

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

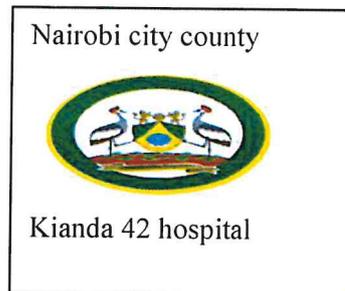
KIANDA 42 LEVEL 4 HOSPITAL

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

**COUNTY GOVERNMENT OF
NAIROBI CITY**



Revised 30th June 2025



Kianda 42 Level 4 HOSPITAL (NAIROBI CITY COUNTY GOVERNMENT)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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Kianda 42 Hospital (Nairobi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

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

(This list is an indication of the common acronyms and glossary of terms; the entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

Background Information

Kianda 42 Hospital is a Level 4 hospital established under the Nairobi County Government and domiciled in Nairobi County. It is situated within Sarang'ombe Ward and operates under the Nairobi City County Department of Health.

(b) Principal Activities

Principal Activities

The principal mandate of Kianda 42 Hospital is to provide comprehensive preventive, promotive, curative, and rehabilitative health services to the surrounding population.

The hospital's key service areas include:

- Outpatient Department (OPD)
- Maternal and Child Health (MCH) and Maternity Services
- HIV Testing Services (HTS)
- Specialized Clinics
- Social Worker and Community Health Services
- 24-hour Emergency and General Inpatient Services

Vision

To be a leading provider of accessible, equitable, and quality healthcare services in Nairobi County.

Mission

To deliver patient-centered, affordable, and sustainable health services that promote the well-being of the Sarang'ombe community and beyond.

Core Values

- Professionalism
- Integrity
- Patient-centered care
- Equity
- Teamwork

(c) Key Management

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

- County department of health
- Sc MOH
- Medical Superintendent
- HMT which comprises of HODS
- Others EEC

(d) Fiduciary Management

Fiduciary Management

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Due to the absence of a Board and finance/procurement officers, fiduciary oversight is limited. The hospital relies on Nairobi County Department of Health oversight and Auditor-General review.

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

No.	Designation	Name
1.	Medical Superintendent	DR fatuma zakaria-
2.	Head of finance	N/a-
3.	Head of supply chain	N/a-
4.	Nurse manager	Mary kerubo-
5.	Sc admin	Juliana kimwele

(Include all positions regarded as top management in your hospital).

(e) Fiduciary Oversight Arrangements

- Scmoh
- Director health facilities
- Chief officer health facilities
- County Assembly
- Parliamentary committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

Kianda 42 hospital
P. O. Box 34349-00100,
Nairobi,
KENYA.

(g) Entity Contacts

Telephone 0792965803

Kibrlevel3hosp@gmail.com

(h) Entity Bankers

Kcb bank kicc branch

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. Xxx
xxx, Kenya

3. The Board of Management

No board of management during the year of review .the hospital management is following up on the appointment of the board members at the county level.

Ref	Directors	Details
1.	Director 1 <i>(Insert each Director's passport-size photo and name, and key profession/academic qualifications)</i>	Provide a concise description of each Director's age, key qualifications, and work experience. Indicate whether the director is independent or an executive director and which committee of the Board the director chairs where applicable. Indicate whether the director is independent and or whether alternate.
2.	Director 2	N/a
3.	Director 3	N/a
4.	Director 4/Alternate	N/a
5.	MED SUP	
6.	Entity Secretary	Indicate whether the secretary is a member of ICS as required under the Mwongozo code in addition to their other details.

4. Key Management Team

Ref	Management	Details
1.		Dr fatuma zakaria MBCHB medical superintendet
2.		Mary kerubo Nurse in charge
3.	Manager 3	
4.	Manager 4	
5.	Etc.	

(Note: The Med sup and the Entity Secretary will feature both under the 'Board' and 'Management'.)

5. Chairman's Statement

One – two pages

n/a since no active board members during the year in question.

.....

Name

Chairman to the Board

6. Report of The Medical Superintendent

Introduction

Kianda 42 Hospital has served the Kibra community since 2014, officially elevated to a Level 4 facility in September 2021. It serves a catchment population of 48,355 with a wide range of curative, maternal, child health, diagnostic, and nutrition services.

Key Services

- *Outpatient: CCC, TB, NCD Clinics, Minor Theatre, GBV Unit*
- *Maternal & Child Health: ANC, PNC, FP, Immunization, Nutrition, Cancer Screening*
- *Diagnostics: X-ray, Ultrasound, Laboratory*
- *Inpatient: 15 maternity beds + delivery theatre*

Financial Overview

Hospital revenue stemmed mainly from SHA PHC, SHIF and Linda Mama reimbursements.

