


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS TAID	
DATE: 14 MAR 2023	DAY: TUESDAY
TABLED BY:	DEPUTY HEAD OF THE MAJORITY PARTY
CLERK-AT-THE-TABLE:	INZOVU MWALE

REPORT

OF

THE AUDITOR-GENERAL

ON

**GLOBAL FUND TUBERCULOSIS PROJECT
GRANT/CREDIT NO.KEN-T-TNT-1548**

**FOR THE YEAR ENDED
30 JUNE, 2022**

MINISTRY OF HEALTH



PROJECT NAME: GLOBAL FUND TUBERCULOSIS

**IMPLEMENTING ENTITY: MINISTRY OF HEALTH - NATIONAL
TUBERCULOSIS, LEPROSY AND LUNG DISEASE - PROGRAM**

PROJECT GRANT/CREDIT NUMBER: KEN-T-TNT-1548

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED

JUNE 30, 2022

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

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1. Project Information and Overall Performance

1.1 Name and registered office

Name

The project's official name is **Global Fund Tuberculosis Grant**,

Objective

The key objective of the project is to ensure provision of quality care and prevention services for all people in Kenya with TB and lung diseases.

Address

The project headquarters offices are Nairobi, Nairobi County, Kenya.

Ministry of Health

P.O. Box 30016 - 00100

Afya house, Cathedral Road,

Nairobi, Kenya.

The address of its registered office is:

National Tuberculosis Leprosy and Lung Disease Program (NTLD-P)

Afya Annex Building, KNH Grounds, Hospital Road

Nairobi, Kenya.

Contacts: The following are the project contacts

P.O. Box: 20781 - 00202

Telephone: (254) 773 977440

E-mail: info@nltp.co.ke

Website: nltp.co.ke

Project information and overall performance (continued)**1.2 Project Information**

Project Start Date:	The project start date is 01-07-2018
Project End Date:	The project end date is 30-06-2021
Project Manager:	The project manager is Dr. Jackline Kisia
Project Sponsor:	The project sponsor is the Global Fund to Fight Aids Tuberculosis and Malaria (GFATM)

1.3 Project Overview

Line Ministry	The project is under the supervise on of the Ministry of Health.
Project number	KEN-T-TNT-1548
Strategic goals of the project	The strategic goals of the project are as follows: (i) Reduce TB deaths by 90% compared to 2015 (ii) Reduce the TB incidence rate by 80% compared to 2015
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Diagnose and treat at least 597,000 people with TB by 2023. (ii) TB Preventive Therapy provided to at least 900,000 people at risk of TB by 2023
Other important background information of the project	A lower-middle income country with a population estimated at 47.5 million (2019 Census), Kenya has a devolved governance system since adoption of a new constitution in 2010 that consists of National Government and 47 County (sub-national) Governments. Under the new dispensation, health is a devolved function that is shared across the two levels. The responsibility for health service delivery is assigned to the Counties while policy, quality assurance, capacity building and management of national referral hospitals remain the national's government responsibility. The TB prevalence survey undertaken in 2016 revealed that the

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	<p>true burden of TB in Kenya was 426 cases per 100,000 population, higher than previously estimated. According to the 2019 WHO Global TB report, an estimated 150,000 persons fell ill with TB in 2018, yet only about 95,000 were notified. Kenya had about 2,300 persons who fell ill from Drug Resistant TB (DRTB) in 2018 out of whom 465 were laboratory confirmed and 470 started on second line treatment.</p> <p>Between 2017 and 2018, TB incidence and mortality declined from 319/100,000 population & 50/100,000 to 292/100,000 population & 38/100,000 population respectively. Of concern however were the continued declining trends in TB case notification rates (all forms) and treatment success rates for RR/MOR-TB and all forms of TB. TB case notification rate (all forms) in 2019 was 181/100,000 population which was a 10.6% drop from what was reported in 2018. TB treatment success rate (all forms) remained stagnant and below the set benchmark of 90% for the past 2 years with 83% of cases reported being successfully treated. Treatment success rate for RR/MDR-TB cases has been suboptimal with 74.3% of the reported cases being successfully treated compared to the set benchmark of 77%.</p> <p>During the 2017-2020 implementation period, there was a successful expansion of diagnostic capacity including the roll-out of new technologies (such as GeneXperts), community involvement, and quality assured medicines which have contributed to sustained increase of bacteriologically confirmed cases, and treatment success rate at over 80%. Despite this, low awareness of TB, inadequate TB screening in health facilities, suboptimal TB diagnostic and treatment services coverage, limited community engagement and low private sector engagement are some of the reasons for continued missing cases. This grant builds on lessons learnt of the previous implementation period to respond to the on-going challenges in the fight against Tuberculosis in the country.</p> <p>This Grant is based on and aligned with the National Strategic Plan (NSP) for Tuberculosis, Leprosy and Lung Diseases 2019-2023, which provides a framework for guiding the strategic and technical response to the TB epidemic in Kenya that reflects a patient-centered approach to planning and evidence-based</p>
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	prioritization of resource allocation.
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none">(i) TB patients (including TB/HIV co-infected patients and MDR-TB patients)(ii) Key populations (including prisoners, migrants, people living in informal settlements and mobile populations)(iii) The general population of Kenya(iv) Health workers
Project duration	The project started on 1st July 2018 and ended on 30 June 2021

Project Information and Overall Performance (Continued)

1.4 Bankers

The following are the bankers for the current year:

(i) Project Account

Account Name:	MOH Tuberculosis Grant
Bank:	Co-operative Bank of Kenya
Branch:	KUSSCO
Bank Address:	P.O Box 48231-00100 Nairobi
Account number:	01141163732900

(ii) Special Account

Stanbic Bank - Nairobi
A/C No. 100005345272
Waiyaki Way – Westland,
Nairobi

1.5 Auditors

The project is audited by the Office of Auditor General

Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Dr. Andrew Mulwa	Director Medical Services/Preventive & Promotive Health	MBChB (UoN), MSC, Strategic Management	Director, DMS/ Preventive & Promotive Health Services
Dr. Nazilla Ganatra	Head National Health Strategic Programs	Masters in Public Health/Epidemiology	Head National Health Strategic Programs
Dr. Jackline Kisia	Head National Tuberculosis Leprosy and Lung Disease Program	MD Degree	Head National Tuberculosis Leprosy and Lung Disease Program
Dr. Abdullahi Omar	Head Supply Chain and pharmacovigilance	BPharm, MPSK	Head Supply Chain and pharmacovigilance
Aiban Ronoh	GF Manager /M&E Officer	M.Sc Biostatistics	Global Fund Coordinator/ Head Monitoring and Evaluation
Naumy Kemboi	Deputy Accountant General	MBA, CPA(K)	Head Accounts National Strategic Health Programs
Silas Kamuren	Project Finance Officer	B.COM, CPA(K)	Project Finance Officer

1.6 Funding summary

The Project rolled over from the rolling funding mechanism to Single Stream Funding (SSF) for a duration of 5years from 2011 to 2015 with an approved budget for the country of US\$ 37,706,365, where US\$ 21,975,597 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 15,730,768 relates to funds for programmatic implementation at Ministry of Health (Sub-Recipient).

