

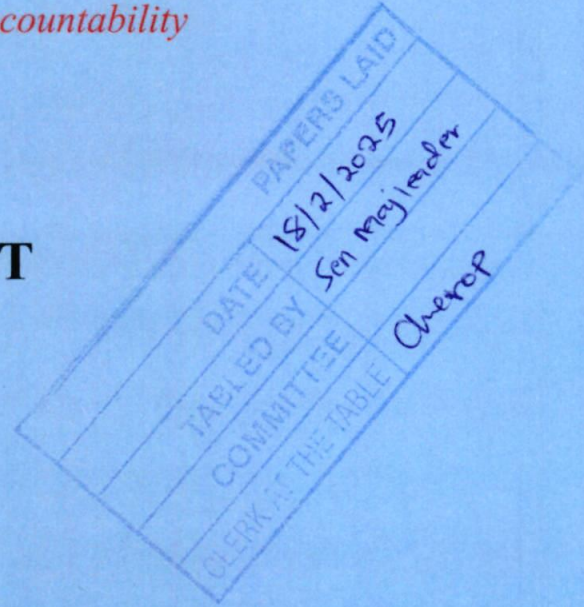
REPUBLIC OF KENYA



Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

**TIGONI LEVEL 4 HOSPITAL - COUNTY
GOVERNMENT OF KIAMBU**

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



TIGONI LEVEL 4 HOSPITAL
(County Government of Kiambu)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

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1. Acronyms & Glossary of Terms

AMREF	Africa Medical and Research Foundation
CCC	Comprehensive Care Clinic
CECM	County Executive Committee Member
CHP	Community Health Provider
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
ENT	Ear, Nose and Throat
FIF	Facility Improvement Fund
GOPC	Gynaecological Outpatient Clinic
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
ICT	Information, Communication Technology
IEC	Information Education and Communication
IPSAS	International Public Sector Accounting Standard
JICA	Japan International Cooperation Agency
MOPC	Medical Outpatient Clinic
NCD	Non-Communicable Disease
NHIF	National Health Insurance Fund
OSHA	Occupational Safety and Health Act
PFMA	Public Financial Management Act
POPC	Paediatric Outpatient Clinic
RESOK	Respiratory Society of Kenya
SOPC	Surgical Outpatient Clinic
UHC	Universal Health Coverage
WIBA	Work Injury Benefit Act

Glossary of terms

Fiduciary Management	Key management personnel who had financial responsibility in the entity
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2. - Key Entity Information and Management

(a) Background information

Tigoni Level IV Hospital is a level 4 Hospital established under gazette notice number 786 vol. CXXII-No. 24 dated 4th February 2020 and is domiciled in Kiambu County under the Health Department under the Kiambu County Health Services Act, 2019. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity of the hospital is to provide the highest attainable standard of health including reproductive health as enshrined in the constitution.

The **vision** of the institution is “a high-quality healthcare system that is accessible; equitable and affordable in Kiambu County”.

The **mission** of the institution is “to effectively provide health services in Kiambu County through a responsive healthcare system”.

The core objectives of the institution

- Reduce morbidity and preventable deaths from infectious diseases
- Reduce morbidity and preventable deaths from non- communicable diseases
- Improve efficiency and quality of services and adopt healthcare innovations
- Improve access and demand for essential and specialised health services to accelerate the achievement of universal health coverage.

(c) Key Management

The Tigoni Level 4 Hospital management is under the following key organs:

- County Department of health
- Board of Management
- Medical Superintendent
- Hospital Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr. Makau Peninnah Mwikali
2.	Deputy Medical Superintendent	Dr. Brenda Nyang'ate Onyancha
3.	Accountant	Mr. George Macharia
4.	Head of Procurement	Mr. David Gachoya Gitonga
5.	Hospital Administrator	Mr. Peter Njogu Gachoki
6.	Nursing Services Manager	Mr. George Ndung'u

(e) Fiduciary Oversight Arrangements

County Assembly

The County Assembly plays the role of public finance management through the County Budget and Appropriations Committee. The responsibilities of the County Budget Committee in public finance management includes monitoring all budgetary matters falling within the competence of the County Assembly under the Public Finance Management Act and report on those matters to the county assembly. The committee is also charged with monitoring adherence to the principles of public finance and others set out in the constitution, and to the fiscal responsibility principles of the PFM Act. It also examines financial statements and other documents submitted to the County Assembly and make recommendations to the County Assembly for improving the management of the county's public finances

County Department of Health

The role of the County Department of Health is responsible in ensuring efficient management of funds as provided for in the Kiambu Health Act No. 2 of 2019. It is also responsible for continuously reviewing, monitoring and evaluating utilization of the use of funds.

Hospital Board

The board provides oversight over the general administration of the hospital in addition to it is also responsible for recommending budget estimates to the County Executive Council Member, Health. Additionally, it charged with monitoring the hospital's performance against set targets.

Hospital Management Team

The hospital management team comprises of Medical Superintendent, Deputy Medical Superintendent, Hospital Administrative Officer and all the heads of the hospital departments. The HMT is responsible for the day-to-day management of the hospital. The HMT is responsible for developing and implementation of the hospital annual work plans. The HMT also responsible for resource mobilization and providing oversight of the utilization of the hospital funds.

Executive Expenditure Committee

The executive expenditure committee is responsible for

- Preparation of monthly, quarterly and annual financial reports
- Preparation of the hospital budget proposals
- Monitoring of hospital collections, waiver, exemptions and expenditure of funds
- Providing oversight on hospital expenditure

(f) Entity Headquarters

Tigoni Level 4 Hospital,
P.O. Box 124- 00217,
Limuru-Ngecha Road,
Limuru, Kenya

(g) Entity Contacts

Telephone: +254792003511/ +254787950518
E-mail: tigonihospital@gmail.com

(h) Entity Bankers

Tigoni Sub County Hospital NHIF Account
Kenya Commercial Bank
P.O Box 933 – 00217 Limuru
Limuru Branch

Tigoni District Hospital FIF Account
Kenya Commercial Bank
P.O. Box 933- 00217 Limuru
Limuru Branch

(i) Independent Auditors

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



(j) Principal Legal Adviser

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

(k) County Attorney



P.O. Box 2344- 00900
Kiambu, Kenya




3. The Board of Management


Ref	Directors	Details
1.	 <p>Eng. Stephen Waireri Ndinika BSc. Civil Engineering (UON, 1980), MSc. Highway Engineering Birmingham University UK (1991)</p>	<p>Chairman</p> <p>Date of Birth: 1957</p> <p>Eng. Ndinika has over 30 years' experience in administration and management having worked in key positions at the Ministry of Public Works (MOPW), Kenya Wildlife Service (KWS), Norconsult A. S. (an International Consulting Group), Kenya Roads Board (KRB) and Norken International Ltd.</p> <p>Eng. Ndinika is a Registered Consulting Engineer (2002) and a Member of the Institute of Directors of Kenya (2003). Currently he is a consulting engineer and a director at Norken International Limited</p>
2.	 <p>Mr. David Mbiyu Ng'ang'a</p>	<p>Member</p> <p>Date of Birth: 1963</p> <p>Mr. Mbiyu has been the managing director of Glama Electrical and Mechanical Company Limited for 30 years.</p> <p>His role has been in steering, project management, tendering, technical recruitment and training.</p>

<p>3.</p>	 <p>Mrs. Annsusah Wanjiku Mbugua Certificate in Pharmacy and Orthopaedics, Kenya Medical Training College</p>	<p>Member Date of Birth: 21st March 1954 Mrs Wanjiku has a great experience in both public and private practice working at Kenya Railways Dispensary, Kiambu District Hospital, Tigoni Level 4 Hospital, Lean Pharmaceuticals and Wam Flowers. Currently in private engagement.</p>
<p>4.</p>	 <p>Rev. Grace Mumbi Gathogo Bachelor of Divinity at St Paul's University, Limuru, 2005</p>	<p>Member Date of Birth: 12th December 1964 Rev. Grace Mumbi is a Priest/Area dean. Her role includes preaching, administrator, shepherd/minister of the gospel, evangelism, pastoral visit to schools, homes, the sick in hospitals and homes, prisons; marrying and burying people, administering Holy Communion to the sick & elderly, congregants and Bible Study.</p>
<p>5.</p>	 <p>Dr. Makau Peninnah Mwikali Bachelor of Medicine and Bachelor of Surgery (KIU, 2010) MMed Obstetrics and Gynaecology (UON 2023) Project management course, University of Washington, 2022.</p>	<p>Secretary Date of Birth: 17th January 1983 Dr. Makau has seven years' experience working as a Medical Officer at Malindi Sub County Hospital, Tigon Level Hospital and AIC-Kijabe Hospital. 4.5 years' experience working as a senior house officer at Kenyatta National Hospital. Currently, an obstetrician and gynaecologist and the medical superintendent at Tigoni Level 4 Hospital The secretary is not a member of ICS</p>

