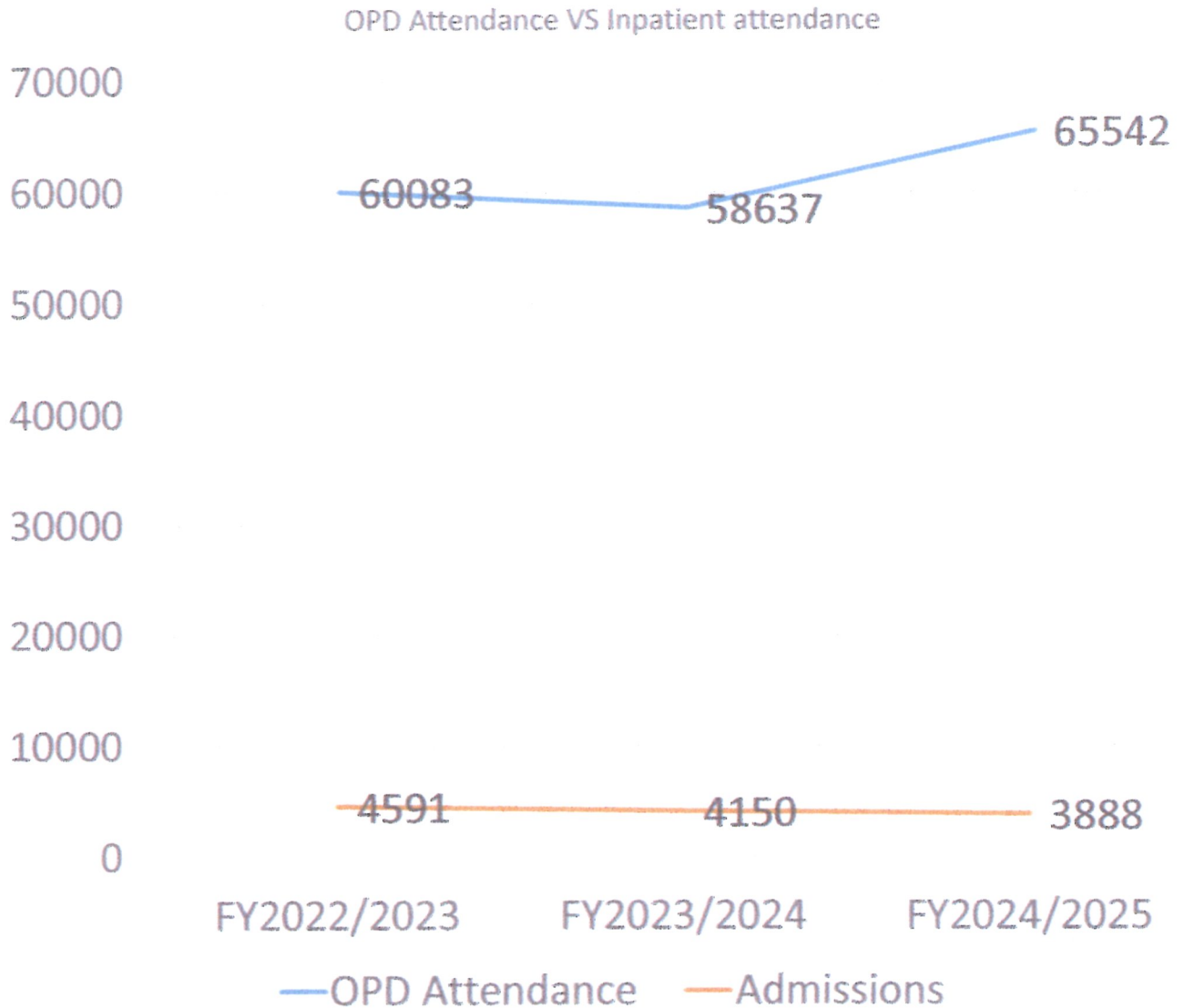
**Clinical/operational performance**

***Bed capacity of the hospital***

The bed capacity for Ngong Sub County Hospital is as tabulated below:

No.	Ward	No. of Beds
1.	Maternity/Labor ward	12
2.	Postnatal Ward/Post CS	36
3.	pediatric ward	16
4.	Male Ward	10
5.	Female	8
	<b>Total bed capacity</b>	<b>82</b>

## OVERALL PATIENT ATTENDANCE



The hospital's data over the three financial years shows that OPD attendance slightly dropped from 60,083 in FY2022/2023 to 58,637 in FY2023/2024, but later rose significantly to 65,542 in FY2024/2025, indicating an overall increase in demand for outpatient services. On the other hand, admissions have been steadily declining from 4,591 in FY2022/2023 to 4,150 in FY2023/2024 and further down to 3,888 in FY2024/2025. This trend suggests that while more patients are seeking care at the outpatient level, fewer are requiring or being admitted for inpatient services, which could point to improved management of conditions at the OPD, changes in admission criteria, or a shift in disease patterns.

## Specialized Clinics Attendance

CLINIC	2022/2023	2023/2024	2024/2025
Diabetic Clinic	946	944	892
HTN	1055	952	937
Occupational Therapy	2010	1662	1258
Orthopedic	1034	34	0
Surgical Clinic	399	359	337
Mental Clinic	583	1374	837
GOPC	633	350	430
TB	1592	2427	1932
Eye Clinic	617	743	633
Physiotherapy	1951	2120	1370
Paediatric Clinic	91	287	150
ENT Clinic	0	0	492

Clinic attendance above represents varied performance across different specialties. Chronic care clinics such as the Diabetic and Hypertension (HTN) clinics recorded a slight but steady decline in attendance over the three years, which indicates improved control at community level or reduced follow-up compliance. Occupational Therapy services declined consistently, while Physiotherapy peaked in FY 2023/2024 before dropping in FY 2024/2025. Orthopedic clinic attendance dropped sharply from over 1,000 in FY 2022/2023 to zero by FY 2024/2025, due to service reorganization or referral shifts.

On the other hand, Mental Health Clinic attendance grew significantly in FY 2023/2024 before declining again, as a result of changing demand and programmatic interventions. TB clinic attendance remained high, with a peak in FY 2023/2024, reflecting ongoing case detection and treatment follow-up efforts. Eye clinic services fluctuated, while Pediatric clinic numbers increased sharply in FY 2023/2024 but fell thereafter. Notably, the ENT clinic was only introduced in FY 2024/2025, immediately registering a substantial number of clients, showing demand for the service.

