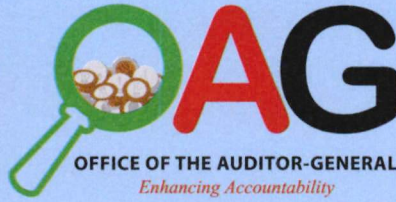


REPUBLIC OF KENYA

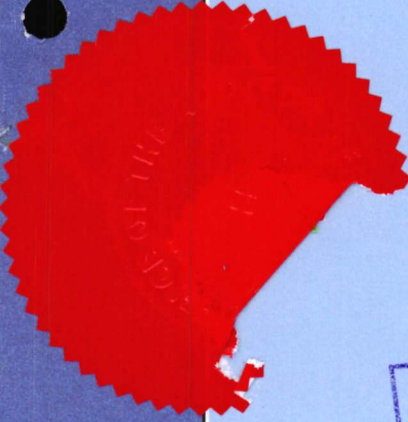


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KIHARA LEVEL 4 HOSPITAL

FOR THE YEAR ENDED

30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU

20

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1. Acronyms & Glossary of Terms

a) Acronyms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
HMB	Hospital Management Board
CCC	Comprehensive Care Clinic
HIV	Human Immuno Deficiency Virus
AIE	Authority to Incur Expenditure
EEC	Expenditure Executive Committee
GOPC	General Outpatient Clinic
MOPC	Medical Outpatient Clinic
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
MBChB	Bachelor of Medicine and Bachelor of Surgery
KISM	Kenya Institute of Supplies Management
MBA	Master of Business Administration
SMC	Senior Management Course
EmONC	Emergency Obstetric and Newborn Care
ACLS	Advanced Cardiovascular Life Support
ATLS	Advanced Trauma Life Support
USAID	United States Agency for International Development

SHA

Social Health Authority

b) Glossary of terms

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

Key Kihara level 4 hospital Information and Management

(a) Background information

Kihara Hospital is a level (4) hospital established under gazette notice number 2071 dated 8th August 2008 and is domiciled in Kiambu County, Kiambu East District under the Department of Health Services. The facility sits on 9 acres of land acquired from the locals with the assistance of the then Kiambu County Council. The hospital is governed by a Board of Management.

(b) Principal Activities

The Mission: To promote and provide quality, curative, preventive, promotive and rehabilitative care to Kenyans

Our Vision: To create an enabling environment for provision of sustainable quality health that is acceptable, affordable and accessible to all Kenyans.

Our goal: Provide quality health services to all Kenyans and involve the community in the delivery of services.

Our commitment: We are committed to provide timely, efficient and consistent services to all our clients, patients and visitors

Our core objectives: To have a fully-fledged and functional level four hospital fully equipped with modern equipment in all departments.

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Bevin Likuyani-June 2025 Dr. Samuel Mumira-(July 2024-May 2025)
2.	Head of Finance	Salome Waweru
3.	Head of Supply chain	Lucy Kinuthia
4.	Hospital Administrative Officer	George Mbutia
5.	Nursing Service Manager	Mercy Gathoni

(e) Fiduciary Oversight Arrangements

There are various committees in Kihara hospital which includes;

➤ **Hospital Management Team(HMT)**

The hospital management team is composed of all the heads of departments/section heads. It is headed by the Medical Superintendent and the Health Administrative Officer is the secretary. The Medical superintendent in consultation with the management team are responsible for the day-to-day management of the hospital. HMT meetings are held monthly whereby the different departments deliberate on matters affecting them.

➤ **Hospital Executive Expenditure Committee(EEC)**

The EEC is composed of the Medical Superintendent, the Health Administrative officer, the Accountant, procurement officer, nursing officer in charge and the pharmacist. It serves as the advisory committee to the Health Management Board and hospital management.

The main roles of the EEC are;

- i) Prepare estimates of annual revenues (factoring in the user fees costs, revenues from pre-paid schemes from Sha
- ii)
- iii) services offered and population catchment served)
- iv) Submitting the proposed plans to the Medical Superintendent for transmission to the HMTs and Hospital Board
- v) Implementing the approved expenditure plans
- vi) Monitoring, collections, waivers, exemptions, expenditure and use of funds.

➤ **Hospital Interview / Panel Committee.**

This committee is mandated with the advertisement of internal vacancies, evaluation of applications made, shortlisting of applicants, inviting them for the interviews and finally recruiting of the successful applicants

➤ **Hospital Advisory Committee**

The advisory committee deals with staff disciplinary issues.

➤ **Hospital Quotation Opening and Evaluation Committee**

This is a procurement committee that deals with the opening of quotations, evaluation and awarding to the successful bidders as per the Public Procurement and Disposal Act. the procurement officer is the secretary of the committee.

Other committees are;

- Hospital Disposal Committee
- Hospital Security Committee
- Hospital Funeral Committee
- Hospital Cleaning Committee
- Hospital Catering Committee
- Hospital Housing Committee
- Hospital Disability Committee
- Hospital Drugs and Substance Abuse Committee
- Hospital Pathology and Blood Transfusion Committee
- Hospital Data Review Committee
- Hospital Salary Review Committee
- Medicine and Therapeutic Committee
- Hospital Theatre Users Committee
- Infrastructure and Development Committee
- Infection Prevention Committee
- Training/Ethics/Research Committee
- Quality Control/Inspection and Acceptance Committee
- Waiver committee
- Staff Welfare Committee

Key Kihara level 4 hospital Information and Management (continued)

- (f) **Kihara Level 4 Hospital Headquarters**
Gachie, Kiambaa Sub County
P.O. Box 2344-00900
Kiambu, Kenya.
- (g) **Kihara Level 4 Hospital Contacts**

Telephone: (+254) 725783366
E-mail: kiharahospital@yahoo.com
- (h) **Kihara Level 4 hospital Bankers**




Cooperative Bank of Kenya-Ruaka Branch
Family Bank
- (i) **Independent Auditors**



Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
- (k) **County Attorney**




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




2. The Board of Management




Ref	Directors	Details
1.	<p>Peter A. W. Kigondu</p> 	<p>Age;65 years old Chairman of the Board of Directors Holds a Bachelor of Science Degree, Post Graduate Diploma in Computer Science. Practised as an IT Professional for over 25 yrs. Attended various courses including Corporate Governance, internal Audit Systems, Procurement and Strategy Development. A certified Prince 2 Practitioner. Have extensive experience in the private sector and government of Kenya departments.</p>
2.	<p>Ibrahim Gitu</p> 	<p>Age : 29 Years Old A Board Member Kihara Level Four Hospital A fourth year student at Pioneer International University pursuing Finance.</p>
3.	<p>Alice Waithira Ngugi</p> 	<p>Age;46 years old A Board Member Kihara Level Four Hospital Holds a certificate in Catering and 5years experience in Community Work.</p>





<p>4.</p>	<p>James Ng'ang'a</p> 	<p>Age: 35years old A Board member at Kihara Level 4 Hospital with a Higher Diploma in Information Technology.</p> <p>A dedicated ICT professional with over 10 years of experience in network administration, system support, and IT infrastructure management.</p>
<p>5.</p>	<p>Dr. Bevin Likuyani</p> 	<p>Age;37 Years old Assistant Chief Pharmacist Holds a Bachelor of Pharmacy, MBA and Master of Pharmacy in Pharmacoepidemiology and Pharmacovigilance. Over 10 years' experience working in Kiambu County. Secretary of the Hospital Board of Management. Not a member of ICS as required under the Mwongozo code.</p>




3. Key Management Team


Ref	Management	Details
1.	<p>Dr. Bevin Likuyani</p>  <p>Assistant Chief Pharmacist with a Bachelor of Pharmacy, MBA and Master of Pharmacy in Pharmacoepidemiology and Pharmacovigilance. Over 10 years' experience working in Kiambu County</p>	<p>Medical Superintendent AIE Holder/Accounting Officer. Oversees, Coordinates and is responsible for all the activities of the hospital. Supervises and evaluates the activities of medical, nursing, technical, administrative, maintenance, and all the other personnel in the hospital.</p>
2.	<p>Mercy Gathoni Gichia</p>  <p>Bachelor of Science in Nursing. Twelve (12) years' work experience in Kiambu County. Nursing officer In-Charge.</p>	<p>Nursing Services Manager In charge of Nursing services. Supervises nursing staff and is responsible for internal deployment of nurses in the hospital. Commodity nurse charged with management of non- pharmaceuticals.</p>
3.	<p>George Mbutia</p>  <p>Senior Health Administrative Officer with Fifteen (15) years work experience as a Hospital Administrator.</p>	<p>Hospital Administrative Officer Oversees the Organizational part and Administration duties in the hospital. Acts as the Hospital's Human Resources officer. Secretary of the Hospital Management Team.</p>

4.	<p>Salome Muthoni Waweru</p>  <p>Senior Accountant in Kiambu County. Certified Public Accountant (K) with a Bachelor's of Business Management (Finance and Banking). Ten (10) Years work experience.</p>	<p>Hospital Accountant In-charge</p> <p>Oversees revenue collection, focal person in the preparation of budgets, execution of the budgets, prepares financial reports. Secretary of the EEC.</p>
5.	<p>Teresia Wainaina</p>  <p>Medical Laboratory Officer with a Bachelor of Science in Medical Laboratory Sciences and a Diploma in Medical Laboratory Sciences. 11 years work experience.</p>	<p>Medical Laboratory Officer In-charge.</p> <p>Responsible for supervising the laboratory personnel.</p> <p>Receiving, processing and analysing samples.</p> <p>Conducting lab tests according to standard operating procedures.</p>
6.	<p>Wilson Ndei</p>  <p>Senior Radiographer/Sonographer with 15 years' experience with a diploma in Radiology and Imaging.</p>	<p>Head of Radiology Department.</p> <p>Responsible for supervising the radiology personnel.</p> <p>Analyses medical images to diagnose and monitor diseases, interpret test results, and communicate findings to other healthcare professionals.</p>