Key Management Team

Ref	Management	Details
1.	 <p>Dr. Makau Peninnah Mwikali Bachelor of Medicine and Bachelor of surgery (KIU, 2010) Master of Medicine in Obstetrics and Gynaecology (UoN, 2023)</p>	<p>Medical Superintendent</p> <p>Medical services and Accounting Officer</p> <p>Directs, supervises and evaluates the medical, nursing technical, administrative, maintenance and other personnel</p> <p>Monitors use of diagnostic services, inpatient and outpatient facilities.</p> <p>Enhances efficacy in management of patients</p> <p>Establishes work schedules and assignments for staff.</p> <p>Provides leadership</p> <p>Oversees in preparation and implementation of financial budget.</p>
2.	 <p>Dr. Brenda Nyang'ate Onyancha B. Pharm (UoN, 2007) MSc. Health Economics and Policy (UoN, 2022)</p>	<p>Deputy Medical Superintendent</p> <p>Assists the medical superintendent in the responsibilities outlined.</p> <p>Directs, supervises and evaluates the medical, nursing technical, administrative, maintenance and other personnel</p> <p>Monitors use of diagnostic services, inpatient and outpatient facilities.</p> <p>Enhances efficacy in management of patients</p> <p>Establishes work schedules and assignments for staff</p> <p>Provides leadership</p> <p>Assists in preparation and implementation of financial budget</p>

<p>3.</p>	 <p>Mr. Peter Njogu Diploma in management Certificate in financial management for primary healthcare facility managers.</p>	<p>Hospital Administrative Officer Direct, supervise and evaluate work activities of medical nursing, technical, clerical service, maintenance and other staff. Plan, implement and administer programs and services including human resource, administration, training and coordination of medical, nursing and physical plant staff. Establish objectives and evaluative or operational criteria for managed departments.</p>
<p>4.</p>	 <p>George Githae Ndungu Diploma in Kenya Registered Community Health Nursing (AKUH, 2008) Higher Diploma in Nephrology Nursing (KNH, 2021)</p>	<p>Nursing Services Manager Oversees patient care at the facility Supervise nursing care staff Makes management and budgetary decisions Recruit and train nursing personnel Maintain effective work environment.</p>
<p>5.</p>	 <p>David Gachoya Bachelor of Commerce, Supply Chain (UoN, 2012)</p>	<p>Supply Chain Officer Ensure timely procurement of goods, services and work Receive requisition for services needed by the hospital Monitor and ensure the services provided to the hospital service lender are sufficient and up to the required specification and standards in the hospital</p>

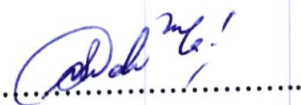
6.	 <p>Mr. George Macharia C.P.A (K.C.A University)</p>	<p><i>Accountant in charge</i></p> <p>Preparation of hospital budget Preparation of hospital financial statements Supervision of revenue collection Preparation of bank reconciliation and cash book.</p>
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4. Chairman's Statement

Over the past three years there has been a tremendous growth in the performance of Tigoni Level 4 Hospital. The hospital has successfully transitioned from a COVID-19 isolation centre to resume operations as a hospital. In this financial year, the hospital has observed increased utilization of its services resulting in increased admissions, maternal deliveries, surgical operations and attendance of specialist clinics. Consequently, there has been a noteworthy increase in the hospital revenue with a recorded 8.8% increase compared to the previous financial year. This is despite industrial action from the doctors and clinical officers for a significant period of the year under review resulting in closure of hospital operations and in turn loss of revenue.

The future of the hospital is very optimistic with the current positive trends expected to continue. The current ongoing project of the installation of the microwave by the World Bank not only looks to improve healthcare waste management but also presents a source of revenue. There are several plans to expand the hospital including building of a second theatre as well as expansion of the casualty, laboratory and maternity ward. This will in turn increase the capacity of the hospital and favourably impact the revenue.

As the chair of the board I wish to express my gratitude to the board members for their commitment to support the hospital management. I also wish to thank the County Department of Health that has continually offered necessary support to Tigoni Level 4 Hospital and ensure smooth operations of the hospital. Finally, I would also like to commend the dedication of the hospital management and staff in serving the community.



Eng. Stephen Ndinika
Chairman to the Board

5. Report of The Medical Superintendent

Tigoni Level IV Hospital is committed in the provision of high-quality health services to the citizens. Under the management of the hospital management team with the support the hospital board and the county department of health, the hospital experienced significant growth in FY 2023/2024. This was challenged by the country wide industrial action that was experienced in the 3rd and 4th quarters of the year.

The hospital services were generally increased with total outpatient attendance of 28,904 and inpatient admission 3,837 for financial year ended 30th June 2024. Additionally, 2,017 deliveries were conducted, and a total number 4,007 patients were attended to in the consultants' clinic. These services resulted in an increase in overall hospital's revenue collection. Notably there was a minimal decrease in FIF from rendering of KSH 36,761,317 compared to KSH 36,994,078 for FY 2022/2023. However, revenue generated from NHIF increased from KSH. 20,516,941 for FY 2022/2023 to Ksh 36,867,695 for FY 2023/2024.

In the financial year ended 30th June 2024, the hospital focused on increasing the services. With the deployment of more staff by the county department of health, the hospital was able to fully operationalize the GOPC, MOPC, POPC and SOPC. These services are paramount for comprehensive care of the patients. There was also great improvement in the supply chain management which saw an improvement in the efficiency of the facility services.

Despite the great strides in the increased deployment of hospital staff, there remains a huge gap in human resource for health. There is a need of various cadres of staff such as consultants, medical officers, clinical officers and pharmacy staff amongst others. These staff will be necessary in the operationalization of the intensive care unit, renal unit and expansion of hospital services. Introduction of these services will improve patient care and in turn increase the financial revenue.

The future of the hospital includes the commissioning of the new building. The new building will allow for expansion of hospital services. Moreover, the lobbying for additional staff will be critical to allow for adequate coverage of the facility and to allow for the expansion of services. Furthermore, there will

-be lobbying for the expansion and equipping of the casualty department to improve care of emergency cases.

The hospital management team hopes to capitalize on the continued close collaboration between the hospital management team and the hospital board to leverage on existing gains. We appreciate the immense support given by the county department of health to Tigoni Level IV Hospital. Collaboration with the development partners and public private partnerships will also be critical for the growth of the hospital. We stay committed to our vision and mission of provision of quality healthcare.



.....
Name **Dr. Peninnah M. Makau**
Secretary to the Board



6. Statement of Performance Against Predetermined Objectives

Tigoni Level 4 Hospital has 4 strategic pillars/ themes/issues and objectives within the current strategic plan. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Reduce morbidity and preventable deaths from infectious diseases

Pillar/theme/issue 2: Reduce morbidity and preventable deaths from non-communicable diseases

Pillar /theme/issue 3: Improve efficiency and quality of services and adopt health care innovations

Pillar /theme/issue 4: Improve access and demand for essential and specialized health services to accelerate the achievement of Universal Health Coverage (UHC)

Tigoni Level 4 Hospital develops its annual work plans based on the above 4 Pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital performance for the FY 2023/2024 period for its 4 strategic pillars is as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Reduce morbidity and preventable deaths from infectious diseases	Empower primary health care services to ensure primary prevention of disease conditions	Formation of functional community health units	Strengthen primary health care through capacity building of community health promoters (CHPs)	The facility has 43 CHPs attached to the facility 28 CHPs were trained on the basic module 11 referrals were made from community to the facility

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	Early screening and diagnosis, by 2023 reduce HIV infections by 75%,	<p>Create awareness for better health through health education</p> <p>Reduction of new HIV and related infections through Increased testing and early treatment.</p>	<p>Health education and promotion messages to patients at the facility</p> <p>Systematic screening for high-risk groups</p>	<p>Daily health promotion messages done at the outpatient department</p> <p>There was 26% increase in the number tested for HIV compared to FY 2022/2023</p> <p>The HIV positivity rate decreased to 2.3% compared to FY 2022/2023</p>
Reduce morbidity and preventable deaths from non-communicable diseases	Halve the number of deaths and injuries from road traffic accidents and injuries from violence.	Create wellness centers in all sub counties	Engage Partners and stakeholders involved in Emergency Medical Services	<p>No wellness centre formed</p> <p>Stakeholders' engagement ongoing especially with the police, ministry of education and agriculture</p>

