

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

NATIONAL ASSEMBLY
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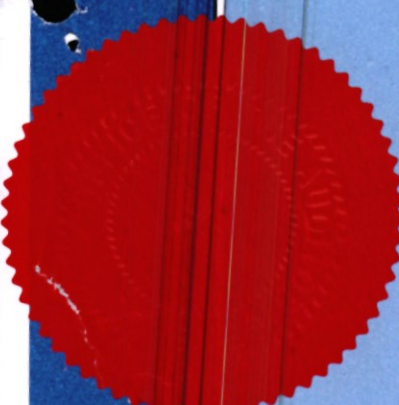
THE AUDITOR-GENERAL

ON

**NATIONAL SYNDemic DISEASES
CONTROL COUNCIL**

**FOR THE YEAR ENDED
30 JUNE, 2023**

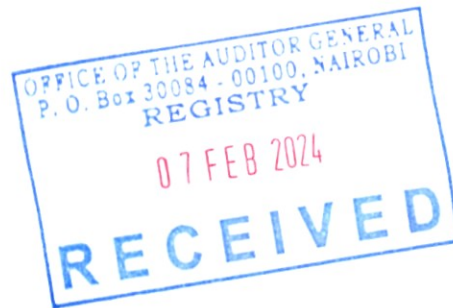
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**NATIONAL SYNDEMIC DISEASES
CONTROL COUNCIL**



NATIONAL SYNDEMIC DISEASES CONTROL COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
30TH JUNE 2023**

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

NATIONAL SYNDemic DISEASES CONTROL COUNCIL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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1. ABBREVIATIONS AND ACRONYMS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

ANC	Antenatal Care
AYP	Adolescents and Young People
CAIPs	County AIDS Implementation Plans
CAPR	Community Activities Program Reporting
CoG	Council of Governors
GF	Global Fund
HAPCA	HIV/AIDS Prevention and Control Act
HAT	HIV AIDS Tribunal
HTS	HIV Testing Services
IEC	Information, Education, Communication
KASF	Kenya AIDS Strategic Framework
KENEPOTE	Kenya Network of HIV positive Teachers
KENPHIA	Kenya Population-Based HIV Impact Survey
KES	Kenya Shillings
KP	Key Population
KICD	Kenya Institute of Curriculum Development
MDAs	Ministries, Departments, and Agencies
MTEF	Medium-Term Expenditure Framework
MTP	Medium-Term Plan
NGO	Non-Governmental Organisation
NHIF	National Hospital Insurance Fund
NSDCC	National Syndemic Diseases Control Council
NCD	Non-Communicable Disease
NGO	Non-Governmental Organization
PETS	Public Expenditure Tracking System
PMTCT	Prevention of Mother to Child Transmission
PSASB	Public Sector Accounting Standard Board
SGBV	Sexual and Gender Based Violence
TWG	Technical Working Group
UHC	Universal Health Coverage
UNAIDS	Joint United Nations Programme on HIV and AIDS

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B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year- Means the prior period.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

The National Syndemic Diseases Control Council (NSDCC) is a state corporation established under section 3 of State Corporations Act CAP 446 through National AIDS Control Council order 170 of 1999 as amended by legal notice number 143 of 2022. The NSDCC is wholly owned by the Government of Kenya and its principal activity is Coordination of the HIV and AIDS response in Kenya.

The NSDCC has its headquarters at the Landmark Plaza, Argwings Kodhek Road, Nairobi. It has 18 regional offices as shown below.