7.	<p>Dr Alfred Kang'ethe</p>  <p>Pharmacist In Charge with a Bachelor of Pharmacy, 5 Years' experience as a Pharmacist.</p>	<p>Head of Pharmacy Department.</p> <p>Supervises the pharmacy staff.</p> <p>Responsible for dispensing of medications, quality testing, formulating and re-formulating dosage forms, monitoring and reporting drug safety, and preparing budgets for drugs.</p>
8.	<p>Dr Evyonne Mutabari</p>  <p>Bachelor of Medicine, Bachelor of Surgery (MBChB), advanced comprehensive obstetric and anaesthetic skills, certificate in leadership and Management in Health, ACLS, ATLS, EMONC. Five (5) years' experience in Kiambu County.</p>	<p>Medical Officer In Charge.</p> <p>Responsible for conducting daily clinical assessment and prescription of treatment to patients. Identify and coordinate referral of patients for further management. Admit patients to the wards when necessary.</p> <p>Carry out surgical procedures at the hospital.</p> <p>Attends court cases.</p> <p>Attends to emergencies in the ward.</p> <p>Provides health talks to staff and patients.</p>
9.	<p>Joan Njeru Mutitu</p>  <p>Senior Registered clinical officer with a Diploma in Clinical Medicine.</p>	<p>Clinical Officer In charge</p> <p>Responsible for clerking of patients in the outpatient which includes; examine, diagnose, order laboratory and imaging investigations, prescribe treatment and perform procedures</p>

10.	<p>Nancy Muiruri</p>  <p>Public Health Officer with a Diploma in Environmental Health Sciences.</p>	<p>Head of Public Health Department.</p> <p>Supervises and organises casual workers.</p> <p>Responsible for hospital hygiene and sanitation.</p> <p>Inspects and examines food and rations brought in the hospital if fit for human consumption.</p>
11.	<p>Michael Kuria</p>  <p>Health records officer with a diploma in Health records Information Systems.</p>	<p>Head of Health Records Department</p> <p>Responsible for registering of patients, issuing of patient files and safe keeping of the files electronically and manually.</p> <p>Collect, compile and generates data including the workload from the health information system.</p>
12.	<p>Lucy Njeri Kinuthia</p>  <p>Supply Chain Management Officer with a Diploma in Supply Chain Management and 12 years work experience.</p>	<p>Head of Procurement Department.</p> <p>Responsible for all the purchasing of goods and services in the hospital.</p> <p>In charge of the hospital stores</p> <p>Prepares the procurement plan for the hospital.</p> <p>Updates stock cards and checks on the re-order levels of all commodities.</p>
13.	<p>Rose Oduor</p>  <p>Orthopaedics and Trauma Technologist with a Diploma in Orthopaedic Trauma Medicine.</p>	<p>Head of Ortho-Trauma Department</p> <p>Responsible for Interpreting radiological images of orthopaedic and trauma cases.</p> <p>Carrying out minor Orthopaedic Operative techniques involving insertion and removal of Steinman's pins and skull callipers;</p> <p>Application and removal of plaster of paris.</p>

<p>14.</p>	<p>Joyce Mugo</p>  <p>Biomedical Engineer with a Diploma in medical engineering. Thirty (30) years' work experience in various counties in Kenya.</p>	<p>Head of the Bio-Medical Engineering Department.</p> <p>Responsible for the Planned Preventative Maintenance Schedule and servicing of medical equipment.</p> <p>Trains staff on proper handling and use of medical equipment.</p>
<p>15.</p>	<p>Annerose Njeri</p>  <p>Medical Social Worker with a Bachelor of Arts in Gender and Development Studies and Diploma in Social work and community development. Course in National HIV Integrated Training for health workers and certificate in mental health, recovery and community inclusion.</p>	<p>Medical Social Worker.</p> <p>Conducts psychosocial assessment on patients. Counselling those in crisis or experiencing distress.</p> <p>Making home visits to patients to assess patient's capacity and capabilities in order to secure resources.</p>
<p>16.</p>	<p>Betty N. Kiruki</p>  <p>Registered and licensed physiotherapist with the Physiotherapy Council of Kenya with 17 years of work experience. Gazetted and experienced Joint Health Inspector for public and private health facilities.</p>	<p>Head of Physiotherapy Department.</p> <p>Responsible for helping patients affected by injury, illness or disability through movement and exercise, manual therapy, education and advice.</p> <p>Conducts disability assessment.</p>

17.	<p>Pauline Wacuka Muthee</p>  <p>Nutritionist with a Diploma in community nutrition and 7 years' work experience.</p>	<p>Head of Nutrition Department</p> <p>Assess clients' nutritional and health needs.</p> <p>Counsels clients on nutrition issues and healthy eating habits.</p> <p>Develops meal and nutrition plans, taking clients' preferences and budgets into account.</p>
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4. Chairman's Statement

The Hospital Management is doing a very good job in terms of ensuring all operations in the hospital are running well within available resources. They have maintained a good level of cleanliness and all manned services are running according to plan. It is good to state that there is cordial relationship between the Board and the Hospital Management.

It is well noted that the County has done commendable infrastructure development in the facility thereby improving service delivery to patients and improved amenities to both patients and staff. Delays in completing these works have adversely affected some department's ability to fully serve the patients. This is clearly noted in the admission wards.

In the Boards view, Kihara Level 4 hospital plays a critical role in the health services provision to the people around Kihara Ward and the larger Kiambaa Sub-County. The facility has great potential to serve even more people if the county continues investing in it as has been demonstrated so far. Currently the general feeling within the facility's catchment area is this that this has been the last facility of choice for medical care, however we feel that this is changing. If all areas started to function well with efficiency, and that if more specialised equipment and personnel are procured, the facility would be the place of choice for any medical services required. This is already manifesting itself - if the improved revenue can be taken as an indicator.

However, a number of issues need interventions from the County Health Department as well as some policy interventions.

Security Services were withdrawn almost 4 months ago and despite escalations to the county administrative leadership no help has been realised. It is the opinion of the Board that this is critical and security services should be reinstated as matter of urgency. Since the withdrawal two incidences have been reported where night staff were staff were attacked and work disrupted. Some individuals have been reported to use hospital space for private parking which also raises security issues.

Related to security, the facility's CCTV coverage is inadequate. Management needs to have a full view of operational areas to address any emerging issues, clogged up queues, unmanned sections of the hospital, general movement in and around the facility,

The County could consider posting a County Enforcement team to the facility to improve overall security posture in the facility and constantly review the CCTV images.

The County has invested in an ERP IT System to service various services across the county. The implementation of the ERP is partially done in the hospital. Full implementation of the ERP would help management in control and information management within the facility as well as the county executive level. To achieve this, more computer should be procured for the facility.

Completion of ongoing infrastructure projects. Completion would enhance both service delivery as well as revenue generation. After a strong start to phase 2 of the project, the pace has drastically slowed down. Effort to complete remaining works should intensified.

There are departments in the hospital that do not have professionals in these departments. The Occupational Therapy department has not been functional for almost a year. This affects service delivery for this service to the Kihara citizenry that can benefit. The dentistry department needs professionals for certain services and not just offer extractions.

Procurement of goods and services is centralised at the county level. While this offers economies of scale as well as centralised control, a limited level of procurement maybe devolved to the facility to allow procurement of urgent goods or services for short periods. Some services get grounded while undergoing the procurement at county level. In some of the delayed procurement services are disrupted and revenue lost.

The facility is in need of new and modern equipment in various departments. A new or refurbished dental chair, an additional theatre (and equipment) for concurrent operations, modern hospital beds, emergency room equipment, modern hospital laundry equipment that would reduce cross-infection and many others, new hospital linen is needed as existing linen is old and tattered.

If the county has an internal audit function, it would be a very useful function to assist the facility management in checking compliance issues as well as procedures and processes. It is important to ensure efficiency and good practise is the order of things across this and other facilities.

Board induction was to be conducted by the county leadership but the current Board commenced its work without the formal induction. In line with this, the Board's terms of service are not yet provided to the Board members. This should be well addressed going forward.

.....

Peter A.W. Kigundu

Chairman to the Board

5. Report of The Medical Superintendent

1. Infrastructure Development

Significant infrastructural improvements were achieved during FY 2024/2025. The completion of **Phase I renovations**—covering the outpatient department, radiology, maternity wing, and critical electrical systems—has led to notable enhancements in service delivery.

Phase II renovations, currently underway, focus on upgrading the theatre, inpatient wards, administration block, and kitchen. These developments are expected to further elevate operational efficiency and patient care standards.

Key Recommendation for FY 2025/2026:

- Expansion of theatre capacity, including dedicated maternity and main theatres, to widen the scope of surgical procedures.
- Construction of a **larger reproductive health block** to meet the increasing demand for maternity services.

2. Health Information Systems

The hospital implemented a new Hospital Management Information System (**Q-Afya**) aimed at improving operational efficiency and moving toward a paperless ecosystem. Currently, the cashiers, pharmacy, and laboratory departments are fully integrated.

However, **key departments remain offline**, including:

- Clinician consultation rooms
- Procurement
- Records
- Radiology
- Inpatient wards
- Maternity
- Physiotherapy
- Orthotrauma
- Dental department

Recommendation:

- Investment in additional computers and network infrastructure to fully integrate all departments under the HMIS and achieve a comprehensive digital transformation.