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	Scale up management of NCD	Create awareness for better NCD care through health education, campaign and promotion activities	Establish functional accident and emergency units	<p>There was 26.3% increase in number of cases seen at accident and emergency unit compared to FY2022/2023</p> <p>The MOPC has been operational: The clinic runs on Wednesday. There was a 42% increase in the number of clients seen compared to the previous financial year</p>
Improve efficiency and quality of services and adopt health care innovations	<p>Improve county health infrastructure in a rationalized manner</p> <p>Reorganize the health department administration and</p>	<p>Complete ongoing health infrastructural projects</p> <p>Formation and induction the hospital board management</p>	<p>Upgrading of powerhouse for efficient supply of power</p> <p>Have functional hospital boards</p>	<p>Powerhouse project ongoing</p> <p>Functional hospital board in place. Quarterly meeting were held as</p>

Tigoni level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
<p>Improve access and demand for essential and specialized health services to accelerate the achievement of Universal Health Coverage (UHC)</p>	<p>Ensure that at least 50% of county health facilities offer sexual and reproductive health-care services</p>	<p>Protection from Sexual Abuse and Violence</p>	<p>Have sexual and gender violence services at the facility</p>	<p>Sexual reproductive clinic is operational. There was a 30% increase in the number of SGBV victims compared to the previous financial year.</p>
	<p>By 2023 to have a well-coordinated emergency Increase access to basic and specialized services</p>	<p>Establish a county ambulance system with a central command</p>	<p>Number of functional ambulances per facility</p>	<p>Facility has a functional ambulance on standby for emergencies and referrals</p>
		<p>Establish specialized units at county level 4 and 5 facilities</p>	<p>Have ICU/HDU services in level 4 and 5 facilities</p>	<p>Facility has a functional 12 bed ICU /HDU</p>

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	management support to respond to service delivery effectively	To adopt and implement ICT for paperless services	Deploy end to end health management information systems (HMIS)	required, a total five meetings in the last financial year Tigoni level 4 Hospital outpatient utilizes an HMIS in the outpatient department thus operations are paperless

7. Corporate Governance Statement

Tigoni Level 4 Hospital Board of Management the overall responsibility of providing oversight to the hospital operations. It comprises of 5 members of whom 4 members are appointed by the County Executive Committee Member, Health. The hospital medical superintendent is an ex officio and the secretary to the board. The names of appointed members are published in the Kenya Gazette. The members of the board, other than an ex-officio member, shall serve for a term of three years after which the term may be renewed

The Hospital Board is responsible for:

- Providing oversight over the general administration of the hospital:
- Promoting the development of the hospital:
- Giving recommendations to the Executive Member plans and programs for implementing the county health strategies in the hospital:
- Recommending to the Executive Member budget estimates
- Establishing a hospital-community participation and feedback platform
- Assessing the delivery of services at the hospital and advice the Executive Member
- Monitoring the hospitals performance against set targets and advice the Executive Member
- Carrying out any other function that may assigned by the Executive Member

One ceases to be a member if he/she:

1. Has been absent for three consecutive meetings of the Board without the permission of the chairperson
2. Is adjudged bankrupt
3. Is unable to discharge his or her duties due to physical or mental incapacity
4. Violates or is suspected of violating the provisions of Chapter six of the Constitution: or
5. Is charged with a criminal offence in court of law or a traffic offence attracting an imprisonment term of a minimum of six months.

Tigoni level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

The conduct of business of the hospital board is regulated by the CECM Health. The board was inducted in office on the 12th day of July 2023 by the Dr Elias Maina, CECM-Health. The hospital board of management holds at least one meeting quarterly and a supplementary meeting when need arises. For the year under review 5 meetings were held. The attendance is as shown in the table below:

Name of Member	Board Position	Date of Appointment	Attendance
Eng. Stephen W. Ndinika	Chairman	01/05/2021	5/5
David Mbiyu	Member	01/05/2021	3/5
Ansusah W. Mbugua	Member	01/05/2021	5/5
Rev. Grace M. Gathogo	Member	04/01/2023	4/5
Dr. Peninnah Mwikali	Secretary	-	5/5

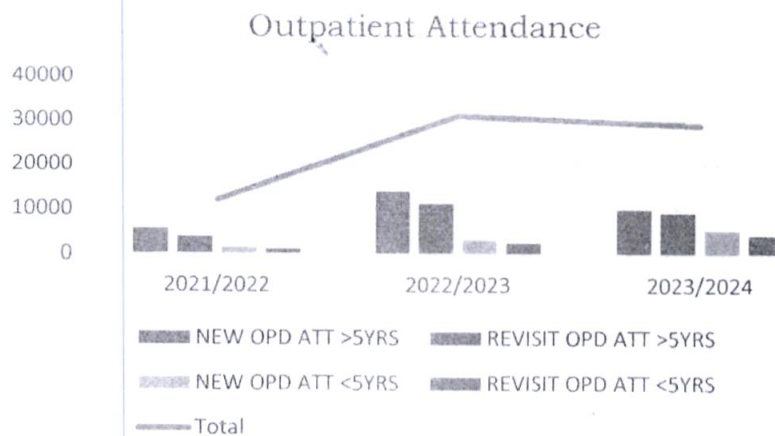
The hospital board is remunerated a sitting, meal/lunch and transport allowance as provided for Salaries and Remuneration Commission at a rate of sitting allowance for chairperson 4000 and members Ksh 2,500; lunch allowance of Ksh. 500 and transport allowance of Ksh. 2000. For the period under review the allowances paid to the hospital board members was Ksh. 87,500.

8. Management Discussion and Analysis

Clinical/operational performance

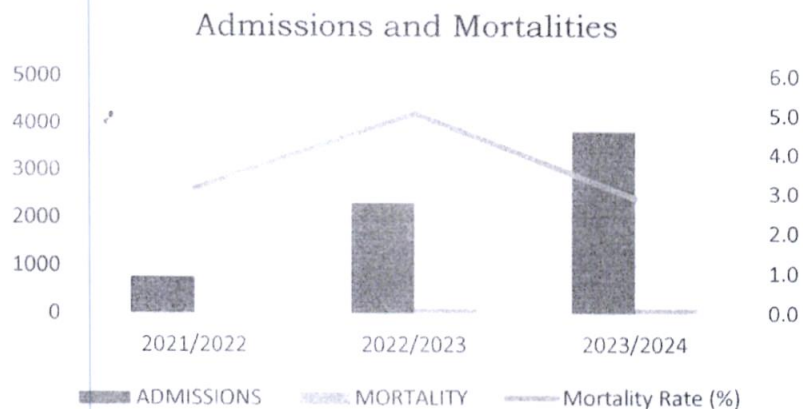
Outpatient Attendance

The outpatient attendance for the year ending 30th June 2024 was 28,904. Of the visits 9,647 were patients under 5 years and 19,257 were over 5 years visits. There was slight a 7% decrease in the outpatient attendance which is attributable to the industrial action. The figure below shows the outpatient attendance over the last 3 years.



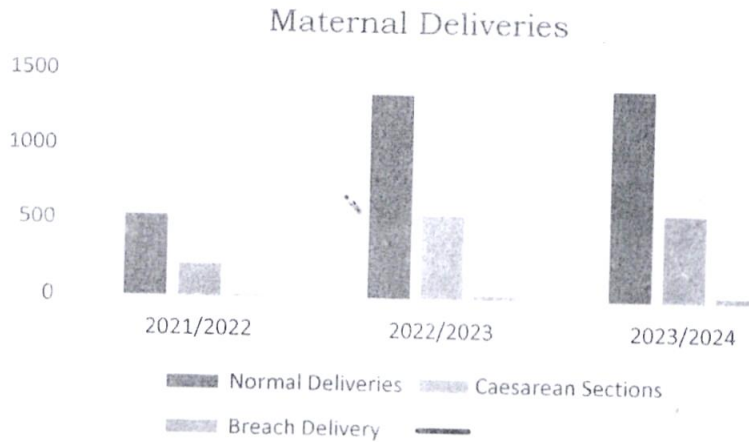
Inpatient Admissions and Mortalities

The hospital has a bed capacity of 292 beds. The total inpatient admissions were 3,837 for the year ending 30th June 2024. This was a 39.8% increase in admissions compared to the previous financial year. In the same year the mortality rate decreased from 5.1% to 2.9%. The figure below shows the admissions and mortality trends across the past 3 years.