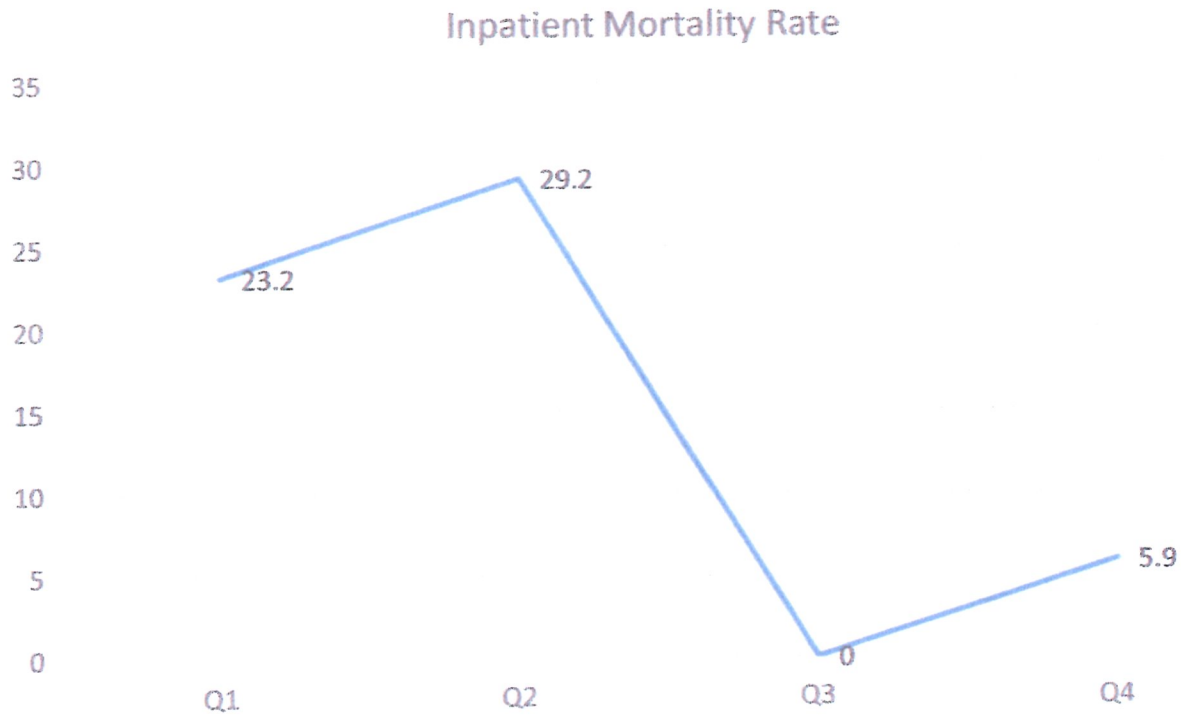
Overall, while some clinics have experienced decline which is due to shifting patient needs, service availability, external referrals and new services such as ENT have expanded the hospital's outpatient scope, demonstrating adaptability to emerging community health demands.

## *Average length of stay for in patient*

WARD	ALOS
Maternity	2 Days
Medical	3 Days
Paediatric	4 Days
Postnatal	2 Days
Post CS	3 Days

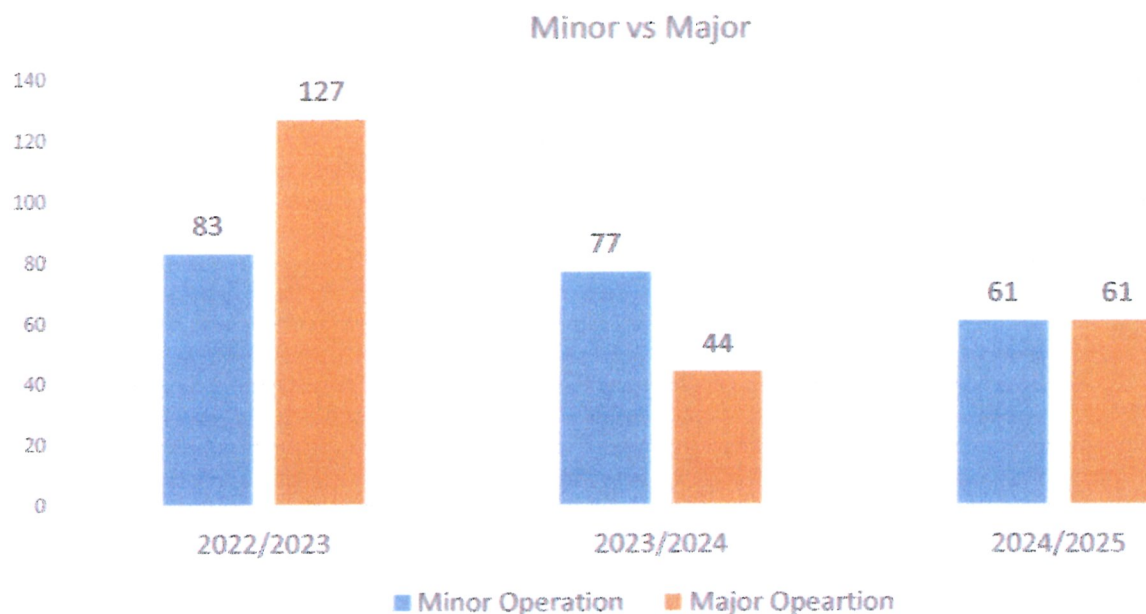
The average length of stay varies across the different wards, reflecting the nature of care provided. Patients in the Maternity and Postnatal wards had the shortest stay at about 2 days, indicating efficient turnaround for normal deliveries and uncomplicated cases. The Medical ward recorded an average of 3 days, while post-Caesarean section (Post CS) patients also stayed for about 3 days, which aligns with standard recovery requirements. The Paediatric ward registered the longest stay at 4 days, likely due to the complexity of childhood illnesses and the need for closer monitoring. Overall, the ALOS across wards is within acceptable ranges, suggesting effective patient management and timely discharge practices.

**Mortality rate**  
**INPATIENT MORTALITY RATE FY2024/2025**



The inpatient mortality rate indicates expansive fluctuations across the quarters. It was relatively high in Q1 at 23.2% and further increased to 29.2% in Q2, indicating critical challenges during the first half of the year. However, there was a sharp improvement in Q3 with the rate dropping to 0%, before slightly rising again to 5.9% in Q4. Overall, this trend suggests significant progress in reducing inpatient deaths, particularly in the second half of the year, which was due to improved interventions and corrective measures.

### Operations Conducted



The trend in surgical operations at the hospital has a notable shift over the three years. Minor operations have gradually declined from 83 in FY 2022/2023 to 61 in FY 2024/2025. Similarly, major operations significantly dropped from 127 in FY 2022/2023 to 44 in FY 2023/2024, before increasing again to 61 in FY 2024/2025. This indicates an overall reduction in both categories of surgeries over the period, though major operations showed some recovery in the most recent year, while minor operations continued to decline.

**Sponsorships and partnerships**

During the year under review, the hospital made considerable progress in fostering partnership with various players. Working together with Charity Missions, Christian Blindness Mission, the hospital carried out a successful medical eye camp. More than three hundred and fifty people with eye problems, we screened, attended to and twenty eye surgeries performed. Free reading glasses were also issued to the deserving cases. In the period a donor from Australia, Engineer Eric Warner renovated old maternity turning it to a Newborn unit. He also constructed a modern Kitchen and laundry which are fully equipped. The construction works are at 97% completion rate and are expected to be completed soon.

The Kenya Rural Renewable Energy Commission (REREC) donated a 200kva electricity transformer to the facility, this has reduced the cost of repairing equipment damaged by regular power surges. With a stable power supply to the hospital, theatre maternity, X-ray and dental services have improved resulting into better patient management outcomes.

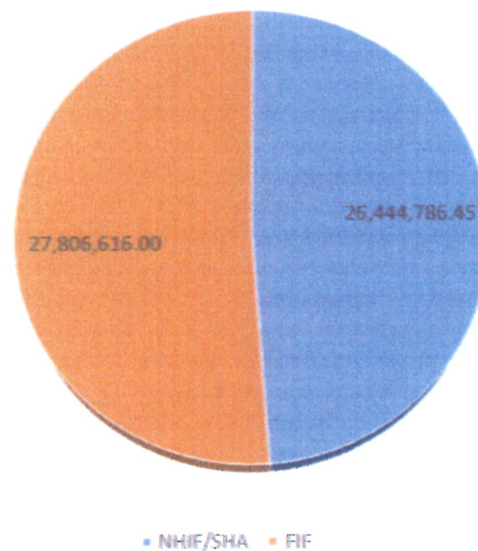
In partnership with Safaricom PLC, the hospital acquired a state of the art Biochemistry Analyzer in the laboratory department. This has increased the range of tests that the lab conducts e.g., liver function test, renal function test, electrolytes, lipids profile and bone chemistry.