3. Human Resources

The recruitment of new medical officers toward the end of FY 2024/2025 marks a positive step. However, **staffing gaps** remain across nearly all cadres.

Recommendation:

- Progressive recruitment across critical areas including:
 - Nursing staff
 - Consultants
 - Dentists
 - Laboratory technicians
 - Pharmacists
 - Biomedical engineers

A well-equipped and balanced workforce is essential for reducing morbidity and mortality rates and ensuring quality healthcare delivery.

4. Commodities and Supplies

The facility maintained a **medicine fill rate of 70–90%**, supported by timely budgeting and procurement. Non-pharmaceuticals, laboratory reagents, radiology supplies, and dietary provisions were also well-managed.

Ongoing Priority:

- Ensuring consistent and timely availability of all health products and technologies to support uninterrupted service delivery.

5. Medical Equipment

The hospital received key equipment including a **BP/O2 monitor** and **CPAP machine** from the County Government, complementing previously acquired digital X-ray and ultrasound machines.

However, essential equipment gaps persist, affecting service quality and infection prevention.

Equipment Needs Include:

- ECG and Echocardiogram machines
- CT Scan
- Theatre refrigerator, diathermy, and bed
- Neonatal SPO2 monitor
- Autoclave
- Laundry machine
- Hospital beds, kitchen oven, room heaters

Critical Concern:

- The **lack of an autoclave and laundry machine** poses a serious risk to infection control and must be urgently addressed.

6. Security

The hospital has faced **recurrent security lapses**, with the current provider often failing to deploy personnel, compromising the safety of staff and patients.

Immediate Action:

- Transition to a **new security firm** with the capacity to provide reliable coverage and safeguard both personnel and property.

7. Financial Performance

Revenue collection improved notably in FY 2024/2025, strengthening the hospital's financial base and enabling more consistent procurement of health commodities.

Forward Strategy:

- Continue to expand and improve service offerings to further increase revenue.
- Establish an **internal audit unit** to ensure compliance with financial policies and regulations in preparation for engagement with external auditors.

Conclusion

The year under review marked important progress in infrastructure, staffing, digitization, and service delivery at Kihara Level 4 Hospital. However, critical gaps in equipment, staffing, digital integration, and security require strategic focus in FY 2025/2026. Through continued investment and operational reforms, the hospital is well-positioned to advance toward its goal of delivering high-quality, accessible, and safe healthcare services.



.....

Dr. Bevin Likuyani
Secretary to the Board

6. Statement of Performance Against Predetermined Objectives

Kihara Level 4 Hospital has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024- FY 2025. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Curative and Rehabilitative Health Services

Pillar/theme/issue 2: Preventive and Promotive Health Services

Pillar/theme/issue 3: General Administration, Planning, Management Support and Coordination

Kihara Level 4 Hospital develops its annual work plans based on the above 3 pillars/Themes/Issues.

Assessment of the Board’s performance against its annual work plan is done on a quarterly basis.

Kihara Level 4 Hospital’s performance for the FY 2024/2025 for its 3 strategic pillars, is as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1: Curative and Rehabilitative Health Services	-To provide Effective, Efficient curative and rehabilitative services -To conduct cervical cancer outreaches -To conduct immunization on HPV -To conduct long term FP outreaches -To renovation of out patient -To renovate the operating theatre	MOH Registers -Patients Files -KHIS	Primary care treatment and diagnostic services -Primary facility in-patient and general outpatient services -Specialized outpatient services -Rehabilitative and theatre services -Referral services -Mortuary services	Increase of patients being attended -Improved health care -Increased referrals in for specialised care
Pillar/ theme/ issue 2 : Preventive and Promotive Health Services	-To provide effective and efficient preventive and promotive health interventions	-MOH Registers -Facility Supervision	-Reproductive Maternal Neonatal Child Health (RMNCH) Services	-Reduction in maternal and neonatal morbidity and mortality

		Booklet -KHIS	-Immunization Services -HIV ,TB Control Interventions -Non-Communicable Disease Control -Environmental Health, Water and Sanitation Interventions -Nutrition Services	- Increased immunization and nutrition services coverage -Increased screening in HIV/TB/NCDs
Pillar/ theme/ issue 3: General Administration, Planning, Management Support and Coordination	-To train on RH related issues e.g cervical cancer screening -To construct and maintain buildings -To procure and maintain medical and other equipment -To manage and coordinate health services -To conduct health sector planning, budgeting and monitoring & evaluation	Meeting minutes Procurement documents such as L.P.O	On job trainings and support supervisions Procurement of medical supplies HMT meetings EEC meetings	

In alignment with the **National Strategic Plans** and the **Kenya Health Policy 2014–2030**, this performance overview is structured around the six national policy objectives. These objectives serve as a framework for tracking health indicators and progress towards achieving health outcomes consistent with the **WHO Sustainable Development Goals (SDGs)**.

Policy Objective 1: Eliminate Communicable Conditions

Routine immunization coverage for children aged 12–23 months stands at **103.0%**, representing an increase from the previous quarter.

However, there is a **notable increase in TB incidence**, with a cumulative **107 new cases** reported within the community served by the facility. This calls for **enhanced surveillance, routine TB screening**, and community-level sensitization to curb further spread.

Policy Objective 2: Halt and Reverse the Rising Burden of Non-Communicable Diseases (NCDs) and Mental Disorders

There was a **decline in patient numbers** at the **Medical Outpatient Clinic**, primarily attributed to **ongoing hospital renovations**. This temporary disruption highlights the need to ensure continuity of care during facility upgrades.

Policy Objective 3: Reduce the Burden of Violence and Injuries

Monitoring this indicator remains a challenge due to **insufficient and unreliable data**. Efforts need to be made to improve data collection systems for injuries and cases related to violence to support targeted interventions.

Policy Objective 4: Provide Essential Health Services

From **July 2024 to June 2025**, the facility recorded:

- **18,166 outpatient visits**, including:
 - **14,426 patients over 5 years**
 - **4,740 patients under 5 years**
- **1,168 maternity admissions** during the reporting period.
- **1,880 patients attended specialty clinics**, which include **medical, obstetrics/gynaecology, paediatric, and psychiatric outpatient services**.

This indicates a steady demand for core health services, despite infrastructural constraints.

Policy Objective 5: Minimize Exposure to Health Risk Factors

This area remains a **gap in performance reporting**, as relevant data was **not adequately captured**. Strengthening data systems and integrating health risk assessments in routine care is necessary for future reporting and preventive action.

Policy Objective 6: Strengthen Collaboration with Health and Related Sectors

The facility has initiated partnerships to enhance service delivery:

- In collaboration with the **World Health Organization (WHO)**, polio surveillance has been enhanced at the community level.
- In partnership with **Médecins Sans Frontières (MSF)**, a **methadone dispensing program** has been launched to support patients dealing with **heroin addiction**, marking a significant step in harm reduction and rehabilitation efforts.

7. Corporate Governance Statement

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

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

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

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

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

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

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

On board meetings; the Board held their first meeting of the financial year 2024-2025 at the hospital on 5th August 2024.

The Board held four (4) meetings in the last financial year 2024- 2025. The attendance for the all meetings was >80%

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

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

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

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

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

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

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

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

The board uses the charter of the Kiambu County Government.

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

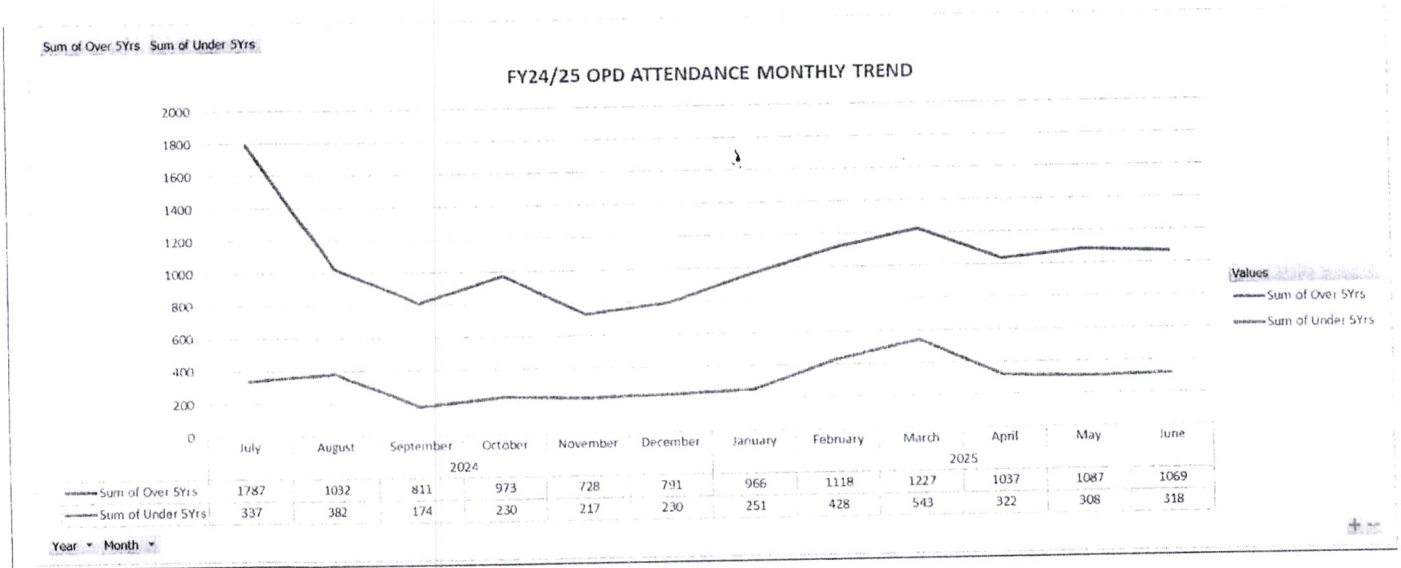
8. Management Discussion and Analysis

The services offered at Kihara Level 4 Hospital include: Out-patient (laboratory, dental, orthopaedic, pharmacy, physiotherapy, occupational therapy, family planning, child welfare), accidents and emergency, general in-patient services, specialized clinics (medical, gynaecological, psychiatric and psychotherapy), CCC services, reproductive health and maternity services, theatre and health promotion and prevention services.

