

REPUBLIC OF KENYA



PARLIAMENT OF KENYA LIBRARY

REPORT

4

OF

THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	17/2/20
TABLED BY	ce Co/telegr
COMMITTEE	
CLERK AT THE TABLE	tyyag

ONGATA RONGAI  
SUB-COUNTY HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KAJIADO

4

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.

24 NOV 2025

**RECEIVED**

*Revised 30<sup>th</sup> June 2025*



ONGATA RONGAI  
SUB COUNTY HOSPITAL  
P.O. Box 15546-00503  
MBAGATHI

---

## Ongata Rongai Sub County Hospital

### Level 4 HOSPITAL (Kajiado County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

---

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

**Table of Contents**

1. Acronyms & Glossary of Terms.....	ii
2. Key Entity Information and Management.....	iii
Key Management.....	iv
3. The Board of Management.....	x
4. Key Management Team.....	xii
5. Chairman's Statement.....	xiv
6. Report of The Medical Superintendent.....	xvi
7. Statement of Performance Against Predetermined Objectives.....	xviii
8. Corporate Governance Statement.....	xxi
9. Management Discussion and Analysis.....	xxii
10. Environmental and Sustainability Reporting.....	xxix
11. Report of The Board of Management.....	xxxii
12. Statement of Board of Management's Responsibilities.....	xxxiii
13. Report of the Independent Auditor (Office of The Auditor General).....	xxxv
14. Statement of Financial Performance for The Year Ended 30 <sup>th</sup> June 2025.....	1
15. Statement of Financial Position as at 30 <sup>th</sup> June 2025.....	3
16. Statement of Changes in Net Assets for The Year Ended 30 June 2025.....	5
17. Statement of Cash Flows for The Year Ended 30 June 2025.....	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025.....	8
19. Notes to the Financial Statements.....	10
20. Appendices.....	50

**1. Acronyms & Glossary of Terms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
ORSCH	Ongata Rongai Sub-County Hospital
HMT	Hospital Management Team
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
EEC	Executive Expenditure Committee
UHC	Universal Health Coverage
IPC	Infection Prevention Committee
SOPs	Standard Operating Procedures
CECM	County Executive Committee Member
CS	Caesarean Section
SHA	Social Health Authority
SHIF	Social Health Insurance Fund
PHC	Primary Health Care
CME	Continuous Medical Education
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

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

Key Entity Information and Management

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

Ongata Rongai Sub County Hospital is a level IV hospital established under gazette notice number 17 of 2012 and is domiciled in Kajiado County under the Health Department. The hospital is governed by a Board of Management.

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

The principal activity of the ORSCH is the Attainment of the highest standard of health in a manner responsive to the needs of the people of Kajiado County and the whole Country.

#### **VISION**

To be the leading sub county hospital in Kenya providing customer centred health services.

#### **MISSION**

To provide equitable, affordable and high-quality health and related services to the community.

#### **OUR CORE VALUES**

1. Accountability
2. Respect for life
3. Professionalism
4. Team work
5. Patient -centred approach to healthcare
6. Timely and prompt response
7. Commitment to duty and service
8. Equity in the provision of health services and interventions



**Key Management**

The *ORSCH* management is under the following key organs:





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

**(c) Fiduciary Management**





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


No.	Designation	Name	
1.	Medical Superintendent	<b>Dr. Marion Mukira</b>	
2.	Health Administrators	<b>David Matiko</b>	

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

No.	Designation	Name	
	Health Administrators	<b>Charles Waigwa</b>	
3.	Nursing Officer in Charge	<b>Nathaniel Kiprono</b>	
4.	Nursing Officer in Charge	<b>Harrison Kimiti</b>	
5.	Pharmacist	<b>Dr. Asmahani Daisi</b>	

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

No.	Designation	Name	
6.	Clinical Officer in Charge	<b>Deborah Mutuli</b>	
7.	Laboratory Officer in Charge	<b>Tabitha Mwangi</b>	
8.	Public Health Officer	<b>Amos Parsanka</b>	
9.	Health Information Records Officer	<b>Joyce Chesang</b>	

No.	Designation	Name	
10.	Nutritionist	Nuria Mohamed	

**(d) Fiduciary Oversight Arrangements**

The ORSCH Management strictly abides with the Public Finance Management Act 2012 and all other Public Financial Management and Public Procurement laws, regulations and policies as provided at both National and County Assemblies. This requires the Hospital Board to ratify the Annual Financial Budgets/Reports and through the HMT the prudent implementation of work plans is ensured while the Board oversees the same through holding quarterly meetings. The HMT monthly meeting discusses the FIF revenue, the PHC and SHIF funds whenever they are wired to the Hospital's account by the SHA. The ORSCH has committees such as EEC which ensures that work plans are implemented as per the budgets and quotations are handled as per regulations. The Inspection and Acceptance Committee ensures that all supplies in the hospital are up to the required standards, that there is value for money and that there are no pilferages. The Hospital has other committees whose responsibilities (among others) is to ensure that commodities and services are implemented optimally. They are namely; IPC, Catering, Disciplinary etc. These committees help the implementers to come up with SOPs. The County Department of Finance send Internal Auditors on annual basis to oversight on the Hospital's budgets while the County Assembly has a Health

Committee that oversees on the budgeted projects. The OAG audits the hospital on annual basis. The County Health department has placed internal auditors who does quarterly audits on the hospital.

**ORSCH Headquarters**

**(f) Kajiado County Department of Health**

P.O. Box 31 - 0011

Kajiado, KENYA

**(g) Entity Contacts**

Ongata Rongai Sub County Hospital

P.O.Box 15546- 00503 Mbagathi

Telephone: +254736228415

E-mail: [saitotihospital@gmail.com](mailto:saitotihospital@gmail.com)

**(h) Entity Bankers**

Kenya Commercial Bank

Ongata Rongai Branch

**(i) Independent Auditors**

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(j) Principal Legal Adviser**

The Attorney General



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

---

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya





(k) The county Attorney

Kajiado county




P.O. Box 11

Kajiado





**3. The Board of Management**

Ref	Directors	Details	
1.	Harun Gikera	Bachelors of Science in Chemistry. Businessman in Laundry business	
2.	Karen Kiranka	A Pharmacist and Public Health professional	
3.	Raphael Mutuma	Pastor and Politician	
4.	Peter Melonyie	Community Development expert	






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

5.	Dr. Mukira	Bachelors of Science in Medicine, Medical Superintendent and also MOH Kajiado North Sub County Hospital; Board Secretary. Has over 10years experince	
6.	Prof. Njeri Wamae	A scientist and a trained medical researcher	
7.	Lilian Teto	Pastor	

4. Key Management Team

Ref	Management	Details	
1.	Dr. Mukira Marion Doctor of Medicine	Medical Superintendent	
2.	Nathaniel Kiprono Bachelor of Science in Nursing	Nursing Officer in charge	
3.	David Matiko Bachelor in Business Management	Hospital Administrator	
4.	Charles Waigwa Bachelor in Business Management	Hospital Administrator	

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

5.	Dr. Asmahani bachelor's in pharmacy	Pharmacy In charge	
6.	Tabitha Mwangi Bachelor of Science in Laboratory medicine	Laboratory in charge	
7.	Nuria Muhamed bachelor of science nutrition and dietetics	Nutrition in charge	
8.	Amos Parsanka bachelor's in public health	Public Health Officer in charge	
9.	Joyce Chesang Diploma in Health Records and Information Technology	Health Records in charge	

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

I am pleased to present this financial year's report - FY 2024/2025 on behalf of the Hospital's Board which is the second presentation since the appointment of the Board. Since its appointment by the Governor of Kajiado, H.E Joseph Ole Lenku, The Board has strived to steer the hospital forward despite the many challenges including some, that the Board has no control of due to external factors. However, am pleased to state that the Board has been instrumental to various achievements on hospital services as there has been notable improvement on staffing levels on various cadres. This has not only brought about good services offered to the members of the public but it has seen notable high morale among the staff, improvement on collection of Facility Improvement Fund for the hospital and improved public confidence for the hospital by the local community.

Members of the Board have worked hard to bring on board partners to work with the hospital and improve on the various areas that they were allocated and I am glad that soon this positive energy will bear fruits. So far, the St. John Ambulance Program which is known as Mama na Mwana is already rolled courtesy of the Board and mothers are able to get the various ANC services while our local CHPs are able to get employment and various training opportunities.

The board has also been actively engaging the County's CECM and the various arms of the County Executive and so far three million shillings have been allocated by the County Assembly in this year's budget for the construction of a CT Scan unit The Board is committed in ensuring that members of staff are motivated and hence the management held an annual staff party aimed at ensuring that workers are motivated and recognised. The Board has been instrumental in employment of Clinicians, Pharmaceutical Technologist and laboratory Technicians on locum basis which has greatly reduced the work stress on the existing work force.