*Financial performance that includes: -*

***Revenue sources,***

<b><i>REVENUE SOURCES</i></b>	<b><i>2024-2025</i></b>
<b><i>NHIF/SHA</i></b>	<b><i>26,444,786.45</i></b>
<b><i>FIF</i></b>	<b><i>27,806,616.00</i></b>
<b><i>Total</i></b>	<b><i>54,251,402.45</i></b>

**REVENUES SOURCES 2024-2025**

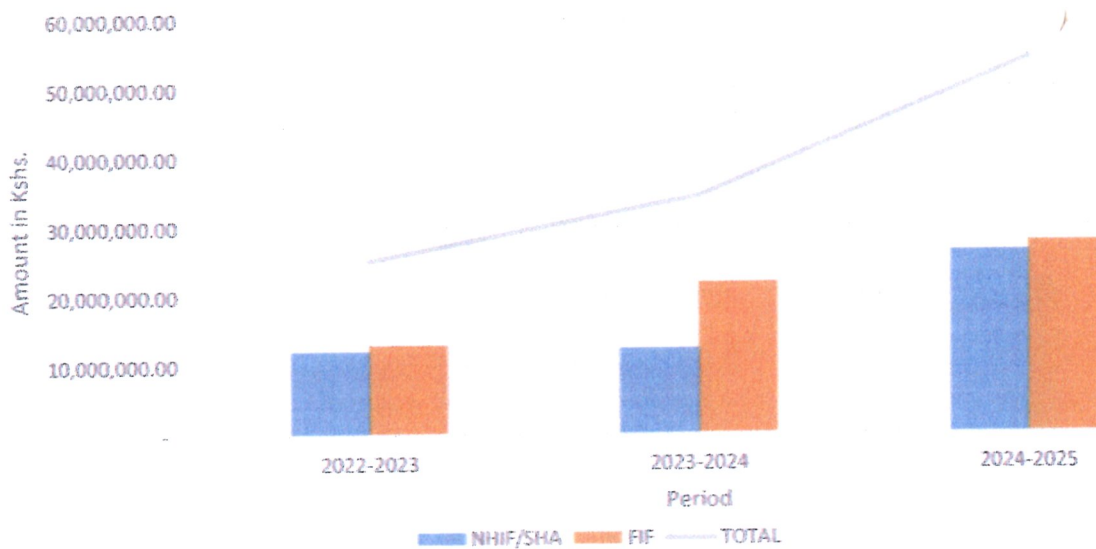


The hospital generated a total revenue of Ksh. 54.25 million in FY 2024/2025, with funding almost evenly split between NHIF/SHA reimbursements (Ksh. 26.44 million; 49%) and Facility Improvement Fund – FIF (Ksh. 27.81 million; 51%). This balanced contribution highlights the hospital’s dual reliance on both insurance reimbursements and internally generated funds, underscoring the importance of strengthening claims management and optimizing service delivery to sustain and grow revenue.

**Ngong Sub-County Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

<b>REVENUE</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
<b>NHIF/SHA</b>	12,187,710.00	12,460,039.00	26,444,786.45
<b>FIF</b>	12,968,613.00	21,951,527.00	27,806,616.00
<b>TOTAL</b>	25,156,323.00	34,411,566.00	54,251,402.45

Revenue sources trend analysis

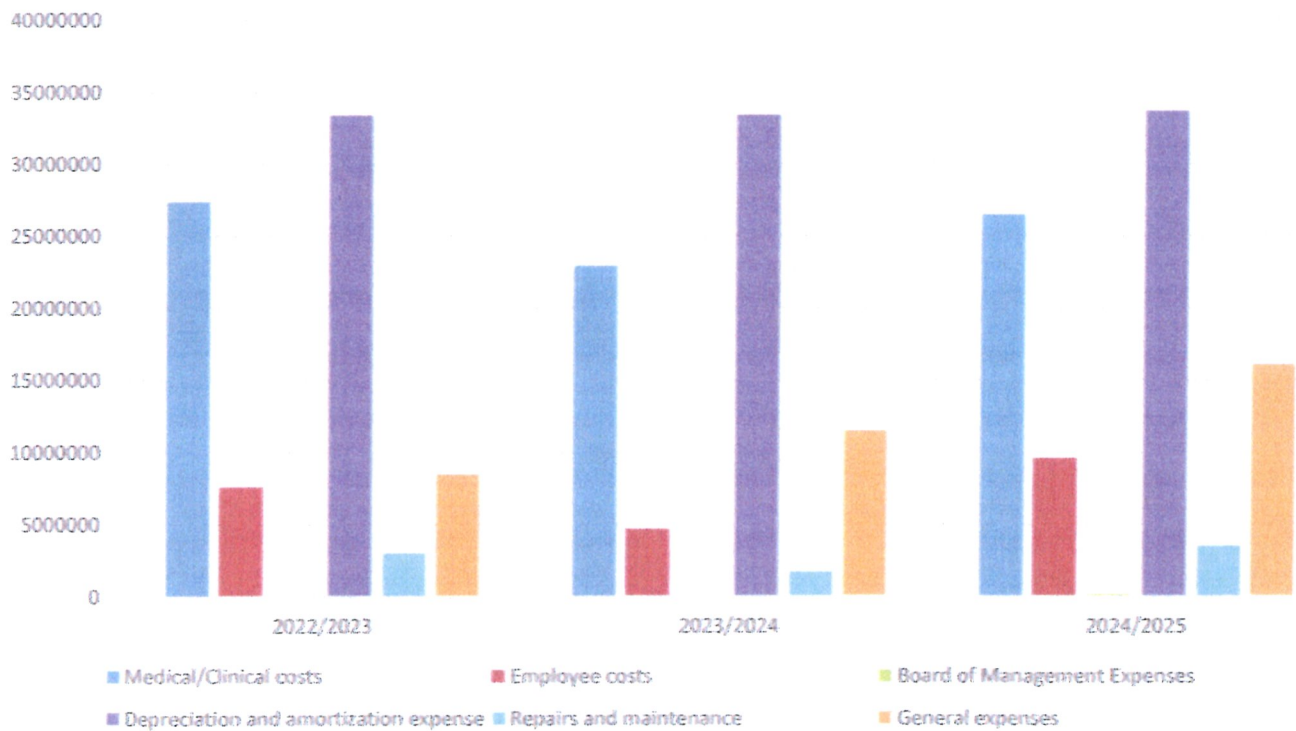


The revenue trends (2022–2025), shows a steady growth in both NHIF/SHA and FIF contributions, with the total revenue more than doubling over the three-year period.

**Utilisation of funds**

<b>Utilisation of funds</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
<i>Medical/Clinical costs</i>	27396189	22925047	24628231
<i>Employee costs</i>	7596830	4689177	9237076
<i>Board of Management Expenses</i>	80000	50000	204500
<i>Repairs and maintenance</i>	3026012	1736520	3637096
<i>General expenses</i>	8458248	11474342.75	17713498.75
<b>Total expenses</b>	<b>79949611</b>	<b>74267418.75</b>	<b>55420402.04</b>

**Funds utilisation analysis trend**



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

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

### *i) Sustainability strategy and profile*

In its effort to have sustainable political and macroeconomic sustainability the hospital management works with the local leadership and involve the community through community health workers and volunteers and also public participation. The management has also formed a committee such as grievance redress mechanism committee that ensures all the community grievances are captured and addressed as they occur and a report given to the management. The Health Management Team holds a meeting every month to discuss the hospital's budgets, workloads and hospital's operation.

To address the effects of climate change, the facility has put in place measures to address flooding, by planting more trees and grass. Water drainage has also been improved by directing storm water to the right place.