Clinical/Operational Performance

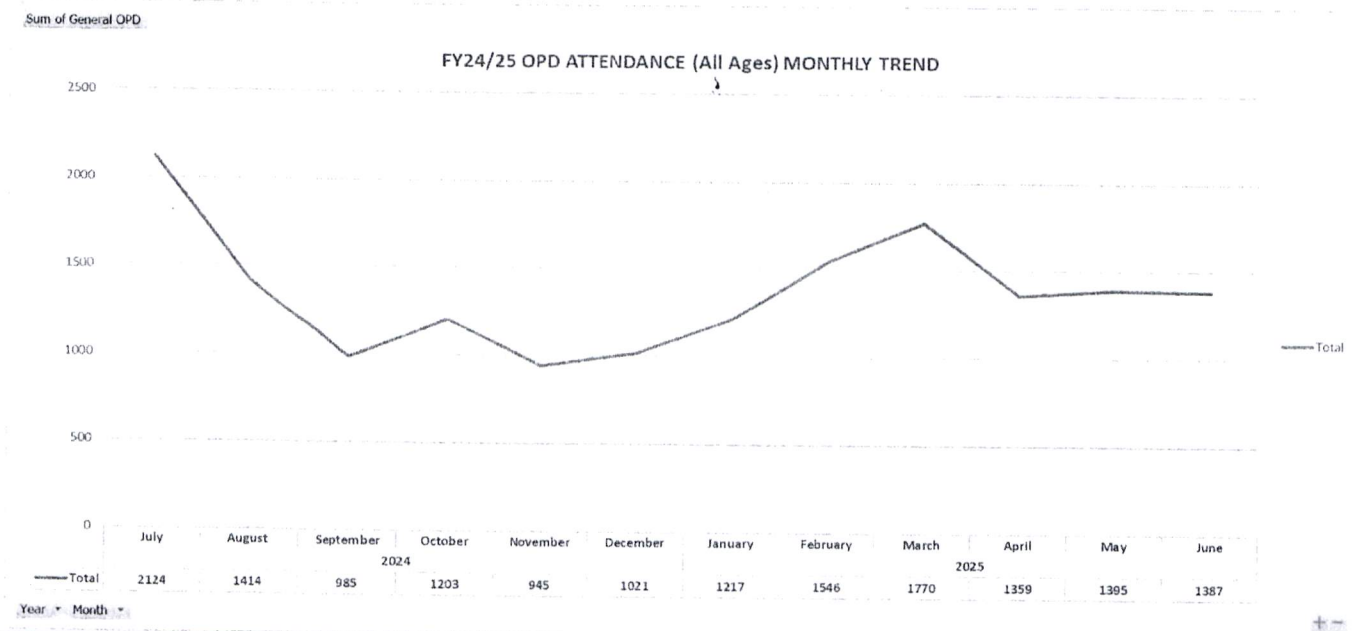
Opd Report Kihara Level 4 Hospital

This is an outline of general outpatient attendance



Data Source: KHIS

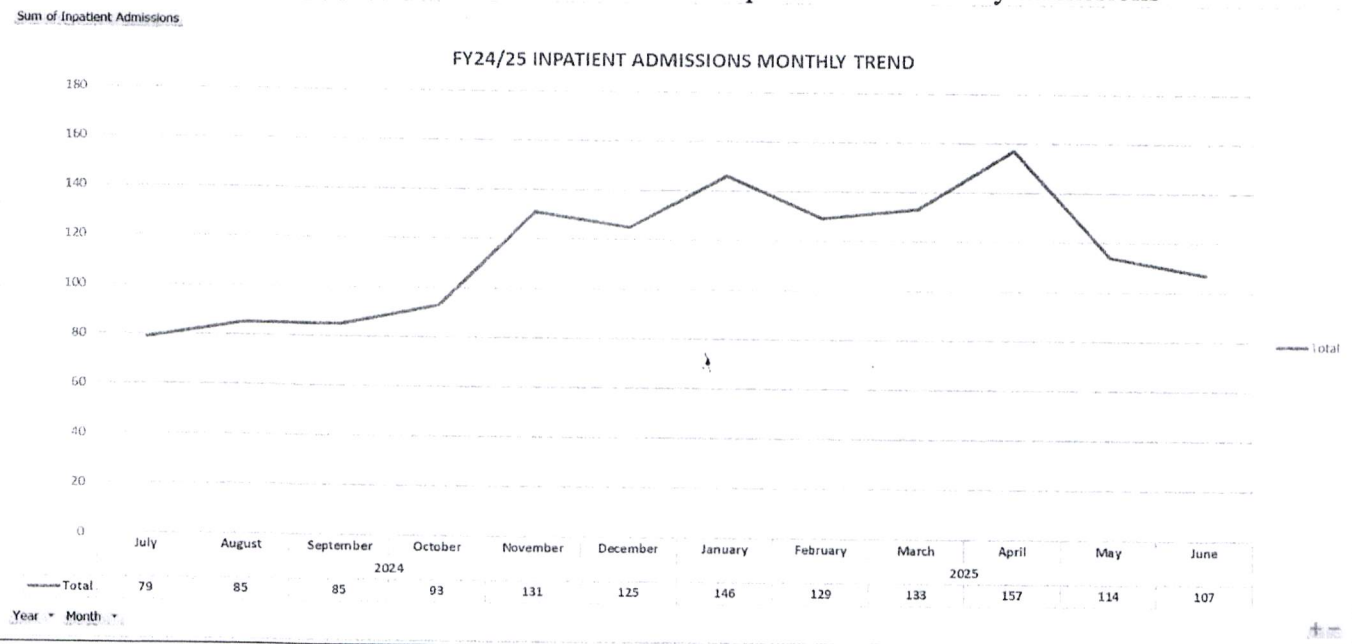
Kihara Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025



Data Source: KHIS

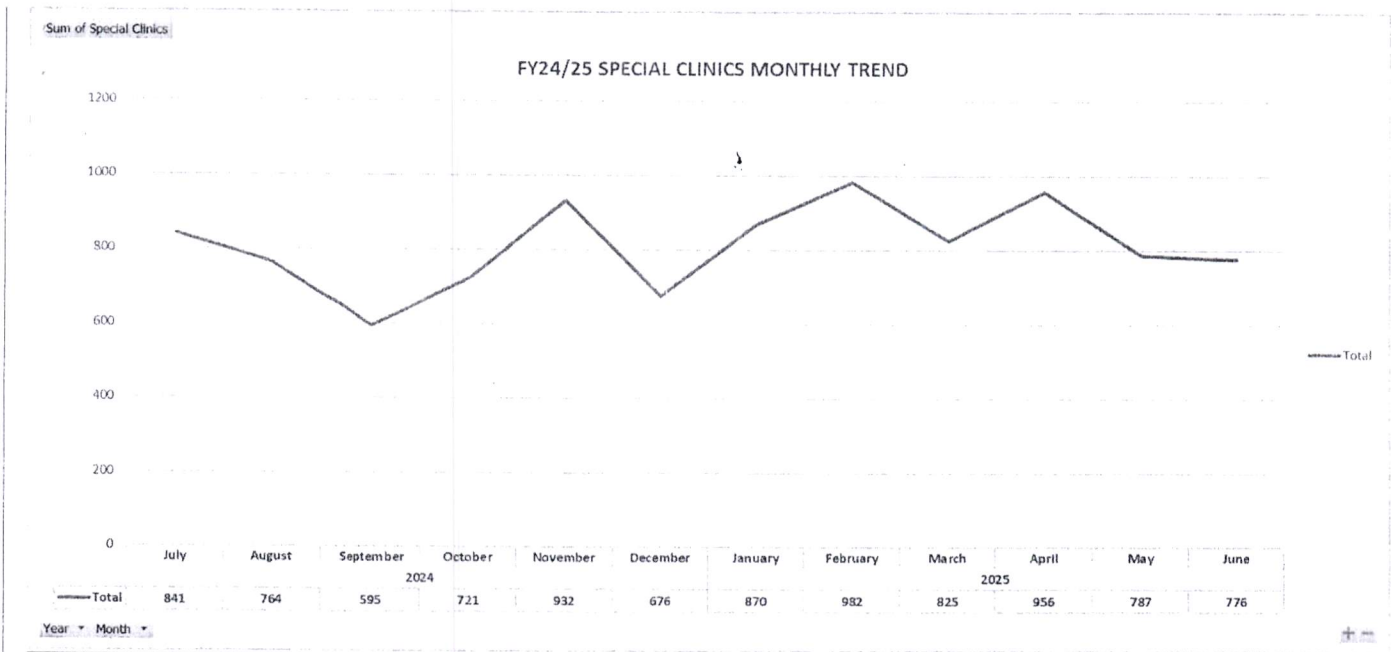
Inpatient Department Kihara Level 4 Hospital

This is an outline of inpatient admissions. Over 65% of inpatient are maternity admissions