The Board has been actively involved on the running of the Hospital and has had quarterly meetings whereby there have been updates on financial performance of the hospital, various workloads, indicators on the operation of the hospital and the performance has seen improvement in all departments of the hospital. There have also been transition of the defunct NHIF to SHA which has had its share of challenges that are expected whenever there is change of systems.

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

---

The board has had to contend with challenges brought about by the explosion of the local population through local migration in the area and also the high birth rates in the community while the hospital infrastructure has more or less remained the same. This fact has brought about stretched resources that are not limited to staff and water shortages but affected the whole budget. The hospital has experienced regular power outages thereby relying on the generator which translate into huge loses on fuel. The SHA scheme has not been efficient in being disbursed hence holding up hospital revenue and making it hard for the HMT to operate and implement its programs on time. The board however is trying to exploit the population explosion as an opportunity to enhance the hospital services which will translate into raised revenues that will help the management to engage more staff on locum basis, increase budgets on drugs and commodities and pay suppliers in good time. The board has also encouraged its members and hospital management to come up with schemes that will lope in more partners so as to close the many gaps in funding of our programs. The Board expects tremendous gain and improvement from schemes such as primary health care on SHA payments and also growth on FIF.

Name .....



Handwritten signature in blue ink, appearing to read "HARUN GUGERA".

**Chairman to the Board**

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

To seamlessly achieve this milestone, the Government has had to end the defunct NHIF and introduce the SHA which is currently the Authority that serves the citizenry with Social Health Insurance Fund, Primary Health Care Fund and Emergency Chronic and Critical Illness Fund. The strategy gives priority to preventive and promotive health, which is a shift from the earlier approach where the emphasis was on curative health.

This transition has had its challenges just like it is expected of any new system. Among the challenges experienced is reconciliation of the amount reimbursed by SHA vis a vis the hospital claims. For ORSCH fraternity we have accepted the changes and since November 2024 we have been registering our clients to the new system which is promising to have more benefits for the hospital in future.

Through the assistance of the Hospital Board, the Public Service Board has employed staff in critical departments, the hospital has also enhanced this with employment of locum staffs. This has ensured service delivery improvement, critical department working on 24 hour shifts and due to the decreased pressure on the existing staffing levels the staff have been notably motivated. The hospital has within this period introduced two Call Houses for both female and male to ensure that those critical professionals who are on call are housed within the hospital compound. The Board of Management was able to hold an annual staff party in recognition of the good work the staff are doing. Our staff has taken call of duty with resilience, dedication and has shown professionalism even in the most trying circumstances and I extend our most heartfelt congratulations to them.

The past year was marked by prolonged two months industrial strike by health workers which significantly disrupted services delivery as shown on the various data produced for the hospital;

The bed occupancy declined from 87.3% to 72.1% as compared to 2023. The OPD attendance dropped from 7,846 visits in July 2024 to 4,660 visits in June 2025. The inpatient admission began at 208 in July 2024, dipped drastically to zero at the height of the strike in March 2025, but demonstrated resilience by recovering to 251 in May 2025 and closing the year at 193 in June 2025. The special clinics where staff did not down their tools showed an encouraging increase in attendance, underscoring demand for specialised care. Surgical cases rose impressively to 501 cases from just 80 in the previous year following the deployment of a surgeon – a milestone that

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

---

significantly enhanced patient care and also saw the hospital FIF reach over Kshs 4 million in October 2024. The hospital management was able to offer trainings to the staff through regular CME trainings and also IPC committee this ensured that the staff remained updated on evolving clinical practices and protocols.

The hospital continued to collaborate closely with development partners, who played a critical role in sustaining essential programs, however the global health crisis posed a significant setback when CCC was forced to shut down due to the withdrawal of 13 partner supported health care workers serving HIV/AIDS patients. The hospital nonetheless intervened by engaging locum contractual workers and integrating the laboratory, pharmacy and records services of the CCC into the hospital mainstream operations.

The hospital was able to upgrade various medical equipment including the purchase of a hemogram machine for the laboratory department.

Despite the challenges of industrial action, staff shortages, water scarcity, and infrastructure pressures, the hospital demonstrated resilience, adaptability, and innovation. The steady recovery of service delivery indicators, the rise in surgical capacity, and the doubling of FIF revenues underscore the impact of collective effort and strong leadership. Looking ahead, the Hospital Management Team remains committed to: Expanding service delivery to meet the needs of our growing catchment population; Addressing critical staffing gaps through sustainable recruitment and training; Prioritizing infrastructural improvements, including Construction of CT Scan unit and refurbishment of the postnatal ward; Strengthening partnerships to bridge resource gaps and ensure continuity of essential programs.

On behalf of the HMT, I extend sincere appreciation to our staff, the Hospital Board, our partners, and the community for their unwavering support. Together, we continue to transform challenges into opportunities, ensuring that ORSCH remains a beacon of hope and quality healthcare for all.

Name ..... *Dr. Muriuki Mwangi*



**Secretary to the Board**

7. Statement of Performance Against Predetermined Objectives

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1: Health information systems	To establish evidence-based decisions that are accurate, real time accessible to all stakeholders	Interconnectivity of all essential departments in a CHIS system; submission of all departmental reports by 5 <sup>th</sup> of every month	Purchase of the required computers; installation of CHIS system; procurement of wifi; staff training on the usage	Better communication with partners; more satisfaction to clients; increased revenue; system upgrade; installation of wifi and purchase of computers
2: Health workforce	To optimise performance and staff retention through Excellent HR policies	High staff morale and retention; high staff output; few absenteeism	Regular staff training; performance contracting; superior remuneration. Promotions	Hiring of lab and pharmacy staff on locum; training of staff through CME
3: Service delivery	To provide efficient, quality and accessible service	Reduced complaints and more compliments by clients	Staff training on PR matters; signage on departments and direction; introduction of	Installation of visible service charters in all department and training staff to abide.

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

			customer service desk	
4: Leadership and governance	To ensure that strategic leadership and management is in place	Quarterly board meetings; monthly HMT meetings; Daily departmental briefs; regular committee meetings	Availability of minutes; crafting of policies and oversight	Active board, HMT, hospital committees
5: Health system financing	To generate funds towards achievement of universal health coverage by widening the financing sources	Increase in FIF revenue: timely UHC funding; Loping of more partners	Regular system upgrade for transparency; active seeking of donors; good communication with NHIF offices	Increased budgets on Drugs and commodities; active search for donors
6: Medical products, vaccine and technologies	to ensure that drugs, commodities and medical technologies are optimally stocked	Reduced stock outs on drugs and commodities; timely servicing of medical technologies	Timely filling of stock bin cards;	Monthly budget allocation on all drugs, commodities and maintenance of machines

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

---

ORSCH aligns its objectives with the Kajiado County strategic plan which is mainly guided by the The WHO's six key pillars of a good health care management and are considered to be the building block to any functional health care system that is aimed in supporting and strengthening any healthcare system.

Hence ORSCH has aligned its activities on these pillars in order to achieve its predetermined objectives in terms of its strategies and implementation of annual work plans. These components are aimed at aligning people, organizations and resources in order to enhance promotive/preventive and curative services of the institution. These activities and goals are long term in nature and are tailor-made into achievement of particular objectives. Hence partners and the management must be committed and well-coordinated in order to achieve the aims of the board and management.

ORSCH has 6 strategic pillars and objectives within the current Strategic Plan for the FY 2024/2025 These strategic pillars are as follows:

- 1: Health information systems.
- 2: Health workforce.
- 3: Service delivery.
- 4: Leadership and governance.
- 5: Health system financing.
- 6: Medical products, vaccine and technologies

ORSCH develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The ORSCH achieved its performance targets set for the FY 2024/2025 period for its 6 strategic pillars, as indicated in the diagram below:

## **8. Corporate Governance Statement**

The Hospital Board is on a three-year mandate and was appointed by H.E Joseph Ole Lenku via Gazette notice No. 14242, dated 15<sup>th</sup> November 2023. This appointment was approved by the County Assembly with clear terms of service stated until November 2026. The Board is made up of seven members drawn from various professionals and cultures which enables members to drive the hospital in a diverse perspective. Since members are head hunted locally, it is obvious that they have the interest of hospital at heart. The Board is mandated to meet quarterly with two emergency sittings per year on need basis. The members were trained after appointment and underwent training between 4<sup>th</sup> and 6<sup>th</sup> December 2023. This training gave members adequate knowledge on the role of the Hospital Boards which is to provide oversight on HMT, promote the development of the hospital through prudent management, seeking for funding from various sources, approving work plans and annual financial estimates before submission to the executive. The Board acts as the bridge between the local community and the Hospital's staff.

The Board's sitting allowance is determined by the Salaries and Remuneration Commission which is paid on the number of meetings attended basis. In the last financial year, the Board was able to meet four times. These meetings are oversight on the daily running of the hospital by the HMT.