In conformity with the Public Procurement and Disposal Act 2015 the hospital has ensure that 30% of all contracts are reserved for women, youths and people living with disability (PWD). This has ensured that this category has Access to Government Procurement Opportunities (AGPO).

### *ii) Environmental performance*

The hospital has an active Infection Prevention and Control (IPC) committee which plays a role in environmental performance. There is an antimicrobial stewardship committee in place. We have managed to plant trees within the hospital ensuring the environment is serene. The greening process of our environment was factored in our annual work plan. Through the support of CDH a cleaning firm was contracted to offer cleaning services and planting flowers within the compound. Lack of an incinerator however is a major shortcoming in waste disposal.

In line with the Government directive of planting 15 billion trees by 2032, the hospital has planted over 200 tree seedlings in the compound. Efforts have been made to ensure that all these trees are taken care of to ensure they all mature. In meeting United Nations (UN) Sustainable Development Goal (SDG) number 6 i.e. clean water and sanitation, the institution has engaged cleaners to ensure hospital hygiene is maintained on a 24-hour basis.

The hospital has sourced clean safe water from a reputable company. Due to high levels of fluoride in the hospital water, a proposal for support for a water distillation machine was done to Tanathi Water Company. There are prospects of acquiring the same in the current financial year. In addition, the hospital has approached the County Government of Kajiado through the department of water, for the drilling and equipping of a borehole. The process has commenced in the current financial year and this project is expected to reduce the hospitals monthly water bills.

The hospital has also installed litter bins in strategic areas to ensure the environments remains free from litter.

Periodic sensitization to our clients is done on how to manage waste disposal. Additional equipment for cleaning has been procured.

To reduce carbon emission from the hospital vehicles and generators, routine preventive maintenance and servicing is done.

In addressing SDG number 7 on affordable and clean energy, the facility has installed solar security lights in strategic points. During the construction of the state of the art maternity wing, solar water heaters were installed further reducing the use of electricity. A proposal has also been done to the County Government of Kajiado on the solarization of the whole facility. The hospital Administration also encourage staff members to switch off all unnecessary lights during the day.

To reduce on the use of papers, the facility has automated most of the operations in the various departments. The use of electronic mails and other communication platforms has also cut cost in the use of printed materials.

To reduce on the use of plastic bottles, the hospital Administration has acquired glasses to be used by staff members when taking water.

Most of the arable land in the hospital has been given to staff members to grow various crops improving on food security. The hospital encourages waste segregation by providing colour coded bins in all service delivery points and offices.

*iii) Employee welfare*

Technical employees are employed by the Kajiado Public Service Board, however the hospital employs casual workers and takes into consideration gender and academic qualification and also train the workers on the various policies guiding the operation of the hospital.

The facility has complied with the Kajiado County Human Resource Guidelines on Attraction and retention of health workers by providing a conducive working environment for staff members. This has been done through provision of 10 o'clock tea, provision of bread, clean drinking water, microwaves in strategic places, changing rooms, call house for doctors, provision of internet among others.

The hospital has ensured the safety of staff by ensuring compliance with Occupational Safety and Health Act of 2007(OSHA). This has been done through provision of fire extinguishers in all departments, construction of disability friendly ramps, installation of signages on emergency exits, regular repair of equipment and felling of trees along high voltage electric lines.

Hospital motor vehicles are also maintained and serviced to ensure the safety of staff and our clients. Weekly continuous medical education sessions are conducted to ensure staff get latest updates in the medical field. Short term and long term training for staff is done to ensure that our staff are well trained to help them in career progression. The Staff Performance Appraisal System (SPAS) is used to measure staff performance with a view of taking corrective measures and rewarding good performance.

Annual end of year staff meetings are held as a way of motivating staff where they are rewarded for exemplary performance in various departments.

Staff members working in critical departments such as Theatre, Maternity and X-ray are provided with lunch for working for long hours.

*iv) Market place practices-*

*The organisation should outline its efforts to:*

*a) Responsible competition practice.*

Being a public entity, the hospital is guided by various government policies and Acts. These guide both workers in various categories and disciplines such as nurses, to abide by various professional standards and guidelines. The requirement that all public servants must abide by Section 6 of the constitution and code of ethics for civil servants is strictly implemented by the management. All workers are not aligned to any political or religious inclination and serve the public without any form of bias.

To comply with the provisions of the Public Procurement and Disposal Act 2015, the hospital ensures competitive tendering for goods and services. The hospital has further developed service charters at all service delivery points clearly showing the services offered, charges and waiting time.

The facility has also put a public notice informing members of the public that the facility is a corruption free zone. Moreover, the hospital has introduced cashless payment system with signages put in service areas informing clients on the pay bill numbers to use for payment. At all service delivery points, clients are sensitised on the mode of payment and turnaround time for services offered.

The hospital Administration has also come up with a patients' rights/responsibility charter. During the period under review, the hospital carried out a cancer screening and human papilloma virus (HPV) vaccination outreach program to the community. The facility is gazetted and is under the supervision of the County Executive Committee Member (CECM) for health Kajiado County.

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

Procurement of Health Products and Technologies is done in conformity of the laid down government guidelines and procedures (The Public Procurement and Disposal Act 2015). We maintain good working relations by ensuring procedures are followed in awarding delivery, verification and payment. Works and services follow the same procurement procedures. There is need for the County to employ procurement officer in the facility who will be responsible for evaluating suppliers, products and services, negotiating contracts, and ensuring that approved purchases are cost- efficient and of high quality.

The facility ensures monthly budgeting of revenue generated so that suppliers and service providers are paid on time.

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

Ngong Sub County Hospital envisions in reaching out to the general public to provide health services in accordance with the generally accepted health standards in public institutions. The organization being a public entity strives to provide health services in the best way possible by following the set national and county health guidelines. We have a staff who is dedicated to the customer care desk and in addition offers services available in the facility. The hospital has service charters displayed in strategic places. Outreaches done by the organization are used for sensitization of the community on the various services offered.

The facility maintains a positive engagement with its clientele through social media platforms, public barazas and community dialogue and action days. It has also kept major stakeholders informed on the various services offered. Through the Grievance Regress Mechanism Committee, public complaints are addressed in a timely manner. The clients also give their feedback on the services they have received at the exit gate while leaving.

***d) Product stewardship or Awareness Creation***

The hospital protects respects, promote and fulfil the following to all its clients in provision of health services:

- The health rights of all its clients to the progressive realization of their right to the highest attainable standard of health including reproductive health care, the right to emergency medical treatment and free maternity care.
- The rights of children to basic nutrition and health care services and extending free medication and vaccination to children under five years of age.
- The rights of vulnerable groups within the society including women, older members of the society, persons with disabilities, children etc. in all matters regarding health

The hospital recognizes and adheres to the role of regulatory bodies established under any written law. The hospital also treats all its clients with dignity, respect and ensures that their privacy is well respected.

Through product stewardship and awareness creation, the hospital ensures that healthcare services, medicines, equipment, and resources are used efficiently, safely, and responsibly, while also empowering the community with knowledge for better health outcomes.

The hospital management board is usually updated on the availability of health supplies and commodities so that the same information is cascaded to the community level. Clients data is usually kept under lock and key to ensure privacy of clients information.

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

The hospital engages in health outreaches to sensitize the community on health matters and reaching out to the underprivileged by providing free health test and awareness. The hospital partnered with Charity Mission and Christian Blindness Mission in conducting an eye medical camp where more than 350 and fifty clients with eye problem were screened and treated.

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<sup>th</sup> 2025, which show the state of the *hospital's* affairs.

**Principal activities**

The principal activities of the entity are providing medical services

**Results**

The results of the entity for the year ended June 30<sup>th</sup> 2025 are set out on pages xxix to xxxviii

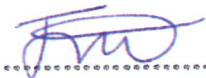
**Board of Management**

The members of the Board who served during the year are shown on pages viii to xi. During the year, 2025 there was no any resignation or new appointment of a board member.