Regional Offices

REGION	COUNTIES	OFFICE PHYSICAL ADDRESS
REGION 1	Mombasa (Kilifi, Kwale Taita Taveta)	County HQs, Uhuru Na Kazi Building, 7th Floor, Mombasa
REGION 2	Garissa (Lamu, Tana River)	Regional Commissioner's Office, 1st Floor, Garissa.
REGION 3	Wajir (Mandera)	Wajir East MOH Office, County Referral Hospital, 3rd Room.
REGION 4	Machakos. (Kitui, Makueni)	County Commissioner's Office, Machakos.
REGION 5	Nairobi (Kajiado, Kiambu)	Nyayo Hse, 4th Floor, Nairobi.
REGION 6	Isiolo (Marsabit)	Isiolo North CDF Office, 1st Floor, Isiolo.
REGION 7	Meru (Tharaka Nithi, Embu)	Regional Coordinator's Office. Ground Floor, Room 18, Embu.
REGION 8	Nakuru (Narok, Bomet, Kericho)	Regional Coordinator's Office, Block A, 1st Floor. Nakuru.
REGION 9	Kisii (Nyamira)	Ministry of Planning & Devolution. Kisii.
REGION 10	Homabay (Migori)	County Commission Office, Homabay.
REGION 11	Kisumu (Siaya)	Nyanza Regional HQs, 6th Floor, Room C.
REGION 12	Busia (Bungoma)	Department of Immigration Building, 1st Floor.
REGION 13	Vihiga (Kakamega)	Western Regional Commissioner's Office, 2nd Floor, Block B, Room 74, Kakamega.
REGION 14	Turkana	IEBC Offices Opposite, Huduma Centre Turkana.
REGION 15	West Pokot (Trans Nzoia)	County Commissioner's Bldg, 2nd Floor, Room 3, Trans Nzoia.
REGION 16	Baringo (Elgeyo Marakwet, Uasin Gishu, Nandi)	County Commissioner's Office, 2nd Floor, Room 210, Eldoret.
REGION 17	Nyeri (Kirinyaga, Murang'a)	County Commissioner's Bldg, Annex A Nyeri.

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REGION 18 Laikipia (**Nyandarua**, Samburu)

Nyandarua Bldg, Nyahururu Post Office
1st Floor, **Nyahururu**.

b) Principal Activities

The National Syndemic Diseases Control Council (NSDCC) is a state corporation established under section 3 of State Corporations Act CAP 446 through National AIDS Control Council order 170 of 1999 as amended by legal notice number 143 of 2022. The NSDCC is wholly owned by the Government of Kenya and its principal activity is Coordination of the HIV and AIDS response in Kenya.



Our Vision

To be a global leader in providing people-centred solutions to ending epidemics.



Our Mission

To lead a people-centred response to end AIDS and related epidemics as public health threats in Kenya.



Our Values

The Core Values of the National Syndemic Diseases Control Council constitute fundamental beliefs. These Core Values are drawn from the national values and principles of governance anchored in the Constitution of Kenya. NSDCC shall be guided by these Values in pursuit of its Vision and Mission.

Integrity

To act with honesty, fairness, and transparency in working with all stakeholders .

Professionalism

To uphold ethics and commitment to high standards of excellence in working with all our stakeholders and in our day-to-day operations.

Accountability

To be responsive and accountable in the services provided and resources made available to ensure effective and efficient HIV response.

Diversity

To work with and serve all without fear or favour or discrimination, based on race, tribe, gender, or sexual orientation.

Flexibility

To change and be dynamic based on evidence on the disease pattern and the attendant response.

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The Mandate of the National Syndemic Diseases Control Council

- i. Develop policies and guidelines relevant to the prevention and control of syndemic diseases.
- ii. Mobilize resources for syndemic diseases control and prevention and provide grants to implementing agencies.
- iii. Coordinate, supervise and ensure accountability for the implementation of syndemic diseases programs in the country.
- iv. Collaborate with local and international agencies which work in syndemic diseases control.
- v. Facilitate the setting up of multi-sectoral and inter-sectoral syndemic diseases control programmes.
- vi. Mobilize Government Ministries, Counties and institutions, Non-Governmental organizations, community-based organizations, research bodies, the private sector and universities to participate in syndemic diseases control and prevention.
- vii. Develop strategies to deal with all aspects of the syndemic diseases.
- viii. Develop national management information systems for syndemic diseases control.
- ix. Identify sector training needs and devise appropriate manpower development strategies.
- x. Develop appropriate mechanisms for research, surveillance, monitoring and evaluation of syndemic diseases programmes.
- xi. Lead in the advocacy and public relations for the prevention and control of syndemic diseases.

c) Key Management

The entity's day-to-day management is undertaken by the following key organs:

- i) NSDCC Council
- ii) Chief Executive Officer
- iii) Management

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Dr. Ruth Laibon-Masha (PhD)	Chief Executive Officer
2.	CPA, CS, Kenneth O. Nyamolo	Head of Finance
3.	Mr. Clauder N. Musi	Head, Procurement
4.	CPA, Josphine K. Kaberia	Head, Costing and Expenditure Analysis
5.	CS Njeri Kimuri	Head, Legal Services
6.	Dr. Celestine Mugambi	Head, Technical Support
7.	Mr. Alex Kariuki	Head, Management Information Systems
8.	Mr. Edwin Chumo Kimutai	Head, Performance Management
9.	Mr. Gabriel Nkari	Head, Internal Audit