From 1st October 2015, the project rolled over under to the Global Fund TB Grant (KEN-T-TNT-854) that ended in December 2017 with an approved budget of US\$ 47,144,474, where US\$ 31,605,662 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 15,538,812 relates to funds for programmatic interventions

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implemented by the Ministry of Health –National Tuberculosis Leprosy and Lung Disease Program (Sub-recipient).

The country has closed out the Global Fund TB grant KEN-T-TNT-1548 that ran from 01 January 2018 to 30 June 2021 with an approved budget of US\$ 32,617,670, where US\$ 10,208,546 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 22,409,125 relates to funds for programmatic interventions implemented by the Ministry of Health –National Tuberculosis Leprosy and Lung Disease Program (Sub-recipient) as highlighted in the table below.

The current grant, Global Fund Tuberculosis grant KEN-T-TNT-2067, was signed in June 2021 with implementation commencing from 1 July 2021 to 30 June 2024. The total approved budget for the grant is USD\$ 42,675,832, where US\$ 20,513,216 relates to funds retained at The National Treasury (Principal Recipient), US\$ 9,920,389 relates to funds for the Ministry of Health RSSH (sub recipient) and US\$ 12,242,227 relates to funds for programmatic interventions implemented by the Ministry of Health –National Tuberculosis Leprosy and Lung Disease Program (Sub-recipient) as highlighted in the table below.

The total cumulative funds received up to 30 June 2022 from The Global Fund is KES 4,495,971,672, while the cumulative interest earnings amount to KES 61,028,934 and Counterpart funding of KES 35,295,710 as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
(i) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Global Fund SSF	15,730,768	1,352,846,048	11,916,805	1,064,415,028	3,813,963	288,431,020
Global Fund NFM	15,538,812	1,553,881,200	15,014,599	1,550,533,022	524,213	3,348,178
Global Fund TB – KEN-T-TNT- 1548	21,200,123	2,183,984,352	19,418,603	1,976,663,557	1,781,521	207,320,795
In Country Balance – June 2010			571,087	46,783,507		
Interest Earnings				61,028,934		
Counter Part funds Government of Kenya				35,295,710		
Total	52,469,703	5,090,711,600	46,921,093	4,734,719,758	6,119,697	499,099,993

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Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative amount paid to date – (30 th June 2022)		Unutilised balance to date (30th June 2022)	
	Donor currency (USD)	Kshs	Donor currency (USD)	Kshs	Donor currency (USD)	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')	
(i) Grant						
Global Fund TB – KEN-T-TNT-2046	46,921,093	4,699,424,048	4,696,185,675	27,483	3,238,374	
Total	46,921,093	4,699,424,048	4,696,185,675	27,483	3,238,374	
(i) Counterpart funds						
Government of Kenya	-	35,295,710	35,295,710	-	-	
Total	46,921,093	4,734,719,758	4,731,481,385	27,483	3,238,374	

Project information and overall performance (continued)

1.7 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year and for cumulative to-date,

The total cumulative budget for the grant ended December 2017 (TB SSF Grant No. KEN-607-G08-7 Grant & GF TB Grant No. KEN-T-TNT-854) implemented by the Ministry of Health to 30th June 2018 is Kshs 2,906,727,248 and the total cumulative expenditure to 30th June 2018 is KShs 2,788,313,864. This represents a fund utilization rate of 96%.

The Global Fund TB Grant (KEN-T-TNT-1548) ended on 30th June 2021 with a total cumulative budget for Ministry of Health of Kshs 2,183,984,352 and the total cumulative expenditure to 30th June 2021 is Kshs 1,860,680,866. This represents a fund utilization rate of 85% where the variance is attributed to delay in procurement of goods and services and interruption of implementation of programmatic activities due to COVID-19.

ii) Physical progress based on outputs, outcomes, and impacts since project commencement,

The project has contributed to the achievements of good results since the start of the implementation in TB control interventions. In the period under review, signs of recovery from covid 19 pandemic were noted with treatment coverage improving from 51% previously to 57%. The country did not achieve the targets on treatment success rate which is currently at 84% against a target of 90%. This is attributed to high death rate of 7% among TB patients which is higher among TB and HIV co infected patients (12%). The main attributable factors are, TB/HIV coinfection, malnutrition among TB patients which stands at 49%, and COVID-19 that resulted in decline of number of patients seeking health care service which was compounded further by the health care workers strike during the financial year.

The Global fund revised the grant rating methods and programmatically the the project was rated C which was a satisfactory performance.

iii) Comment on value-for-money achievements,

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The TB program is currently implementing strategies to actively find missing people with tuberculosis and putting them on treatment in order to contribute towards elimination of tuberculosis by 2035. In 2021/2022 the number of notified cases of all forms of TB was 82,302 patients who were put on first line treatment being an increment compared to the previous year. Currently the program is supporting payment of diagnosed MDR TB patients on treatment for their NHIF cover in order to lessen the burden to the patient and to contribute towards universal health coverage.

iv) Indicate the absorption rate for each year since the commencement of the project.

For the current grant that started in 1st January 2018, the fund absorption rate for the last three years are 2017/2018- 65%, 2018/19 - 70%, 2019/20 – 62%, 2020/2021 – 86% and 2021/2022 – 91% respectively.

v) List the implementation challenges and recommended way forward.

The project has experienced delay in approval and long procurement processes that affected the supply chain of TB diagnostic commodities in the country.

Way forward.

The future grants should address the bureaucratic processes of approval while ensuring that there is an effective internal control and oversight measures.

1.8 Summary of Project Compliance:

The project complied with all applicable laws and regulations, and essential Global Fund financing agreements/covenants

2. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *project's agreement/* plan are to:

- a) To sustain gains in the newly devolved health system
- b) To intensify efforts to find "missing" cases
- c) To reduce TB transmission
- d) To prevent active disease and morbidity
- e) To enhance the quality of care for chronic lung disease

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Global Fund Grant-Tuberculosis Component	To accelerate reduction of TB, Leprosy and lung disease burden through provision of people centred, universally accessible, acceptable and affordable quality services in Kenya	<ol style="list-style-type: none"> Reduction of TB incidence by 90% Reduction of TB mortality by 95% Zero households suffering from catastrophic costs by 2030 	<ol style="list-style-type: none"> TB Mortality rate TB incidence rate 	<p>The country achieved a mortality rate of 38 per 100,000 against a target of 19 per 100,000- This means mortality is still high</p> <p>Achieved incidence rate of 292 per 100,000 against a target of 308; the country is still missing people with TB</p>
			3. Treatment success rate (All forms of TB)	<p>Target=90%</p> <p>Achieved=84%</p> <p>Performance of 93%</p>
			Number of notified cases of all forms of TB	<p>Targets=100,617</p> <p>Achieved=82,302</p> <p>Performance of 82%</p>
			Percentage of registered new and relapse TB patients with documented HIV status	<p>Target=100%</p> <p>Achieved=96%</p> <p>Performance of 96%</p>
			Percentage of HIV-positive new and relapse TB patients on ART during TB treatment	<p>Target=100%</p> <p>Achieved=97%</p> <p>Performance of 97%</p>
			Percentage of previously treated TB patients receiving DST (bacteriologically positive cases only)	<p>Target=90%</p> <p>Achieved=57%</p> <p>Performance of 63%</p>
			Number of cases with RR-TB and/or MDR-TB that began second-line treatment	<p>Target=1,036</p> <p>Achieved=702</p> <p>Performance of 68%</p>