**Auditors**

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

By Order of the Board



.....  
Name **DR. FALCH MASEUNGE**

**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 Ngong 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 the *hospital* for that year/period. The Board of Management is also required to ensure that the *hospital* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *facility*. The council members are also responsible for safeguarding the assets of the *facility*.

The Board of Management is responsible for the preparation and presentation of Ngong Sub-County hospital financial statements, which give a true and fair view of the state of affairs of the *hospital* for and as at the end of the financial year (period) ended on June 30<sup>th</sup> 2025.

This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) safeguarding the assets of the *hospital*;
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances.

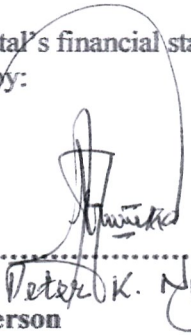
The Board of Management accepts responsibility for the *hospital's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the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

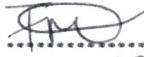
In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern.

Nothing has come to the attention of the Board of management to indicate that Ngong 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**

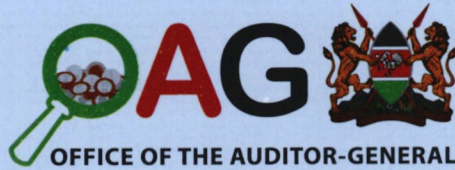
The Hospital's financial statements were approved by the Board on 27/10/2025 and signed on its behalf by:

  
.....  
**Name:** Peter K. Njuguna  
**Chairperson**  
**Board of Management**

  
.....  
**Name:** DR- FAICH MAKENYE  
**Accounting Officer**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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

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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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

#### Opinion

I have audited the accompanying financial statements of Ngong Sub-County Level 4 Hospital set out on pages 1 to 56, which comprise of the statement of financial position

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

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, the financial statements present fairly, in all material respects, the financial position of Ngong 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 Health Act, 2017, the County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ngong 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 opinion.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.78,349,961 and Kshs.56,951,804 respectively, resulting to under-funding of Kshs.21,398,157 or approximately 27% of the budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Information**

The Management is responsible for the Other Information set out on pages iii to xlvii which comprise of Key Entity Information and Management, The Board of Management, Key

Management Team, Chairman’s Statement, Report of the Medical Superintendent, Statement of Performance Against predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management’s Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

**Conclusion**

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

**Basis for Conclusion**

**1. Deficiencies in Implementation of Universal Health Coverage (UHC)**

Review of the Hospital’s records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit in September, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by forty (40) or approximately 40% of the authorized establishment.

<b>Staff Requirements</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Medical Officers	16	4	12	75
Anesthesiologists	2	0	2	100
General Surgeons	2	1	1	50
Gynecologists	2	1	1	50
Pediatrics	2	1	1	50

<b>Staff Requirements</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Kenya Registered Community Health Nurses	75	52	23	31
<b>Total</b>	<b>101</b>	<b>61</b>	<b>40</b>	<b>40</b>

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

<b>Equipment</b>	<b>Level 4 Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Beds	150	92	58	39
Resuscitaire (2 in Labor & 1 in Theatre)	2	0	2	100
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100

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

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

## **2. Irregular Engagement of Casual Workers**

The statement of financial performance and as disclosed in Note 16 to the financial statements reflect employee costs totalling Kshs.156,602,509. Included in the amount is Kshs.8,866,691 in respect to casual and contractual staff who had been engaged for a period of more than three (3) months. This is contrary to Section B.16(1) of the County Public Service Human Resource Manual of May, 2013 which states that casual workers shall be engaged only on urgent, short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act, 2007.

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

## **3. Lack of a Procurement Plan**

During the year under review, Management did not have a procurement plan to provide guidance on procurement process. This is contrary to Section 45(3)(a) of the Public Procurement and Assets Disposal Act, 2015 which stipulates that all procurement

processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an Annual Procurement Plan.

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

The audit was conducted in accordance with ISSAIs 3000 and 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of the Management and those Charged with Governance**

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

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**05 November, 2025**

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

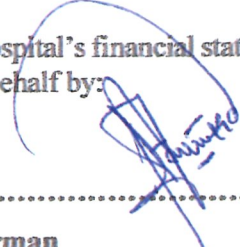
**14. Statement of Financial Performance for The Year Ended 30 June 2025**


Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	159,286,820	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		<b>159,286,820</b>	-
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	93,700,615	52,887,275
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		<b>93,700,615</b>	<b>52,887,275</b>
<b>Total revenue</b>		<b>252,987,435</b>	<b>52,887,275</b>
<b>Expenses</b>			
Medical/Clinical costs	15	24,628,231	22,925,047
Employee costs	16	156,602,509	4,689,177
Board of Management Expenses	17	204,500	50,000
Depreciation and amortization expense	18	23,948,172	33,392,332
Repairs and maintenance	19	3,637,096	1,736,520
Grants and subsidies	20	11,884,115	-
General expenses	21	17,713,499	11,474,343
Finance costs	22	-	-
<b>Total expenses</b>		<b>238,618,122</b>	<b>74,267,419</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	(1,616,808)	(3,042,697)
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		<b>(1,616,808)</b>	<b>(3,042,697)</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>12,752,506</b>	<b>(24,422,841)</b>


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

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The Hospital's financial statements were approved by the Board on 27/10/2025 and signed on its behalf by:

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

  
.....  
**Head of Finance**  
**ICPAK No: 34325**

  
.....  
**Medical Superintendent**

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

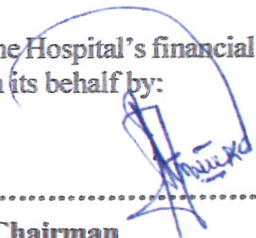
**15. Statement of Financial Position As At 30<sup>th</sup> June 2025**


Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	1,119,868	2,700,402
Prepayments	28		
Receivables from exchange transactions	29	15,257,967	15,745,093
Receivables from non-exchange transactions	30	-	-
Inventories	31	17,608,470	20,178,032
<b>Total Current Assets</b>		<b>33,986,304</b>	<b>38,623,527</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	866,836,624	808,340,060
Intangible assets	33	2,791,462	5,300,000
Investment property	34	-	-
Biological Assets	35		
<b>Total Non-current Assets</b>		<b>869,628,086</b>	<b>813,640,060</b>
<b>Total assets (A)</b>		<b>903,614,390</b>	<b>852,263,587</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	12,067,396	6,803,660
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>12,067,396</b>	<b>6,803,660</b>
<b>Non-current liabilities</b>			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>12,067,396</b>	<b>6,803,660</b>


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

Net assets (A-B)		891,546,994	845,459,927
<b>Represented by:</b>			
Revaluation reserve			-
Accumulated surplus/Deficit		(6,781,456)	(19,533,962)
Capital Fund		898,328,450	864,993,889
Net Assets		891,546,994	845,459,927

The Hospital's financial statements were approved by the Board on 27/10/2025 and signed on its behalf by:

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

  
 .....  
**Head of Finance**  
**ICPAK No: 34325**

  
 .....  
**Medical Superintendent**

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

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	4,888,879	751,075,490	755,964,369
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(24,422,841)	-	(24,422,841)
Capital/Development grants	-	-	0	-
Prior year adjustments			113,918,399	113,918,399
As at June 30, 2024 (previous year)	-	(19,533,962)	864,993,889	845,459,927
At July 1, 2024 (current year)	-	(19,533,962)	864,993,889	845,459,927
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	12,752,506	-	12,752,506
Capital/Development grants	-	-		-
Prior year adjustments			33,334,561	33,334,561
At June 30, 2025 (current year)	-	(6,781,456)	898,328,450	891,546,994