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No.	Designation	Name
10.	Mr. Gregory Weere	Head, HR & Administration
11.	Mr. Reuben T. Musundi	Head, Stakeholder Coordination
12.	Ms. Caroline Kinoti	Head, County Support
13.	Ms. Fridah Muinde	Head, Research
14.	Ms. Tabitha Areba	Head, Communication
15.	Dr. Murugi Micheni,	Head Policy and Strategy

e) Fiduciary Oversight Arrangements

The Council through its Committees and the Secretariat has put in place systems aimed at enhancing governance, transparency, and accountability. The Council has four committees as listed below:

1. Audit, Compliance and Risk Management Committee
2. Finance and Resource Mobilization Committee
3. Strategy and Programmes Committee
4. Human Resource and Administration Committee

A detailed description of the roles, functions and composition of these committees is found under the section on Corporate Governance.

f) NSDCC Headquarters

Landmark Plaza, 9th Floor
Argwings Kodhek Road
P.O. Box 61307,
Nairobi, KENYA

g) NSDCC Contacts

Telephone: (254) 20 2896 000
E-mail: communication@NSDCC.go.ke
Website: www.NSDCC.go.ke

h) NSDCC Bankers

- i) ABSA Bank of Kenya Ltd, Bunyala Road Branch, P.O. Box 18060, Nairobi, Kenya
- ii) Standard Chartered Bank Ltd, Kenyatta Avenue Branch, P.O. Box 40310, Nairobi, Kenya
- iii) NCBA Bank Ltd, NIC House Branch, P.O. Box 44599-00100, Nairobi, Kenya
- iv) Co-operative Bank Ltd, Upper Hill Branch, P.O. Box 30415-00100, Nairobi, Kenya
- v) KCB Bank Kenya Ltd, Garden Plaza Branch, P. O. Box 48400 - 00100, Nairobi, Kenya

i) Independent Auditors

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

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j) Principal Legal Adviser

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

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3. THE COUNCIL



Mr. Geoffrey Mbirua Gitu
Board Chairperson
DOB: 1963
Appointed: August 5, 2022

Mr. Gitu possesses a wealth of experience in finance, management, and strategic development, spanning over three decades in both public and private sectors. Notably, he has been instrumental in devising and executing strategies for organizations such as the Food and Agriculture Organization (FAO), the Kenya Tea Development Agency (KTDA), the European Union Business Assistance Scheme and the National Treasury. Beyond this, Mr. Gitu holds positions as a board member for Dr. Kiano Secondary School and Kibutha High School, while also serving as the Chairperson of the Board of Governance for Kanyenyaini Secondary School. Additionally, he holds the role of Chairman at Kangema FM 106.5.

His academic background includes a Bachelor's degree in Commerce and a Master of Commerce from the Indore University of Science and Technology and Rajasthan State University. Mr. Gitu is the Chairperson of the Board.



Mr. Moses Njeru Mbaruku - Alternate Board Member to the Principal Secretary, Ministry of Health
DOB: 1966
Appointed: May 25, 2020

Mr. Mbaruku is an experienced administrator, having served in various government administrative positions, rising to his current rank of Secretary Administration in the Ministry of Health. He has led several initiatives to respond to various community issues, including improving community action towards prevention and treatment, care and support for people living with or affected by HIV. Mr. Mbaruku holds a Bachelor of Arts degree in Sociology and Swahili and a Master of Business Administration degree in Entrepreneurship. He is currently a PhD candidate in Leadership and Governance at Jomo Kenyatta University of Agriculture and Technology. Mr. Mbaruku is a member of two Board committees: Human Resource and Administration and Finance and Resource Mobilization.

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Mr. Patrick Irungu Macharia - Alternate Board Member to the Principal Secretary, The National Treasury

DOB: 1976

Appointed: July 17, 2020

Mr. Macharia holds a Bachelors Degree in Economics from Kenyatta University and is currently pursuing a Masters degree in Economics at the University of Nairobi. As Principal Economist in the Public Debt Management Office at the National Treasury, he is tasked with planning, budgeting and tracking the implementation of foreign-financed projects, among other key responsibilities. Currently, he is handling the World Bank Portfolio. He has over 13 years of experience in the public service in development planning and financial matters. Mr. Macharia serves on the

Marumi Secondary School Board in Murangá County and is a member of the Board's Audit, Compliance and Risk Management Committee.