- *SHA: KES 2531,579 claimed /KES 1,994,283 paid*
- *SHIF: KES 960,500 claimed | KES 715,860 paid*
- *Linda Mama (closed): KES 3,756,000 arrears | KES 1,561,240 paid*

Observation: SHA is relatively timely, SHIF has delays, and closure of Linda Mama has created a financial gap.

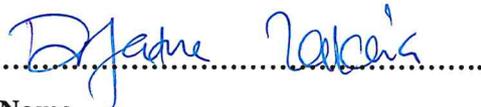
Challenges

1. *Inadequate security – incomplete perimeter wall/gate, theft cases.*
2. *Congested infrastructure and limited space.*
3. *Financial strain – pending casual wages.*
4. *Unstable power supply, no backup.*
5. *Inadequate staff*

Conclusion

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Despite operational and financial constraints, Kianda 42 continues to provide essential services to the Kibra community. Strategic support in infrastructure, governance, and financing will enable the hospital to achieve sustainable service delivery and better health outcomes.



Name

Medical superintendent

Statement of Performance Against Predetermined Objectives

Kianda 42 Level IV Hospital, FY 2024/2025

During the FY 2024/2025, Kianda 42 Level IV Hospital aligned its operations to the Nairobi City County health sector strategic objectives. The Hospital's performance was assessed quarterly against the Annual Work Plan, which is anchored on five strategic policy pillars. Below is a summary of performance:

1. Elimination of Communicable Conditions

The hospital undertook extensive preventive and curative interventions.

- Immunization Coverage: 450 children under one year fully immunized (target met from baseline of 358).
 - Maternal Health: 990 pregnant women received TT2+ immunization, up from 900.
 - TB/HIV Services: 22 new TB cases detected, all tested for HIV, and 55 eligible HIV clients maintained on ARVs.
 - Child Health: 183 children under five treated for diarrhea; 700 school-aged children dewormed.
- Overall, the hospital achieved >90% of its set targets under this pillar, significantly reducing risks of preventable infections.*

2. Halt and Reverse the Burden of Non-Communicable Conditions

The facility continued to expand its screening and management of NCDs.

- Hypertension: 330 new outpatient cases identified (baseline 294).
- Cervical Cancer Screening: 250 women of reproductive age screened (up from 230).
- Mental Health: 16 new mental health cases identified and linked to care.
- Obesity/Overweight: 868 adult clients screened for BMI >25.

Progress shows strengthened NCD services, though drug shortages remain a challenge.

3. Reduction of the Burden of Violence and Injuries

- Gender-Based Violence (GBV): 4 new GBV cases reported and managed.
- Road Traffic Accidents (RTA): 38 cases handled.
- Other Injuries: 431 outpatient cases due to injuries were managed.
- Emergency Preparedness: Staff trained in home accident management, SGBV screening, and first-line care.

The hospital met its targets under this pillar, but community sensitization on violence prevention remains necessary.

4. Provision of Essential Health Services, Emergency and Referral Care

- Maternal & Child Health: 400 skilled deliveries conducted (up from 344); 800 women attended at least four ANC visits.
- Family Planning: 850 women received FP commodities (up from 804).
- Emergency Services: Ambulance services were operational, but staffing gaps persisted.
- Referrals: 50 complicated labor cases successfully referred; referral committee meetings conducted quarterly.

Service utilization has improved, but gaps in specialized staff and equipment still exist.

5. Strengthening Collaboration and Reducing Health Risk Factors

- Nutrition & WASH: 55 underweight children identified; 9450 households reached with health promotion messages.
- Sanitation: 5,195 households reported functional toilets, while 5,698 households had functional handwashing facilities.
- SHA/SHIF Enrollment: The hospital strengthened community awareness on SHIF/ to increase financial access.
- Stakeholder Collaboration: Active engagement with CHVs, schools, and administrative units improved hpv vaccination WASH and deworming coverage.
Collaboration efforts enhanced service delivery and reduced risk exposure across the catchment area.

Conclusion

Kianda 42 Level IV Hospital achieved substantial progress across all five strategic pillars, with most targets met or exceeded. Communicable and maternal-child health interventions performed strongest, while NCD management and emergency services highlighted areas needing further investment in staffing and commodities. Continued county and partner support will be vital in sustaining gains and addressing resource gaps.

7. Corporate Governance Statement

Kianda 42 hospital did not have an active board for the financial year 2024/2025 this part will be inapplicable for now as we await the already in process appointment from the county .

8. Management Discussion and Analysis

I. Management Discussion and Analysis

The previous financial year the hospital has not had an active board and is currently following up from the county the selection of new board members .