**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>		
Receipts		
Transfers from the County Government		
Grants from donors and development partners		
Transfers from other Government entities		
Public contributions and donations		
Rendering of services - Medical Service	54,251,402	34,411,567
Income from rent of facilities		
Finance / interest income		
Miscellaneous receipts (specify)		
<b>Total Receipts</b>	<b>54,251,402</b>	<b>34,411,567</b>
Payments		
Medical/Clinical costs	22,610,788	17,100,126
Employee costs	9,571,447	4,689,123
Board of Management Expenses	204,500	50,000
Repairs and maintenance	3,519,572	2,947,872
Grants and subsidies	-	-
General expenses	17,794,929	10,176,819
Finance costs	-	-
Refunds paid out	-	-
<b>Total Payments</b>	<b>53,701,236</b>	<b>34,963,940</b>
<b>Net cash flows from operating activities</b>	<b>43</b>	<b>(552,373)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment	(2,130,700)	(247,000)
Purchase of intangible assets	-	-
Proceeds from the sale of PPE	-	-
Acquisition of investments		
<b>Net cash flows used in investing activities</b>	<b>(2,130,700)</b>	<b>(247,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		
Repayment of borrowings		
Capital grants received		
<b>Net cash flows used in financing activities</b>		<b>-</b>

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

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<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,580,534)</b>	<b>(799,373)</b>
Cash and cash equivalents as at 1 July		2,700,402	3,499,775
<b>Cash and cash equivalents as at 30 June</b>		<b>1,119,868</b>	<b>2,700,402</b>

*Ngong Sub-County Hospital (Kajiado County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

	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	-	-	-	2,700,402	(2,700,402)	
<b>Revenue</b>						
Transfers from the County Government						
Grants from donors and development partners						
Transfers from other Government entities						
Public contributions and donations						
Rendering of services- Medical Service Income	29,484,131	48,865,830	78,349,961	54,251,402	24,098,559	69%
Revenue from rent of facilities		-	-	-	-	
Finance / interest income		-	-	-	-	
Miscellaneous receipts ( <i>specify</i> )		-	-	-	-	
<b>Total income</b>	<b>29,484,131</b>	<b>48,865,830</b>	<b>78,349,961</b>	<b>56,951,804</b>	<b>21,398,157</b>	<b>73%</b>
<b>Expenses</b>						
Medical/Clinical costs	10,193,600	20,306,400	30,500,000	22,610,788	7,889,212	74%
Employee costs	4,801,200	5,766,420	10,567,620	9,571,447	996,173	91%
Board of Management Expenses	142,000	67,000	209,000	204,500	4,500	98%
Repairs and maintenance	700,000	3,565,000	4,265,000	3,519,572	745,428	83%
Grants and subsidies	-	-	-	-	-	
General expenses	12,997,331	17,361,010	30,358,341	17,794,929	12,563,412	59%
<b>Total operational Expenditure paid</b>	<b>28,834,131</b>	<b>47,065,830</b>	<b>75,899,961</b>	<b>53,701,236</b>	<b>22,198,725</b>	<b>71%</b>
<b>Capital Expenditure paid</b>	<b>650,000</b>	<b>1,800,000</b>	<b>2,450,000</b>	<b>2,130,700</b>	<b>319,300</b>	<b>87%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,119,868</b>		

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

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**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,119,868
1	Reason for differences	00
2	Reason for differences	00
3	Reason for differences	00
4	Reason for differences	00
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,119,868

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

### **1. General Information**

Ngong sub-county hospital is established by and derives its authority and accountability from PFM Act 2012. The entity is wholly owned by the Kajiado County Government and is domiciled in Kajiado County in Kenya. The entity's principal activity is provision of healthcare.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Ngong Sub-County accounting policies. There are no areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Ngong subcounty hospital. The financial statements have been prepared in accordance with the PFM Act, FIF act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. Adoption of New and Revised Standards

#### *i. New and amended standards and interpretations in issue effective in the year ended 30 June 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>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<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, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that</p>

Standard	Effective date and impact:
	<p>satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></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>IPSAS 48- Transfer Expenses</p>	<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</p>

Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul 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> </ul>

*iii) Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year,  
*The amended standards were implemented during the year under review.*

#### **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 Ngong sub-county hospital and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the 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 3<sup>rd</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, Ngong sub-county hospital recorded additional appropriations of **48,865,830** on the FY 2024/2025 budget following the Board's approval. Ngong sub-county 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. Investment property**

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

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

**e. Property, plant and equipment**

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

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

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

**i. Research and development costs**

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

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

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

**j. Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

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

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that

is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Fair value through net assets/ equity**

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

#### **Fair value through surplus or deficit**

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

#### **Trade and other receivables**

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

#### **Impairment**

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

## **Financial liabilities**

### **Classification**

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

#### **k. 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 Ngong sub-county hospital.

#### **l. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements. No reserves maintained in the facility.

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

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

**u. Related parties**

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

**v. Service concession arrangements**

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

**w. 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.

**x. Comparative figures**

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

**y. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30<sup>th</sup> 2025.

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions not included. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

*No provisions raised during the year under review.*

Notes to Financial Statements Continued

6. Transfers from the County Government

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

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

**6 b Transfers from The County Government**

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

**7. In Kind Contributions from The County Government**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	-	-
Employee Cost(P&P)	142,547,844	
NITA	54,600	
NSSF	41,760	
House Levy	2,132,434	
Social Benefit	2,588,794.80	
Medical supplies-Drawings Rights (KEMSA)	4,226,818	
Pharmaceuticals and Non-Pharma Supplies (other suppliers)	4,393,538	
Lab reagents	332,253	
Food supplies	1,023,360	
Utility bills-cooking gas	206,800	
Electricity	1,738,619	-
<b>Total grants in kind</b>	<b>159,286,820</b>	-

**8. Grants From Donors and Development Partners**

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

Notes to Financial Statements Continued

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

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

9. Transfers From Other Government Entities

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

10. Public Contributions and Donations

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

Notes to Financial Statements Continued  
10 (a) Reconciliations of amortised grants

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

11. Rendering of Services-Medical Service Income

Description	FY24-25	FY23-24
	KShs	KShs
Pharmaceuticals	5640226	4,533,227
Non-Pharmaceuticals	0	-
Laboratory	10236129	8,091,870
Inpatient	2193536	1,931,166
Medical Exam	590224	542,489
Radiology	5415275	2,792,154
Orthopedic and Trauma Technology	635186	582,607
Outpatient	1906910	1,239,063
Physiotherapy	396701	394,940
Occupational therapy	56277	63,745
Antenatal Clinic & Mother Child Care	458067	512,438
NHIF/SHA	52116400	26,224,619
ENT	113862	-
Eye Clinic	34803	24,416
Theatre	1526309	275,639
Accident and Emergency Service	322344	378,262
Mental health services	347162	142,440
Records	3945728	2,912,650
Nutrition service	81192	48,081
Dental services	792529	785,463
Reproductive health	3982809	139,735
Farewell home services	2781849	1026756
Other medical services income (student attachment)	127095	245513.62
<b>Total revenue from the rendering of services</b>	<b>93700615</b>	<b>52,887,275</b>

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

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

13. Finance /Interest Income

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

14. Miscellaneous Income

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	209,400	2,197,620
Laboratory chemicals and reagents	2,575,490	4,083,574
Food and Ration	4,101,634	-
Uniform, clothing, and linen	( 259,504)	39,100
Dressing and Non-Pharmaceuticals	8,690,463	8,338,627
Pharmaceutical supplies	2,916,138	4,921,439
Health information stationery	2,384,899	2,172,003
Purchase of equipments	834,085	25,860
Sanitary and cleansing Materials	697,497	1,011,615
Purchase of Medical gases	1,351,130	135,209
X-Ray/Radiology supplies	1,127,000	-
Other medical related clinical costs (specify)	-	-
<b>Total medical/ clinical costs</b>	<b>24,628,231</b>	<b>22,925,047</b>