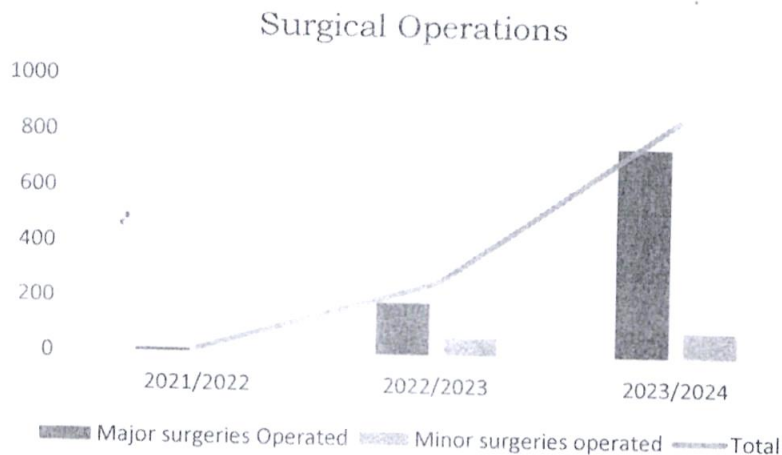
Maternal Deliveries

Maternal deliveries continued to rise with 2017 maternal deliveries recorded for the financial year 30th June 2024. This represented a 4% increase compared to the previous financial year. Normal deliveries constituted 69.4% of the maternal deliveries for the reported year.



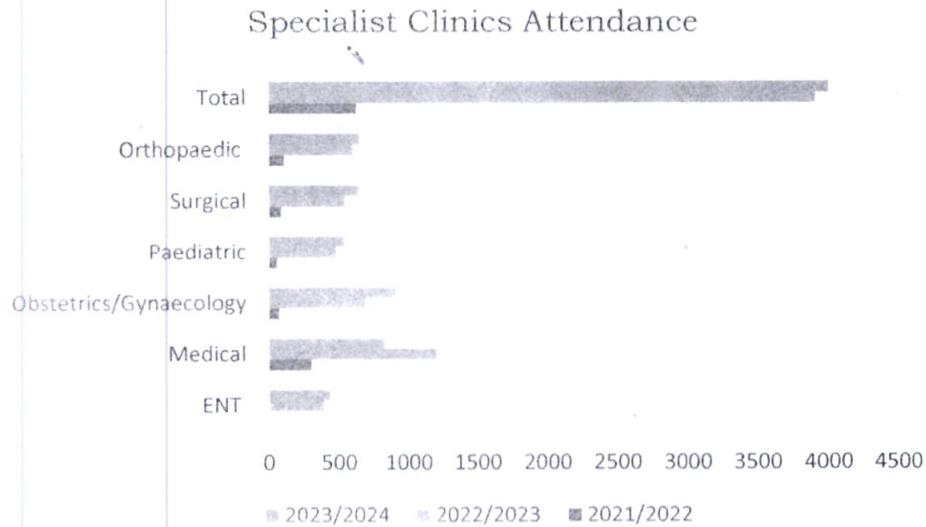
Surgical Operations

The hospital has one theatre utilized for both caesarean sections as well as other surgical procedures. There was a marked increase in the surgical operations conducted for the year ending 30th June 2024 with a total of 855 surgical procedures done. This is a 225% increase compared to the previous year.



Specialist Outpatient Clinics Attendance

The hospital has 11 medical specialists i.e. 3 obstetric/gynaecologists, 3 paediatricians, 1 physician and 4 surgeons- 1 ENT, 1 orthopaedic surgeon, 2 general surgeons. This has contributed to an increase in the specialist clinic attendance. For the year the overall attendance of specialist clinics was 4007 which was a slight increase from the previous year. The growth of the clinics is seen in the individual clinics except in the Medical Outpatient Clinic. This is due to the facility not having a physician thus the clinic was closed for the month of September 2023.

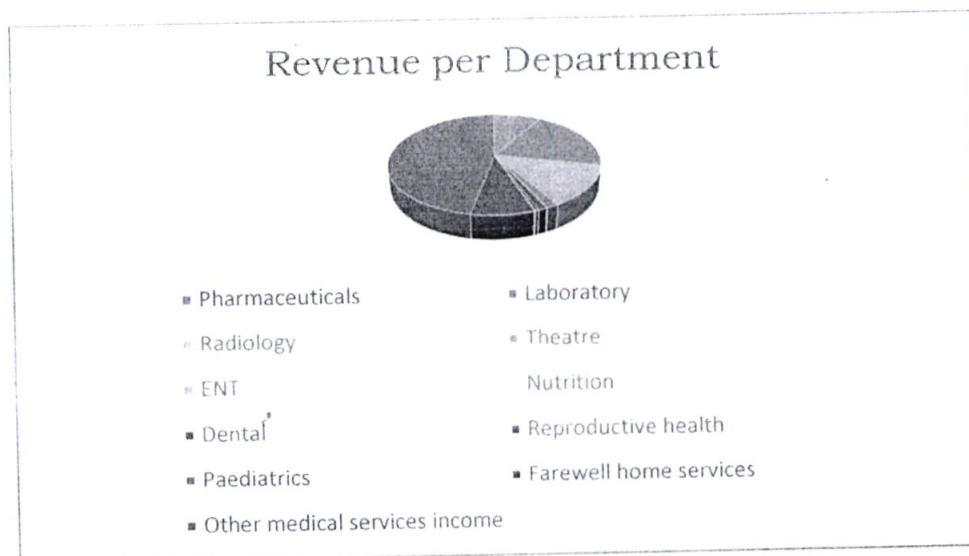


Financial performance

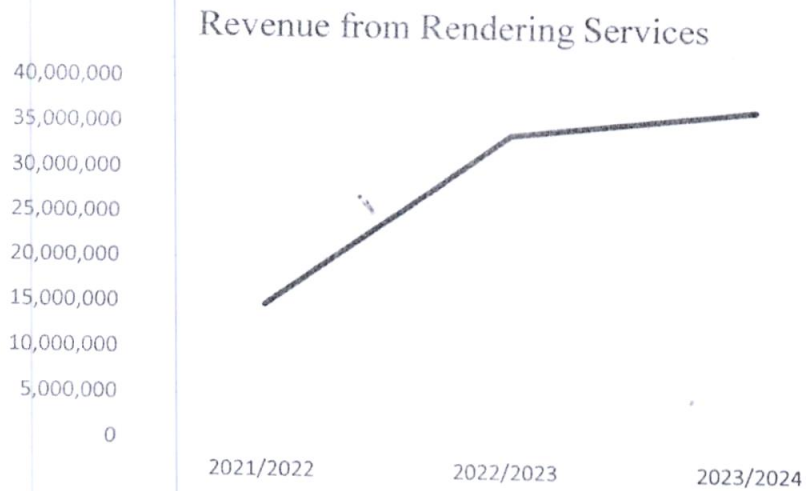
Tigoni Level 4 Hospital generates revenue mainly through rendering of services. The revenue is collected through facility improvement fund (FIF) and NHIF reimbursements. The cumulative revenue generated in the period ending June 30th 2024, was Ksh. **73,629,012**. The revenue collected per quarter is as illustrated in the table below

REVENUE COLLECTION			
Quarter	FIF (KSH)	NHIF (KSH)	TOTAL (KSH)
Q1	11,423,326	5,723,987	17,147,313
Q2	10,495,435	10,878,637	21,374,072
Q3	12,628,046	8,574,046	21,202,091
Q4	2,214,511	11,691,026	13,905,537
TOTAL	36,761,317	36,867,695	73,629,012

The highest revenue was generated from other medical services followed by laboratory and radiology. The figure below highlights the breakdown of revenue by department.



There has been a steady growth in the revenue. Despite the industrial action that affected almost 4 months of the year under review, the facility generated more revenue than the previous year. There was an 8.81% increase in the revenue generated from rendering services. The figure below highlights the trends in the revenue generated from rendering services over the past 3 years.



9. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Tigoni Level 4 Hospital is committed to delivering the highest quality care to the community it serves. The management of the hospital upholds fiscal responsibility and stewardship to ensure delivery of highest quality of care responsive to the needs to the community. There is continuous engagement of stakeholders including County department of health, county administration implementing partners amongst others. The hospital leverages on these partnerships for the development of the hospital.

Human resource for health are a critical pillar in the health system and as such promoting welfare of staff and motivating staff is key in the sustainability of the hospital. The management places focus in creating a favourable work environment and equipping the staff with necessary skills and equipment to effectively perform their duties. Furthermore, staff are continuously engaged with management through forums such as meetings.

Feedback from community and stakeholders remains key in ensuring continuous improvement of services responsive to the needs of the community. The hospital has in place several forums for receiving client feedback including a customer care desk and social media platforms.

ii) Environmental performance

Tigoni Level 4 is cognizant on the importance of environmental sustainability. It is for this reason that the facility takes measures to ensure a safe environment for its clients and staff and reduce its impact on the environment. The hospital has an Infection Prevention and Control Committee which provides oversight on the management of the health care waste generated by the hospital. The committee meets up regularly and conducts supervision to ensure that the IPC practices are enforced. In addition to proper waste disposal, the hospital has equipped the staff with proper equipment for waste handling. Furthermore, trainings on IPC have been held to build capacity of the staff.