8.1 Clinical and Operational Performance

Kianda 42 Level IV Hospital serves as the primary referral facility for Kibra Sub-County, providing both outpatient and inpatient services to a catchment population of approximately 48,355 people. Despite infrastructural and staffing challenges, the hospital has recorded consistent growth in service utilization over the past three years.

Table 1: Clinical Performance Indicators FY 2024/25

Indicator	FY 2024/25
Bed capacity	20
Outpatient attendance	33,319
Skilled deliveries	274
Average length of stay (days)	1.4

Partnerships and Sponsorships

Kianda 42 Level IV Hospital has continued to benefit from multiple partnerships that support service delivery:

CIHEB- improved HIV care

SHOFCO - Improved IPC and WASH programs.

NAYA- Integration of HIV care in routine service delivery.

SHIF - Financial protection and reimbursement for maternal and primary care services.

8.2 Financial Performance

The hospital's financial operations are guided by the Public Finance Management Act, 2012. Revenue streams include County Government allocations, Facility Improvement Fund (FIF)/user fees, SHIF reimbursements, and donor/partner support.

Table 2: Revenue Sources (Ksh. Millions)

Revenue Source	FY 2024/25
County allocation	0
PHC/SHIF reimbursements	4.2
FIF/User fees	0
Donor/Partner support	0
Total Revenue	4.2

8.3 Compliance with Statutory Requirements

- Financial and operational reporting submitted quarterly in line with the PFMA 2012.
- Procurement undertaken as per the Public Procurement and Asset Disposal Act, 2015.

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- Occupational health and safety compliance as per OSHA 2007, with staff induction, PPE provision, and IPC training.

8.4 Major Risks and Challenges

- Inadequate Infrastructure: Only 20 beds against the required 80; lack of maternity theatre.
- Staff Shortages: Inadequate numbers of clinicians, nurses, and frequent strikes of health care workers.
- Stock-outs of commodities: Periodic shortages of essential drugs and supplies.
- Delayed disbursements from sha/shif : Slowed implementation of planned activities.
- Waste management challenges: no inbuilt incinerator

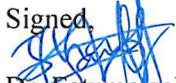
8.5 Material Arrears

The hospital had significant arrears from casual payments which were carried forward from previous financial . Delays in disbursement occasionally led to short-term payment backlogs with suppliers.

8.6 Outlook and Way Forward

- Expansion of bed capacity and operationalization of a maternity theatre.
- Strengthening NCD, HIV, and mental health clinics.
- Scaling up SHIF enrollment to enhance financial sustainability.
- Increased community outreach on maternal-child health, sanitation, and preventive services.
- Continued engagement with partners to bridge resource and infrastructural gaps.

Signed,



Dr. Fatuma zakaria
Medical Superintendent

9.Environmental And Sustainability Reporting

i) Sustainability Strategy and Profile

Climate change and environmental degradation continue to pose significant threats to public health globally and locally. According to the World Health Organization (WHO, 2023), climate change impacts both the natural and human systems, undermining health systems and contributing to the emergence and re-emergence of diseases.

In Kibra Sub-County, where Kianda 42 Level IV Hospital is located, the population is particularly vulnerable to the health effects of climate change. Most households rely on biomass fuels such as charcoal for cooking in poorly ventilated spaces. This contributes to high levels of indoor air pollution, which WHO (2020) estimates cause 3.8 million deaths globally each year. Harmful pollutants such as carbon monoxide (CO), volatile organic compounds (VOCs), and particulate matter increase the burden of respiratory illnesses, asthma, cardiovascular diseases, and childhood pneumonia in the community.

In addition, poor water, sanitation, and hygiene (WASH) systems expose residents to diarrheal diseases, cholera, typhoid, hepatitis A and E, polio, and Mpox. The reliance on open burning of waste worsens ambient air quality, contributing to vector breeding and spread of infectious diseases. To address these sustainability challenges, the facility aligns its interventions with international best practice frameworks, including the Sustainable Development Goals (SDGs):

- SDG 3 (Good Health and Well-being): Ensuring adequate staffing and service delivery to address both communicable and non-communicable diseases.
- SDG 5 (Gender Equality): Promoting equity through social services and partnerships with agencies such as UNFPA and JICA.
- SDG 6 (Clean Water and Sanitation): Strengthening WASH programs through the community health unit and CHPs.
- SDG 12 (Responsible Consumption and Production): Promoting efficient use of commodities and responsible waste management.

The facility also leverages national frameworks such as the Public Private Partnership (PPP) Act, 2021, which enhances transparency and accountability in project management, and the Environmental Management and Coordination Act (EMCA), Cap 387, which provides for proper waste management.