Ms. Caroline Amondi Oloo – Alternate Board Member to The Attorney - General

DOB: 1973

Appointed: July 15, 2021

Caroline Amondi Oloo is an advocate of the High Court of Kenya and holds a L.L.B from Mangalore University and L.L.M in International Constitutional and Human Rights Law from Pondicherry University-India. She has over 18 years working experience and exposure in various fields, including the Public Service-in policy administration, legal aid, leadership and management, corporate governance and audit of management systems; the Private Sector as a legal practitioner and a professional mediator. She has been a pro bono lawyer, a part-time law lecturer and volunteer Kenyan Sign Language teacher. She currently

serves as a Chief State Counsel in the Office of the Attorney General and Department of Justice. Ms. Oloo is a member of the Strategy and Programmes committee.



Mr. Mark Joseph Obuya EBS, MCI Arb - Independent Board Member

DOB: 1957

Appointed: May 10, 2021

Mr. Obuya is an advocate of the High Court of Kenya, arbitrator, certified trustee, chartered insurer, and Patent Agent. He is a seasoned commercial lawyer, finance and insurance professional with over 25 years of experience in leadership with a thorough knowledge of corporate law, alternative dispute resolution mechanisms, medical law, intellectual property law, procurement law, corporate governance, financial markets, investments, labour laws, and social security. He has served as President of the Federation of Kenya Employers, Chairman of the Association of Kenya Insurers, Chairman of the Insurance Institute of Kenya, board

member National Bank of Kenya and serves on the Board of Trustees of the National Social Security Fund. Mr. Obuya chairs the Board's Audit, Compliance and Risk Management Committee. He is also a member of the Human Resource and Administration Committee.

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Dr. Lorna K. Sangale - Independent Board Member

DOB: 1952

Appointed: May 10, 2021

A holder of a Bachelor of Medicine and Bachelor of Surgery degree (MBChB) from Nairobi University. Dr. Sangale has over forty years of medical practice experience. She has served on various boards dealing with diverse healthcare issues, including the Child Fund, Vision 2030 Delivery Board, Women Corporate Directors - Kenya Chapter: East African Academy of Aesthetic Medicine, the Nairobi Hospital, and Gertrude Children's Hospital and Mater Hospital. A renowned Healthcare Management professional, Dr. Sangale has a fellowship from the Royal College of Surgeons of Ireland and DARCS from England. She is a member of the Kenya Institute of Management, Kenya Medical Association, and the American Academy of Aesthetic Medicine. Dr. Sangale is the Chair of the Board's Human Resource and Administration Committee and a member of the Audit, Compliance and Risk Management Committee.



Dr. Sylvia Ojoo DTM&H, MRCP(UK) - Independent Board Member

DOB: 1961

Appointed: July 28, 2022

A holder of a Bachelor of Medicine (MBChB) from Nairobi University, a Postgraduate Diploma in Internal Medicine from the Royal College of Physicians (UK), and a Diploma in Tropical Medicine, London School of Tropical Medicine, and Hygiene.

Dr. Sylvia Achieng' Ojoo is a public health and clinical infectious disease professional, with over 25 years of experience leading the development of HIV and related health services nationally in Kenya and internationally; strengthening health systems; managing large teams; training, mentoring, and developing public health leaders; resource mobilization, and effectively managing multimillion dollar grants; and a recognized innovator in the field.

Currently, Dr. Ojoo is the Faculty Co-Director and Resident Field Director, Eastern Africa for the Center for Global Health Practice and Impact (CGHPI), and Associate Professor of Medicine at Georgetown University Medical Center. In this position, she provides oversight and technical expertise for clinical services and research programs CGHPI has in the African region.

Dr. Ojoo provided technical leadership to the Ministry of Health of Kenya in the foundational period of ART scale up between 2004-2006. She also served as a technical resource for HIV practice guidelines development internationally with the World Health Organization from 2004 to 2019, and locally in Kenya to date. She has been a speaker at international conferences, including the International AIDS Society, the annual INTEREST conference in Africa, and the African HIV Clinical Forum. Dr. Ojoo continues to work with ministries of health in sub-Saharan Africa in developing pathways to sustaining the tremendous gains towards the HIV pandemic response at a time when health systems are threatened by emerging challenges in the context of diminishing external resource streams. She currently serves as a Board Member of the National Syndemic Diseases Control Council.