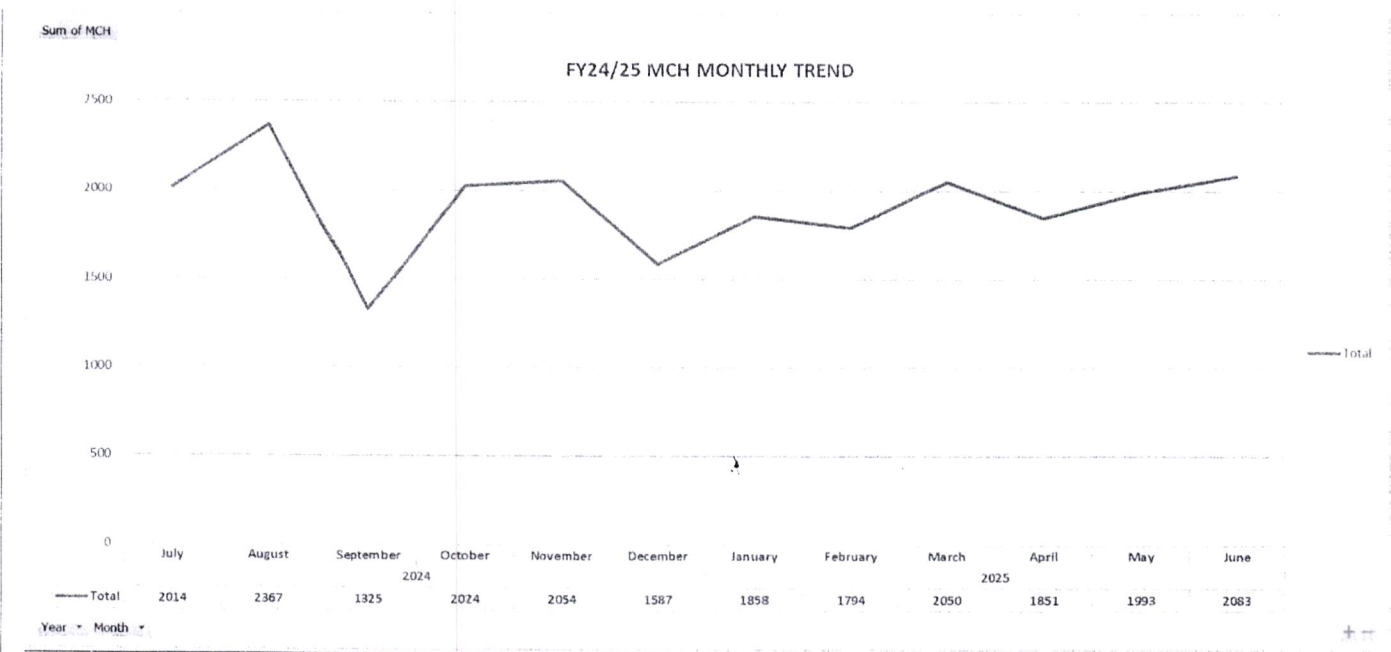
Data Source: KHIS

Special Clinics Kihara Level 4 Hospital



Data Source: KHIS

Maternal And Child Health Kihara Level 4 Hospital



Data Source: KHIS

Financial Performance

Kihara Hospital's main sources of funds are FIF and SHA. FIF are the cost sharing funds that the patients pay for services offered at the hospital. SHA is categorized as outpatient and inpatient; whereby outpatient services offered are the Primary Healthcare services while inpatient are through the reimbursements/rebates that the hospital receives from the insurance after services have been offered to patients.

Funds are collected through a Hospital Management Information System (Q-Afya) via the hospital Mpesa Paybill Account no 413339 which is then transferred to Kihara revenue collection account at Family Bank. There are weekly standing orders, whereby the revenue collected is swiped to the Kiambu County Fif Fund Account.

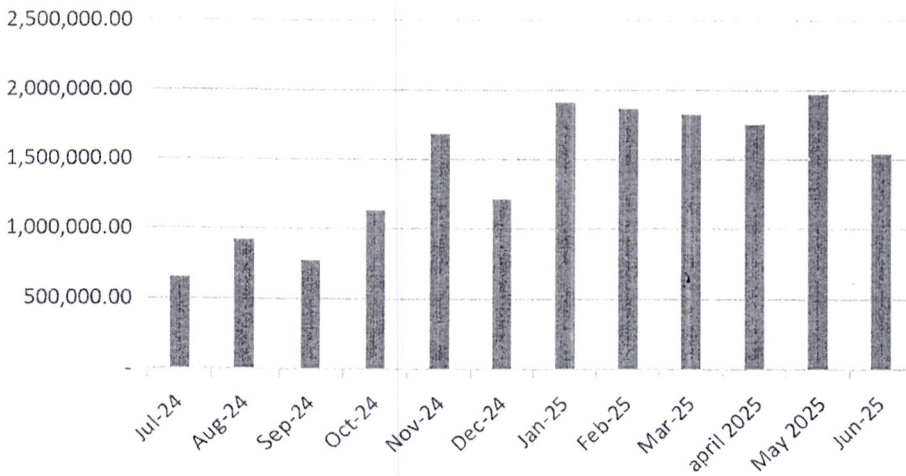
Kihara level 4 hospital collected Kshs. 17,253,979 through FIF, and NHIF(July-Sept 2024) Kshs. 2,386,870 and Kshs. 10,353,488 from SHA for period July 2024 to June 2025.

The Expenditure Executive Committee makes a monthly budget which is guided by the funds collected in that month, that is later reviewed and approved by the HMT. The budgets are then forwarded to the County Chief of Health for reimbursement and AIE approval.

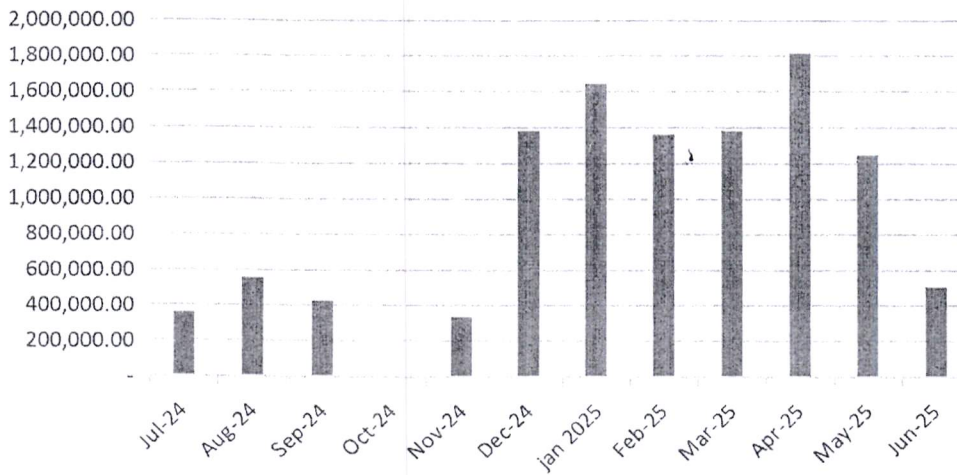
In terms of utilization of funds, AIEs received for the financial year 2024/2025 were Kshs. 19,815,648 with a total expenditure of Kshs. 18,564,889 which translates to 94% utilization rate.

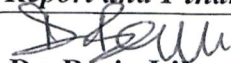
The revenue for the financial year 2024/2025 has been presented by the below charts.

FIF Revenue F/YR 2024-2025



NHIF /SHA CLAIMS 2024-2025




Dr. Bevin Likuyani

Medical Superintendent

9. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

The public health office uses its position as an office that interacts with the community members to create demand for utilization of services offered at our facility. The avenues used include but not limited to;

- Community dialogues – through the community strategy coordinator community dialogue days are held from time to time to discuss the health issues affecting the community and the best ways to tackle them. During those forums the community members are notified on the various services offered at our facility with assurance being made on the high quality of the services. This enables our facility to compete with the neighbouring private facilities.
- Business licensing- this create an avenue to interact with the business community who are crucial in marketing our facility and also consumers of our services mainly the food handlers' certificates issued to food handlers semi-annually.

ii) Environmental performance

Hospital waste management calls for a comprehensive handling process to ensure the waste produced does not become a nuisance or pose risk of infection to the people handling it and to the community at large. The regulations governing waste management are as follows;

- Public health act Cap 242 LOK
- EMCA Act 1999
- E waste management guideline, July 2011
- Occupational safety and Health act, 2007
- Food drugs and Chemical substances act Cap 254 LOK

In Kiambu county waste management in many of the public hospitals has become a menace mainly due to lack of proper disposal methods (incinerator). Most facilities make use of burning chambers and open burning.

Kihara level 4 hospital is a high-volume waste producer. Daily Waste produced is estimated as follows;

- General waste- 50kgs
- Infectious waste – 100kgs
- Highly infectious waste – 50kgs
- Sharps -2 kgs

Several factors have hindered proper waste management in our facility;

- i. Lack of an incinerator/ burning chamber
- ii. Poor waste segregation
- iii. Lack of workers designated to specifically deal with waste management

Some of the measures taken to tackle the above include but not limited to;

- ❖ Sensitization of casuals/ healthcare workers on infection prevention and control.
- ❖ Transportation of our hospital waste to other facilities for incineration
- ❖ Ensuring steady supply of colour coded bins and bin liners to the respective departments.
- ❖ Ensuring casuals are equipped with the required personal protective equipment at their work stations.
- ❖ Ensuring the waste holding area is secure.