Key Achievements (FY 2024/25)

- Partnership with UNFPA and JICA to expand services by operationalizing gbv container.
- Conducting exit surveys with I-Monitor to improve patient experience and service delivery.
- Partnership with NAYA to mainstream HIV care within routine service delivery.
- Staff capacity-building through CMEs, peer-to-peer learning, and mentorship.
- Partnership with SHOFCO to strengthen IPC and WASH practices.
- Community dialogue days that enhanced demand for services and accountability.

Challenges

- Budgetary limitations affecting commodities and supplies.
- Gaps in capacity building, especially for integrating HIV care into routine services since USAID funding pulled staff working under the program.
- Structural deficiencies, including:
 - Lack of a proper fence, posing security risks.
 - Absence of a maternity theatre.
 - Incomplete social hall.

ii) Environmental Performance

The facility has adopted an Environmental Management Plan in line with the Environmental Management and Coordination Act (EMCA), 1999 (Cap 387). All waste management processes comply with sections 87 and 88 of the Act, and only NEMA-licensed waste hauliers are contracted by the county on behalf of the facility for collection and disposal of waste.

Successes

- Smart technologies: Installation of a water treatment plant to provide safe drinking water; introduction of a macerator to shred placenta waste.
- Waste management: Effective segregation using color-coded bins; recycling of cardboard and plastic waste in line with the reduce–reuse–recycle principle.
- Safe disposal: Proper storage of health-care waste before disposal, with collection handled by NEMA-licensed providers.
- Sustainability initiatives: Emphasis on smart, eco-friendly technologies to minimize environmental degradation.

Shortcomings

- Resource gaps leading to irregular procurement of bin liners and delayed environmental audits.

- Macerator limitations: Lack of pretreatment plan causes direct discharge of waste.
- Water plant maintenance issues: Frequent filter blockages reduce effectiveness.
- Delayed waste collection: Occasional accumulation in storage areas.
- Local dumpsite saturation: The Kianda dumpsite is near capacity, constraining disposal.

Mitigation Measures

- Regular revision of the Environmental Management Plan to address emerging issues.
- Enhanced stakeholder engagement to mobilize financial and technical support.
- Adoption of local solutions to environmental challenges, such as smaller-scale waste pretreatment.
- Expansion of smart technology use, including the macerator and water treatment plant, to minimize ecological footprint.

Integration with Service Delivery Charter and Procurement

The hospital's Service Delivery Charter outlines its commitment to quality care, environmental stewardship, and accountability.

Conclusion

Kianda 42 Level IV Hospital has made substantial progress in aligning its operations with global sustainability priorities, particularly in waste management, community engagement, and climate change adaptation. While resource gaps and structural challenges persist, the facility's partnerships, adoption of smart technologies, and commitment to the SDGs provide a strong foundation for continuous improvement in environmental performance and sustainable health care delivery.

- **10. Employee Welfare**

- i) Recruitment and Human Resource Policies*

Kianda 42 Level IV Hospital does not directly recruit its permanent staff. All health workers are recruited, hired, and posted by Nairobi City County Government, in line with the County Public Service Board guidelines and the national constitution. The recruitment process at county level incorporates equity principles by ensuring gender balance, representation of youth, and consideration of persons with disabilities (PWDs), consistent with the Employment Act (2007) and constitutional provisions on inclusivity.

At the facility level, casual workers are engaged directly to provide support services such as cleaning, grounds maintenance, and waste management. Upon engagement, casual workers are:

- *Provided with personal protective equipment (PPEs) appropriate to their roles.*
- *Oriented on infection prevention and control (IPC) practices by the Public Health Officer based at the hospital.*

ii) Skills Development and Career Management

While formal career progression and promotions are managed at county level, Kianda 42 Hospital supports continuous professional development through:

- *Regular Continuous Medical Education (CMEs): Focused on infection control, hand hygiene, waste segregation, and emergency response.*
- *Peer-to-peer learning and mentorship: Encouraging knowledge sharing across departments.*
- *External capacity building: Through collaborations with NGOs and development partners (e.g., SHOFCO, NAYA, UNFPA, JICA) for specialized training in WASH, reproductive health, and HIV integration.*

Staff appraisals are conducted at the hospital by different heads of department, performance reviews and recommendations are then sent to the Sub-Countymanagement team.

iii) Occupational Health, Safety and Compliance

The hospital complies with the Occupational Safety and Health Act (OSHA, 2007) and has instituted measures to safeguard employee health and safety:

- *Workplace Induction: All staff posted to the facility undergo induction at county level, with facility-level reinforcement of IPC and emergency protocols.*
- *Infection Control Training: Regular CMEs emphasize hand hygiene, safe waste disposal, and procedures for handling needle-stick injuries.*
- *Protective Equipment: All casual workers are issued with PPEs, including gloves, boots, and aprons.*
- *Post-Exposure Prophylaxis (PEP): Staff exposed to potential infectious risks (e.g., needle-stick injuries) are promptly evaluated and placed on prophylactic regimens, including HIV PEP where indicated.*