Members of the board must be ethical and must meet the Chapter 6 of the Kenya Constitution that guides on the responsibilities, conduct and integrity of state and public officers.

The board has been instrumental in seeking for various partnership between the hospital and various donors.

The Board has its priority projects and each member has also been assigned a role in each of the WHO six pillars of health. The priority projects of the Board are as follows;

1. Construction of a 70-bed capacity ward.
2. Establishment of a Hospital Master plan.
3. Innovation on water harvesting and solar energy usage.
4. Addressing the staff shortages.

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

The FY 2024 2025 was a challenging year that saw the HMT handle several industrial strikes that included an eight weeks nurses strike in February 2025, that affected both the revenue collection and the workload. The Board and the Management mitigated this by employing critical staff on locum basis to ensure that the hospital did not completely shut. The County was able to mitigate through the supply of drugs and commodities in kind.

The regular upgrade of the CHIS system has also helped in improvement and accountability of revenue which is cashless. The introduction of the Universal Health Coverage through SHA has seen the FIF revenue collection in the Hospital notably reduce especially due to PHC services offered by the hospital. The withdrawal of USAID supported Fahari ya Jamii affected the CCC services negatively. However, the introduction of the Mama na Mwana program by the St John Ambulance was a great leap for prenatal mothers.

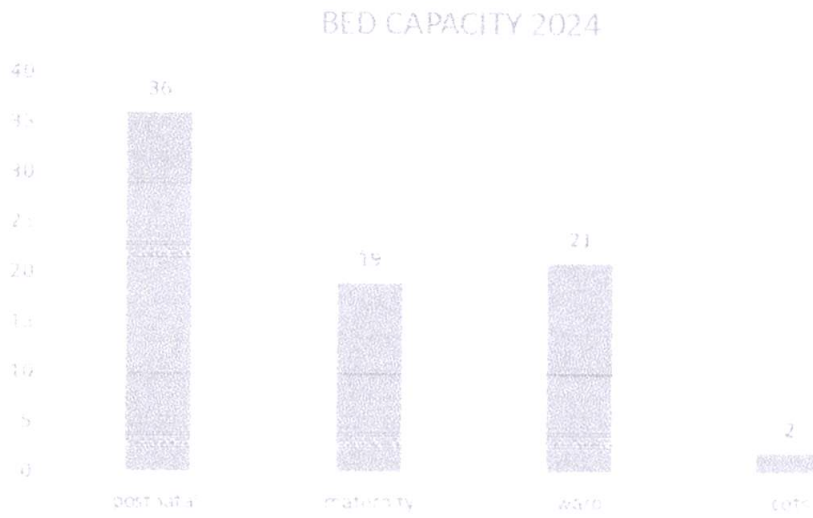
The hospital has however had challenges in the following areas;

1. The main water supplier (Oloolaiser Water Company) has been ineffective and the Hospital has been buying two trucks of water on daily basis.
2. The area has been experiencing regular power outages and the hospital has been resulting to the use of generator in effect incurring huge losses in purchase of diesel.
3. Operational costs such as electricity, food and ration and casual wages that used to be paid for by the County on behalf of the hospital has since revert to the hospital this has in effect reduced the budgets for drugs and other commodities.

**Clinical/operational performance**

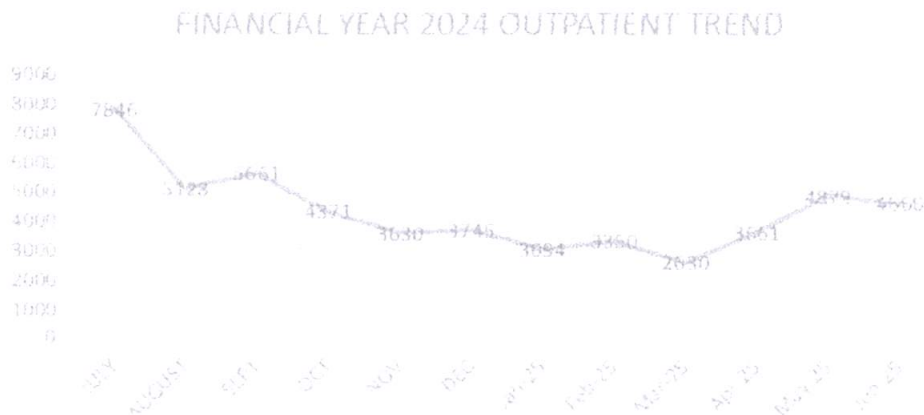
ORSCH has in patient capacity of 70 beds.

*Bed capacity of the hospital*



Ongata rongai subcounty hospital currently has a total bed capacity of 76 beds and 2 cots. the largest allocation is the postnatal ward (36) beds, the maternity ward has 19 beds while general ward as 21 beds and 2 cots available to support neonatal care.

*Overall patient attendance during the year for both inpatient and outpatient.*



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

---

This graph depicts the monthly outpatient attendance between July 2024 and June 2025.

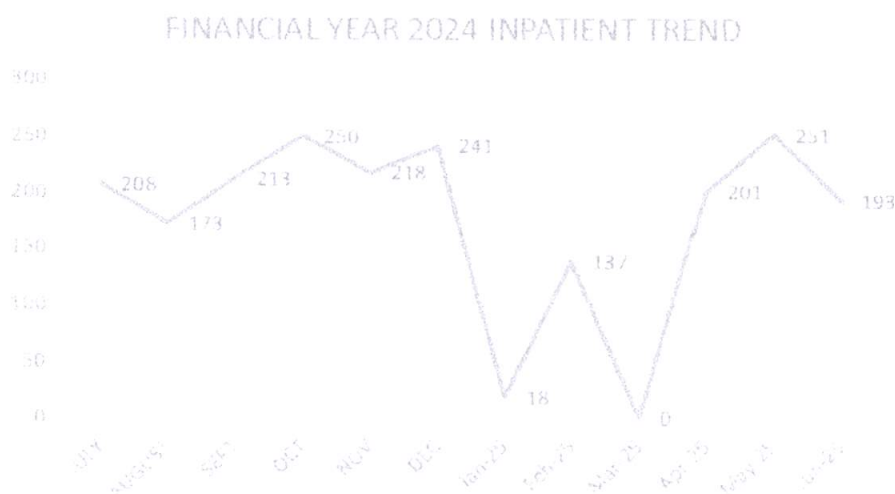
July 2024 (Peak) – Outpatient attendance was highest at 7,846, possibly due to medical camps and outreaches conducted.

August – November 2024 (Decline) – There is a sharp drop from 7,846 in July to 3,630 in November. This suggests reduced patient flow, due to health workers strike.

December 2024 – February 2025 (Low levels) – Attendance fluctuates at low levels, dropping further to 2,850 in March 2025, the lowest point of the year. This may be due to festive season (December).

March – May 2025 (Recovery) – After March's low, there is a steady increase in outpatient numbers, reaching 4,879 in May 2025.

June 2025 (Slight drop) – A minor decrease to 4,660 is seen in June, but levels remain higher than earlier months, indicating some stabilization.



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

General Pattern

July–Dec 2024: Inpatient numbers were fairly stable, ranging from 173–250, averaging above 200 admissions monthly.

Jan–Mar 2025: A sharp decline occurred:

- Jan 2025: Only 18 inpatients.
- Feb 2025: Partial recovery to 137.
- Mar 2025: Dropped to 0 (no recorded inpatients).

Apr–Jun 2025: Strong recovery, rising to 251 in May, before dropping slightly to 193 in June.

The inpatient trend was stable until Jan–Mar 2025, when admissions dropped due to the healthcare workers’ strike. After services resumed in April, admissions quickly bounced back,

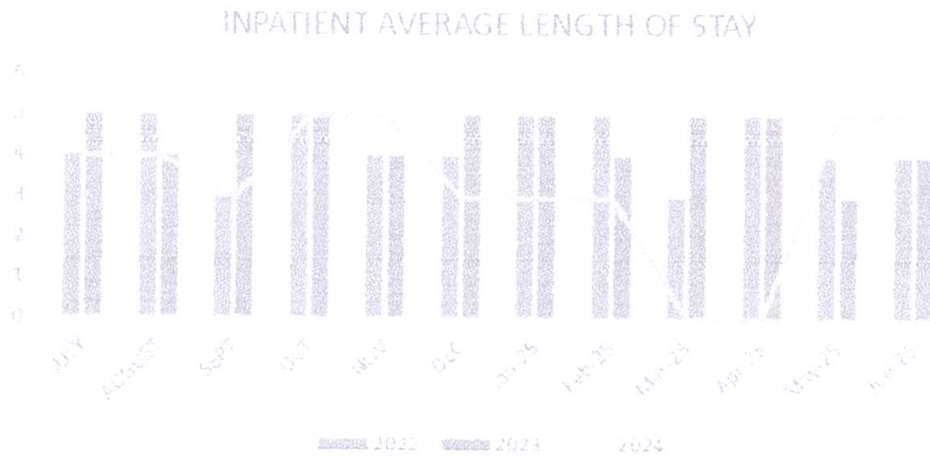
- *Specialised clinic attendance*

SPECIAL CLINICS ATTENDANCE OF 2023 VS 2024



Special clinics improved in 2024 compared to 2023, likely because of better service organization, improved patient engagement and stronger data capture.