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Ms. Lucy Ghati - Independent Board Member

DOB: 1975

Appointed: May 10, 2021

Ms. Ghati has worked with and for people living with and affected by HIV for over two decades and has vast experience in rights-based programming, capacity assessment and strengthening, resource mobilization and community HIV outreach programs. She worked at the Kenya Legal & Ethical Issues Network on HIV and AIDS (KELIN) and the National Empowerment Network of People living with HIV and AIDS in Kenya (NEPHAK). Before her appointment, she served in various national and international technical working groups and representative groups for the HIV response. She heads the International Community of Women living with HIV and AIDS – Kenya Chapter. Ms. Ghati also serves on the AIDS Vaccine Advocacy Coalition (AVAC) board and is a member of the Multi-Stakeholder Task Team on Community-led AIDS Responses of UNAIDS. Ms. Ghati holds a Master's Degree in Education and a Post-Graduate Diploma in project management. She is the Chair of the Strategy & Programmes Committee and a member of the Finance and Resource Mobilization Committee.



Dr Ruth Laibon-Masha (PhD)

Board Secretary/Chief Executive

DOB: 1976

Appointed: September 15, 2020

Dr. Masha has a wide-ranging experience in HIV, human rights, gender and sexual and reproductive health programs gained from more than 20 years of experience as a public health expert at the national, regional ,and global levels. Before her appointment, she served at the Kenya and Geneva offices of the United Nations Joint Programme for HIV and AIDS, ActionAid International, Engender Health and Family Health Options of Kenya. Dr. Masha holds a Ph.D. in Public Health from Jomo Kenyatta University of Agriculture and Technology and a Master of Science in Public Health.

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4. MANAGEMENT TEAM



Dr. Ruth Laibon – Masha (PhD)
CEO, National Syndemic Diseases Control Council
Doctor of Philosophy in Public Health, Master of Science in Public Health



Dr. Celestine Mugambi
Head, Technical Support
Master of Science, Infectious Diseases, Bachelor of Medicine & Surgery



Mr. Edwin Chumo Kimutai, Head, Performance Management
Master of Public Health and Epidemiology, Advanced management and leadership, Dip. in Environmental Health Sciences, ISO Lead



Mr. Joshua Gitonga M'Imaita
Head Monitoring and evaluation
Master of Public Health and Epidemiology, HND- Public Health Education and Promotion.



CPA, CS, ADV. Kenneth O. Nyamolo, Head of Finance
Certified Public Accountant, a Certified Secretary, and an Advocate of the High Court of Kenya. He has over 20 years' experience in Financial Management and Governance. He holds a Master of Business Administration (Finance), and two- 1st Class honours Degrees in Law (UON) and Environmental Studies (KU). He has served ICPAK in the Legislative Affairs Subcommittee under Public Policy and Governance and the Finance & Strategy Committee at ICSK. He is both a commendation CPA and CS from the Institute of Certified Accountants and Institute of Certified Secretaries. He is an Accredited Governance Auditor and an active member of ICPAK, ICS, and the Law Society of Kenya (LSK).

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Mr. Reuben T. Musundi
Head, Stakeholders' Coordination

Master of Arts in Project Planning and Management, Bachelor of Science Degree, Post Graduate Diploma in Community Development and Project Management and Certificate in HIV and AIDS monitoring.



Mr. Gregory Weere
Head, HR and Administration

Master of Arts, Industrial and Health Psychology, Bachelor of Arts, Political Science and Public Administration Honours in Psychology, Higher Dip. in Human Resource Management, Post Graduate Dip. in Guidance and Counselling and Full Member IHRM (K).



Mr. Clauder N. Musi
Head, Procurement

Master of Commerce, Bachelor of Commerce, Advanced Dip. in Purchasing and Supply (CIPS).



Josephine Karambu Kaberia
Head, Costing and Expenditure Analysis

Master of Science in Finance and Investments, Bachelor of Commerce (Finance), Certified Public Accountant



Mr. Gabriel Mutembei Nkari
Head, Internal Audit

Master of Business Administration, Finance, Bachelor of Commerce (Accounting option), CPA, ICPAK, Member of Institute of Internal Auditors



Tabitha Areba,
Head, Communication

Master of Arts, Communication, Bachelor of Arts, Communication and Media Technology; Chartered Marketer (CIM).

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Dr. Fridah Ndinda Muinde(PhD)
Head, Research
Doctor of Philosophy in Public Health, Master of Public Health (MPH), Bachelor of Science in Nursing (BSc N).



CS. Njeri Kimuri,
Head Legal Services
Master of Laws (LLM) Degree in International Law & World order, Bachelor of Laws Degree (LLB), Postgraduate Diploma in law, Advocate of High of Kenya and a Certified Public Secretary (Kenya)



Mr. Alex Kariuki Migwi
Mr. Alex Kariuki Migwi
Head, Management Information Systems
Master of Arts in Project Planning and Management, Bachelor of Science, Information Technology, Professional certifications in CCNA, MCSE, ITIL, PRINCE2, MCSDT and CompTIA Project+



Dr. Murugi Micheni,
Head Policy and Strategy
Doctor of Medicine (MD), Bachelor of Science, Psychology, Master of Science, Tropical Medicine and International Health, Diploma in Tropical Medicine and Hygiene (DTMH), Masters in Public Health (Epidemiology), Candidate, Doctor in Philosophy (Epidemiology).