- *Medical Surveillance: Staff are advised on health checks and preventive interventions, including TB screening and uptake of prophylaxis.*

iv) Work-Related Injuries and Mitigation

The hospital monitors and documents incidents of work-related injuries. Common risks include needle-stick injuries and exposure to infectious materials. To minimize these risks, the hospital has:

- *Established protocols for immediate reporting and management of occupational injuries.*
- *Ensured availability of precautionary medications for staff who opt to take them.*
- *Strengthened waste segregation practices through the use of color-coded bins and staff training.*
- *Instituted safety briefings for all casual staff before commencement of duties.*

Conclusion

Employee welfare at Kianda 42 Level IV Hospital is underpinned by the broader Nairobi City County human resource policies, supported at the facility level through ongoing training, safety enforcement, and provision of PPEs. The hospital continues to prioritize staff safety, skills development, and inclusivity, in line with the Occupational Safety and Health Act (2007) and the County's commitment to a safe and equitable workplace.

- ***iv) Marketplace Practices***

a) Responsible Competition Practices

Kianda 42 Level IV Hospital upholds responsible competition and integrity in its service delivery. The facility adheres to the Public Procurement and Asset Disposal Act (2015), ensuring open and fair tendering processes for goods and services. All procurement is conducted transparently to avoid conflict of interest or favoritism.

The hospital has established the following practices to promote responsible service delivery:

- *Service Charter: Displayed at all service points, outlining expected service standards and turnaround times for patients.*
- *Service Automation: Introduction of electronic medical records (EMR) and cashless payment systems through taifa care and mobile money platforms to reduce fraud and improve accountability.*

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- *Anti-Corruption Reporting Mechanisms: Anonymous reporting channels and regular staff sensitization on integrity in line with county and national government policies.*
- *Public Sensitization: Regular community outreaches, health education forums, and information dissemination on available services to avoid misinformation.*
- *Respect for Competitors: By ensuring referrals to neighboring facilities when higher-level care is required, thereby fostering collaboration rather than unhealthy competition.*

b) Responsible Supply Chain and Supplier Relations

The hospital maintains responsible supply chain management guided by county and national government regulations.

- *Fair Procurement: All procurement follows open tendering procedures as required by law, ensuring equal opportunity for suppliers.*
- *Honoring Contracts: The hospital commits to timely honoring of supplier contracts and payment obligations within agreed terms.*
- *Transparency in Selection: Procurement is competitive, with suppliers evaluated based on quality, capacity, and compliance.*
- *Partnerships: The hospital works with accredited pharmaceutical suppliers, equipment providers, and NGOs, ensuring reliable and high-quality inputs to safeguard patient care.*

c) Responsible Marketing and Citizen Engagement

As a public health facility, Kianda 42 does not engage in commercial advertising but maintains responsible citizen engagement practices by:

- *Providing Adequate Information: Disseminating accurate, clear, and timely health information through health talks, posters, and community health promoters (C H P).*
- *Consultative Forums: Participating in community dialogue days and stakeholder meetings to align hospital services with community needs.*
- *Avoiding False Promises: Only communicating services that are available at the facility, and directing clients appropriately for specialized services.*
- *Respecting Diversity: Service delivery is non-discriminatory, respecting gender, age, disability, and socioeconomic backgrounds.*

d) Product Stewardship and Awareness Creation

The hospital prioritizes consumer rights and safety in health service delivery. Measures include:

- *Patient Safety Protocols: Strict adherence to infection prevention and control (IPC) measures, safe disposal of medical waste, and compliance with treatment guidelines.*
- *Consumer Rights Protection: Patients are provided with adequate information about services, including SHIF packages, referral systems, and expected costs where applicable.*
- *Dispute Resolution and Redress: The hospital maintains a grievance redress mechanism, including feedback boxes, Toll free numbers and client charters.*
- *Data and Privacy Protection: Patient records are kept confidential under the Data Protection Act, with restricted access to sensitive health information.*

- *v) Corporate Social Responsibility (CSR) and Community Engagements*

As part of its mandate, Kianda 42 Level IV Hospital invests in CSR and community engagement to strengthen health outcomes and foster trust with the community. These initiatives are aligned with the hospital's role as a primary health provider in Kibra.