In order for the public facilities to sustain their waste disposal programme the following requires to be done;

- ✓ All level iv hospitals should have incinerators
- ✓ All level ii and iii facilities should have burning chambers
- ✓ Segregation of waste should be done at the place of production.
- ✓ Designate workers for waste management, train them and provide them with proper personal protective equipment.
- ✓ Avoid transportation of hospital waste from one hospital to the other due to the health risks involved.

iii) Employee welfare

The Occupational Safety and Health Act, 2007 (OSHA) provides policy for the safety, health and welfare of workers and guides the hospital to ensure a conducive workplace. Healthcare workers are provided with personal protective equipment to minimize exposure to hazards that may cause workplace injuries and illnesses, for example gloves, surgical masks, safety glasses and shoes among others. Employees are hired through the County Public Service Board.

iv) Market place practices-

a) Responsible competition practice.

Kihara level 4 hospital has ensured there is a culture of fair and responsible competition through offering opportunities to all groups in the society such as, People Living with disabilities, Youth and Women without political influence guided by set procurement laws, procedures and regulation.

b) Responsible Supply chain and supplier relations

The hospital has put in place guidelines on good business practices with its business partners by offering equal competitive business opportunities. The hospital also treats its suppliers with utmost ethics by ensuring equal distribution of available funds, honouring contracts and frameworks.

c) Responsible marketing and advertisement

The hospital has put in place strategies to maintain ethical practices by setting the following guidelines:

- a. Practice transparency
- b. Protection of data and privacy
- c. Commitment to sustainability and human rights
- d. Minimisation of risks

d) Product stewardship

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

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

d. Rights to information necessary to them.

v) *Corporate Social Responsibility / Community Engagements*

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

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

10. Report of The Board of Management

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

Principal activities

The principal activities of the Kihara level 4 hospital are to promote and provide quality, curative, preventive, promotive and rehabilitative care to Kenyans

Results

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

Board of Management

The members of the Board who served during the year are shown on page viii-ix. During the year, five (5) directors retired after end of their term and five (5) new directors were appointed, however one (1) director has never turned up.

Auditors

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

By Order of the Board



.....

Dr. Bevin Likuyani

Secretary to the Board

11. Statement of Board of Management’s Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the *Kihara level 4 hospital’s* financial statements, which give a true and fair view of the state of affairs of the *Kihara level 4 hospital* for and as at the end of the financial year ended June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Kihara level 4 hospital*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Kihara level 4 hospital*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *Kihara level 4 hospital’s* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu Health Services Act, 2019. The Board members are of the opinion that the *Kihara level 4 hospital’s* financial statements give a true and fair view of the state of *Kihara level 4 hospital’s* transactions during the financial year ended June 30, 2025, and of the *Kihara level 4 hospital’s* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *Kihara level 4 hospital*, which have been relied upon in the preparation of the *Kihara level 4 hospital’s* financial statements as well as the adequacy of the systems of internal financial control.

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

Nothing has come to the attention of the Board of management to indicate that the *Kihara level 4 hospital* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

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

.....
Peter A.W.Kigundu
Chairperson
Board of Management


.....
Dr. Bevin Likuyani
Accounting Officer

REPUBLIC OF KENYA



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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kihara Level 4 Hospital - County Government of Kiambu set out on pages 1 to 50 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

Report of the Auditor-General on Kihara Level 4 Hospital for the year ended 30 June, 2025 - County Government of Kiambu

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

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

Basis for Qualified Opinion

1. Lack of Land Ownership Documents

The statement of financial position and Note 27 to the financial statements reflects property, plant and equipment balance of Kshs.1,138,733. However, review of documents and physical verification revealed that the Hospital is built on land whose title deed was not provided for audit.

In the circumstances, the completeness, accuracy and ownership of the property, plant and equipment balance of Kshs.1,138,733 could not be confirmed.

2. Inaccuracy in the Statement of Financial Position

In the statement of financial position reflects total net assets of Kshs.75,653,078 and total net liabilities of Kshs.80,278,715 resulting in unexplained balance of Kshs.4,625,637.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed

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

Budgetary Control and Performance

The statement of budget and actual amounts reflects final receipts budget and on actual and comparable basis of Kshs.94,954,000 and Kshs.19,889,483 respectively, resulting to an underfunding of Kshs.75,064,517 or 79% of the approved budget. Similarly, the Hospital spent an amount of Kshs.18,564,889 against the actual receipts of

Kshs.19,889,483 resulting to an under expenditure of Kshs.1,324,594 the approved budget.

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

My opinion is not modified in respect of the matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page ii to xli which comprise of Key Entity Information and Overall Performance, Statement of Governance, Statement of the Chairperson, Statement of the Medical Superintendent, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Kihara Level 4 Hospital – County Government of Kiambu financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Retain Facilities Improvement Fund (FIF) at the Hospital

Review of records from the Hospital revealed that that Kshs.17,295,060 was collected towards health facilities improvement which was all transferred to Kiambu County Health Services Fund. However, the County reimbursed a total of Kshs.19,815,649 to the Hospital resulting to excess reimbursement of Kshs.2,520,589. This was contrary to Section 5 (1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received on behalf of all Public Health facilities be retained in the Hospital Facilities improvement Financing Account.

In addition, failure to reimburse the total amount transferred by facilities negatively impacted on service delivery by health facilities.

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

2. Deficiency in Implementation of Universal Health Coverage (UHC)

Review of records on the services offered, equipment used and medical specialists in the Hospital revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits compared to the authorized establishment as tabulated below:

Staff Requirements	Level 4 standard	Number in Hospital	Variance	Percentage (%)
Medical Officers	16	1	15	94
Anesthesiologists	2	4	-2	-100
General Surgeons	2	2	0	0
Pediatricians	2	1	1	50
Radiologists	2	0	2	100
Kenya Registered Community	75	35	40	53
Gynecologists	2	0	2	1

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Bed Capacity	150	63	87	58
New Born Incubators	5	3	2	40
New Born Unit Cots	5	2	3	60

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Resuscitative in Theatre	1	0	1	100
Resuscitative in Labor Ward	2	0	2	100
Functional Intensive Care Unit Beds	6	0	6	100
Renal Unit with at least 5 Dialysis	5	0	5	100
Functional Operating Theatre	2	1	1	50

The deficit contravenes the First Schedule of Health Act, 2017 requires that accessing the highest attainable standard of health, 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 effectiveness and efficiency of service delivery could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Inadequate Membership of Hospital Board of Management

During the year under review, the Hospital's Board of Management had five (5) instead of ten (10) members. This was contrary to Section 9(1) of Kiambu County Health Services Act, 2014 which require a County or Sub - County Hospital to be administered by a Board appointed by Executive Member in consultation with the Governor with the approval of the County Assembly.

In the circumstances, the effectiveness of the governance system could not be confirmed.

2. Non-Disposal of Expired Medical Supplies

The statement of financial position reflects an inventory balance of Kshs.5,550,386 as disclosed in Note 26 to the financial statements. However, review of store records for pharmaceuticals and non-pharmaceuticals revealed that nine thousand nine hundred and eight one (9,981) units of various drugs and sixty-seven (67) pieces of bottles of undetermined value had expired during the year under review.

Further, physical inspection and documents provided for audit review revealed that the Hospital established that expired drugs of unknown quantity and value had not been disposed since 2017 up to the time of the audit in November, 2025. This is contrary to rule 16(2) of Pharmacy and Poisons (Pharmaceutical Waste Management) Rules, 2022 provides that pharmaceutical waste shall be disposed of within one year from the date of its generation.

In the circumstances, the effectiveness of management of pharmaceutical and non-pharmaceutical could not be confirmed and the Management was in breach of the law.

3. Incomplete Assets Register

The statement of financial position and Note 27 to the financial position reflects property, plant and equipment balance of Kshs.1,138,733. However, there was lack of assets register detailing all the assets and their values in terms of the date of delivery and installation, original and current location, book value, asset condition and the depreciation rate, annual and accumulated depreciation. Also, it was noted the Hospital had not tagged its assets.

In the circumstances, the effectiveness of internal controls on the management and usage of assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

18 December, 2025

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

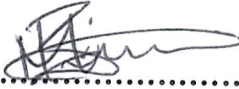
Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	
In-kind contributions from the County Government	7	899,371	2,565,434
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		899,371	2,565,434
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	29,994,337	22,789,279
Revenue from exchange transactions		29,994,337	22,789,279
Total revenue		30,893,708	25,354,713
Expenses			
Medical/Clinical costs	12	10,704,438	12,765,035
Employee costs	13	32,264,271	5,046,860
Board of Management Expenses	14	62,000	116,000
Depreciation and amortization expense	15	602,616	705,324
Repairs and maintenance	16	682,864	1,279,156
Grants and subsidies	17	-	-
General expenses	18	3,614,346	3,748,035
Finance costs	19	-	-
Total expenses		47,930,535	23,660,409
Other gains/(losses)			
Medical services contracts Gains/Losses	20	(29,770)	(211,007)
Impairment loss	21	-	-
Total other gains/(losses)		(29,770)	(211,007)
Net Surplus / (Deficit) for the year		(17,066,597)	1,483,296


Kihara Level 4 Hospital Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

(The notes set out on pages 10 to 46 form an integral part of the Annual Financial Statements.)