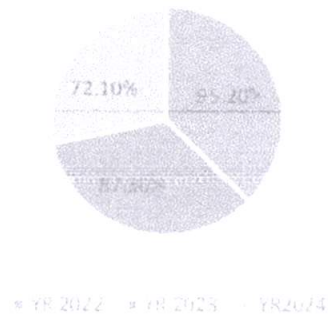
- *Average length of stay for in patient.*



The average length of stay has been consistent at 4–5 days, indicating stable inpatient care practices. However, during the strike (Jan–Mar 2025), ALOS dropped sharply (to 0–1 days), reflecting reduced or no admissions. After April 2025, ALOS returned to normal, confirming restoration of routine service delivery.

o *Bed occupancy rate*

% INPATIENT OCCUPANCY



2022 (95.2%) –Services were running normally, hence high occupancy.

2023 (87.3%) – It shows a noticeable reduction in utilization, though still above 80%.

2024 (72.1%) –the prolonged strikes led to patients seeking treatment in alternative hospitals, driving occupancy much lower.

The steady decline in occupancy (95.2 → 87.3 → 72.1%) is consistent with the cumulative effect of strikes.

○ *Mortality rate*

MORTALITY RATE



2022: 0.01%

Very low mortality, showing good outcomes.

2023: 0.01%

No change from 2022 → outcomes remained stable despite a slight decline in occupancy.

2024: 0.04%

Mortality increased fourfold compared to the previous years (0.01 → 0.04%). While still low in absolute terms, it's a significant proportional increase.

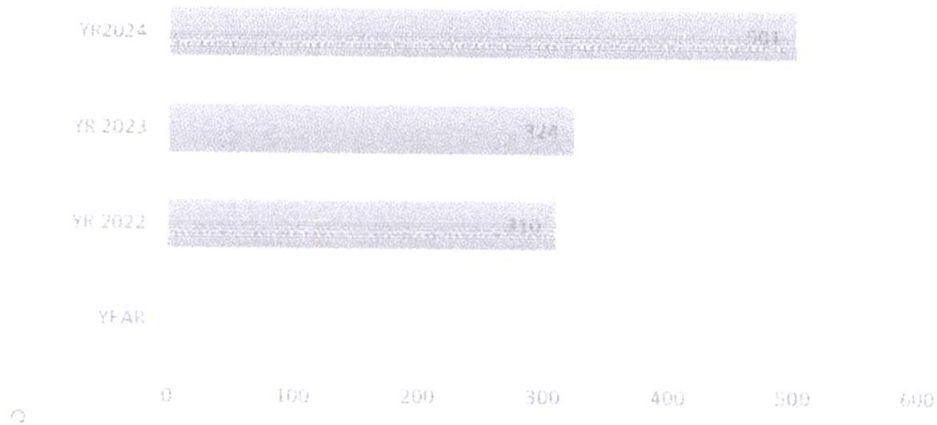
In 2022 and 2023, care quality and outcomes were steady.

By 2024, mortality rose, which may be explained by:

Staff strikes → reduced staffing, delayed care, and compromised service delivery.

○ *Surgical theatre utilisation (number of operations over a period of time)*

## SURGICAL CASES



2022 – 310 surgeries

- This was the baseline year, with moderate surgical activity.
- Represents the average service level at the facility.

2023 – 324 surgeries (4.5% from 2022)

- Slight increase compared to 2022.

FY 2024 – 501 surgeries (54.6% from 2023, 61.6% from 2022)

- A significant increase in surgical volume which can be attributed to More referrals from lower facilities.
- Improved access to care (insurance coverage, SHA, awareness campaigns)

### 1. Financial performance that includes: -

The ORSCH derives its revenue from the (a) FIF collections (b) SHIF (c) County Government.

- (a) The FIF is the revenue collected by the hospital directly from its clients on the services offered such as patients' consultations, drugs dispensation, laboratory services, in patient charges and any other chargeable service offered. All the charges are paid cashless through a KCB pay bill offered by the hospital and the funds are paid in a pool

account for all the level 4 hospitals in Kajiado. Every end of the month a 70% reimbursement is done to the hospital through an AIE from the Chief Officer of medical services.

- (b) The other source of revenue is SHÄ funds categorised into two; Primary Healthcare Fund for basic services, Social Health Insurance Fund for general care.
- (c) The County Headquarters through KEMSA supply drugs, non-pharmaceuticals and lab reagents to the hospital directly.

All the funds are utilised through budgets and approval from the office of the Chief officer. The FIF funds require that 40% of the funds be allocated to HPT (drugs, non-pharmaceutical and lab reagents), 20% is allocated to salaries and wages, 10% fuel, 10% maintenance of buildings and 20% other costs. The SHA funds will also be budgeted on the need basis and also as per the work plans and budget projections.

## **10. Environmental and Sustainability Reporting**

### *i) Sustainability strategy and profile*

ORSCH mission is to provide customer centred health services while its long-term vision is to provide to its clients equitable, and affordable high-quality healthcare and related services. To sustain this vision the hospital management led by the board has placed the WHO six pillars of health as a guide to its sustainability; health financing requires the stakeholders to widen the funding net by way of actively engaging donors on the various programs and projects. The enhanced service delivery and health workforce pillars helps to ensure that more revenue is collected this will require training of staff on customer service and usage of tools such as GRM to ensure all grievances are addressed and feedback given to all concerned stakeholders. Health information systems and technology ensures quality data and enhanced accountability. Medical products and technologies will ensure that stock outs are eliminated since stock levels are easily monitored. Overall, the leadership and governance by the board guarantees long term strategies are accomplished through influencing the executive to allocate enough budgets to the health sector. The engagement of the community through formal dialogues and use of trained CHV sustains the relationship between the community and the hospital.

*ii) Environmental performance*

The ORSCH Board members has always encouraged staff to plant trees in the hospital compound and whenever there are meetings in the hospital members visit the compound to ensure the environment is taken care of. They have in the past led staff planting trees seedlings in the hospital's compound. This is in support of the National Tree Growing Restoration Campaign whose aim is to plant 15 billion trees by 2032 and achieve 30% tree cover in the country. This is a powerful sustainable solution to mitigate on the adverse effects of climatic change and reduce environmental degradation. The hospital has a vibrant Public Health Office whose role is to monitor the national and county policies on environment and public health are adhered to. The hospital has put in place measurable policies that ensures that the hospital remains safe for both the members of public and staff. There is a modern incinerator installed that serves not only the hospital but also the nearby health institutions for a fee making it sustainable. There is in place an IPC committee whose role is to train the staff on handling of waste and also emerging issues on environment. The ash pit and placenta pits ensure that all SOPs are adhered to and are also well documented. However, the hospital face challenges as the local settlement do not have a sewage-line and unscrupulous landlords pump human waste on the open space. The Public Health Officers always arrests the culprits and charge them in law courts. The hospital is also flood prone during rainy seasons. The hospital is well fenced to avoid encroachment.

*iii) Employee welfare*

The Kajiado Public Service Board is the sole employer of all permanent and pensionable employees in all county departments. The Board prides itself as an equal employer and all potential employees must meet the Chapter 6 requirements of the Kenya Constitution on integrity and conduct of state employees on top of the required qualifications. All employees must abide by the public servants code of conduct. The county PSB upholds one third gender rule and all vacancies are advertised in the public media. The Hospital is however mandated to engage casual workers on contract basis. The management ensures that all workers are safe and the work environments are compliant to Occupational Safety and Health Act of 2007. Monthly reports are sent to the County Headquarters to ensure that there is accountability. Staff training and promotions are performed by the county HR.

departments through appraisal every three years. The hospital conducts weekly CME to upraise the workers on various important issues affecting them and also general training.

*iv) Market place practices-*

The ORSCH is a public ORSCH and seek to:

*a) Responsible competition practice.*

The ORSCH is guided by Kenya Constitution, relevant laws, regulations and policies in handling its finance and procurement management.

*b) Responsible Supply chain and supplier relations*

All the procurements for the hospital are subjected to at least three quotations from prequalified contractors and suppliers. The procurement process is done through the relevant committees. Documentation is filed for purposes of future reference and auditing. The goods supplied and also services are certified by inspection and acceptance committee before being listed in bin cards. The payment process is effected through cheque payments immediately after delivery of goods and service.

*c) Responsible marketing and advertisement*

The hospital reaches its market segment (local communities) through the use of CHVs and by conducting outreaches. Before any outreach or program the hospital uses its utility vehicles and criers to update the members of public on the same on the details of the program.