CSR and Community Engagement Activities (FY 2025/26):

1. Health Outreaches and Free Clinics:

- *Immunization campaigns, antenatal care sensitization, and TB/HIV testing drives conducted at community level.*
- *Integration of mental health and NCD screening during community outreach days.*

2. School Health Programs:

- *Deworming exercises and Vitamin A supplementation.*
- *HPV vaccination for adolescent girls, alongside reproductive health education.*
- *Partnerships with schools on WASH programs to improve sanitation and hygiene.*

3. Community Health Promoter (CHP) Empowerment:

- *Training and provision of referral tools for CHPs to strengthen linkages between the facility and households.*
- *Regular CHP supervision and dialogue days to support grassroots engagement.*

4. Public Participation and Sensitization Forums:

- *Quarterly stakeholder meetings with local leaders, administrators, and civil society on health service priorities.*
- *Civic education on SHA/SHIF packages and available maternal-child health services.*

5. *Charitable and Social Investments:*

- *Collaborations with NGOS to provide mama packages for postpartum mothers*
- *Collaborations with NGOs to provide dignity packs and psychosocial support for survivors of Gender-Based Violence (GBV).*

Impact on the Community

- *Increased access to immunization and child health services.*
- *Improved school attendance through deworming and nutrition interventions.*
- *Strengthened referral pathways from community to facility.*
- *Enhanced trust between the hospital and the community through open dialogue and participatory planning.*

10. Report of The Board of Management

REPUBLIC OF KENYA

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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON KIANDA 42 LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF NAIROBI CITY

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 specific issues, the financial statements present a true and fair view in accordance with the applicable financial reporting framework. The Qualified Opinion indicates that the financial statements are to a large extent in agreement with the books of accounts and the underlying records, except for a few cases where material misstatements or omissions were noted in the books of accounts and the financial statements. The issues though material, are not widespread or persistent.

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 Kianda 42 Level 4 Hospital - County Government of Nairobi City set out on pages 1 to 23, which comprise of the

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kianda 42 Level 4 Hospital - County Government of Nairobi City as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statement presented for audit revealed that the statements were amended. However, Management did not provide approved journal vouchers to support the amendments. The details are summarized below;

Note No.	Component	Balance as at 30 June, 2025 (Kshs)	Amended Balances (Kshs)	Unsupported Adjustments (Kshs)
6	In-Kind Contributions from the County Government	0	3,615,451	-3,615,451
7	Rendering of Services- Medical Services	4,271,383	5,053,319	-781,936
8	Medical/Clinical Services	632,829	829,397	-196,568
9	Employee Costs	700,000	1,496,799	-796,799
10	Repairs and Maintenance	39,268	14,700	24,568
11	General Expenses	72,000	108,964	-36,964
14	Receivables from Exchange Transactions	4,271,383	781,936	3,489,447
15	Inventories	0	590,000	-590,000
17	Trade and Other Payables	1,609,415	1,027,915	581,500

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

2. Unsupported Property, Plant and Equipment

The statement of financial position and Note 16 to the financial statements reflects property, plant and equipment balance of Kshs.190,000,000. Review of the fixed asset register maintained revealed that it was not comprehensive since it did not include all the assets of the Hospital. This was contrary to International Public Sector Accounting Standard (IPSAS) 45 on Property, Plant and Equipment (PPE) which requires entities to maintain a comprehensive and accurate PPE register showing cost, accumulated depreciation, additions, disposals, revaluations, and carrying amounts at the reporting date. Further, included in the balance is an amount of Kshs.160,000,000 in respect of land. However, the balance was not supported with a title deed. In addition, details of buildings estimated at a value of Kshs.30,000,000 was not provided for review.

In the circumstances, the accuracy, completeness, valuation and ownership of property, plant and equipment balance of Kshs.190,000,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kianda 42 Level 4 Hospital - County Government of Nairobi City Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page 1 to 22 which comprise of Key Hospital Information and Management, Key Management Team, Fiduciary Management, Fiduciary Oversight Management, Chairperson' Statement, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kianda 42 Level 4 Hospital - Nairobi County Government's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Late Submission of Financial Statements

It was noted that Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2023. The financial statement were submitted on 9 October, 2024. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the 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

Weak Governance and Oversight

Review of the governance structure revealed that the Board of Management was not appointed during the year under review, and fiduciary oversight relied solely on the

County Department of Health. This exposes the hospital to governance and accountability risks.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2025

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024/2025
		Kshs
Revenue from non-exchange transactions		
In- kind contributions from the County Government	6	3,615,451
Revenue from exchange transactions		
Rendering of services- Medical Service Income	7	5,053,319
Revenue from exchange transactions		
Total revenue		8,668,770
Expenses		
Medical/Clinical costs	8	829,397
Employee costs	9	1,496,799
Repairs and maintenance	10	14,700
General expenses	11	108,964
Total expenses		2,449,860
Net Surplus for the year		6,218,910