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

.....
Peter A.W. Kigundu
Chairman
Board of Management


.....
Boniface Biri
Head of Finance
ICPAK No:24437


.....
Dr. Bevin Likuyani
Medical Superintendent

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	22	2,971,785	1,662,573
Prepayments	23	-	-
Receivables from exchange transactions	24	9,816,956 *	11,398,650
Receivables from non-exchange transactions	25	93,919,925 *	20,643,177
Inventories	26	5,550,386 ✓	6,420,854
Total Current Assets		112,259,052	40,125,254
Non-current assets			
Property, plant, and equipment	27	1,138,733 ✓	1,494,435
Intangible assets	28	-	247,513
Total Non-current Assets		1,138,733	1,741,948
Total assets (A)		113,397,785	41,867,202
Liabilities			
Current liabilities			
Trade and other payables	29	33,119,070 *	33,798,072
Refundable deposits from Patients/Prepayments	30	-	-
Total Current Liabilities		33,119,070	33,798,072
Non-current liabilities			
Provisions	31	-	-
Service concession Arrangements	32	-	-
Total non-current liabilities		-	-

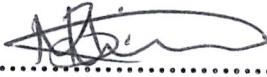
Kihara Level 4 Hospital Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025


Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Total Liabilities (B)		33,119,070	33,798,072
Net assets (A-B)		80,278,715	8,069,131
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		9,854,898	2,317,709
Restated surplus(understated)		65,798,180	-
Capital Fund			-
Net Assets		75,653,078	41,867,202

(The notes on pages 10 to 46 form an integral part of the Annual Financial Statements.)

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15. 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, 2024(previous year)	-	834,413	-	834,413
Revaluation gain	-	-	-	-
Restated surplus(2021/2022)		4,624,864	-	4,624,864
Surplus/(deficit) for the year	-	1,483,296	-	1,483,296
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	6,942,573	-	6,942,573
At July 1, 2024 (current year)		6,942,573	-	6,942,573
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	7,537,189	-	7,537,189
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	14,479,762	-	14,479,762

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		19,815,649.40	21,144,499
Revenue from rent of facilities			-
Finance / interest income			-
Miscellaneous receipts(<i>nhif&revenue acc</i>)		73,833.32	-
Total Receipts		19,889,482.72	21,144,499
Payments			
Medical/Clinical costs		8,548,971.00	11,383,904
Employee costs		5,615,408.00	3,973,434
Board of Management Expenses		62,000.00	116,000
Repairs and maintenance		682,864.00	1,266,156
Grants and subsidies		-	-
General expenses		3,655,646.00	2,757,815
Finance costs		-	-
Refunds paid out		-	-
Total Payments		18,564,889.00	19,497,309
Net cash flows from operating activities	43	1,324,593.72	1,647,191.40
Transfers to FIF Fund			(1,564,205)
Cash flows from investing activities			
Purchase of property, plant, equipment			
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-

Kihara Level 4 Hospital Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Net cash flows used in investing activities		-	-
Cash flows from financing activities			-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,324,593.72	82,9867
Cash and cash equivalents as at 1 July 2024	22	1,647,191.40	1,564,205
Cash and cash equivalents as at 30 June 2025 FIF	22	2,971,785.12	1,647,191
Revenue acc		-	14,530
Nhif acc		-	851.67
Cash and cash equivalents as at 30 June 2025	22	2,971,785	1,662,573

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-					%
Receipts						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	94,954,000		94,954,000	19,889,483	75,064,517	21%
Revenue from rent of facilities	-	-	-			%
Finance / interest income	-	-	-			%
Miscellaneous receipts (<i>specify</i>)	-	-	-			%
Total receipts	94,954,000		94,954,000	19,889,483	75,064,517	21%
Payments						
Medical/Clinical costs	63,000,000	-	63,000,000	8,548,971	54,451,029	14%
Employee costs	5,664,000	-	5,664,000	5,615,408	48,592	99%
Remuneration of directors	250,000	-	250,000	62,000.00	188,000	25%
Repairs and maintenance	9,000,000	-	9,000,000	682,864.00	8,317,136	8%
Grants and subsidies	-	-	-	-	-	0
General expenses	10,140,000	-	10,140,000	3,655,646	6,484,354	36%
Finance costs	0	-	0	0	0	0
Refunds	0	-	0	0	0	0
Other costs	6,900,000		6,900,000	-	-	-
Total Operational Expenditure paid	94,954,000	-	88,054,000	18,564,889	69,489,111	21%
Capital Expenditure paid	-	-	-	-	-	%

Kihara Level 4 Hospital Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Surplus	-		6,900,000	1,324,594	5,575,406	19%
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The hospital has not been able to achieve its set target because for the past year, it was under renovations which hindered **provision** of optimal services especially inpatient services.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,324,594
1	Reason for differences(opening balance)	1,647,191
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,971,785

18. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Kihara level 4 hospital's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. Financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Kihara level 4 hospital*. The financial statements have been prepared in accordance with the PFM Act, and Kiambu Health Services Act,2019 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st 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 Kihara level 4 hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st 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 1st 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</p>

Standard	Effective date and impact:
	<p>scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st 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"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <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 1st 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 Kihara level 4 hospital shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer</p>

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

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **03/08/2024**. 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 Kihara level 4 hospital upon receiving the respective approvals in order to conclude the final budget. The *Kihara level 4 hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash

Notes to the Financial Statements (Continued)

basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

d. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Kihara level 4 hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in

surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

e. 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.

f. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Kihara level 4 hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.*

A financial instrument is any contract that gives rise to a financial asset of one Kihara level 4 hospital and a financial liability or equity instrument of another Kihara level 4 hospital. At initial recognition, the Kihara level 4 hospital 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 Kihara level 4 hospital 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 Kihara level 4 hospital'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

Notes to the Financial Statements (Continued)

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 Kihara level 4 hospital 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 Kihara level 4 hospital 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.

Notes to the Financial Statements (Continued)

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

Financial liabilities

Classification

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

g. 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.

Notes to the Financial Statements (Continued)

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

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

h. Provisions

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

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

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

i. Contingent liabilities

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

j. Contingent assets

The Kihara level 4 hospital does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Kihara level 4 hospital in the ***Notes to the Financial Statements (Continued)***

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.

k. Nature and purpose of reserves

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

l. Changes in accounting policies and estimates

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

m. Employee benefits

Retirement benefit plans

The Kihara level 4 hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Kihara level 4 hospital pays fixed contributions into a separate Kihara level 4 hospital (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.

Notes to the Financial Statements (Continued)

n. 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.

o. Related parties

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

p. Service concession arrangements

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

q. 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

Notes to the Financial Statements (Continued)

authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r. Comparative figures

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

s. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Notes to the Financial Statements (Continued)

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6 b Transfers from The County Government

Name of the Kihara level 4 hospital sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred of under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2023/2024
			KShs	KShs	KShs
Kiambu County Government					
Total	-	-	-	-	-

Notes to Financial Statements (Continued)

7. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages		-
Medical supplies-Drawings Rights (KEMSA)		-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	899,371	2,565,434
Utility bills	-	-
Total grants in kind	899,371	2,565,434

8. Grants From Donors and Development Partners

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

9. Transfers From Other Government Entities

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

Notes to the Financial Statements (Continued)

10. Public Contributions and Donations

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

10 (a) Reconciliations of amortized grants

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	2,212,246	
Consultancy services revenue	317,342	
Laboratory	4,647,317	
Radiology	2,103,931	
Orthopedic and Trauma Technology	299,930	
Theatre	32,036	
Accident and Emergency Service	357,984	
Physiotherapy income	143,156	
Occupational Therapy	33,606	
Records income	2,592,570	
Special clinics	339,328	
Dental services	93,532	
Reproductive health(MCH/FP	216,021	
Maternity	2,220,453	
Paediatrics services	218,785	
General wards	304,113	
Farewell home services	763,079	
Medical legal, attachment	303,272	
Other medical services income(ambulance, miscellaneous)	55,277	10,278,401
SHA	10,353,488	-
NHIF	2,386,870	12,510,878
Total revenue from the rendering of services	29,994,337	22,789,279

Revenue for 2023/24 had been recognized as per the bank statement since the hmis data was not reliable.

Notes to the Financial Statements (Continued)

12. Medical/ Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	-	97,500
Laboratory chemicals and reagents	2,051,493	2,122,104
Public health activities	-	-
Food and Ration	1,845,811	1,497,401
Other fuels(cooking gas/charcoal)	199,300	141,300
Uniform, clothing, and linen	50,000	-
Dressing and Non-Pharmaceuticals	2,240,910	5,122,532
Pharmaceutical supplies	2,182,226	2,223,798
Health information stationery	525,000	271,050
Reproductive health materials	-	-
Sanitary and cleansing Materials	328,351	110,850
Purchase of Medical gases	875,847	1,178,500
X-Ray/Radiology supplies	405,500	-
Other medical related clinical costs (specify)	-	-
Total medical/ clinical costs	10,704,438	12,765,035

13. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	4,676,925	4,815,725
Contributions to pension schemes	246,995	231,135
Permanent and pensionable	27,340,351	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (specify)	-	-
Employee costs	32,264,271	5,046,860

Notes to the Financial Statements (Continued)

14. Board of Management Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance	62,000	116,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	62,000	116,000

15. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	355,703	540,315.00
Intangible assets	246,913	165,009
Investment property carried at cost	-	-
Total depreciation and amortization	602,616	705,324

Intangible asset (software) is fully depreciated/obsolete and reached the end of its useful life.