In an effort to reduce the carbon footprint the hospital has adopted digitization of the outpatient department. This is with the aim to be completely paperless. Furthermore, in the financial year ended 30th June 2024 the hospital planted 500 trees.

iii) Employee welfare

A greater number of staff are recruited by the County public service board. However, the hospital has a multi-disciplinary panel mandated to recruit staff and which the gender ratio rule is taken into consideration.

Tigoni Level 4 Hospital recognizes the need to build capacity to improve quality of services. Staff who require further studies are facilitated through the Kiambu county department of health. Furthermore, to build capacity of the staff regular continuous medical education sessions are held in the hospital as well as staff are released to attend any trainings that come up.

The facility also has a salary and remuneration committee that reviews the wages of the casual workers. The staff initiated a staff welfare association of Tigoni hospital to care for the needs of the staff.

The organisation adheres to policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

iv) Market place practices-

a) Responsible competition practice

The hospital operations are fair and transparent.

b) Responsible Supply chain and supplier relations

Procurement is guided by the Public Procurement and Disposal act 2015. Thus goods and services are obtained in in a fair, transparent, equitable, competitive and cost-effective manner. Only duly prequalified suppliers are allowed to provide services and goods to Tigoni Level 4 hospital. The organisation upholds good business practices and treats its own suppliers responsibly by honouring contracts and payment of bills as promptly as possible.

c) Responsible marketing and advertisement

The hospital differentiates its by offering quality affordable services which is the value proposition of the hospital. It upholds ethical marketing practices to ensure fair competition.

d) Product stewardship

In the provision of quality care, patient safety remains a key pillar. Thus, the principle of do no harm forms the basis of the services offered at Tigoni Level 4 hospital to our patients and clients. Furthermore utmost care is taken to ensure patient confidentiality and privacy is adhered to.

v) *Corporate Social Responsibility / Community Engagements*

Tigoni Level 4 hospital has two community health units attached to it. The facility receives referrals from the community done by the community health providers (CHPs) as well as patients are referred to the community. The CHPs play a key role in linking the patients to the hospital by identifying those in the community in need of medical attention and referring them to the hospital for care.

No CSR activity was conducted by the hospital in the year under review.

10. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the Tigoni Level 4 Hospital affairs.

Principal activities

The principal activities of Tigoni Level 4 hospital are outpatient services including consultation, basic and specialised laboratory services, radiology services and pharmacy services. The facility has medical specialists thus offers specialist clinics which include gynaecological, orthopaedic, ENT, medical and ENT. In addition, the hospital offers inpatient services including maternity services. The facility also has a theatre thus offers surgical services.

Results

The results of the entity for the year ended June 30th, 2024, are set out on pages 1 to 9.

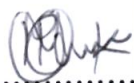
Board of Management

The members of the Board who served during the year are shown on page viii to ix. During the year, no director(s) retired/ resigned.

Auditors

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

By Order of the Board



.....
Dr. Peninnah Makau
Secretary to the Board



11. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 and Kiambu County Health Services Act No. 2 of 2019 requires the Board of Management to prepare financial statements in respect of that hospital, which give a true and fair view of the state of affairs of the hospital at the end of the financial year/period and the operating results of the hospital for that year/period. The Board of Management is also required to ensure that the hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the hospital. The council members are also responsible for safeguarding the assets of the hospital.

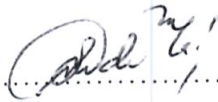
The Board of Management is responsible for the preparation and presentation of the hospital financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu Health Services Act, No 2 of 2019. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2024, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 30/10/2024 and signed on its behalf by:



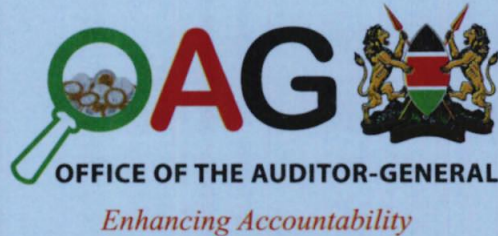
.....
Eng. Stephen Ndinika
Chairperson
Board of Management



.....
Dr. Peninnah Makau
Accounting Officer



REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

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

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 Tigoni Level 4 Hospital - County Government of Kiambu set out on pages 1 to 44 which comprise the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tigoni Level 4 Hospital – County Government of Kiambu as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Health Act No.21 of 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Failure to Prepare a Trial Balance

The Hospital Management did not prepare and submit for audit the trial balance from which the balances in the financial statements were drawn.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unauthorized Payments

Examination of payment vouchers revealed payment vouchers totaling Kshs.7,935,364 listed below were not serially numbered, examined and authorized.

Payee	Amount (Kshs)
Pulsar Technical Services	171,700
Wagicha Enterprises	1,484,619
Cardioscope Medical Supplies	359,600
Limuru Water and Sanitation	494,466
Bank Charges	109,944
Mission for Essential Drugs	2,398,135
DOLFINE Secure Services	518,000
Barpharm LTD	2,398,900
Total	7,935,364

Further, the dates when the payments were posted in the cashbook were not indicated.

In the circumstances, the payments may not have been a proper charge on public funds and effectiveness of internal controls over payments could not be confirmed.

3. Long Outstanding Stale Cheques not Reversed in the Cash Book

The statement of financial position reflects cash and cash equivalent balance of Kshs.13,187,702 as disclosed in Note 17 to the financial statements. Examination of the bank reconciliation provided to support the cash and cash equivalent balance revealed payments in cash book not yet recorded in the bank statement (unpresented cheques) totaling Kshs1,289,008 which includes cheques totaling Kshs.384,074 dated 8 May, 2022 to 22 December, 2023 which had become stale by June 2024 and were not reversed in the cashbook.

In the circumstances, cash and cash equivalent balance of Kshs.13,187,702 was understated by the amount of stale cheques totaling Kshs.384,074 not reversed in the cash book.

4. Undisclosed Property, Plant and Equipment

The statement of financial position as disclosed in Note 20 to the financial statements, reflects property, plant and equipment balance of Kshs.639,098 relating to acquisition of equipment. Review of records revealed that the Hospital had various assets which include land, buildings, furniture, computers and equipment. However, these assets were not disclosed in the financial statements. Further, ownership documents for the land and equipment were not provided for audit review.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.639,098, could not be confirmed.

5. Long Outstanding Receivables

The statement of financial position and Note 18 to the financial statement reflects an amount of Kshs.69,553,053 in respect of receivables from exchange transactions. The receivables balance of Kshs.69,553,053 includes a balance of Ksh.51,525,774 or 74% which have remained outstanding for more than three years. The significant balance of receivables (debtors) is an indication of Management's inability to collect the receivables which may result in bad debts and inability to effectively deliver services.

In the circumstances, the full recoverability of receivables totalling Kshs.69,553,053 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.108,679,503 and Kshs.73,802,512 respectively, resulting to an under-funding of Kshs.34,876,991 or 32% of the budget. However, the Hospital spent a balance of Kshs.63,787, 165 against actual receipts of Kshs.73,802,512, resulting to an under-utilization of Kshs.10,015,347 or 14% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xxxiii which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of The Medical Superintendent, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Performance Against Predetermined Objectives, 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 Tigon Level 4 Hospital financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non - Compliance in Presentation and Disclosure in the Financial Statements

Review of Tigoni Level 4 Hospital Financial Statements for the year ended 30 June, 2024 revealed the following anomalies;

- i. The statement of comparison of budget and actual amounts for the year ended 30th June 2024 incorrectly refers to total expenses as surplus for the period. Further, the row reflecting the surplus for the period is omitted from the statement.
- ii. The Note showing detailed analysis of cash and cash equivalent is incorrectly indicated as 17 (a) instead of 16 (a).
- iii. Item 4 - Key Management Team at page x is not numbered which affected numbering of subsequent items.
- iv. Management Discussion and Analysis is not signed by the Medical Superintendent.
- v. Reference Notes in the financial statements do not correspond to the detailed Notes.
- vi. Pages 14 and 22 refers to xx years and Note xx respectively.
- vii. Appendix 1: Progress on Follow Up of Auditor Recommendations is not signed by the accounting officer.

This is contrary to Section 194 of the Public Finance Management Act, 2012 and National Treasury Circular Ref: AG.4/16/3 Vol.4 (6) dated 4th July, 2024 on financial statements presentation and disclosures requirements.