3. Environmental and Sustainability reporting

The purpose of the Division of National tuberculosis Leprosy and Lung Disease Program is to ensure provision of quality care and prevention services for all people affected by Tuberculosis. This is achieved by bringing together stakeholders involved in Tuberculosis control including development partners, Tuberculosis patients and former patients by providing a platform for participation in planning and decision making on matters related to Tuberculosis treatment and prevention in Kenya. The program is mandated to mobilize resources in order to make sure that tuberculosis diagnosis and treatment are accessible to the clients at minimum cost to reduce financial hardship to persons and families affected by the disease. The program also advocates for social support including food security for the most vulnerable including children. Currently through the support of The Global Fund, Drug Resistant Tuberculosis patients are provided with monthly stipend of Kshs 6,000, enrolled on NHIF medical cover for the duration of treatment and are provided with nutrition supplements for the severer and moderately malnourished.

1. Sustainability strategy and profile

The program developed a national strategic plan (2019-2023) which identifies gaps which are fully costed as a guide for resource mobilization. The counties adopted it by developing county TB, Leprosy and lung disease frameworks to enable counties and stakeholders mobilize resources at that level. UHC is a key pillar in achieving accessible quality health services. The program through, GOK and partners is also investing in health systems to ensure sustainability. The government continues to avail domestic resources to support TB commodity procurement including first line medicine and laboratory reagents. However, most of the program activities are still donor dependant including human resources, programmatic management of drug resistant TB, Leprosy and Latent Tuberculosis treatment (LTBI).

2. Environmental performance

KELIN an arm of legal and human right wing, carried out Tuberculosis assessment of the legal environment in Kenya in 2018, according the report launch in February 2018. It is appreciated that in the area of TB prevention and control, legal and policy barriers might not be as obviously problematic to treatment and care as they are in the area of HIV. However, human rights and law issues have emerged and should be addressed through

country-level reviews of laws and policies. These issues have increasingly presented barriers to access to the best standards of care for TB patients, especially the marginalized communities. The legal environment assessment entailed an evaluation of the national legal and policy framework of TB in Kenya. It aimed at identifying and examining all important legal and human rights issues in TB affecting people. An environmental legal assessment lead to the development of a TB isolation policy taking into consideration the issues of human rights raised and hence inclusion of human rights intervention in the National Strategic 2019-2023, for TB, Leprosy and Lung Health. The other environmental performance includes the funding landscape.

TB Gender environment assessment: TB affects men and women differently, epidemiologically, biologically and socially. In order to eliminate TB, the TB response must address the gender-related barriers to accessing TB services and include key and vulnerable populations. The TB and HIV ender Assessment in Kenya aimed at determining gender related barriers to accessing TB services and ways of surmounting these. The assessment was carried out by KELIN and was adopted by National TB program for implementation.

3. Employee welfare

The program implements the Public Service Commission policies, procedures and guideline provided. During hiring the program applies the i) Human Resource Policies and Procedures Manual for the Public Service – May 2016 and ii) Diversity Policy for Public Service - May 2016 to foster, cultivate and preserve a culture of respect for diversity by embracing and encouraging an inclusive workforce in terms of age, colour, minority and marginalized, disability, ethnicity, family or marital status, gender, language, physical and mental ability, race, religion, socio-economic status, and other characteristics that make its human resource unique. These guidelines also ensure efficient, effective and purpose driven management of human resource development in the public service for socio-economic development. Further, it provides for systematic identification and mitigation of performance gaps and creation of an environment that promotes Private Public Partnerships in training and development, innovativeness and creativity in service delivery. In addition, it provides direction in planning and implementation of capacity building programmes and mechanisms for performance improvement, while ensuring continuous

and lifelong learning for public servants. The Policy presents a mechanism for structured training, competency development and assessment; knowledge and talent management; entrenchment of Values and Principles of Public Service, human resource development audit and development of a monitoring, evaluation and reporting framework for human resource development programmes. DNTLD-P is also implementing the Occupational safety and health policy guidelines for the health sector In Kenya as developed by the Ministry of Health.

4. Market place practices- Responsible Supply chain and supplier relations

DNTLD-P is a division within the Ministry of Health, being a government entity, the program does not undertake any commercial activities. All the staff are duly trained and guided by the i) Code of Regulation, ii) Bribery Act 47 and framework for the implementation of values and principles in articles 10 and 232 of the constitution in the public service. All procurements for supplies, including supplier relation are guided by the Public Procurement and Disposal Act, 2015.

5. Community Engagements

The role of communities and community-based organizations in TB work is limited and even if they played a role, it is mainly limited to a few tasks in service delivery. Lessons learnt from other public health responses, highlight the importance of community engagement and participation in all aspects of communication, advocacy, planning, implementation and monitoring of programs. In line with the call for paradigm shift articulated in the Global Plan for ending TB 2016- 2020, the Stop TB Partnership, Kenya started a work stream that focuses on communities and the related issues of rights and gender. Involvement of former TB patients and those affected has been very visible during national events like the world TB day planning meetings and implementations which has been most of time been on voluntary basis. Community health volunteers (CHVs) continues to provide essential services on contact tracing, tracing those who interrupt treatment and public health education at the community level particularly during this era of COVID 19 pandemic. During the Global Fund grant application, the TB champions among other community-based actors played a key in grant application process. Noted here are the valuable man hours given by this group of community players. In this regard, the

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contribution of this community actors is part of their contribution to the society as part of CSR.

4. Statement of Project Management responsibilities

The **Principal Secretary** for the Ministry of Health and the **Project Coordinator** for **Global Fund Tuberculosis Grant** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30, 2022.

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The **Principal Secretary** for the Ministry of Health and the **Project Coordinator** for **Global Fund Tuberculosis Grant** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The **Principal Secretary** for the Ministry of Health and the **Project Coordinator** for **Global Fund Tuberculosis Grant** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial period ended June 30, 2022, and of the Project's financial position as at that date. The **Principal Secretary** for the Ministry of Health and the **Project Coordinator** for **Global Fund Tuberculosis Grant** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The **Principal Secretary** for the Ministry of Health and the **Project Coordinator** for **Global Fund Tuberculosis Grant** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

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Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary for the Ministry of Health and the Project Coordinator for **Global Fund Tuberculosis Grant** on 07/11 2022 and signed by them.