Ms. Caroline Nkatha Kinoti
Head, County Support
Master of Public Health and Epidemiology, Bachelor of Education

5. CHAIRPERSON'S STATEMENT



The National Syndemic Diseases Control Council (NSDCC) Annual Financial Report for 2022/2023 offers a concise overview of our achievements during this reporting period. Our mission, focused on coordinating and supervising multi-sectoral responses to syndemic diseases, including HIV, remains firmly rooted in a people-centered, evidence-driven approach aimed at addressing epidemics as significant public health challenges.

Throughout this reporting period, we reached notable milestones across various core mandate areas. As we confronted the challenge of diminishing funding sources for HIV, we conducted an actuarial study to estimate the costs associated with delivering a comprehensive package of HIV prevention and treatment services within the proposed social health insurance scheme. Simultaneously, we provided vital technical and logistical support to prepare a proposal amounting to Ksh 35.7 billion for submission to the Global Fund, focusing on interventions for HIV, Tuberculosis, and Malaria funding in FY 2024/27. We also participated in the development of key priorities for funding under the President's Emergency Plan for AIDS Relief (PEPFAR) for FY 2024. The grant's key investment areas include providing life-saving antiretroviral drugs and preventing HIV to accelerate progress toward achieving epidemic control.

During the reporting period, we embarked on a mid-term review of the Kenya AIDS Strategic Framework (II) for 2020/21 - 2024/25 and the HIV and AIDS Prevention and Control Act of 2006. We engaged with multiple stakeholders during these processes who emphasized the importance of the multi-sector approach in the HIV response.

We actively supported technical working groups in all 47 counties by providing essential data to monitor the progress of their HIV responses, enabling informed strategic decision-making. Our commitment to enhancing the policy and legal framework has focused on broadening access to services for key populations, including sex workers, men who have sex with men, transgender individuals, and people who inject drugs. We also conducted assessments to address knowledge gaps on human rights and gender issues related to HIV and Tuberculosis, in addition to developing curricula to address these gaps.

To ensure a sustained demand for HIV prevention and treatment services, we have successfully expanded the reach of our community-led initiative known as Local Interventions Scaled Through Enterprise Networks (LISTEN). This model, developed in partnership with Georgetown University and the Bill & Melinda Gates Foundation, empowers communities to effectively harness the potential of HIV interventions.

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We thank all our partners for their contributions to the HIV response in Kenya.



Mr. Geoffrey Mbirua Gitu
Board Chairman

6. REPORT OF THE CHIEF EXECUTIVE OFFICER



Kenya is home to about 13 percent of the number of people living with HIV globally with the 6th largest epidemic in Africa. Despite the challenge the country has consistently played a key role in advancing the positive global trajectory management and control of HIV. During the reporting period key milestones noted included the increase in the number of people living with HIV receiving lifelong anti-retroviral treatment from about 656,369 in 2013 to 1,294,339 in 2022. The model of universal access to the widespread availability of patient-friendly medications, greatly improved the quality of life and reduced mortality rates. Our efforts have resulted to 89% of those receiving treatment achieving viral suppression.

During the reporting period, Kenya continued to embrace scientific advancements in its HIV response. For instance, the program aimed at providing Pre-Exposure Prophylaxis for HIV prevention achieved a remarkable 64% uptake among all eligible individuals by the end of 2022. These interventions have yielded significant results, with annual new HIV infections decreasing by 37%, from 34,540 in 2021 to 22,154 in 2022, accompanied by a 17% decline in AIDS-related deaths during the same period.

To steer the country towards achieving globally agreed-upon targets, NSDCC maintained a robust multi-sectoral partnership-led strategic information system. This system facilitated data generation and reporting to meet the global reporting obligations to the United Nations within set timelines.

As we reflect on this year's accomplishments, NSDCC remains cognizant of the challenges facing sustained efforts to end AIDS in Kenya. These challenges include securing sustainable funding for HIV, addressing the persistently high proportion of new HIV infections among children, adolescents, and young people, as well as managing a large cohort of people aging with HIV affected by other non-communicable diseases.