2. Unbalanced Budget

The statement of budget versus actual amounts reflects a final budget of Kshs.108,679,503 against total expenditure final budget of Kshs.106,182,413 resulting to a budget surplus of Kshs.2,497,090 which indicates that the budget is not balanced. This is contrary to Regulation 33(c) of the Public Finance Management (National Government)

Regulations, 2015 which provides that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

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

3. Long Outstanding Trade Payables

The statement of financial position reflects trade and other payables balance of Kshs.105,532,030 as disclosed in Note 22 to the financial statements. However, examination of the supporting aging analysis provided revealed that the balance includes payables amounting to Kshs.58,706,583 or 56% that had been outstanding for more than three (3) years, Ksh.19,246,260 and Kshs.13,962,583 outstanding for 1-2 and 2-3 years respectively. This was contrary to Section 156(4)(d) of the Public Finance Management Act, 2012, which states that 'a public officer or accounting officer engages in improper conduct in relation to a County Government entity if the officer fails, without reasonable excuse, to pay eligible and approved bills promptly in circumstances where funds are provided for.

In the circumstances, the Hospital is exposed to loss through fines and penalties and Management was in breach of the law.

4. Non-Compliant Procurement Plan Preparation

During the financial year under review, the Hospital had an annual procurement plan of Kshs.75,686,110. Analysis of the procurement plan revealed that the Hospital Management did not comply with the regulations as the following were not included in the plan;

- i. A detailed breakdown of the goods, works, or services required;
- ii. A schedule of the planned delivery, implementation or completion dates for all goods, works, or services required;
- iii. An indication of which items shall be packaged into lots and
- iv. The estimated cost for procurement of items which shall include insurance, clearing and forwarding, demurrage charges, warehousing, advertisement and all other incidental costs where applicable.

Further, out of the procurement plan total amount of Kshs.75,686,110, the Hospital Management did not allocate any procurement for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups. This is contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 (Revised 2022) which provides that a minimum of thirty per cent of the budgetary allocations to be reserved for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Develop and Implement Policy Documents

Records provided for audit revealed that the Hospital, was operating without crucial policy documents such as; Risk Management strategies document, Risk Assessment Policy, Human resource policy and procedures manual, finance and accounting manual, assets management policy, transport management policy, IT policy, disaster recovery plan and backup and retention strategy.

Failure to develop the above policies may impair the effectiveness of the service delivery in managing a robust business operation of the Hospital.

2. Inadequate Facilities for Universal Health Coverage - Facility checklist Variances

Review of Tigoni Level 4 Hospital records and physical verification of hospital facilities revealed variances between the checklist for level 4 hospital minimum requirements and equipment and facilities at Tigoni Level 4 Hospital as indicated below;

	Criteria	Minimum Required	In Place	Variance
1	Staffing Requirement			
	Medical Officers	16	4	12
	Anesthesiologists	2	0	2
	General Surgeons	2	2	0
	Gynecologists	2	2	0

	Staffing Requirement			
	Pediatricians	2	2	0
	Radiologists	2	1	1
	Registered Community Health Nurses	75	30	45
2	Services Offered			
	Surgical Services		Yes	
	Paediatric Services		Yes	
	Gynaecology Services		Yes	
	Radiology Services		Yes	
	Renal Services		No	
	Tuberculosis Services		Yes	
3	Bed Capacity	150	116	34
4	Equipment & Machines			
	Incubators (Newborn)	5	5	0
	Cots in the new born unit	5	5	0
	Resuscitaire in theatre	1	1	0
	Resuscitaire in labour ward	2	1	1
	Functional ICU B e d s	6	0	6
	HDU Beds	6	0	6
	Renal unit with dialysis machines	5	0	5
	Functional operating theatres Maternity and General	2	1	1
5	Ambulances		No	
6	Governance By Board of Managements			
	Valid Board Present		Yes	
	Regular Meeting		Yes	
	Qualified Members		Yes	
7	Policy Documents Eg Risk Mgt Policy		No	
8	Audit Committee & Internal Audit		No	
9	Asset Mgt			
	Land Size	5 acres	Yes	
	Fixed Assets Register		Yes	
	Ownership Documents		No	
	Equipment In Good Service			

	Staffing Requirement			
10	Store Management			
	Expired Drugs		Yes	
	Adequate Storage Space		Yes	
	FIFO Issuance of Drugs		Yes	

In the circumstances, the equipment and facilities at the Hospital are less than the requirement of Level 4 Hospital and therefore the expected service delivery to the public may not be achieved.

3. Weaknesses in Information and Communication Technology (ICT)

Review of ICT infrastructure of the Hospital revealed that the Hospital does not have an ICT strategic committee, ICT strategic plan, or an ICT policy. Further, the Hospital does not have a disaster recovery, business continuity plan and an offsite backup plan in case of any emergencies or disasters. In case of an occurrence of any disaster, all the information will be lost and it will not be possible to recover it. This can cause the Hospital to incur heavy losses.

In the circumstances, the effectiveness of the internal controls and risk management strategies, could not be confirmed.

4. Lack of Assets Register

Review of the hospital records provided for audit revealed that the hospital did not maintain an asset register for its movable and non-movable assets. This is contrary to Regulation 170(1) of the Public Procurement and Asset Disposal Regulation, 2020 which provides that an Accounting Officer of a procuring entity shall be responsible for maintaining a register of assets under his or her control or possession.

In the circumstances, the internal controls over asset management could not be confirmed and Management was in breach of law.

5. Weak Controls on Stores Management - Expired Pharmaceuticals (Drugs)

The statement of financial position and Note 19 to the financial statements reflects a balance of Kshs.22,266,708 in respect of inventories which includes an amount of Kshs.6,298,352 for pharmaceutical supplies. Review of records and physical verification revealed that the Hospital had in its store expired pharmaceutical products amounting to Kshs1,547,682 as shown in Appendix III. The expired drugs have not been disclosed in the inventory stock sheets as at 30 June, 2024. Further, stock control cards batch numbers and expiry dates for the drugs were not captured in the bin cards and there was no evidence that FEFO (First Expiry & First Out) method of stock control was applied.

In the circumstances, the effectiveness of internal controls designed for effective stock

control management for pharmaceuticals and non-pharmaceuticals 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 Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

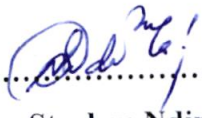
13. Statement of Financial Performance for The Year Ended 30th June 2024


Description	Note	Period ended	Period ended
		2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
In-kind contributions from the County Government	6	0	4,399,518
		0	4,399,518
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	36,874,816	33,889,396
Revenue from rent of facilities	8	60,000	0
Revenue from exchange transactions		36,934,816	33,889,396
Total revenue		36,934,816	38,288,914
Expenses			
Medical/Clinical costs	9	34,231,796	32,689,711
Employee costs	10	8,100,536	6,439,206
Board of Management Expenses	11	87,500	79,500
Depreciation and amortization expense	12	952,062	0
Repairs and maintenance	13	1,430,035	1,707,611
Grants and subsidies	14	14,725,802	11,462,414
General expenses	15	16,926,039	10,784,679
Total expenses		76,453,770	63,163,121
Other gains/(losses)			
Medical services contracts Gains/Losses	16	36,867,695	23,422,676
Total other gains/(losses)		36,867,695	23,422,676
Net Surplus / (Deficit) for the year		(2,651,259)	(1,451,531)


Tigoni level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

The notes set out on pages 10 to 43 form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on 30 / 10 / 2024 and signed on its behalf by:


.....
Eng. Stephen Ndinika
Chairman
Board of Management


.....
George Macharia
Head of Finance
ICPAK No:


.....
Dr. Peninnah Makau
Medical Superintendent




14. Statement of Financial Position as at 30th June 2024

Description	Note	Period ended 2023/ 2024	Period ended 2022/2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	13,187,702	9,601,804
Receivables from exchange transactions	18	69,553,053	58,466,505
Inventories	19	22,080,949	10,283,661
Total Current Assets		104,821,704	78,351,970
Non-current assets			
Property, plant, and equipment	20	639,098	923,000
Intangible assets	21	1,419,840	2,088,000
Total Non-current Assets		2,058,938	3,011,000
Total assets (A)		106,880,642	81,362,970
Liabilities			
Current liabilities			
Trade and other payables	22	105,532,030	77,177,341
Total Current Liabilities		105,532,030	77,177,341
Non-current liabilities			
Total non-current liabilities		0	0
Total Liabilities (B)		105,532,030	77,177,341
Net assets (A-B)		1,348,612	4,185,629
Represented by:			
Revaluation reserve		0	0
Accumulated surplus/Deficit		1,348,612	4,185,629

Tigoni level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Note	Period ended 2023/ 2024	Period ended 2022/2023
		Kshs	Kshs
Capital Fund		0	0
Net Assets		1,348,612	4,185,629

The Hospital's financial statements were approved by the Board on 30/10/2024 and signed on its behalf by:



.....

Eng. Stephen Ndinika
Chairman
Board of Management



.....