*d) Product stewardship*

The rights and the expectations of the hospital clients is displayed on a major service charter on the main packing of the hospital in a manner that is visible to all entering the hospitals. Small departmental charters are also displayed in all the departments waiting areas. Members of staff are trained to adhere on the promise made on the charters.

*v) Corporate Social Responsibility / Community Engagements*

The ORSCH engages local communities through outreaches, community engagements in public meetings and waiving bills for clients who for different reasons are unable to meet

their obligations. Children under 5 years are offered free service in the hospital while mothers who deliver in the Hospital are offered baby and mother pack as small gift packages.

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

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

### **Principal activities**

The principal activities of the *ORSCH* is to attain the highest standard of healthcare in a manner that is responsive to the needs of the people of Kajiado and Kenya.

### **Results**

The results of the *ORSCH* for the year ended June 30 2025 are set out on pages 33 to 80

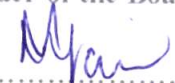
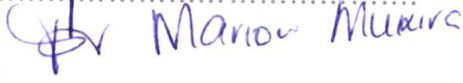
### **Board of Management**

The members of the Board who served during the year are shown on page xi to xii

### **Auditors**

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

### **By Order of the Board**

  
.....  
  
Name

### **Secretary to the Board**

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

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

The Board of Management is responsible for the preparation and presentation of the *ORSCH's* financial statements, which give a true and fair view of the state of affairs of the *hospital* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *ORSCH*, (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 *ORSCH*, (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 *ORSCH's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *ORSCH's* financial statements give a true and fair view of the state of *ORSCH's* transactions during the financial year ended June 30, 2025, and of *this* financial position as at that date.

The Board members further confirm the completeness of the accounting records maintained for the *ORSCH*, which have been relied upon in the preparation of the *ORSCH's* financial statements as well as the adequacy of the systems of internal financial control.

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

---

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern OR Nothing has come to the attention of the Board of management to indicate that the *ORSCH* 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 15/10/25 and signed on its behalf by:

Name *[Signature]*  
Chairperson  
Board of Management  
*HEWEN GUKERA*

Name *[Signature]*  
Accounting Officer  
*MAVION MUKIRI*

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

---

### 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 Ongata Rongai Sub-County Hospital - County Government of Kajiado set out on pages 1 to 52, which comprise of the

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

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

### **Basis for Qualified Opinion**

#### **1. Unconfirmed Rendering of Services - Medical Service Income**

The statement of financial performance and as disclosed in Note 11 to the financial statements reflect Kshs.42,563,948 in respect to rendering of services - medical service which relate to services rendered to patients. However, revenue billing reports indicating the revenue generated from each patient were not provided for audit review.

In the circumstances, the accuracy and completeness of rendering of services - medical service income totalling Kshs.42,563,948 could not be confirmed.

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

The statement of financial position reflects property, plant and equipment balance of Kshs.443,710,007 which, as disclosed in Note 32 to the financial statements includes land valued at Kshs.300,000,000. However, review of the land ownership documents revealed that the Hospital did not have a title deed and there was an ongoing court case disputing the ownership of the Hospital land. In addition, logbooks for the motor vehicles valued at Kshs.1,850,977 were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.443,710,007 could not be confirmed.

#### **3. Unconfirmed Inventories Balance**

The statement of financial position reflects inventories balance of Kshs.7,104,282 as disclosed in Note 31 to the financial statements. However, the stock take reports provided for audit review were not signed by members who conducted the annual stock take.

Further, review of the stores records and bin cards revealed that the Hospital lacked an Inventory Management Policy that defines the issuance system adopted for pharmaceutical and non-pharmaceutical supplies including replenishment of stock,

receipt and dispatch of drugs, inspection of available stocks and how stock expiry date was tracked and disposal undertaken.

In the circumstances, the accuracy, completeness and valuation of the inventories balance of Kshs.7,104,282 could not be confirmed.

#### **4. Unsupported Receivables from Exchange Transactions**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.9,491,847 as disclosed in Note 29 to the financial statements. However, the supporting documents including schedules, invoices raised, confirmations from Social Health Authority and Facility Improvement Fund, reconciliations and correspondence on outstanding claims were not provided for audit review.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.9,491,847 could not be confirmed.

#### **5. Unconfirmed Employees Costs**

The statement of financial performance reflects employee costs of Kshs.215,866,619 as disclosed in Note 16 to the financial statements. Included in the amount is Kshs.6,715,906 in respect to casuals and contractual workers. However, the master roll for casual workers to record their daily work and salary structure, formal requests done from the head of department on the need to engage casuals, advertisements for vacancies and records on how the recruitment was done were not provided for audit review. Further, the casuals' payments were not backed up with a bank remittance form and a signed payment schedule.

In the circumstances, the accuracy and completeness of employees cost amounting to Kshs.6,715,906 could not be confirmed.

#### **6. Inaccuracies in Cash and Cash Equivalents**

The statement of cashflows and the statement of financial position reflects cash and cash equivalents balance of Kshs.204,869 which differs with the recalculated balance of Kshs.1,726,227 resulting to unexplained variance of Kshs.1,521,358.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.204,869 could not be confirmed.

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

## **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 pages iii to xxxiv which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Lack of an Approved Procurement Plan**

Review of records revealed that the Hospital did not have an approved Procurement Plan contrary to Regulations 114(2) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that a Procurement Plan shall be prepared every year by Accounting Officers to form the basis for procurement activities undertaken by Government entities in the fiscal year.

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

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

Review of the Hospital's records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit in September, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficit by thirty (30) or approximately 31% of the authorized establishment.

No.	Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
1.	Medical Officers	16	4	12	75
3.	General Surgeons	2	0	2	100
4.	Gynecologists	2	1	1	50
5.	Pediatricians	2	1	1	50
7.	Registered Community Health Nurses	75	61	14	19
		<b>97</b>	<b>67</b>	<b>30</b>	<b>31</b>

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

No.	Equipment and Machines	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage Variance %
1.	Bed Capacity	150	76	74	49
2.	Newborn Incubators	5	1	4	80
3.	Cots	5	2	3	60
4.	Resuscitaire in Labor Ward	2	1	1	50
5.	Functional ICU Beds	6	0	6	100
6.	HDU Beds	6	0	6	100
7.	Renal Unit with Dialysis Machines	5	0	5	100

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

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

## 3. Irregular Engagement of Casual Workers

The statement of financial performance and as disclosed in Note 16 to the financial statements reflect employee costs of Kshs.215,866,619 which includes Kshs.6,715,906

in respect to casuals and contractual workers who had been engaged for more than three (3) months. This is contrary to Section B.16(1) of the County Public Service Human Resource Manual of May, 2013 which states that (1) Casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act, 2007.

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

#### **4. Lack of Quarterly Revenue Reports**

During the year under review, the Hospital did not prepare and submit quarterly revenue reports to the County Treasury with a copy to the Auditor-General. This is contrary to Regulations 64(1) and (4) of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that the Accounting Officer or Receiver of Revenue or Collector of Revenue shall prepare a quarterly report not later than the 15th day after the end of the quarter and submit them to the County Treasury, with a copy to the Auditor-General and to County Assembly.

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

#### **5. Irregular Expenditure on Food and Ration**

The statement of financial performance reflects Medical/ Clinic costs of Kshs.24,126,684 which, as disclosed in Note 15 to the financial statements includes food and ration amount of Kshs.3,509,902. However, review of procurement records revealed that there was no evidence of market survey having been conducted. This is contrary to Regulation 33(3)(aa) of the Public Procurement and Assets Disposal Regulations, 2020 which stipulates that the role of the procurement function shall be to carry out market surveys to inform the placing of orders or adjudication by the relevant awarding Authority.

In the circumstances, Management was in breach of the law and value for money obtained from Kshs.3,509,902 spent on food and ration could not be confirmed.

#### **6. Failure to Retain Facilities Improvement Funds (FIF) at the Hospitals**

Review of revenue records revealed that the Hospital collected a total of Kshs.35,440,680 towards the health facilities improvement which include a total of Kshs.24,808,476 that was transferred to County Revenue Fund. This is contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that monies raised or received by or on behalf of Public Health Facilities be retained by the Facility and be paid into a separate Facility Improvement Financing Account.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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

### Basis for Conclusion

#### 1. Lack of an Approved Annual Board Work-Plan and a Board Charter

During the year under review, the Hospital Management did not prepare an annual workplan for review of Management's implementation of strategies, policies and plans and a Board Charter to define the role, responsibilities and functions of the Board in the governance of the organization.

In the circumstances, existence of effective governance measures could not be confirmed.

#### 2. Failure to Maintain an Updated Fixed Assets Register

The statement of financial position and as disclosed in Note 32 to the financial statements reflect property, plant and equipment balance of Kshs.443,710,007. However, review of the Hospital's records and physical verification revealed that the Hospital did not maintain an updated fixed assets register to control its asset. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, existence of effective assets management measures could not be confirmed.