16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	9,237,076	4,689,177
Employee costs	142,547,844	
NITA	54,600.00	
NSSF	41,760.00	
AHL	2,132,434.00	
Social benefit	2,588,795	
Service gratuity		
Performance and other bonuses		
Staff medical expenses and Insurance cover		
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs (specify)		
<b>Employee costs</b>	<b>156,602,509</b>	<b>4,689,177</b>

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	10,000
Sitting allowance	204,500	40,000
Mileage	-	-
Travel and accommodation allowance_BOM	-	-
Airtime allowances	-	-
<b>Total</b>	<b>204,500</b>	<b>50,000</b>

18. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	22,554,534	33,392,332
Intangible assets	1,393,638	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>23,948,172</b>	<b>33,392,332</b>

19. Repairs And Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	1,362,583	1,735,020
Medical equipment	908,196	
Office equipment	-	
Furniture and fittings	-	
Computers and accessories	1,070,000	
Motor vehicle expenses	296,317	1,500
<b>Total repairs and maintenance</b>	<b>3,637,096</b>	<b>1,736,520</b>

20. Grants And Subsidies

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
County department of health	11,884,115	-
Community development and social work		-
Other grants and subsidies( <i>specify</i> )		-
<b>Total grants and subsidies</b>	<b>11,884,115</b>	<b>-</b>

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

**21. General Expenses**

Description	FY24-25	FY23-24
	KShs	KShs
Advertising ad publicity		149,060
Catering expenses	445,231	1,263,724
Purchase of furniture and fittings	59,400	55,000
Insecticides and rodenticides	-	825,080
Audit fees	-	
Bank charges	55,065	39,961
Medical equipment	1,641,300	386,272
Consultancy fees	-	24,110
Contracted services	1,986,600	1,795,189
Electricity expenses	3,157,101	400,000
Fuel and Lubricants	5,208,696	3,266,681
Cleaning services	-	
Other fuels	273,800	26,200
Research and development expenses	-	-
Travel and accommodation allowance	1,602,720	728,000
Subsistence travel	378,450	
Courier and postal services	28,350	
General office stationery	390,687	426,907
Purchase of computers and printers	197,800	132,000
Purchase of kitchen and household utensils	36,729	97,168
Rent expenses	-	
Water and sewerage costs	1,745,370	1,376,741
Skills development levies	-	-
Telephone and mobile phone services	479,000	482,250
Internet expenses	-	
Staff training and development	-	
Subscriptions to professional bodies	27,200	
Subscriptions to newspapers periodical, magazines, and gazette notices		
Library books/Materials		-
Parking charges	-	-
<b>Total General Expenses</b>	<b>17,713,499</b>	<b>11,474,343</b>

Notes to the Financial Statements (Continued)

22. Finance Costs

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

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	-	-

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	-	-

24. Unrealized Gain On Fair Value Investments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Investments at fair value	-	-
<b>Total gain</b>	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	(1,616,808)	(3,042,697)
<b>Total Gain/Loss</b>	<b>(1,616,808)</b>	<b>(3,042,697)</b>

26. Impairment Loss

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	<b>-</b>	<b>-</b>

27. Cash And Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current accounts	1,119,868	2,700,402
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>1,119,868</b>	<b>2,700,402</b>

Notes to the Financial Statements (Continued)

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

Description		FY24-25	FY23-24
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1153737159	1,119,868	2,700,402
Equity Bank, etc		-	-
<b>Sub- total</b>		<b>1,119,868</b>	<b>2,700,402</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(specify)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>1,119,868</b>	<b>2,700,402</b>

28. Prepayments

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

Notes to the Financial Statements (Continued)

29. Receivables From Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Medical services receivables	15,257,967	15,745,093
Rent receivables		-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>15,257,967</b>	<b>15,745,093</b>

Analysis of Receivables From Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current 30th June 25	% of the total	Comparative 2023/2024	% of the total
Less than 1 year	8,128,653	53%	15,745,093	100%
Between 1- 2 years	7,129,314	47%		%
Between 2-3 years		%		%
Over 3 years		%	-	%
<b>Total (a+b)</b>	<b>15,257,967</b>	<b>%</b>	<b>15,745,093</b>	<b>%</b>

Notes to the Financial Statements (Continued)

30. Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

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

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

**31. Inventories**

Description	FY24-25	FY23-24
	KShs	KShs
Pharmaceutical supplies	6,638,699.70	14,145,650
Non-pharmaceutical supplies	6,232,574.00	-
General supplies	221,770	192,160
Food supplies	122,184	182,855
Linen and clothing supplies	324,244	90,000
Cleaning materials supplies	265,148	205,150
Laboratory supplies	<b>3,803,850.00</b>	5,362,217
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>17,608,470</b>	<b>20,178,032</b>

**Detailed disclosure on inventories**

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Opening balance	20,178,032	-
Additional Inventory in the year	64,313,673.00	-
Inventory expensed in the year	66,883,235.0	-
Write-downs in the year	0	-
Others specify	0	-
Closing balance	17,608,470	-

*Ngong Sub County Hospital (Kajiado County Government)*  
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*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 1 July 2023	550,000,000	200,500,000	14,254,771	9,300,479	2,974,968	84,575,035	-	841,485,392
Additions	-	-	-	-	132,000	115,000	-	247,000
Disposals								-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2024	550,000,000	200,500,000	13,000,000	3,143,000	1,504,000	73,585,392	-	841,732,392
								-
At 1 July 2024	550,000,000	281,501,763	14,254,771	9,300,479	3,106,968	84,690,035	-	942,854,016
Additions	-	-	-	59,400	137,300	1,934,000	-	2,130,700
Disposals								-
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2025	550,000,000	281,501,763	14,254,771	9,359,879	3,244,268	86,624,035	-	944,984,716
<b>Depreciation and impairment</b>		0.021	0.25	0.125	0.3333	0.125		1
At 1 July 2023		0	0	0	0	0		0
Depreciation for the year		20,050,000	3,250,000	392,875	501,283	9,198,174	-	33,392,332
Disposals								-
Impairment								-
At 30 June 2024	-	20,050,000	3,250,000	392,875	501,283	9,198,174	-	33,392,332

*Ngong Sub County Hospital (Kajiado County Government)*  
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At July 2024	-	25,961,537	6,813,693	1,555,435	1,492,840	19,770,053	-	<b>55,593,558</b>
Depreciation		5,911,537	3,563,693	1,169,985	1,081,315	10,828,004		<b>22,554,534</b>
Disposals								-
Impairment								-
Transfer/adjustment		-	-	-	-	-		-
<b>At 30<sup>th</sup> June 2025</b>		<b>31,873,074</b>	<b>10,377,386</b>	<b>2,725,420</b>	<b>2,574,155</b>	<b>30,598,058</b>	-	<b>78,148,092</b>
<b>Net book values</b>								
<b>At 30<sup>th</sup> Jun 2024</b>	<b>550,000,000</b>	<b>180,450,000</b>	<b>9,750,000</b>	<b>2,750,125</b>	<b>1,002,717</b>	<b>64,387,218</b>	-	<b>808,340,060</b>
<b>At 30<sup>th</sup> Jun 2025</b>	<b>550,000,000</b>	<b>249,628,689</b>	<b>3,877,386</b>	<b>6,634,459</b>	<b>670,113</b>	<b>56,025,977</b>	-	<b>866,836,624</b>