.....
Chairman

Board of Management

Moses Atenga Dyfaan Lukar
Head of Finance **Medical Superintendent**
 ICPAK No: 12512

*Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

14. Statement of Financial Position as at 30th June 2025

Description	Note	FY 2024/2025
		Kshs
Assets		
Current assets		
Cash and cash equivalents	13	3,405,233
Receivables from exchange transactions	14	781,936
Inventories	15	590,000
Total Current Assets		4,777,169
Non-current assets		
Property, plant, and equipment	16	190,000,000
Total assets (A)		194,777,169
Liabilities		
Current liabilities		
Trade and other payables	17	1,027,915
Total Current Liabilities		1,027,915
Total Liabilities (B)		1,027,915
Net assets (A-B)		193,749,254
Represented by:		
Revaluation reserve		
Accumulated surplus		6,218,910
Capital Fund		187,530,344
Net Assets		193,749,254

.....
Chairman
Board of Management

.....
Head of Finance
ICPAK No: 12512

.....
Medical Superintendent

Moses Njenga *Dr. James Karera*

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus	Capital Fund	Total
As at July 1, 2024	-	-	-	-
Revaluation gain	-	-	-	-
Surplus for the year	-	6,218,910	187,530,344	193,749,254
As at June 30, 2025		6,218,910	187,530,344	193,749,254

.....
Chairman
Board of Management

Moses Okeyo
Head of Finance
ICPAK No: 12512

D. James J. J. J.
Medical Superintendent

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

16. Statement of Cash Flows for The Year Ended 30 June 2025 description	Note	fy 2024/25
		Kshs
Cash flows from operating activities		
Receipts		
Rendering of services- Medical Service Income		4,271,383
Miscellaneous receipts(<i>specify</i>)		-
Total Receipts		4,271,383
Payments		
Medical/Clinical costs		710,897
Employee costs		587,384
Repairs and maintenance		14,700
General expenses		108,964
Total Payments		1,421,985
Net cash flows used in financing activities		-
Net increase/(decrease) in cash and cash equivalents		2,849,438
Cash and cash equivalents as at 1 July 2024		555,795
Cash and cash equivalents as at 30 June 2025	13	3,405,233

.....
Chairman
Board of Management

Moses Meya
.....
Head of Finance
ICPAK No: 12512

Dr. John Ogun
.....
Medical Superintendent

**Kianda 42 Hospital (Nairobi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025**

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a Kshs	b Kshs	c=(a+b) Kshs	d Kshs	e=(c-d) Kshs	f=d/c%
Budget carryovers from the previous year	-	-	-	-	-	-
Receipts						
Rendering of services- Medical Service Income	5,000,000	-	5,000,000	4,271,383	728,617	85%
Total receipts	5,000,000		5,000,000	4,271,383	728,617	
Payments						
Medical/Clinical costs	1,500,000	-	1,500,000	710,897	789,103	75%
Employee costs	700,000	-	700,000	587,384	112,616	84%
Repairs and maintenance	30,000	-	30,000	14,700	15,300	49%
General expenses	120,000	-	120,000	108,964	11,036	91%
Total Operational Expenditure paid	2,350,000		2,350,000	1,421,945	520,128	
Capital Expenditure paid						%
Surplus				2,849,438		%

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget.	2,849,438
1 Opening cash and cash equivalents as at 1 st July 2024	555,795
Closing Cash and Cash Equivalent as per the statement of Cash flows	3,405,233

18. Notes to the Financial Statements

1. General Information

Kianda 42 Hospital is established under and derives its authority and accountability from the *Public Finance Management Act, 2012*. The hospital is wholly owned by the Nairobi City County Government and is domiciled in Nairobi County, Kenya. The principal activity of the entity is the provision of comprehensive healthcare services, including preventive, promotive, curative, and rehabilitative services, in line with its mandate as a Level IV hospital

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 hospital's accounting policies. The areas involving a higher degree of judgment or complexity; or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. 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 2025

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an 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>
IPSAS 45- Property	<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,</p>

*Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Standard	Effective date and impact:
Plant and Equipment	<p>infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure as</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 of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Standard	Effective date and impact:
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.

iii) Early adoption of standards

The Hospital did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

b. Budget information

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

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

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

c. 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.

d. 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.