#### 3. Lack of Approved Information Communication and Technology (ICT) Security Policy and a Disaster Recovery Plan

Review of the Hospital's Information Communication and Technology systems revealed that the Hospital did not have an approved ICT Policy for governance and management of its ICT resources. In addition, there is no ICT Steering Committee in place to assist in the development of ICT Policy Framework to enable the Hospital realize long-term ICT strategic goals. Lack of an approved ICT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the Hospital's ICT assets. Further, without a sound and approved framework, users do

not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In addition, the Hospital did not have an approved Disaster Recovery Plan/Business Continuity Plan. In the absence of the plan, the Hospital lacks a system of mitigating against disasters and ensuring that its operations are not disrupted in case of disaster.

In the circumstances, effectiveness of the measures put in place to prevent errors, fraud, loss of data confidentiality, integrity and availability could not be confirmed.

#### **4. Failure to Back-Up Financial Data and Maintain Audit Trail**

Review of the Hospital's financial records revealed that the Hospital's records are maintained in Microsoft excel with no backup system leading to lack of audit trail. Further, the use of excel is manipulatable and exposes the Hospital's financial information to risks of inaccuracies, inefficiencies and loss. In addition, it fails to provide for approval and authorization of transactions.

In circumstances, data integrity and reliability of the accounting records in the manual system could not be confirmed.

#### **5. Lack of Risk Management Policy and Strategy**

The Hospital Management did not have a Risk Management Policy, strategies and risk register to mitigate against risks. It was, therefore, not clear how Management manages risk exposures. This is contrary to Regulation 158 (1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which require the Accounting Officer to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism; and the County Government entity develops a system of risk management and internal controls that builds robust business operations.

In the circumstances, the existence of effective risk management measures 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 the Management and those Charged with Governance**

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

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

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

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

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

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

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

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

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

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



FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

03 December, 2025

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

**14. Statement of Financial Performance for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY	FY
		2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	217,107,787	22,150,989
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		<b>217,107,787</b>	<b>22,150,989</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	42,563,948	37,885,879
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	271,665	-
<b>Revenue from exchange transactions</b>		<b>42,835,613</b>	<b>37,885,879</b>
<b>Total revenue</b>		<b>259,943,400</b>	<b>60,036,868</b>
<b>Expenses</b>			
Medical/Clinical costs	15	24,126,684	38,555,460
Employee costs	16	215,866,619	3,326,300
Board of Management Expenses	17	73,000	31,500
Depreciation and amortization expense	18	5,352,726	6,053,300

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

Description	Note	FY	FY
		2024/2025	2023/2024
		Kshs	Kshs
Repairs and maintenance	19	5,699,062	4,626,933
Grants and subsidies	20	-	-
General expenses	21	13,016,893	12,847,305
Finance costs	22	-	-
<b>Total expenses</b>		<b>264,134,984</b>	<b>65,440,799</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(-)	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		<b>-</b>	<b>-</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(4,191,585)</b>	<b>5,403,931</b>

During financial year 2023-2024 P&P salaries and wages in kind were not included but now included in financial year 2024-2025. The revenue increased due to more work load in the hospital.

*(The notes set out on pages 22 to 61 form an integral part of the Annual Financial Statements.)*


The Hospital's financial statements were approved by the Board on 15<sup>th</sup> October, 2015 and signed on its behalf by:

  
Chairman  
Board of Management

CPA Susan W  
Kimani

Head of Finance  
ICPAK No:

33594

  
Mariano MUKIRA

Medical Superintendent

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

**15. Statement of Financial Position as at 30<sup>th</sup> June 2025**

<b>Description</b>	<b>Note</b>	<b>FY 2024/2025 Kshs</b>	<b>FY 2023/2024 Kshs</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	204,869	965,548
Prepayments	28	266,449	-
Receivables from exchange transactions	29	9,491,847	7,772,202
Receivables from non-exchange transactions	30	-	-
Inventories	31	7,104,282	12,799,852
<b>Total Current Assets</b>		<b>17,067,447</b>	<b>21,537,602</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	443,710,007	449,062,733
Intangible assets	33	1,767,685	1,767,685
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>445,477,692</b>	<b>450,830,418</b>
<b>Total assets (A)</b>		<b>462,545,138</b>	<b>472,368,020</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	226,800	1,486,000
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-

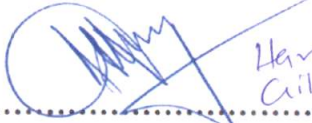
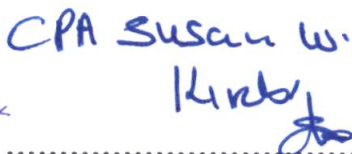
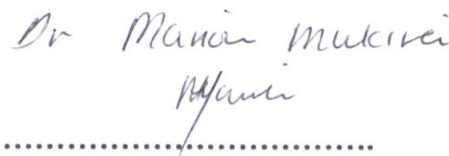
**Ongata Rongai Sub County Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Total Current Liabilities</b>		226,800	1,486,000
<b>Non-current liabilities</b>			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
<b>Total non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		226,800	1,486,000
<b>Net assets (A-B)</b>		462,318,338	470,882,020
<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated Surplus/Deficit		(15,904,136)	(11,712,552)
Capital Fund		478,222,474	482,594,471
<b>Net Assets</b>		462,318,338	470,882,019

Note.

1. In this financial year, the facility offered services to 4,648 patients under Primary Health Care Fund which ought to have been Receivables from rendering of services. However, these services were not monetized by SHA.

The Hospital's financial statements were approved by the Board on 15<sup>th</sup> October, 2025 and signed on its behalf by:

**Chairman**

**Head of Finance**

**Medical Superintendent**

**Board of Management**

**ICPAK No: 33894**

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

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1<sup>st</sup>, 2023 (previous year)</b>	-	(6,308,621)	486,303,600	479,994,980
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(5,403,931)	482,594,571	477,190,640
Capital/Development grants	-	-	-	-
<b>As at June 30<sup>th</sup>, 2024 (previous year)</b>	-	(11,712,552)	482,594,571	470,882,019
<b>At July 1<sup>st</sup>, 2024 (current year)</b>	-	(11,712,552)	482,594,571	470,882,019
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(4,191,585)	478,222,474	474,030,889
Capital/Development grants	-	-	-	-
<b>At June 30<sup>th</sup> 2025 (current year)</b>	-	(15,904,136)	478,222,474	462,318,338

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

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

Description	Note	FY 2024/2025 Kshs	FY 2023/2024 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		42,302,071	30,113,677
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts clinical attachment		271,665	-
Add back		604,754	
<b>Total Receipts</b>		<b>43,178,490</b>	<b>30,113,677</b>
<b>Payments</b>			
Medical/Clinical costs		15,942,810	16,404,471
Employee costs		6,715,906	2,895,300
Board of Management Expenses		73,000	31,500
Repairs and maintenance		5,699,062	4,626,933
Grants and subsidies		-	-
General expenses		11,682,033	11,792,305
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>40,112,811</b>	<b>35,750,509</b>
<b>Net cash flows from operating activities</b>	43	<b>(3,065,679)</b>	<b>(5,636,833)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		-2,305,000	(800,000)
Purchase of intangible assets		-	(-)
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	(-)
<b>Net cash flows used in investing activities</b>		<b>2,305,000</b>	<b>(800,000)</b>
<b>Cash flows from financing activities</b>			

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

<b>Description</b>	<b>Note</b>	<b>FY 2024/2025 Kshs</b>	<b>FY 2023/2024 Kshs</b>
Proceeds from borrowings		-	-
Repayment of borrowings		-	(-)
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>		-	(-)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>760,679</b>	<b>(6,436,833)</b>
Cash and cash equivalents as at 1 <sup>st</sup> July	27	965,548	7,112,381
<b>Cash and cash equivalents as at 30<sup>th</sup> June</b>	<b>27</b>	<b>204,869</b>	<b>965,548</b>

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	D	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	965,548	-	965,548	965,548	-	100
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	29,624,190	13,129,524	42,753,714	41,941,277	812,437	98.10%
Revenue from rent of facilities						0.00%
Finance / interest income						0.00%
Miscellaneous receipts (specify)	-	-	0	271,665	-271,665	
Total receipts	30,589,738	13,129,524	43,719,262	42,212,942	540,772	98.76%
Payments						0.00%
Medical/Clinical costs	14,761,500	1,552,495	16,313,995	15,942,810	371,185	97.72%
Employee costs	5,821,200	4,456,360	10,277,560	6,715,906	3,561,654	65.35%
Remuneration of directors	276,000	-		73,000	203,000	0.00%
Repairs and maintenance	1,203,990	754,500	1,958,490	5,699,062	-3,740,572	290.99%
Grants and Subsidies	-	-		-	-	0.00%
General expenses	7,061,500	4,098,239	11,159,739	11,682,033	-522,294	104.68%
Finance costs	-	-	-	-	-	0.00%
Refunds	-	-	-	-	-	0.00%
Total Operational Expenditure paid	29,124,190	10,861,594	39,709,784	40,112,811	-127,027	101.01%
Capital Expenditure paid	500,000	2,267,930	2,767,930	2,305,000	462,930	83.28%
Surplus/(Deficit)	965,548	0	1,241,548	(204,869)	204,869	61.27%

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

The underspending by 65% on the employee cost was as a result of low workloads caused by health workers strike whereby different department went on strike at various times including medical officers, clinicians, laboratory staff and nurses who went on strike for two months. This meant that most of the hospitals departments were not functioning and this affected the hiring of locum staff.