George Macharia
Head of Finance
ICPAK No:



.....

Dr. Peninnah Makau
Medical Superintendent



15. Statement of Changes in Net Asset for The Year Ended 30th June 2024

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022	0	5,637,160	0	5,637,160
Revaluation gain	0	-	0	-
Surplus/(deficit) for the year	0	(1,451,531)	0	(1,451,531)
Capital/Development grants	0	0	0	-
As at June 30, 2024	0	4,185,629	0	4,185,629
			0	
At July 1, 2023	0	4,185,629	0	4,185,629
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	(2,651,259)	0	(2,651,259)
Capital/Development grants	0	0	0	0
At June 30, 2024	0	1,534,370	0	1,534,370

16. Statement of Cash Flows for The Year Ended 30th June 2024

Description	Note	Period ended	Comparative period
		2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		0	0
Grants from donors and development partners		0	0
Transfers from other Government entities		0	0
Public contributions and donations		0	0
Rendering of services- Medical Service Income		62,341,891	49,636,037
Revenue from rent of facilities		0	0
Finance / interest income		0	0
Miscellaneous receipts(<i>specify</i>)		0	0
Total Receipts		62,341,891	49,636,037
Payments			
Medical/Clinical costs		27,190,619	17,109,487
Employee costs		6,227,342	9,166,902
Board of Management Expenses		129,000	43,000
Repairs and maintenance		2,019,641	1,028,423
Grants and subsidies		9,647,930	0
General expenses		13,541,461	11,364,690
Finance costs		0	0
Refunds paid out		0	0
Total Payments		58,755,993	38,712,502

Tigoni level 4 Hospital (Kiambu County Government)
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Description	Note	Period ended	Comparative period
		2023/2024	2022/2023
		Kshs	Kshs
Net cash flows from operating activities	23	3,585,898	10,923,535
Cash flows from investing activities			
Purchase of property, plant, equipment		(0)	(1,323,000)
Purchase of intangible assets		(0)	(0)
Proceeds from the sale of PPE		0	0
Acquisition of investments		(0)	(0)
Net cash flows used in investing activities		(0)	(1,323,000)
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		(0)	(0)
Capital grants received		0	0
Net cash flows used in financing activities		(0)	(0)
Net increase/(decrease) in cash and cash equivalents		3,585,898	9,600,535
Cash and cash equivalents as at 1 July	17	9,601,804	1,269
Cash and cash equivalents as at 30 June	17	13,187,702	9,601,804

17. Statement of Comparison of Budget and Actual Amounts for Year Ended 30th June 2024

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	
Revenue						
Transfers from the County Government	0	0	0	0	0	0%
Grants from donors and development partners	0	0	0	0	0	0%
Transfers from other Government entities	0	0	0	0	0	0%
Public contributions and donations	0	0	0	0	0	0%
Rendering of services- Medical Service Income	108,679,503	0	108,679,503	73,802,512	34,876,991	68%
Revenue from rent of facilities	0	0	0	0	0	0%
Finance / interest income	0	0	0	0	0	0%
Miscellaneous receipts (specify)	0	0	0	0	0	0%
Total income	108,679,503	0	108,679,503	73,802,512	34,876,991	68%
Expenses		0				
Medical/Clinical costs	54,052,547	0	54,052,547	27,190,619	26,861,928	50%
Employee costs	9,553,980	0	9,553,980	6,227,342	3,326,638	65%

Remuneration of directors	96,000	0	96,000	129,000	(33,000)	(134) %
Repairs and maintenance	7,325,137	0	7,325,137	2,019,641	5,305,496	28%
Grants and subsidies	21,735,901	0	21,735,901	14,679,102	7,056,799	68%
General expenses	13,418,848	0	13,418,848	13,541,461	(122,613)	(101) %
Finance costs	0	0	0	0	0	0
Refunds	0	0	0	0	0	0
Surplus for the period	106,182,413	0	106,182,413	63,787,165	42,395,248	60%
Capital expenditure	2,497,090	0	2,497,090	10,015,347	(7,518,257)	(401) %

Reason for underperformance of budget: slow processing of fund sometimes, delays in the approval or disbursement of funds from the government.

Notes to the Financial Statements

1. General Information

Tigoni level 4 hospital is established by and derives its authority and accountability from Public Finance Management (PFM) 2012 Act. The entity is wholly owned by the Kiambu County Government and is domiciled in Kenya. The hospital principal activity is providing health services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 30 The financial statements have

been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

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

3. Adoption of New and Revised Standards

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

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

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

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

Standard	Effective date and impact:
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the 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>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users</p>

Standard	Effective date and impact:
	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 1st 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 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

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

Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

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 2023/2024 was approved by Board on **21st June, 2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Tigoni hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the hospital recorded additional appropriations of **nil** on the FY 2023/2024 budget following the Board's approval. Tigoni level 4 hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page *I* under section v of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

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

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

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.

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. Research and development costs

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

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

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

i. Financial instruments

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

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

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j. Inventories

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

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

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

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

Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

t. Service concession arrangements

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

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

v. Comparative figures

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

w. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could

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

p. Employee benefits

Retirement benefit plans

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

q. Foreign currency transactions

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

r. 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.

s. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Entity*, or vice versa.

k. Provisions

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

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

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

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements. **Changes in accounting policies and estimates**

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.

5. In Kind Contributions from The County Government

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	0	4,399,518

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Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0	0
Utility bills	0	0
Total grants in kind	0	4,399,518

6. **Rendering of Services-Medical Service Income**

Description	Period ended 2023/ 2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Pharmaceuticals	3,163,571	3,490,801
Non-Pharmaceuticals	0	548,261
Laboratory	7,457,586	4,467,007
Radiology	4,742,429	3,873,302
Orthopedic and Trauma Technology	0	0
Theatre	577,597	223,475
Accident and Emergency Service	0	0
Anesthesia Service	0	0
Ear Nose and Throat service	4,055	0
Nutrition service	16,930	1,596
Cancer centre service	0	0
Dental services	437,544	285,429
Reproductive health	167,830	50,132
Paediatrics services	25,801	0
Farewell home services	3,020,333	3,275,599
Ambulance services	0	0
Other medical services income (specify)	17,261,140	17,673,791
Total revenue from the rendering of services	36,874,817	33,889,396

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7. Revenue from Rent of Facilities

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Residential property	0	0
Commercial property	60,000	0
Total Revenue from rent of facilities	60,000	0

This is rent received from hospital canteen.

8. Medical/ Clinical Costs

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Dental costs/ materials	294,050	841,800
Laboratory chemicals and reagents	5,379,162	3,984,452
Public health activities	0	136,500
Food and Ration	5,080,460	4,494,225
Uniform, clothing, and linen	0	142,500
Dressing and non-pharmaceuticals	15,034,404	11,513,271
Pharmaceutical supplies	4,892,957	9,102,147
Health information stationery	0	0
Reproductive health materials	0	0
Sanitary and cleansing Materials	1,781,138	1,281,866
Purchase of Medical gases	954,775	662,800
X-Ray/Radiology supplies	814,850	530,150
Other medical related clinical costs (<i>specify</i>)	0	0
Total medical/ clinical costs	34,231,796	32,689,711

9. Employee Costs

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	0	0
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	0	0
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs (<i>Casuals</i>)	8,100,536	6,439,206
Employee costs	8,100,536	6,439,206

10. Board of Management Expenses

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	87,500	79,500
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	0
Airtime allowances	0	0
Total	87,500	79,500

11. Depreciation and Amortization Expense

Description	Period ended 2023/2024	Comparative period prior
-------------	---------------------------	-----------------------------

	year 2022/2023	
	Kshs	Kshs
Property, plant and equipment	283,902	0
Intangible assets	666,160	0
Investment property carried at cost	0	0
Total depreciation and amortization	952,062	0

12. Repairs and Maintenance

Description	Period ended 2023/ 2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Property- Buildings	216,210	521,431
Medical equipment	1,042,125	512,584
Office equipment	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Motor vehicle expenses	0	432,796
Maintenance of plant, machinery and equipment	171,700	240,800
Total repairs and maintenance	1,430,035	1,707,611

13. Grants and Subsidies

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidised medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0

Other grants and subsidies (<i>Contribution to County health department</i>)	14,725,802	11,462,414
Total grants and subsidies	14,725,802	11,462,214

14. General Expenses

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Advertising and publicity expenses	0	0
Catering expenses	225,435	96,648
Waste management expenses	0	0
Insecticides and rodenticides	5,000	4,995
Audit fees	0	0
Bank charges	10,945	18,898
Conferences and delegations	0	0
Consultancy fees	0	0
Contracted services	3,108,000	3,108,000
Electricity expenses	5,714,099	4,999,953
Fuel and Lubricants	0	0
Insurance	0	0
Research and development expenses	0	0
Travel and accommodation allowance	32,250	0
Legal expenses	0	0
Licenses and permits	0	0
Other Fuels	932,480	700,890
Printing and stationery	4,866,830	1,267,025
Hire charges	0	0
Rent expenses	0	0
Water and sewerage costs	1,411,000	50,270