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	3,535,100	5,000,000
Additions		300,000
Additions-Internal development	650,000	-
Disposal		
At end of the year	4,185,100	5,300,000
<b>Amortization and impairment</b>		
At beginning of the year	4,185,100	-
Amortization for the period	1,393,638	-
Impairment loss	-	-
At end of the year	1,393,638	-
NBV	2,791,462	5,300,000

34. Investment Property

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

35. Biological Assets

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

Notes to the Financial Statements (Continued)

**36.Trade and other Payables**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Trade payables	11,967,521	6,754,610
Employee dues	99,875	49,050
Third-party payments (e.g. unremitted payroll deductions)	0	
Audit fee	0	
Doctors' fee	0	
<b>Total trade and other payables</b>	<b>12,067,396</b>	<b>6,803,660</b>

Ageing analysis:	As at 30 th June 25	% of the Total	FY 2023/2024
Under one year	12,067,396	100%	6,803,660
1-2 years	-	%	-
2-3 years	-	%	-
Over 3 years	-	%	-
<b>Total</b>	<b>12,067,396</b>	<b>%</b>	<b>6,803,660</b>

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

Description	FY 2024/2025		FY 2023/20254	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (specify)	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>	<b>%</b>	<b>-</b>	<b>%</b>

Notes to the Financial Statements (Continued)

38.Provisions

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

39.Finance Lease Obligation

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

40.Deferred Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

Notes to the Financial Statements (Continued)

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

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

41. Borrowings

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the period</b>	-	-

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

Notes to the Financial Statements (Continued)

**42. Service Concession Arrangements**

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

**43. Cash Generated from Operations**

	FY24-25	FY23-24
	KShs	KShs
<b>Surplus for the year before tax</b>	<b>12,752,506</b>	<b>(24,422,841)</b>
<b>Adjusted for:</b>		
Depreciation	23,948,172	33,392,332
Non-cash grants received	(44,470,937.)	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	<b>2,569,562</b>	<b>(6,993,507)</b>
Increase in receivables	487,126	<b>(3,788,953)</b>
Increase in deferred income	-	-
Increase in payables	5,263,736	<b>1,260,595</b>
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>550,166</b>	<b>(552,374)</b>

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

**44. Financial Risk Management**

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024 (previous year)</b>				
Receivables from exchange transactions	15,745,093	15,745,093	00	00
Receivables from –non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
<b>Total</b>	<b>15,745,093</b>	<b>15,745,093</b>	<b>00</b>	<b>00</b>
<b>At 30 June 2025 (current year)</b>				
Receivables from exchange transactions	15,257,967	11,257,967	00	00
Receivables from –non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
<b>Total</b>	<b>15,257,967</b>	<b>15,257,967</b>	<b>00</b>	<b>00</b>

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

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	49,050	5,454,610	1,300,000	6,803,660
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Employee benefit obligation	00	00	00	00
<b>Total</b>	<b>49,050</b>	<b>5,454,610</b>	<b>1,300,000</b>	<b>6,803,660</b>
<b>At 30 June 2025</b>				
Trade payables	99,875	11,967,521	00	12,067,396
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Employee benefit obligation	00	00	00	00
<b>Total</b>	<b>99,875</b>	<b>11,967,521</b>	<b>00</b>	<b>12,067,396</b>

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

Ngong sub-county hospital has no transactional currency exposures.

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 20xx</b>			
Financial assets (investments, cash, debtors)	00	00	00
Liabilities	00	00	00
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	<b>00</b>	<b>00</b>	<b>00</b>

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

Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2025</b>			
Financial assets (investments, cash, debtors)	00	00	00
Liabilities	00	00	00
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	00	00	00

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2024 (previous year)</b>			
Euro	10%	1,270,951	93,101,665
USD	10%	1,270,951	93,101,665
<b>2025 (current year)</b>			
Euro	10%	1,329,011	88,223,872
USD	10%	1,329,011	88,223,872

**b) Interest rate risk**

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

**Management of interest rate risk**

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

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

**Sensitivity analysis**

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 120,674 (2025: KShs 120,674). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 603,370 (2025 – KShs 603,370).

**iv) Capital Risk Management**

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

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve	00	00
Retained earnings	(6,781,456)	-19,533,962
Capital reserve	898,328,450	864,933,889
<b>Total funds</b>	<b>891,456,994</b>	<b>845,459,927</b>
Total borrowings	00	00
Less: cash and bank balances	(00)	(00)
Net debt/ ( <i>excess cash and cash equivalents</i> )	00	00
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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

**45. Related Party Balances**

**Nature of related party relationships**

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

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

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

Description	FY 2024/2025	FY 2023/24
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	00	00
Sales of services to xxx	00	00
<b>Total</b>	<b>00</b>	<b>00</b>
<b>b) Grants from the Government</b>		
Grants from County Government	00	00
Grants from the National Government Entities	00	00
Donations in kind	00	00
<b>Total</b>	<b>00</b>	<b>00</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	00	00
Payments for goods and services for xxx	00	00
<b>Total</b>	<b>00</b>	<b>00</b>
<b>d) Key management compensation</b>		

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Description	FY 2024/2025	FY 2023/24
	Kshs	Kshs
Directors' sitting allowances	204,500	50,000
Compensation to the medical Sup	00	00
Compensation to key management	00	00
<b>Total</b>	<b>204,500</b>	<b>50,000</b>

**46. Segment Information**

Ngong sub-county hospital does not operate in segments.

**47. Contingent Liabilities**

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
No Court case against the hospital	00	00
Bank guarantees in favour of subsidiary	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**48. Capital Commitments**

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised For	00	00
Authorised And Contracted For	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

The hospital is a Sub- County level 4 under the Department of Health. Its ultimate parent is the County Government of Kajiado.

**51. 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>
<b>Basis for qualified opinion</b> 1.	Unconfirmed Inventory Balance	The management ensured there was a physical stock take at the end of the year and a board of survey was conducted.	Resolved	
2.	Unconfirmed receivables from exchange transactions	The management has procured a QuickBooks software to enhance receivables monitoring, recovery and ensure an updated monthly aging analysis.	Resolved	
3.	Inaccuracies in rendering of services-medical service income	Measures have been taken to address this through the planned implementation of the Taifa care digital platform provided by the Ministry of Health.	Not resolved	1 <sup>st</sup> November 2025
<b>Emphasis of Matter paragraph</b> 1.	Budget control and performance-Underfunding		Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Lawfulness and effectiveness in use of public resources 1.	Irregular Engagement of casual workers	County government of Kajiado is in the process of coming up with a casual and contract policy manual and a draft copy has been done.	Not resolved	Fy 2025-2026
2.	Deficiencies in implementation of Universal Healthcare (UHC)		Not resolved	Fy 2025-2026
Report on effectiveness of internal controls, risk management and governance 1.	Expiry of medical supplies	-The management has ensured regular stock reviews and monitoring of expiry dates, implementation of a first expiry first out stock issuance system. -Enhanced coordination between departments ensuring timely utilization of supplies.	Resolved	



Accounting Officer

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

**Projects**

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	Expansion of the OPD	County government of Kajiado	Ongoing	N/A	NO	NO
2	NBU construction	Elizabeth Warner	Ongoing	N/A	NO	NO

**Status of Projects completion**

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Expansion of the OPD			95%			County government of kajiado
2	NBU construction			70%			Donor
3							

The projects are ongoing and the cost has not been disclosed .

**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
<b>Total</b>					

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

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....





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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		

**Appendix V: Disaster Expenditure Reporting Template**

Progra mme	Sub- progra mme	Disa ster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigatio n/preparedness)	Expend iture item	Amo unt (K.sh s.)	Comm ents