The hospital was having an acute congestion at the OPD and during the outbreak of MPOX the management was faced with the danger of exposing both the patients and staff hence decided to refurbish and equip a 40" feet container in order to move the reception, cashiers, SHA office, records stores and the patients waiting bay. This affected upwards the repairs and maintenance budget.

**Budget Reconciliation**

	Description of Particulars	Amount in K.shs
	Actual Surplus Amounts as per the statement of Budget	204,896
1	Clinical Costs	-
2	Salaries	-
3	Repairs and Maintenance	-3,740,572
4	General Expenses	-522,294
	Closing Cash and Cash Equivalent as per the statement of Cash flows	204,869

## 19. Notes to the Financial Statements

### 1. General Information

ORSCH is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kajiado County Government and is domiciled in Kajiado County in Kenya. The entity's principal activity is provision of quality Healthcare.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *ORSCH's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *e*. The financial statements have been prepared in accordance with the PFM Act, and (*include any other applicable legislation*), 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<sup>th</sup> June 2025.*

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

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful</p>

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

Standard	Effective date and impact:
	information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1<sup>st</sup> January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li data-bbox="443 1070 1369 1167">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="443 1189 1369 1339">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="443 1361 1369 1615">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

*iii) Early adoption of standards*

The ORSCH 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 *ORSC* 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 *ORSCH* 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 *ORSCH*.

##### **Interest income**

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

##### **Rental income**

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

##### **b. Budget information**

The original budget for FY 2024 2025 was approved by Board on 24<sup>th</sup> June 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with

specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *ORSCH* recorded additional appropriations of *15<sup>th</sup> January 2024* on the FY 2024/25 budget following the Board's approval. The *ORSCH*'s budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

#### **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. Investment property**

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

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

**e. Property, plant and equipment**

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

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**g. Intangible assets**

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

**h. Biological Assets**

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

**i. Research and development costs**

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of

expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**j. Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The ORSCH 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

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

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

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

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

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

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

#### **Impairment**

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

#### **Financial liabilities**

##### **Classification**

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

#### **k. Inventories**

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

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

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

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

**l. Provisions**

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

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

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

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The ORSCH does not create and maintains reserves in terms of specific requirements.

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

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

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

**u. Related parties**

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

**v. Service concession arrangements**

The ORSCH 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 *ORSCH* 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 *ORSCH* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

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

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial

statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. ( IPSAS 1.140)

#### Useful lives and residual values

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

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

#### Provisions

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

#### Notes to Financial Statements Continued

#### 6. Transfers from the County Government

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

6 b Transfers from The County Government

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

7. In Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Salaries and wages	208,923,822	-
Medical supplies-Drawings Rights (KEMSA)	5,077,259	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	2,260,001	16,395,767
Lab Supplies & Reagents	864,614	2,092,479
Food & Ration	-	3,662,743
<b>Total grants in kind</b>	<b>217,107,787</b>	<b>22,150,989</b>

8. Grants From Donors and Development Partners

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

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

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

9. Transfers From Other Government Entities

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

10. Public Contributions and Donations

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

10 (a) Reconciliations of Amortised grants

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

11. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	-	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
NHIF Reimbursement	4,066,868	13,208,060
SHA Reimbursement	13,688,604	
Universal Health Coverage	-	5,201,005
Medical Services Income (FIF)	24,808,476	19,476,814
<b>Total revenue from the rendering of services</b>	<b>42,563,948</b>	<b>37,885,879</b>

12. Revenue From Rent of Facilities

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

13. Finance /Interest Income

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

14. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	271,665	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	<b>271,665</b>	-

### 15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	4,888,038	7,324,361
Public health activities		-
Food and Ration	3,509,902	4,366,741
Uniform, clothing, and linen	216,000	59,850
Dressing and Non-Pharmaceuticals	6,300,421	9,232,403
Pharmaceutical supplies	8,099,076	14,502,624
Health information stationery		2,365,481
Reproductive health materials		-
Sanitary and cleansing Materials	501,807	347,375
Purchase of Medical gases		294,825
X-Ray/Radiology supplies	22000	61,800
Chemical & Industrial Gases		
Other medical related clinical costs ( <i>Oxygen</i> )	607,440	-
<b>Total medical/ clinical costs</b>	<b>24,126,684</b>	<b>38,555,460</b>

### 16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	205,172,323	3,326,300
Contributions to pension schemes	3,751,590	-
Contracted employees	6,715,906	-
Performance and other bonuses		-
Staff medical expenses and Insurance cover		-
Group personal accident insurance and WIBA		-
Social contribution		-
Other employee costs ( <i>specify</i> )		-
<b>Employee costs</b>	<b>215,639,819</b>	<b>3,326,300</b>

**17. Board of Management Expenses**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	73,000	31,500
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>73,000</b>	<b>31,500</b>

**18. Depreciation and Amortization Expense**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	5,352,726,	17,757,348
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>5,352,726</b>	<b>17,757,348</b>

**19. Repairs And Maintenance**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	3,424,889	2,479,313
Medical equipment	822,665	914,370
Office equipment	-	-
Furniture and fittings	92,100	-
Computers and accessories	1,192,708	769,300
Motor vehicle expenses	166,700	463,950
Maintenance of civil works	-	-
<b>Total repairs and maintenance</b>	<b>5,699,062</b>	<b>4,626,933</b>

20. Grants and Subsidies

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

21. General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering Expenses	445,072	374,584
Waste Management Expenses		
Insecticides and Rodenticides		8,050
Audit fees		
Office Furniture		297,170
Bank Charges	42,497	40,456
Conferences and delegations		
Consultancy fees		
Contracted Services	1,440,000	1,072,800
Electricity Expenses	2,448,839	3,033,907
Fuel and Lubricants	4,108,749	4,773,338
Insurance		
Research and development expenses		
Travel and accommodation allowance	1,155,528	508,900
Legal expenses		
Licenses and permits		
Courier and postal services	76,607	
Printing and stationery	2,251,980	1,096,380
Hire charges		

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

Description	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Rent expenses	-	-
Water and sewerage costs	658,630	410,120
Purchase of Medical Equipment		824,400
Skills development levies		
Telephone and mobile phone services	43,990	97,600
Internet expenses		67,600
Computer Accessories		242,000
Staff training and development		
Subscriptions to professional bodies		
Subscriptions to newspapers periodical, magazines, and gazette notices		
Library books/Materials		
Parking charges		
General office supplies	345,001	
<b>Total General Expenses</b>	<b>13,016,893</b>	<b>12,847,305</b>

22. Finance Costs

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

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

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

24. Unrealized Gain On Fair Value Investments

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

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

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

27. Cash And Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current accounts	204,869	675,548
On - call deposits		
Fixed deposits accounts		
Cash in hand	-	290,000
Others( <i>specify</i> )- Mobile money		
<b>Total cash and cash equivalents</b>	<b>204,869</b>	<b>965,548</b>

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

Description		FY 2024/2025	FY 2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank		204,869	675,548
Equity Bank, etc			
<b>Sub- total</b>		<b>204,869</b>	<b>675,548</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Others(specify)</b>		<b>-</b>	<b>-</b>
<b>d) Cash in hand</b>			
Mobile money- Mpesa, Airtel money			290,000
<b>Sub- total</b>			<b>290,000</b>
<b>Grand total</b>		<b>204,869</b>	<b>965,548</b>

**28. Prepayments**

Description	FY 2024/2025 Kshs	FY 2023/2024 Kshs
electricity	266,449	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
<b>Total</b>	<b>266,449</b>	<b>-</b>

**29. Receivables From Exchange Transactions**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables NHIF/SHA	5,648,240	6,086,500
Medical services receivables FIF	3,843,607	1,685,702
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
<b>Total receivables</b>	<b>9,491,847</b>	<b>7,772,202</b>

**Analysis of Receivables From Exchange Transactions**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	9,491,847	%	7,772,202	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>9,491,847</b>	<b>100%</b>	<b>7,772,202</b>	<b>%</b>

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

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

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

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

**31. Inventories**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	3,634,157	11,356,682
Lab Reagents	632,280	1,367,530
Maintenance supplies	-	-
Food supplies	114,477	75,640
Linen and clothing supplies	-	-
Cleaning materials supplies	44,330	-
Non-Pharms	2,679,068	-
General supplies	-	-
Less: provision for impairment of stocks	(-)	(-)
<b>Total</b>	<b>7,104,282</b>	<b>12,799,852</b>