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Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	4	
	Kshs	Kshs
Skills development levies	0	0
Telephone and mobile phone services	620,000	538,000
Internet expenses	0	0
Staff training and development	0	0
Subscriptions to professional bodies	0	0
Subscriptions to newspapers periodical, magazines, and gazette notices	0	0
Library books/Materials	0	0
Parking charges		0
Total General Expenses	16,926,039	10,784,679

15. Medical Services Contracts Gains /Losses

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	KShs	KShs
Comprehensive care contracts with NHIF	36,867,695	23,422,676
Non- Comprehensive contracts care with NHIF	0	0
Linda Mama Program	0	0
Waivers and Exemptions	0	0
Total Gain/Loss	36,867,695	23,422,676

16. Cash and Cash Equivalents

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
-------------	---------------------------	--

	KShs	KShs
Current accounts	13,187,666	9,512,870
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	0	0
Others(<i>specify</i>)- Mobile money	0	88,934
Total cash and cash equivalents	13,187,666	9,601,804

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

Description		Period ended 2023/2024	Comparative period prior year 2022/2023
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1156960649	11,559	9,404,033
Kenya Commercial bank	1273215931	13,158,848	0
Family Bank,	001000053768	17,295	108,837
Sub- total		13,187,702	9,512,870
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank – etc		0	0
Sub- total		0	0
c) Fixed deposits account			
Bank Name		0	0
Sub- total		0	0
d) Others(<i>specify</i>)			
cash in hand		0	0
Mobile money- Mpesa, Airtel money		0	88,934
Sub- total		0	88,934

Grand total		13,187,702	9,601,804
-------------	--	------------	-----------

17. Receivables From Exchange Transactions

Description	Period ended June 2023/2024	Comparative period prior year 2022/2023
	KShs	KShs
Medical services receivables	69,553,053	58,466,505
Rent receivables	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total receivables	69,553,053	58,466,505

Analysis of Receivables from Exchange Transactions

Description	Period ended 2023/2024		Comparative period prior year 2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,086,548	16%	1,361,845	2%
Between 1- 2 years	1,361,845	2%	5,578,886	10%
Between 2-3 years	5,578,886	8%	1,952,936	3%
Over 3 years	51,525,774	74%	49,572,838	85%
Total (a+b)	69,553,053	100%	58,466,505	100%

19. Inventories

Description	Period ended June 2023/2024	Comparative period prior year 2022/2023
	KShs	KShs
Pharmaceutical supplies	6,298,352	2,882,308
Maintenance supplies	0	0
Food supplies	50,425	36,948
Linen and clothing supplies	1,437,990	1,437,990

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Cleaning materials supplies	503,701	298,024
General supplies	13,790,481	5,628,391
Less: provision for impairment of stocks	(0)	(0)
Total	22,080,949	10,283,661

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18. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	X-Ray Printer	Plant and medical equipment	Lawnmower	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022 (previous year)	0	0	0	0	0	0	0	348,000
Additions	0	0	0	0	575,000	0	0	575,000
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	0	0	0	0	0	0	0	(0)
At 30th Jun 2023	0	0	0	0	575,000	290,000	58,000	923,000
At 1 July 2023 (current year)	0	0	0	0	575,000	290,000	58,000	923,000
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments	0	0	0	0	0	0	0	0
At 30th Jun 2024	0	0	0	0	575,000	290,000	58,000	923,000
Depreciation and impairment								
At 1 July 2022 (previous year)	0	0	0	0	0	9,063	3,625	12,688

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Description	Land	Building s and Civil works	Motor vehicles	Furniture, fittings, and office equipment	X-Ray Printer	Plant and medical equipmen t	Lawnmower	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Depreciation for the year ~	0	0	0	0	28,750	35,117	6,797	70,664
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
At 30 June 2023	0	0	0	0	28,750	44,180	10,422	83,352
At July 2023 (current year)	0	0	0	0	28,750	44,180	10,422	83,352
Depreciation	0	0	0	0	163,875	30,728	5,947	200,550
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0
Impairment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0
Transfer/adjustment	0	0	0	0	0	0	0	0
At 30th June 2024	0	0	0	0	192,625	74,908	16,369	283,902
Net book values								
At 30 th Jun 2023 (previous)	0	0	0	0	546,250	245,820	47,578	839,648
At 30 th Jun 2024 (current)	0	0	0	0	382,375	215,092	41,631	639,098

19. Intangible Assets-Software

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	KShs	KShs
Cost		
At beginning of the year	1,774,800	2,088,000
Additions	0	0
Additions-Internal development	0	0
Disposal	(0)	(0)
At end of the year	1,774,800	2,088,000
Amortization and impairment		
At beginning of the year	313,200	0
Amortization for the period	0	0
Impairment loss	354,960	313,200
At end of the year	668,160	313,200
NBV	1,419,840	1,774,800

20. Trade and other Payables

Description	Period ended 2023/2024	Comparative period prior year 2022/2023
	KShs	KShs
Trade payables	103,658,836	77,177,341
Employee dues	1,873,194	0
Third-party payments (<i>e.g. unremitted payroll deductions</i>)	0	0
Audit fee	0	0
Doctors' fee	0	0
Total trade and other payables	105,532,030	77,177,341

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Description	Period ended 2023/2024		Comparative period prior year 2022/2023	
	KShs		KShs	
Ageing analysis:	Current FY	% of the Total	Comparati ve FY	% of the total
Under one year	13,616,598	13%	24,719,549	32%
1-2 years	19,246,260	18%	2,357,864	3%
2-3 years	13,962,589	13%	5,812,716	8%
Over 3 years	58,706,583	56%	44,287,212	57%
Total	105,532,030	100%	77,177,341	100%

21. Cash Generated from Operations

Description	Period ended 2023/2024		Comparative period prior year 2022/2023	
	KShs		KShs	
Surplus for the year before tax	(2,651,258)		(1,451,531)	
Adjusted for:				
Depreciation	0		0	
Non-cash grants received	(0)		(0)	
Impairment	0		0	
Gains and losses on disposal of assets	(0)		(0)	
Contribution to provisions	0		0	
Contribution to impairment allowance	0		0	
Working Capital adjustments				
Increase in inventory	(0)		(0)	
Increase in receivables	(0)		(0)	
Increase in deferred income	0		0	
Increase in payables	0		0	
Increase in payments received in advance	0		0	
Net cash flow from operating activities	(2,651,258)		(1,451,531)	

22. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2024 (current year)				
Receivables from exchange transactions	0	0	0	0

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Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0

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Total	0	0	0	0
At 30 June 2024				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs

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At 30 June 2024			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%	0	0

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USD	10%	0	0
20XX (current year)			
Euro	10%	0	0
USD	10%	0	0

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

iv) Capital Risk Management

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

Description	Current Period 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	0	0

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Total borrowings	0	0
Less: cash and bank balances	(0)	(0)
Net debt/ (excess cash and cash equivalents)	0	0
Gearing	0	0

23. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates, and close family members.

Kiambu County Government is the principal shareholder of Tigoni hospital holding 100% of the Tigoni hospital 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	Period ended June 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to	0	0
Sales of services to	0	0
Total	0	0
b) Grants from the Government		
Grants from County Government	0	0

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Description	Period ended June 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	0	0
Payments for goods and services for	0	0
Total	0	0
d) Key management compensation		
Directors' emoluments	0	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

24. Segment Information

Tigoni level 4 hospital is not segmented therefore no allocation of resources.

25. Contingent Liabilities

Contingent liabilities	Period ended 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Court case against the hospital	0	0

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Bank guarantees in favour of subsidiary	0	0
Total	0	0

26. Capital Commitments

Capital Commitments	Period ended June 2023/2024	Comparative period prior year 2022/2023
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

27. Events after the Reporting Period

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

28. Ultimate and Holding Entity

Tigoni level 4 hospital is a State Corporation/ or a Semi- Autonomous Government Agency under Kiambu county government public health. Its ultimate parent is the Kiambu county Government.

29. Currency

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

18. 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)

Guidance Notes:

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

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Accounting Officer

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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity: N/A

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Name of Beneficiary entity: N/A

Confirmation of amounts received by Tigoni hospital as at 30th June 2024

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	N/A	NILL	NILL	NILL	N/A
Total	N/A	NILL	NILL	NILL	N/A

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

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

Appendix V: Disaster Expenditure Reporting Template

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