Ms. Susan Mochache, CBS
Principal Secretary



Dr. Andrew Mulwa
Project Coordinator



Silas Kamuren
Project Accountant
ICPAK Member No: 24479

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND TUBERCULOSIS PROJECT GRANT/CREDIT NO.KEN-T-TNT-1548 FOR THE YEAR ENDED 30 JUNE, 2022 – MINISTRY OF HEALTH

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

Opinion

I have audited the accompanying financial statements of Global Fund Tuberculosis Project Grant/Credit NO.KEN-T-TNT-1548 set out on pages 1 to 23, which comprise of

Report of the Auditor-General on Global Fund Tuberculosis Project Grant No.KEN-T-TNT-1548 for the year ended 30 June, 2022 – Ministry of Health

the statement financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Global Fund Tuberculosis Project Grant/Credit NO.KEN-T-TNT-1548 as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement NO.KEN-T-TNT-1548 dated 15 December, 2017 between Global Fund and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Global Fund Tuberculosis Project Grant/Credit NO.KEN-T-TNT-1548 Management in accordance with ISSAI 130 on 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 Opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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

Long Outstanding Imprests and Advances

As previously reported, the statement of financial assets reflects imprest and advances balance of Kshs.3,238,374 as disclosed in Note 8A to the financial statements. The amount relates to long outstanding imprest and advances some dating back to financial

year 2012/2013. This is contrary to Regulation 93(5) of the Public Finance Management Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Further, Regulation 93(6) provides that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank rate.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Grant Agreement NO.KEN-T-TNT-1548 dated 15 December, 2017, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

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 (Cash Basis) and for maintaining effective internal control 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 control system, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or 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 are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Project'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in

compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue sustaining its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 November, 2022

6. Statement of Receipts and Payments for the period ended 30th June 2022.

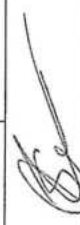
Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
Receipts							
Receipts from Government of Kenya							
Proceeds from domestic and foreign grants	1						
Miscellaneous receipts	2	-	-	246,649,357	-	246,649,357	35,295,710
Total receipts	3	-	-	2,691,976	-	2,691,976	4,638,395,114
Payments							
Compensation to employees	4	-	-	249,341,333	-	249,341,333	61,028,934
Purchase of goods and services	5	-	-	-	-	-	4,734,719,758
Acquisition of non-financial assets	6	-	-	-	-	-	
Other grants and transfers /payments	7	1,231,350	1,231,350	166,227,842	-	166,227,842	1,351,953,229
Total payments		-	-	280,551,323	-	280,551,323	3,192,726,262
Surplus/ (deficit)		-	-	-	-	-	44,378,452
		142,423,442	142,423,442	-	-	-	142,423,442
		(143,654,792)	(143,654,792)	446,779,164	-	446,779,164	4,731,481,385
		(143,654,792)	(143,654,792)	(197,437,831)	-	(197,437,831)	3,238,374



Ms. Susan Mwochache, CBS
Principal Secretary



Dr. Andrew Mulwa
Project Coordinator

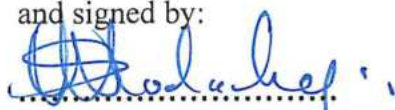


Silas Kamuren
Project Accountant
ICPAK Member No: 24479

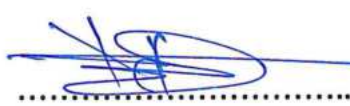
7. Statement of Financial Assets as at 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	7.A	-	143,654,792
Total Cash and Cash equivalents		-	143,654,792
Imprests and Advances	8.A	3,238,374	3,238,374
Total Financial Assets		3,238,374	146,893,166
Net Assets		3,238,374	146,893,166
Represented By			
Fund Balance B/fwd.	9	146,893,166	344,330,997
Prior Year adjustments	-	-	-
Surplus/(Deficit) for the Year		-143,654,792	-197,437,831
Net Financial Position		3,238,374	146,893,166

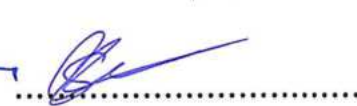
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 07/11 2022 and signed by:



Ms. Susan Mochache, CBS
Principal Secretary



Dr. Andrew Mulwa
Project Coordinator



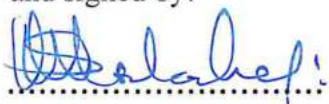
Silas Kamuren
Project Accountant
ICPAK Member No: 24479

Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial period ended June 30, 2022

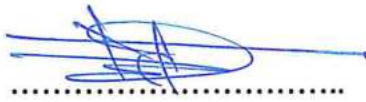
8. Statement of Cashflow for the period ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Proceeds from domestic and foreign grants	2	-	246,649,357
Miscellaneous receipts	3	-	2,691,976
Total receipts		-	249,341,333
Payments			
Compensation of employees	4	-	(166,227,842)
Purchase of goods and services	5	(1,231,350)	(280,551,323)
Other grants and transfers		(142,423,442)	
Total Payments		(143,654,792)	(446,779,164)
Adjustments during the year			
Prior year adjustments	-	-	-
Decrease/(increase) in accounts receivable	10	-	(74,205)
Net cash flow from operating activities		(143,654,792)	(197,512,036)
Cashflow from investing activities			
Acquisition of non-financial assets	6	-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities			
Net increase in cash and cash equivalents		(143,654,792)	(197,512,036)
Cash and cash equivalent at beginning of the year	7	143,654,792	341,166,828
Cash and cash equivalent at end of the year	7	-	143,654,792

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 07/11 2022 and signed by:



Ms. Susan Mochache, CBS
Principal Secretary



Dr. Andrew Mulwa
Project Coordinator



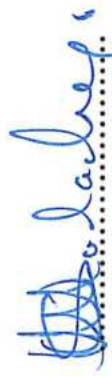
Silas Kamuren
Project Accountant
ICPAK Member No: 24479

Annual Report and Financial Statements for the financial period ended June 30, 2022

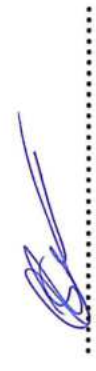
9. Statement of Comparison of Budget and Actual amounts for the period ended 30th June 2022

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities						
Proceeds from domestic and foreign grants	20,000,000		20,000,000	-	20,000,000	0%
Miscellaneous receipts				-	-	-
Total Receipts	20,000,000		20,000,000	-	20,000,000	
Payments						
Compensation to employees	-		-	-	-	-
Purchase of goods and services	20,000,000		20,000,000	1,231,350	18,768,650	6%
Other grants and transfers	-		-	142,423,442	(142,423,442)	0%
Total Payments	20,000,000		20,000,000	143,654,792	(123,654,792)	
Surplus or Deficit				-143,654,792	143,654,792	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.