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 hospital.

e. Changes in accounting policies and estimates

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

f. Related parties

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

g. Cash and cash equivalents

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

h. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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 hospital.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

6. In Kind Contributions from The County Government

Description	2024/2025
	KShs
Medical supplies-Drawings Rights (KEMSA)	3,615,451
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-
Total grants in kind	3,615,451

7. Rendering of Services-Medical Service Income

Description	FY 2024/2025
	Kshs
Reproductive health	2,277,100
Other medical services income (PHC)	1,994,283
Total	4,271,383
Add receivables	781,936
Total revenue from the rendering of services	5,053,319

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

8. Medical/ Clinical Costs

Description	2024/2025
	Kshs
Laboratory chemicals and reagents	73,500
Public health activities	24,568
Food and Ration	118,500
Dressing and non-pharmaceuticals	408,629
X-Ray/Radiology supplies	85,700
Total	710,897
Add payables	118,500
Total medical/ clinical costs	829,397

9. Employee Costs

Description	FY 2024/2025
	Kshs
Salaries, wages, and allowances	587,384
Other employee costs (<i>specify</i>)	-
Employee costs	587,384
Add payables(accrual)	909,415
total	1,496,799

10. Repairs And Maintenance

Description	FY2024/2025
	Kshs
Property- Buildings	14,700
Maintenance of civil works	-
Total repairs and maintenance	14,700

11. General Expenses

Description	FY 2024/2025
	Kshs
Bank charges	42,264
Travel and accommodation allowance	10,000
Printing and stationery	36,700
Telephone and mobile phone services	10,000
Internet expenses	10,000
Total General Expenses	108,964

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

12. Medical Services Contracts Gains /Losses

Description	2024/2025
	KShs
Comprehensive care contracts with NHIF/SHA	
Non- Comprehensive contracts care with SHA	3,492,079
Linda Mama Program	1,969,167
Waivers and Exemptions	
Total Gain/Loss	5,461,246

13. Cash And Cash Equivalents

Description	2024/2025
	KShs
Current accounts	3,405,233
On - call deposits	-
Fixed deposits accounts	-
Others(<i>specify</i>)- Mobile money	
Total cash and cash equivalents	3,405,233

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

Description		2024/2025
Financial institution	Account number	KShs
a) Current account		
Kenya Commercial bank	1321512856	3,405,233
Equity Bank, etc	-	-
Total		3,405,233

Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

14. Receivables From Exchange Transactions

Description	2024/2025
	KShs
Medical services receivables (SHA Claims)	781,936
Other exchange debtors	-
Total receivables	781,936

Analysis of Receivables from Exchange Transactions

Description	2024/2025	
	Kshs	
	2024/2025	% of the total
Less than 1 year	781,936	100%
Total		%

15. Inventories

Description	FY 2024/2025
	KShs
Pharmaceutical supplies	500,000
Food supplies	90,000
Total	590,000

*Kianda 42 Hospital (Nairobi city County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

16. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost									
At 1 July 2024	160,000,000	30,000,000	-	-	-	-	-	-	190,000,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 30th June 2025	160,000,000	30,000,000	-	-	-	-	-	-	190,000,000
Depreciation for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 30 June 2025									
Net book values									
At 30 th Jun 2025	160,000,000	30,000,000	-	-	-	-	-	-	190,000,000

17. Trade and other Payables

Description	2024/2025	
	KShs	
Trade payables	118,500	
Employee dues	909,415	
Total trade and other payables	1,027,915	
Ageing analysis:		% of the Total
Under one year	1,027,915	100%

18. Financial Risk Management

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

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

(i)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.

19. Related Party Balances

Nature of related party relationships

Kianda 42 Hospital (Nairobi city County Government)
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Entities and other parties related to the hospital include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

Nairobi County Government is the principal shareholder of the hospital. 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;

20. Events after the Reporting Period

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

21. Ultimate and Holding Entity

The hospital is a County health facility under the Department of health. Its ultimate parent is the County Government of Nairobi.

22. Currency

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

**KIANDA 42 LEVEL IV HOSPITAL
TRIAL BALANCE FOR FY 2024-2025**

Description/ Item	DR	CR
Incomes		
In - Kind Contributions from the County Government		3,615,451.00
Revenue from Medical Seviles		5,053,319.00
Expenses		
Laboratory Reagents	73,500.00	
public health activities	24,568.00	
food and ration	118,500.00	
non pharmaceuticals	408,629.00	
Xray supplies	85,700.00	
employee costs	1,496,799.00	
Repairs and maintenance	14,700.00	
general expenses	108,964.00	
In-kind contribution	3,615,451.00	
Assets		
property, plant and equipments	190,000,000.00	
Cash and Cash Equivalents	3,405,233.00	
Receivables	781,936.00	
Inventory	590,000.00	
Liabilities		
Payables		1,027,915.00
Reserves		3,496,951.00
Capital Fund		187,530,344.00
		-
Totals	200,723,980.00	200,723,980.00

Prepared By: Noor Akmal Designation: Head of Finance Signature: [Signature]

Approved By: Dr. Fatma Zahra Designation: Med. Sup Signature: [Signature]