To tackle the challenge of HIV among young people, NSDCC rallied stakeholders to embark on a whole-government approach to address the triad of challenges: new HIV infections, adolescent pregnancies, and gender and sexual-based violence. During the reporting period, stakeholders across 17 counties were sensitized to increase community-level commitment and accountability through an initiative called 'End the Triple Threat.'

To support the implementation of the HIV workplace program, we provided technical support to various Ministries, Departments, and Agencies. We received 197 reports on the public sector workplace program. Additionally, we distributed 2.6 million male condoms in non-health sector locations, emphasizing the importance of condom use for HIV prevention.

During the reporting period, NSDCC represented Kenya as the Vice Chair of the UNAIDS Board, providing strategic direction for the global HIV response. We remain committed to rallying all stakeholders to achieve the global vision of ending AIDS by 2030.

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We extend our heartfelt thanks to all stakeholders for their unwavering support in the HIV response.



Dr. Ruth Laibon – Masha
CEO, National Syndemic Diseases Control Council

7. STATEMENT OF NSDCC'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

NSDCC has six Key Result Areas (KRAs) and objectives within its Strategic Plan for FY 2021/2022 – 2026/2027. These KRA's are as follows:

KRA 1: Enhanced coordination of a strategic, coherent, and result-based multisectoral HIV response

KRA 2: Strengthened advocacy for a diversified and fully funded AIDS response.

KRA 3: Enhanced capacity for effective sectoral response to HIV

KRA 4: Strategic Information, Research, and Innovation

KRA 5: Enhanced platforms for public education and advocacy

KRA 6: Strengthened NSDCC institutional capacities to deliver on its mandate.

NSDCC develops its annual work plan aligned to the six KRAs. Performance review against the work plan is done on a quarterly basis. NSDCC's Key achievements against the targets for the FY 2022/2023 are outlined in the Table below:

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Strategic Pillar/ Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
Enhanced coordination of a strategic, coherent, and result-based multisectoral HIV response.	To coordinate the development, monitoring, and implementation of policies, strategies, and guidelines for the HIV response.	<ul style="list-style-type: none"> • Kenya AIDS Strategic Framework (KASF) supportive frameworks, County AIDS Implementation Plans, sector, and population policies developed. • KASF II coordination mechanisms established. • KASF II targets met. • Midterm and end-term reviews. 	<ul style="list-style-type: none"> • Mid-term review of the HIV programme in Kenya. • Multisectoral county HIV coordination meetings. • Development of guidelines to secure HIV-related human rights in pandemic situations. • Review of the HIV and AIDS Prevention and Control Act (HAPCA) 2006. 	<ul style="list-style-type: none"> • The Mid-term report was utilized as a support document to mobilize grants worth Kshs 35.7 billion for HIV under the Global Fund for HIV, TB and Malaria grant for FY 2024/27. • Multi-sectoral interventions at the County level tailored to the unique needs and challenges of diverse regions. • The HIV Control Act 2006 reviewed.