.....
Ms. Susan Mochache, CBS
Principal Secretary


.....
Dr. Andrew Mulwa
Project Coordinator


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Silas Kamuren
Project Accountant
ICPAK Member No: 24479

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

10.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

10.2 Reporting entity

The financial statements are for the Global Fund Tuberculosis Grant, reporting entity Ministry Of Health - National Tuberculosis, Leprosy And Lung Disease – Program as required by Section 81 of the PFM Act, 2012 .

10.3 Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

10.4 Recognition of receipts

Global Fund Tuberculosis Grant recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) External Assistance

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

Significant Accounting Policies (Continued)

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time associated cash is received.

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

10.5 Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has actually been paid out by the Project.

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Significant Accounting Policies (Continued)

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

iii) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

10.6 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 period.

Significant Accounting Policies (Continued)

10.7 Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial period is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

10.8 Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the period or in past periods. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10.9 Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial period under review has been *included in an annex to these financial statements*.

10.10 Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments.

Significant Accounting Policies (Continued)

and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, Kshs Nil billion being loan disbursements were received in form of direct payments from third parties.

10.11 Comparative figures

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

10.12 Subsequent events

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the year ended June 30, 2022.

10.13 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous periods(s). Explanations and details of these prior period adjustments are presented *in note N/A of these financial statements*

11. Notes to the Financial Statements

1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	KShs	KShs	Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Counterpart funding through Ministry of Health</i>			
Counterpart funds	-	-	35,295,710
Total	-	-	35,295,710
Total	=	=	<u>35,295,710</u>

*Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial period ended June 30, 2022*

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in Kshs	
						2021-2022 Kshs	2020-2021 Kshs
Grants Received from Multilateral Donors The Global Fund to Fight Aids Tuberculosis and Malaria		-	-	-	-	-	-
Total		-	-	-	-	-	246,649,357

3. Miscellaneous receipts

	2021-2022			2020/2021		Cumulative to-date (from inception) Kshs
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	Total receipts Kshs	Total receipts Kshs	Total receipts Kshs	
Other receipts not classified elsewhere – Interest income	-	-	-	2,691,976	2,691,976	61,028,934
Total	-	-	-	2,691,976	2,691,976	61,028,934

*Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial period ended June 30, 2022*

Notes to the Financial Statements (Continued)

4. Compensation to Employees

	2021/2022			2020/2021	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments		
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic wages of temporary employees	-	-	-	164,177,892	1,330,567,807
Compulsory national social security schemes	-	-	-	617,200	7,301,737
Compulsory national health insurance schemes	-	-	-	1,432,750	14,083,684
Total	=	=	=	<u>166,227,842</u>	<u>1,351,953,229</u>

Notes to the Financial Statements (Continued)

5. Purchase of Goods and Services

	2021/2022			2020/2021		Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Utilities, supplies and services	-	-	-	1,399,079	6,444,715	
Communication, supplies and services	-	-	-	2,940,200	21,670,292	
Domestic travel and subsistence	33,204	-	33,204	110,934,300	1,365,858,838	
Foreign travel and subsistence	-	-	-	-	11,625,642	
Printing, advertising, and information supplies	-	-	-	81,393,092	297,852,700	
Rentals of produced assets	-	-	-	-	-	
Training payments	-	-	-	61,626,038	1,109,454,779	
Hospitality supplies and services	1,198,146	-	1,198,146	16,691,938	222,747,018	
Insurance costs	-	-	-	1,330,802	10,745,323	
Specialized materials and services	-	-	-	1,381,300	107,276,825	
Office and General Supplies and Services	-	-	-	465,922	1,921,433	
Other operating payments	-	-	-	-	21,634,036	
Routine maintenance – vehicles and other transport equipment	-	-	-	2,388,652	14,780,396	
Routine maintenance- other assets	-	-	-	-	714,264	
Exchange rate losses/gains (net)	-	-	-	-	-	
Total	1,231,350	-	1,231,350	280,551,323	3,192,726,262	

[Provide explanation as necessary]

Notes to the Financial Statements (Continued)

6. Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	2021-2022		2020-2021		Cumulative to-date
	Kshs.	Kshs.	Kshs	Kshs	Kshs	Kshs	
Purchase of vehicles & other transport equipment	-	-	-	-	-	26,462,622	
Purchase of office furniture & general equipment	-	-	-	-	-	9,857,909	
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-	8,057,921	
Total	=	=	=	=	=	44,378,452	

Notes to the Financial Statements (Continued)

7. Other Grants, Transfers and Payments

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2022-2021	2022-2021	2022-2021	2020-2021	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer of Funds from NFM2 grant to NFM3 grant	142,423,442	-	-	-	142,423,442
Total	142,423,442	-	-	-	142,423,442

Disclosure: The amount of Kshs 142,423,442 was transferred from the ended GF TB grant no. KEN-T-TNT-1548 to GF TB grant No. KEN-T-TNT-2067.

8. Cash And Cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts (Note 7.A)	-	143,654,792
Total	=	<u>143,654,792</u>

The project has 1 number of project accounts spread within the project implementation area and Nil number of foreign currency designated accounts managed by the National Treasury as listed below:

7. A Bank Accounts

Project Bank Accounts

Details	2021-2022	2020-2021
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Co-operative Bank of Kenya [A/c No01141163732900]	-	143,591,792
Others MPESA – KEN-T-TNT-NLTP [467926]	-	63,000
Total local currency balances	=	<u>143,654,792</u>
Total bank account balances	=	<u>143,654,792</u>

Global Fund Tuberculosis Grant

Annual Report and Financial Statements for the financial year ended June 30, 2022

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2022 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2021-2022	2020-2021
	USD	USD
(i) A/C Name TB Grant KEN-T-TNT GA 1548 [A/c No 1000375124]		
Opening balance	120,737	1,949,420
Total amount deposited in the account	11,974,242	1,588,540
Total amount withdrawn (as per Statement of Receipts & Payments)	11,857,342	3,417,223
Closing balance (as per SDA bank account reconciliation attached)	<u>237,637</u>	<u>120,737</u>

9. Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	3,238,374	3,238,374
Total	3,238,374	3,238,374

8.A: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Amount Banked	Balance 2021	Balance 2020
GF TB Grant No. KEN-T-TNT-854						
Patrick Gawo	21,000	30/01/2015	18,000		3,000	
Benjamin Ontita -	30,000	30/06/2014	0		30,000	
Joseph Karimi	95,000	30/01/2015	0		95,000	
Nicholas Njeru	2,392,400	30/06/2014	0		2,392,400	
Eastern Province	7,441,500	30/12/2013	7,430,699	7661	3,140	
North Eastern Province	11,682,060	30/12/2013	11,332,110	330,000	19,950	
Nairobi Province	24,909,550	30/12/2013	24,391,739	330,844	186,967	

Global Fund Tuberculosis Grant**Annual Report and Financial Statements for the financial year ended June 30, 2022**