**Detailed disclosure on inventories**

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

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

*Notes to the Financial Statements (Continued)*

**32. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify )	Capita l Work in progre ss	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>									
At 1 <sup>st</sup> July 2024	300,000,000	134,456,000	3,290,625,000	2,296,875.00	1,777,956.00	13,294,577.00	-	-	455,116,033.00
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	-	(-)
Transfers/adjustments									
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	<b>300,000,000.00</b>	<b>134,456,000.00</b>	<b>3,290,625</b>	<b>2,296,875.00</b>	<b>1,777,956</b>	<b>13,294,577.00</b>	<b>-</b>	<b>-</b>	<b>455,116,033.00</b>
At 1 <sup>st</sup> July 2024 (current year)	300,000,000.00	134,456,000.00	3,290,625.00	2,296,875.00	1,777,956.00	13,294,577.00	-	-	455,116,033.00
Additions	-	-	-	25,000	587,200	1,692,833	-	-	2,305,033.00

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

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify )	Capita l Work in progre ss	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)
Transfer/adjustments	-	-	-	-	-	-	-	(-)	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2025</b>	<b>300,000,000.00</b>	<b>134,456,000.00</b>	<b>3,290,625.00</b>	<b>2,321,875.00</b>	<b>2,365,156.00</b>	<b>14,987,410.00</b>	<b>-</b>	<b>-</b>	<b>457,421,066.00</b>
<b>Depreciation and impairment</b>									
At 1 <sup>st</sup> July 2023 (previous year)	-	.02	.25	.125	.3333	.125	-	-	14,943,285.00
Depreciation for the year	-	2,689,120.00	822,656.00	287,109.00	592,593.00	1,661,822.00	-	-	6,053,300.00
Disposals	-	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment	-	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
<b>At 30<sup>th</sup> June 2024</b>		<b>8,233,120.00</b>	<b>3,382,031.00</b>	<b>990,234.00</b>	<b>2,814,637.00</b>	<b>5,576,563.00</b>	<b>-</b>	<b>-</b>	<b>20,996,585.00</b>
At 1 <sup>st</sup> July 2024 (current year)		<b>8,233,120.00</b>	<b>3,382,031.00</b>	<b>990,234.00</b>	<b>2,814,637.00</b>	<b>5,576,563.00</b>	<b>-</b>	<b>-</b>	<b>20,996,585.00</b>

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

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify )	Capita l Work in progre ss	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Depreciation	-	2,635,337.60	616,992.25	251,220.75	395,081.49	1,454,094.38	-	-	5,352,726.46
Disposals	-	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment	-	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Transfer/adjustment	-	-	-	-	-	-	-	-	(-)
<b>At 30<sup>th</sup> June 2025</b>		<b>10,868,457.60</b>	<b>3,999,023.25</b>	<b>1,241,454.75</b>	<b>3,209,718.49</b>	<b>7,030,657.38</b>	<b>-</b>	<b>-</b>	<b>26,349,311.46</b>
<b>Net book values</b>									
At 30 <sup>th</sup> Jun 2024 (previous)	300,000,000,	131,766,880.00	2,467,969.00	2,009,766.00	1,185,363.00	11,632,755.00	-	-	449,062,733.00
At 30 <sup>th</sup> Jun 2025 (current)	300,000,000	129,131,542.40	1,850,976.75	1,758,545.25	790,281.51	10,178,660.63	0	0	443,710,006.54

### 33. Intangible Assets-Software

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>Cost</b>	1,767,685	1,767,685
<b>At beginning of the year</b>	-	-
Additions	-	-
Additions-Internal development		
Disposal	1,767,685	1,767,685
<b>At end of the year</b>		
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	1,767,685	1,767,685

### 34. Investment Property

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

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

35. Biological Assets

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

36. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Trade payables	226,800		1,055,000	
Employee dues	-		431,000	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>226,800</b>		<b>1,486,000</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Compa rative FY</b>	<b>% of the total</b>
Under one year	226,800	%	1,486,000	%
1-2 years	0		00	
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>226,800</b>	<b>100%</b>	<b>-</b>	<b>100%</b>

37. Refundable Deposits from Customers/Patients

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (specify)	-	-
<b>Total deposits</b>	-	-

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

	Current FY	% of the Total	Comparative FY	% of the Total
<b>Ageing analysis:</b>				
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	<b>%</b>	-	<b>%</b>

**38. Provisions**

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

**39. Finance Lease Obligation**

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

**40. Deferred Income**

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

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

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

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

41. Borrowings

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

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

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

#### 42. Service Concession Arrangements

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

#### 43. Cash Generated from Operations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Surplus/(Deficit) for the year before tax	(4,191,585)	(1,971,261)
<b>Adjusted for:</b>		
Depreciation	5,352,726	-
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase/Decrease in inventory	-5,695,569	-
Increase/Decrease in receivables	-1,719,645	(7,772,202)
Increase in deferred income	-	-
Increase in payables	226,800	1,486,000
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>(3,065,679)</b>	<b>(5,636,833)</b>

#### 44. Financial Risk Management

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

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

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 <sup>th</sup> June 2024 (previous year)				
Receivables from exchange transactions	7,772,202	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	675,548	-	-	-
<b>Total</b>	<b>8,447,750</b>	-	-	-
At 30 <sup>th</sup> June 2025 (current year)				
Receivables from exchange transactions	9,491,847	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	204,869	-	-	-
<b>Total</b>	<b>9,696,716</b>	-	-	-

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

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management

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

requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	1,486,000	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>1,486,000</b>			
<b>At 30 June 2025</b>				
Trade payables	226,800	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>226,800</b>	-	-	-

**(iii) Market risk**

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

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

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

**a) Foreign currency risk**

The ORSCH does not has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

The ORSCH does not manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

**Foreign currency sensitivity analysis**

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

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs

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

<b>20XX (previous year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2025 (current year)</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**iv) Capital Risk Management**

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

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve	0	-
Retained earnings	15,904,136.30	-
Capital reserve	478,222,474.00	-
<b>Total funds</b>	-	-
	462,318,337.70	
Total borrowings	226800	-
Less: cash and bank balances	(-204869)	(-)
Net debt/ ( <i>excess cash and cash equivalents</i> )	21,931.00	-
<b>Gearing</b>	4.7437E-05	%

**45. Related Party Balances**

**Nature of related party relationships**

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

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

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

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

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**46. Segment Information**

**47. Contingent Liabilities**

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

**48. Capital Commitments**

Capital Commitments	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

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

**51. Currency**

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



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

**20. Appendices**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Ref: OAG/PS&ICT/ONGATARONGAI/ 2023/2024/ 6	Unreconciled NHIF Reimbursements  Variance in trade and other payables  Non-Disclosure of Employee Costs Paid by the County Government	The NHIF reimbursement are done to the hospital account by the NHIF. The hospital continues to await the remaining balance  That was an unrepresented invoice by KEMSA, which was paid in the subsequent month  The hospital constitutes members of staff who are engaged differently as majority are employed by the County Public Service Board of Kajiado and their remuneration is the responsible of the Board the details which is confidential and the Payroll manager could not provide the details. The employee costs of Kshs 3,290,700 is	Balances paid  Resolved as the cheque was paid  The county has disclosed the employee cost in the current audit 2024/25	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		what the hospital incurred in paying the casual wages.		
	Land Without Title Deed	The hospital land is disputed in high court	resolved	The hospital is currently pursuing title
	Lack of Board of Survey Report	your advice on the establishment of the board of survey noted and action will be taken.	resolved	A board of survey invited in performed its role in the closing of the year.
	Irregular Engagement of Casual Workers	The hospital environment is prone to high risks of infection and the casuals are highly trained to handle highly infectious materials. This calls for their retention on a three months contract basis.	Not Resolved	The management to engage casuals in three years contracts
	Deficiencies in Implementation of Universal Health Coverage (UHC)	The hospital workers are employed by the Kajiado Public Service Board and the hospital management only utilises the staff who have been assigned to the hospital by the board	Not resolved	The Kajiado County Service Board has employed staff but the gaps still exist

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	Ethnic Diversity	The observation on the employee's records lacking on the details of ethnicity was an oversight as the hospital has a complete records of all employees in form of staff establishment.	Resolved	Ethnicity included in employees' records
	Lack of a Risk Management Policy	The hospital has been utilizing the National treasury public sector risk management guidelines and has an existing quality improvement committee.	Resolved	Risk Management Policy crafted
	Expired Medical Supplies	The expiry partly due to health workers strike	Resolved	No Expiries

.....  
Accounting Officer

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

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

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

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

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

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

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

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

**Appendix IV Reporting of Climate Relevant Expenditures**

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

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

**Appendix V: Disaster Expenditure Reporting Template**

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