16. Repairs And Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	81,890	404,230
Medical equipment	180,000	289,400
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	131,285	71,640
Motor vehicle expenses	17,020	248,966
Maintenance of civil works	-	-
Maintenance of plant and equipment	272,669	264,920
Total repairs and maintenance	682,864	1,279,156

Notes to the Financial Statements (Continued)

17. Grants And Subsidies

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

18. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	77,935.00	147,510.00
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	4,880.00	5,215.00
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	1,580,000.00	1,896,000.00
Electricity expenses	840,000.00	150,000.00
Fuel and Lubricants	-	134,500
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	-	98,750.00
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery(gos)	358,531.00	400,860.00
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	313,000.00	220,000.00

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Description	2024/2025	2023/2024
	Kshs	Kshs
Skills development levies		-
Telephone and mobile phone services	440,000	440,000.00
Internet expenses	-	255,200.00
Staff training and development		-
Subscriptions to professional bodies		-
Subscriptions to newspapers periodical, magazines, and gazette notices		-
Library books/Materials		
Parking charges	-	-
Total General Expenses	3,614,346	3,748,035

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

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

20. Medical Services Contracts Gains /Losses

Description	2024/2025	2023/2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	29,770	(211,007)
Total Gain/Loss	(29,770)	(211,007)

21. Impairment Loss

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

Notes to the Financial Statements (Continued)

22. Cash And Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	2,971,785	1,662,573
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	2,971,785	1,662,573

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

Description	Financial institution	Account number	2024/2025	2023/2024
			KShs	KShs
a) Current account				
	Cooperative Bank of Kenya-FIF ACC	01141475765800	2,970,203.80	1,647,191.40
	Cooperative Bank of Kenya-NHIF ACC	01141701565000	1,580.32	851.67
	Family Bank-revenue Acc	001000068744	1.00	14,530.00
	Sub- total		2,971,785.12	1,662,573.07
b) On - call deposits				
	Kenya Commercial bank			
	Equity Bank – etc			
	Sub- total		-	-
c) Fixed deposits account				
	Bank Name			
	Sub- total		-	-
d) Others(<i>specify</i>)				
	cash in hand			
	Mobile money- Mpesa, Airtel money			
	Sub- total		-	-
	Grand total		2,971,785	1,662,573

Notes to the Financial Statements (Continued)

23. Prepayments

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

24. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	9,816,956	11,398,650
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	9,816,956	11,398,650

Analysis of Receivables From Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	2,485,425	25%	5,138,550	45%
Between 1- 2 years	7,331,531	75%	2,414,700	21%
Between 2-3 years	-	%	3,845,400	34%
Over 3 years	-	%	-	-
Total (a+b)	9,816,956	100%	11,398,650	100%

Notes to the Financial Statements (Continued)

25. Receivables From Non-Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Transfers from the County Government	93,919,925	20,643,177
Undisbursed donor funds	-	-
Other debtors (<i>non-exchange transactions</i>)	-	-
Less: impairment allowance	-	-
Total	93,919,925	20,643,177

Analysis of Receivables From Non-Exchange Transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,257,853	6 %	2,998,765	15%%
Between 1- 2 years	-	%	-	
Between 2-3 years	-	%	-	%
Over 3 years	88,662,072	94%	17,644,412	85%%
Total (a+b)	93,919,925	100%	20,643,177	100%

26. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	2,160,628	2,919,231
Non-pharmaceuticals	1,707,730	2,980,745
Maintenance supplies	22,000	22,000
Food supplies	97,434	28,235
Dental consumables	31,300	
Radiology consumables	397,400	
Laboratory reagents	627,739	-
Linen and clothing supplies	225,020	236,278
Cleaning materials supplies	14,000	3,420
General supplies(printing+gos)	267,135	230,945
Less: provision for impairment of stocks	-	-
Total	5,550,386	6,420,854

Notes to the Financial Statements (Continued)

Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	6,420,854	6,523,197
Additional Inventory in the year	115,969	-
Inventory expensed in the year	(2,172,219)	(102,343)
Write-downs in the year	-	
Others specify(reinstated opening bal)	757,082	
Closing balance	5,121,686	6,420,854

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Notes to the Financial Statements (Continued)

27. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023(previous year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	-	-	571,455	640,440	282,540	-	-	1,494,435
At 1 July 2024 (current year)				571,455	640,440	282,540	-	-	1,494,435
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation and impairment	-	-	-	-	-	-	-	-	-
At 1 July 2023(previous year)									
Depreciation for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2024									
At July 2024 (current year)	-	-	-						
Depreciation	-	-	-	57,146	256,176	42,381	-	-	355,703
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	-	-	57,146	256,176	42,381	-	-	355,703
Net book values	-	-	-						
At 30 th Jun 2024 (previous)	-	-	-	571,455	640,440	282,540	-	-	1,494,435
At 30 th Jun 2025 (current)	-	-	-	514,310	256,176	240,159	-	-	1,138,733

NB

Assets stated above are those procured by the hospital from financial year 2021/2022.
Land, buildings, motor vehicles and other hospital assets have not yet been valued.

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Notes to the Financial Statements (Continued)

28. Intangible Assets-Software

Description	2024/2025	2023/2024
	KShs	KShs
Cost		
At beginning of the year		412,522
Additions		-
Additions-Internal development		-
Disposal		-
At end of the year		412,522
Amortization and impairment		
At beginning of the year		412,522
Amortization for the period		165,009
Impairment loss		-
At end of the year		165,009
NBV	-	247,513

Intangible asset (software) is fully amortized and reached the end of its useful life

29. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	32,732,672		32,726,206	
Employee dues	386,398		1,071,866	
Third-party payments (e.g. unremitted payroll deductions)				
Audit fee	-			
Doctors' fee	-			
Total trade and other payables	33,119,070		33,798,072	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the total
Under one year	3,934,190	12%	4,191,832	13%
1-2 years	341,520	1%	11,798,428	35%
2-3 years	11,798,428	36%	14,327,89	42%
Over 3 years	17,044,932	51%	3,479,983	10%
Total	33,119,070	100%	33,798,072	100%

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Notes to the Financial Statements (Continued)

30. Refundable Deposits from Customers/Patients

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

31. Provisions

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

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Notes to the Financial Statements (Continued)

32. Service Concession Arrangements

Description	FY 2023-2024	FY 2022-2023
	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	-	-

33. Cash Generated from Operations

Description	2024/2025	2023/2024
	KShs	KShs
Surplus for the year before tax	7,537,189	1,483,296
Adjusted for:		
Depreciation	355,703	540,315
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance		
Working Capital adjustments		
Increase in inventory	-1,299,168	
Increase in receivables	71,695,054	
Increase in deferred income	-	
Increase in payables	679,002	
Increase in payments received in advance	-	
Net cash flow from operating activities	1,324,594	1,647,191

Notes to the Financial Statements (Continued)

34. Financial Risk Management

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	11,398,650	-	-	-
Receivables from –non-exchange transactions	20,643,177	-	-	-
Bank balances				
Total	32,041,827			
At 30 June 2025(current year)				
Receivables from exchange transactions	9,816,956	2,485,425	7,33,531	-
Receivables from –non-exchange transactions	93,919,925	5,257,853	88,662,072	-
Bank balances	-	-	-	-
Total	103,736,881	7,743,278	95,993,603	

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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 Kihara level 4 hospital has significant concentration of credit risk on amounts due from xxxx. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	33,798,072	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	33,798,072	-	-	33,798,072
At 30 June 2025				
Trade payables	33,119,069		33,119,069	33,119,069
Current portion of borrowings	-		-	-
Provisions	-		-	-
Deferred income	-		-	-
Employee benefit obligation	-		-	-
Total	33,119,069		33,119,069	33,119,069

Notes to the Financial Statements (Continued)

iii) Capital Risk Management

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

35. Related Party Balances

Nature of related party relationships

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

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

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

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Notes to the Financial Statements (Continued)

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to	-	-
Sales of services to	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

36. Contingent Liabilities

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

37. Capital Commitments

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

38. Events after the Reporting Period

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

39. Ultimate and Holding Kihara level 4 hospital

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

40. Currency

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

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19. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor FY 2023-2024	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1.	Inaccuracy in the Financial statements	There was an error in the presentation of the statement of comparison of budget and actual amounts which were rectified.	Resolved	
2.	Inconsistencies in the Cash and Cash Equivalents Balance	The stale cheques have not yet been reversed in the cashbook as we await further directions on the remittances	ongoing	ongoing
3.	Long Outstanding, Unsupported and increasing Receivables	The management is in talks with the CHMT as they discuss on the recoverability of the receivables	ongoing	ongoing
4.	Management of Property, Plant and Equipment	Kihara Hospital with the support of the County Government of Kiambu Executive will do a valuation of all the hospital assets. The asset register is available.	ongoing	ongoing
5.	Unsupported Trade and Other Payables	A supporting schedule was provided which indicates the details of the vendor, goods/services supplied and amounts owed.	Resolved	
6.	Unsupported Payment of Employee costs	Casuals database was provided	resolved	
7.	Lack of Amortization policy	With the support of the County Government	ongoing	

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Guidance Notes:

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



.....
Dr. Bevin Likuyani
Accounting Officer

Kihara Level 4 Hospital (Kiambu County Government)
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Appendix II: Projects Implemented by the Kihara level 4 hospital

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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Appendix III: Inter-Entity Confirmation Letter

Transferring Entity: KIAMBU COUNTY FIF FUND


Name of Beneficiary Kihara level 4 hospital.

Confirmation of amounts received by Kihara level 4 hospital as at 30th June 2025

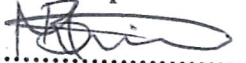
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
005ORGC241940009	12/07/2024	2,108,365.20	-	2,108,365.20	
005ORGC242920012	18/10/2024	1,846,809.00	-	1,846,809.00	
005ORGC243110015	06/11/2024	1,980,760.80	-	1,980,760.80	
005ORGC250370011	06/02/2025	6,121,764.00	-	6,121,764.00	
005ORGC251390009	20/05/2025	7,757,950.40	-	7,757,950.40	
		19,815,649.40	-	19,815,649.40	

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

Head of Accounts Department - Disbursing

Name Bonface Biriri Sign  Date 28/11/2025

Head of Accounts Department - Beneficiary Kihara level 4 hospital:

Name Bonface Biriri Sign  Date 28/11/2025

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Appendix IV Reporting of Climate Relevant Expenditures

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

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Appendix V: Disaster Expenditure Reporting Template

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