Nyanza Province	9,629,210	30/12/2013	9,537,790	32209	59,211	
Coast Province	15,168,150	30/12/2013	15,064,832	0	103,318	
Western Province	9,627,800	30/12/2013	9,459,227	0	168,573	
Rift Valley Province	9,752,100	30/12/2013	9,494,441	54,044	203,615	
Sub Total	90,748,770		86,728,838	754,758	3,265,174	
Central Province	8,131,700	30/12/2013	8,152,200	6,300	(26,800)	
Sub Total	8,131,700		8,152,200	6,300	(26,800)	
Grand Total	98,880,470		94,881,038	761,058	3,238,374	3,238,374

10. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	-	143,654,792
Outstanding imprests and advances	3,238,374	3,238,374
Total	3,238,374	146,893,166

11. Changes in Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Opening Receivables as at 1 st July 2021	3,238,374	3,164,169
Closing account receivables as at 30 th June 2022	3,238,374	3,238,374
Change in Receivables	-	(74,205)

**Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022**

12. Other Important Disclosures

1. Pending Accounts Payable (See Annex 3a)

Description	Balance b/f FY 2020/2021 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021/2022 Kshs
Supply of goods	-	-	-	-
Supply of services	1,404,572.42	-	1,404,572.42	-
Total	1,404,572.42	-	1,404,572.42	-

2. External Assistance

Description	2021-2022 Kshs	2020-2021 Kshs
External assistance received as grants	-	246,649,357
Total	-	246,649,357

a). External assistance relating loans and grants

Description	FY 2021/2022 Kshs	FY 2020/2021 Kshs
External assistance received as grants	-	246,649,357
Total	-	246,649,357

**Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022**

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2021/2022	FY 2020/2021
		Kshs	Kshs
Undrawn external assistance - grants	Implementation of TB control activities	-	246,649,357
Total		-	246,649,357

c) Classes of providers of external assistance

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Multilateral donors – Health care	-	246,649,357
Total	-	246,649,357

13. Prior Year Auditor-General's Recommendations

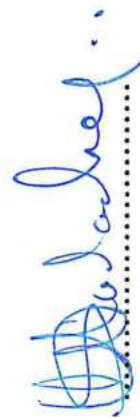
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY 2020/21	<u>Budget control and Performances</u> The Statement of comparative budget and actual amounts for the year ended 30 June 2021 reflects final expenditure budget of Kshs 587,000,000 and actual expenditure of Kshs 446,779,164 resulting to underutilization figure of Kshs 140,220,836 (or24%)		Not Resolved	
FY 2020/21	<u>Outstanding Imprest Balances</u> The statement of financial assets reflects accounts receivable imprests and advances balance of Kshs. 3,238,374 as disclosed in Note 8 to the financial statements. As previously reported, the total imprest and advances of Kshs 3,238,374	The management acknowledged the long outstanding imprest as reported in the Financial Statement. As at 30 June, 2021 the outstanding imprest of Kshs 3,238,374 relates to outstanding balances from the closed grant. The management has been actively pursuing recovery of the funds from	Not Resolved	

*Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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)
	<p>same dating back to 2012/2013 financial year were overdue as at 30 June, 2021. This is contrary to section 93(5) of the Public Financial Management Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within seven (7) WORKING DAYS AFTER RETURNING TO DUTY STATION. Further, Section 93(6) provides that in the event of the imprest holder failing to account for or surrender the imprest on due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at</p>	<p>the individuals whose matter has been referred to the Office of the Attorney general. Similarly, the management is in contact with the banks held by the defunct provincial office of medical service to have balances there in transferred to the Ministry account to offset the outstanding amounts</p>		

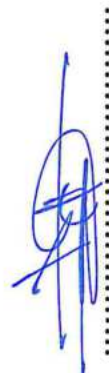
**Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022**

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)
	the prevailing Central Bank rate. Consequently, it has not been possible to ascertain the recoverability of the imprest and advances balance of Kshs. 3,238,374 as at 30 June, 2021 and the management is therefore in breach of the law.			


.....

Name

Principal Secretary


.....

Name

Project Coordinator

*Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022*

14. Annexes

Annex1 - Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Receipts	a	b	c=a-b	d=b/a %	
Transfer from Government entities					
Proceeds from domestic and foreign grants	20,000,000	-	20,000,000	0%	The budget relates provision of funds to facilitate closure of NFM2 grant pending payments
Miscellaneous receipts	-	-	-	-	
Total Receipts	20,000,000	-	20,000,000		
Payments					
Compensation of employees	-				
Purchase of goods and services	20,000,000	1,231,350	18,768,650	6%	The budget relates provision of funds to facilitate closure of NFM2 grant pending bills
Other grants and transfers /payments	-	142,423,442	(142,423,442)	0%	The payment relates to transfer of NFM2 grant unutilised in-country balance to NFM3 grant.
Total payments	20,000,000	143,654,792	(123,654,792)		

**Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022**

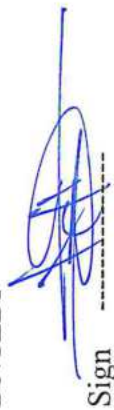
Annex 2: Reconciliation of inter-entity transfers

Project Name: Division of National Tuberculosis Leprosy and Lung Disease Program				
Break down of transfers from the Ministry of Health				
a. Government Counterpart funding	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
		-		
Total		-		
B. Direct payments	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
		-		
Total		-		
C. Others	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
		-		
Total		-		
Total (A+B+C)		-		

The above amounts have been communicated to and reconciled with the Parent Ministry of Health

Project Coordinator
DNTLDP

Head of Accounting Unit
Ministry of Health

Sign -----


Sign-----

*Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Annex 3a - Analysis of Pending Bills

There were no pending bills for the year ended June 30 2022.

Annex 3b - Analysis of Pending: Staff Bills

There were no pending staff bills for the year ended June 30 2022.

Annex 3c - Analysis of other Pending Payables

There were no other pending payables for the year ending June 30, 2022.

**Global Fund Tuberculosis Grant
Annual Report and Financial Statements for the financial year ended June 30, 2022**

Annex 4 – Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2021/22	Donations in form of assets (KShs) 2021/22	*Purchases/ Additions in the Year (KShs) 2021/22	** Disposals in the Year (KShs) 2021/22	Transfers in/(out) Kshs 2021/22	Closing Cost (KShs) 2021/22
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Buildings and structures	8,057,921	-	-	-	-	8,057,921
Transport equipment	26,462,622	-	-	-	-	26,462,622
Office equipment, furniture and fittings	9,857,909	-	-	-	-	9,857,909
Total	44,378,452	-	-	-	-	44,378,452

Annex 5 – Contingent Liabilities Register

There were no known contingent liability for the year ending June 30, 2022.

Annex 8: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2022
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance

GLOBAL FUND TUBERCULOSIS GRANT

TRIAL BALANCE

30TH JUNE 2022

Cash Balance B/F		143,654,792
Cash Balance C/D	-	
Grants Received Global Fund		-
Interest Earnings		-
Other Transfers	142,423,442	-
Imprest and Regional Advances B/F		3,238,374
Imprest and Regional Advances C/D	3,238,374	
Non-Financial Asset	-	
Salaries of employees	-	
Utilities, supplies and services	-	
Communication, supplies and services	-	
Domestic travel and subsistence	33,204	
Foreign travel and subsistence	-	
Printing, advertising and information supplies & se	-	
Rentals of produced assets	-	
Training expenses	-	
Hospitality supplies and services	1,198,146	
Insurance costs	-	
Specialised materials and services	-	
Office and General Supplies and Services	-	
Other operating expenses	-	
Routine maintenance – vehicles and other transport	-	
Routine maintenance – other assets	-	
Routine maintenance – vehicles and other transport	-	

GLOBAL FUND TB GRANT KEN-T-TNT GA 1548 (NFM 3)
 STATEMENT OF SPECIAL (DESIGNATED ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30TH JUNE 2022
 PART B: ACCOUNTS RECONCILIATION STATEMENT
 Credit No. KEN-T-TNT GA 1548

Bank Account No. 100005345272 Held with CFC Stanbic Bank Ltd

NOTES	USD
1 Amount advanced by Global fund	7,452,136.90
TNT-PR	63,213.21
MOH-DLTLD	7,388,923.69
Less	
2 Total Amount Accounted for	5,669,280.30
3 Outstanding Amount advanced to Special Account	1,782,856.60
Represented by	
4 Ending Special Account Balance at 30th June 2022	237,637.63
5 Amount Claimed but not credited at 30th June 2022	-
6 Amount withdrawn but not claimed as at 30.06.2022	1,545,218.97
Represented by;	
TNT-PR	- 1,026,634.08
MOH-DLTLD	2,571,853.05
7 Service Charges if not included in 5 and 6 above	-
Less	
8 Interest Earning if not included in special account	-
9 Total advance to special account Year ended 30th June 2022	1,782,856.60
Discrepancy between total appearing in lines 3 and 9	-


 AUTHORIZED REPRESENTATIVE
 RESOURCE MOBILIZATION DEPARTMENT-TREASURY

DATE 19-08-2022

GLOBAL FUND TB GRANT KEN-T-TNT GA 1548 (NFM 2)
 STATEMENT OF SPECIAL (DESIGNATED ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30TH JUNE 2022
 PART B: ACCOUNTS RECONCILIATION STATEMENT
 Credit No. KEN-T-TNT GA 1548

Bank Account No. 100005345272 Held with CFC Stanbic Bank Ltd


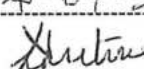
NOTES	USD
1 Amount advanced by Global fund	27,934,927.30
TNT-PR	10,356,113.29
MOH-DLTLD	17,578,814.01
Less	
2 Total Amount Accounted for	28,109,401.13
3 Outstanding Amount advanced to Special Account Represented by	- 174,473.83
4 Ending Special Account Balance at 30th June 2022	-
5 Amount Claimed but not credited at 30th June 2022	0.00
6 Amount withdrawn but not Accounted for to GF Represented by;	- 174,473.83
TNT-PR	197,995.36
MOH-DLTLD	- 372,469.19
7 Service Charges if not included in 5 and 6 above	-
Less	
8 Intrest Earning if not included in special account	-
9 Total advance to special account Year ended 30th June 2022	- 174,473.83
Discrepancy between total appearing in lines 3 and 9	-



AUTHORIZED REPRESENTATIVE
 RESOURCE MOBILIZATION DEPARTMENT-TREASURY

DATE 17-08-2022

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2022
Account No.	0100005345272
Depository Bank	STANBIC BANK-NAIROBI
Address	WAIYAKI WAY, WESTLANDS,NAIROBI.
Related Loan	TB GRANT KEN-T-TNT GA 1548-MAIN
Credit Agreement	NO. 4568-KE
Currency	USD
<u>Account Activity</u>	
Beginning balance of 1ST July, 2021 as per C.B.K. Ledger Account	120,737.30
Add:	
Total Amount deposited by ADB	11,974,242.05
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	11,857,341.72
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June,2022	237,637.63
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE 14-07-2022
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE 19-08-2022

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2022 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 37 of 37

Run Date: 14/07/2022 Run Time: 07:40:54
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2021 To

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER: 1000375124

ACCOUNT TITLE: TB GRANT KEN-T-TNT GA 1548-MAIN
30/06/2022

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL: -120,737.30					
NO.	Value Date	Reference No	Details	Debit	Credit
1	23/08/2021	FT21235XNRC5	FUNDING	-1,454,431.40	0.00
2	01/09/2021	FT21244NFXLM	FUNDING	-4,268,332.00	0.00
3	06/09/2021	FT212460LI0II	PA126213	0.00	199,120.32
4	06/09/2021	FT21246GXL22	PA126212	0.00	3,982,406.40
5	18/10/2021	FT212915T6MV	PA127283	0.00	3,518.34
6	18/10/2021	FT21291RXPID	PA127284	0.00	175.92
7	18/10/2021	FT21291S94D6	PA127286	0.00	89.37
8	18/10/2021	FT21291TBGMV	PA127285	0.00	1,787.39
9	15/11/2021	FT213198J745	FUNDING	-234,318.84	0.00
10	18/11/2021	FT21323BR2YX	FUNDING	-1,135.76	0.00
11	18/11/2021	FT21323KF897	FUNDING	-18,140.69	0.00
12	18/11/2021	FT21322QPSJN	FUNDING	-177.86	0.00
13	17/12/2021	FT213508C7X2	PA127621	0.00	136,062.47
14	17/12/2021	FT21350L.YX22	PA127622	0.00	954,938.71
15	20/12/2021	FT21351C764K	PA127627	0.00	2,880.00
16	20/12/2021	FT21351PXYF6	PA127626	0.00	57,600.00
17	23/12/2021	FT21355WWQ1V	PA127628	0.00	87,443.87
18	30/12/2021	FT213631NPMIR	PA127655	0.00	9,808.99
19	30/12/2021	FT213633BG9R	PA127657	0.00	8,929.46
20	30/12/2021	FT21363DQSF9	PA127652	0.00	14,261.05
21	30/12/2021	FT21363F8FGY	PA127653	0.00	14,517.46
22	30/12/2021	FT21363JYDMY	PA127654	0.00	5,003.84
23	30/12/2021	FT21363PZB5M	PA127651	0.00	8,718.32
24	30/12/2021	FT21363XVLRIF	PA127650	0.00	5,964.16
25	11/01/2022	FT22010SSCFP	PA127660	0.00	4,384.87
26	11/01/2022	FT22011744KB	PA127656	0.00	3,322.42
27	07/03/2022	FT220667BKK7	FUNDING	-1,399,503.48	0.00
28	07/03/2022	FT22066RF9S0	FUNDING	-4,598,202.02	0.00
29	15/03/2022	FT22073QKYDY	PA127692	0.00	250,000.00
30	25/03/2022	FT22083GY686	PA127923	0.00	2,461,803.00
31	31/03/2022	FT220905X9Q9	PA127924	0.00	2,786,119.51
32	19/05/2022	FT22138BTY6W	PA127972	0.00	8,517.00
33	19/05/2022	FT22138J508N	PA127973	0.00	425.85
34	19/05/2022	FT22138PY3ZM	PA127976	0.00	12,625.00
35	19/05/2022	FT22138R30K9	PA127971	0.00	1,758.00
36	19/05/2022	FT22138RPIVB	PA127970	0.00	35,160.00
37	21/06/2022	FT22168V26YT	PA127980	0.00	800,000.00

CLOSING BALANCE: -237637.63

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM		More Options	Find
		Clear Selection	
Account	equals	1000375124	
Statement From	equals	20210701	
Statement To	equals	20220630	
TAM.E.STMT.OF.ACCT.EPRM			

GLOBAL FUND TUBERCULOSIS GRANT

Implementing Entity:

**MINISTRY OF HEALTH - NATIONAL
TUBERCULOSIS, LEPROSY AND LUNG**

DONOR ANNUAL REPORT AND FINANCIAL STATEMENTS

Grant Number: KEN-T-TNT-1548

FOR THE FINANCIAL PERIOD ENDED

JUNE 30, 2022

NAIROBI, KENYA

Figure 1: Income and Expenditures Statement

Gant Number	KEN-T-TNT-1548	
Accounting Methodology	Cash	
Grant's Currency	US Dollars	
Implementation Period Start Date	01/07/2021	
Implementation Period End Date	30/06/2021	

Period of Financial Reporting	Beginning Date:	01-July-21	End Date:	31-Dec-21
Cumulative Period of Financial Reporting	Beginning Date:	01-July-18	End Date:	30-June-21

Financial Statements (all figures are in US\$ unless otherwise stated)

	Current Period			Cumulative Period			Previous year		Notes
	Budget	Actual	Variance	Commitments	Budget	Actual	Budget	Actual	
Sources of Grant funds									
Opening grant cash balance		1,331,986							
Receipts from Global fund	0	0	0	-	21,200,123	17,581,873	3,202,785	3,202,785	5
NFM1 Transfer to NFM2					1,835,730	(1,835,730)	3,105,659	2,253,353	
NFM2 Transfer to NFM3	0	(1,311,549)	1,311,549			(1,311,549)			
Interest earnings						93,121			
Ineligible refunds – July 21- Dec 21		1,547	(16,779)			1,547		24,882	
Total sources of Grant Funds	0	21,984	1,310,001	-	21,200,123	18,201,722	3,105,659	5,481,020	1,888,106
Uses of Grant Funds									
1.0 Human Resources (HR)	0	0	0		6,480,662	6,195,420	1,798,733	1,608,633	190,100
2.0 Travel related costs (TRC)	0	12,362	(12,362)		10,877,568	9,275,608	1,675,906	1,726,473	(50,567)
3.0 External Professional services	0	0	0		16,245	4,039	15,628	0	15,628
4.0 Health Products (HPPP)	0	0	0		0	0	0	0	0
5.0 Health Products (HPNP)	0	0	0		0	0	0	0	0
6.0 Health Products (HPE)	0	0	0		0	0	0	0	0
7.0 Procurement and Supply-Chain	0	0	0		104,955	36,309	35,860	0	35,860
8.0 Infrastructure (INF)	0	0	0		0	0	0	0	0
9.0 Non-health equipment (NHP)	0	0	0		0	0	0	0	0
10.0 Communication Material	0	0	0		3,485,795	2,362,715	568,149	771,398	(203,249)
11.0 Program Administration	0	0	0		0	0	0	0	0
12.0 Living support (LSCIP)	0	0	0		234,898	95,066	72,065	11,754	60,311
13.0 Payment for Results	0	0	0		0	0	0	0	0
Total uses of Grant Funds	0	12,362	(12,362)		21,200,123	17,965,157	4,166,341	4,118,258	48,082
Total commitments at 30.06.2022						(232,665,71)		(30,776)	
Net exchange gain/loss		(9,623)							
Net grant cash balance	-	0			-	0	1,331,986		

Notes to the financial statements

All amounts are in US\$/EUR

Note 1: Basis of accounting

The Financial Statements are prepared on a cash receipts and disbursements basis. A column on commitments or outstanding payables has been added as required by the Auditing guidelines.

Note 2: Disbursements/Receipts

Receipts comprises amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [January 1, 2019 to December 31, 2019] to the Principal Recipient and to third parties. Receipts from Global Fund were in United States Dollars.

Note 3:

Expenditure represents amounts disbursed and costs incurred denominated in Ficticia Francs (FHF).

Note 4:

Transactions in Ficticia Francs are translated to US dollars at the exchange rate applicable at the time funds received from Global Fund were converted to local currency. For the purpose of this report, balances denominated in Ficticia Francs have been translated to US dollars based on the average exchange rate applied by the Ministry of Health during the period which stood at FHF xx to the US dollar.

Note 5: Receipts from Global Fund

Description	Current period US\$	Prior period US\$	Cumulative US\$
Disbursement 1	0		0
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
	=====	=====	=====

Note 6: Human Resources

This represents salaries and other staff related costs for the principal recipients and various SRs.

Description	Current period US\$	Prior period US\$	Cumulative US\$
Salaries and Allowance	0	0	0
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
	=====	=====	=====

Note 7: Travel Related Costs

	Amount
Conference Hire and Air Travel	12,362
Daily subsistence allowance	0
Fuel	0
	12,362
	=====

Note 8: Cash balances**Amount US\$**

Bank balance held at Co-operative Bank	0
Bank balance held at Safaricom PLC (MPESA)	0
Total Kenya Plc – Fuel prepayment	0
Reconciling adjustment (to be explained in the note)	0
Net Grant cash balance	0
	=====

Note 9: Sub-recipient advances

	SR 1
Unliquidated advances (prior year)	1,331,986
Add advances from PR (current year)	0
Less SR justified advances	(12,362)
Less SR NFM2 Transfer to NFM3	(1,311,549)
Adjust; Exchange Gain/Loss	(9,623)
	0
	=====

Note 11: Expenditure reconciliation between IES and PUDR

	Year 2
AFR expenses	11,110.80
Reconciling items (to be explained in the note)	1,250.77
IES's expenditures	12,362
	=====

	Cumulative
AFR expenses	17,967,906
Reconciling items (to be explained in the note)	1,250.77
IES's expenditures	17,969,157
	=====

Note 12: Schedule of fixed assets

Categories	Opening balances (cost)	Additions (cost)	Disposals through sale (cost)	Closing balance (cost)
Intangible assets	-	-	-	-
Constructions	-	-	-	-
Rehabilitation/ Renovation	-	-	-	-
Health Equipment	-	-	-	-
Other non-Health Equipment	-	-	-	-
Vehicles/ Motorcycles	-	-	-	-
IT Equipment (Hardware)	-	-	-	-
Total	-	-	-	-

As the above financial statements are illustrative, the Principal Recipient should provide any other relevant information or notes to the statements.