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<p>Strengthened advocacy for a diversified and fully funded AIDS response.</p>	<p>To mobilize and manage resources for an effective and efficient HIV response.</p>	<ul style="list-style-type: none"> • Percentage allocation from domestic sources. • Amount mobilized. • The number of infrastructure projects implementing the guidelines. 	<ul style="list-style-type: none"> • Feasibility study on integrating HIV treatment packages for People Living with HIV in the National Health Insurance Fund • Engagement of county governments to allocate and ringfence resources for the HIV response through County HIV and Health Bills. • Costing the HIV combination prevention intervention packages in Kenya. 	<ul style="list-style-type: none"> • Proposed premiums and benefits towards achieving UHC by integrating HIV treatment packages into NHIF to cover people living with HIV in Kenya. • Development of a prototype bill towards mobilization of resources for sustainability of the HIV programs in the counties. • Derivation of the standard package of services for the priority populations to assist in the development of county level budgets.
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<p>Enhanced capacity for effective sectoral response to HIV</p>	<p>To provide technical support and capacity building for effective sectoral programmes for HIV response.</p>	<ul style="list-style-type: none"> • Private and public institutions with wellness programmes. • Framework contracting of local manufacturers of HIV Commodities. • Uniformed services HIV programmes strengthened. 	<ul style="list-style-type: none"> • Strengthening county multisectoral coordinating structures on HIV, GBV, and human rights. • Scaling up multi-sectoral youth consultative dialogue. • Leveraging community-led programs for an effective HIV response through the LISTEN Program. 	<ul style="list-style-type: none"> • Quarterly multisectoral committee meetings in the 47 counties responsible for spearheading the response on HIV, gender-based violence, human rights, and adolescent pregnancies. • Approximately 180,000 young people countrywide reached with information on HIV and sexual reproductive health, with the aim of reducing new HIV infections among this population. • Registration of more than 10,000 households in the social health insurance. • Sensitization of over 1,800 motorbike riders on road safety leading to reduced accidents.
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<p>Strategic Information, Research, and Innovation (SIRI).</p>	<p>To strengthen and manage a robust and coherent national information system.</p>	<ul style="list-style-type: none"> • Performance review, reporting obligations, and commitments honoured. • Maisha, data systems, and knowledge repository digitization. • Policy research briefs, innovations, and best practices. 	<ul style="list-style-type: none"> • Generation of the 2022 HIV Estimates. • Development and submission of the 2023 Global AIDS Monitoring (GAM) Report. • Granulating the HIV epidemic by population and location (Epidemic Appraisal). • Development of the 2022 World AIDS Day Progress Report. • Enhancing data demand and use at the County level through the County Profiles. • Management of the Research Hub, an online site that amalgamates information and promotes evidence-based programming and policy formulation through research. 	<ul style="list-style-type: none"> • Estimation of key metrics across the counties allowing for tailor made interventions. • Fulfillment of global obligation for Kenya as a member state and signatory to the United Nations commitments. • Enhanced accessibility of HIV research through the research hub, promoting transparency in HIV research.
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<p>Enhanced platforms for public education and advocacy.</p>	<p>Ensure platforms for public education and advocacy.</p>	<ul style="list-style-type: none"> • Programmatic communication strategy developed and implemented. • Number of forums held. • Corporate social responsibility activities. • NSDCC perception survey. • Culture change programme implemented. 	<ul style="list-style-type: none"> • Sustained messaging on HIV prevention and treatment. • Documentary on Universal Health Coverage (UHC) in the context of HIV and AIDS. • Expanding HIV messages reach through mass and social media. • Advocacy on COVID-19 vaccination targeting PLHIV, PLWD, and community leaders in Kenya. • Building the capacity of journalists in health and HIV reporting. • Triple threat initiative. • Partnering with the state department of fisheries to advocate for increased uptake of HIV services among the fisherfolk. 	<ul style="list-style-type: none"> • Reached over 50.4 million people with HIV messages and approximately 4 million people with the UHC program. Additionally, reached 36 million people through the engagement of 19 local radio stations with a focus on the elimination of mother-to-child transmission and ending the triple threat of new HIV infections, pregnancies, and sexual and gender-based violence. • 141 Master trainers (3 from each county) trained on the triple threat. • Over 450,000 community gatekeepers and opinion leaders across the 47 counties reached with one-on-one triple threat messaging. • 639 Beach Management Unit leaders and 5,962 fisherfolk community members reached with HIV prevention messages. • 42,565 condoms distributed and 5,072 fisherfolks sensitized on NCDs prevention and management.
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<p>Strengthened NSDCC institutional capacities to deliver on its mandate.</p>	<p>To strengthen the institutional capacity of NSDCC to deliver on its mandate.</p>	<ul style="list-style-type: none"> • The board members and management trained on effective delivery of NSDCC mandate. • Institutionalized knowledge management framework developed and implemented. • Effective delivery of the NSDCC mandate. • NSDCC business processes automated. • ISO 9001:2015 Certification maintained. • Risk management plan implemented. 	<ul style="list-style-type: none"> • Training of board members on Mwongozo. • Upgrade of the Navision Electronic Resource Planning (ERP) System. • Employee capacity building through training, mentorship, experiential learning, and employee development schemes. • Youth internship opportunities. • Maintenance of the NSDCC website, making it easy to navigate and thus enhancing the attainment of the NSDCC communication goals. • ISO 9001:2015 Certification maintained. • Risk management plan implemented. 	<ul style="list-style-type: none"> • Promotion of good governance practices. • Implementation of robust systems that enhance efficiency and transparency of use of resources. • Competence development of 38 staff leading to motivated and empowered staff. • Youth empowerment through mentorship of 45 youth in internships. • ISO 9001:2015 certification and risk management plan implementation leading to enhanced stakeholder confidence in NSDCC internal processes.
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8. CORPORATE GOVERNANCE STATEMENT

The Council is committed to upholding the highest standard of integrity, professionalism, ethics, and compliance with the applicable laws in its operations. This ensures adherence to principles and practices of good corporate governance, including the effectiveness of the Board, transparency and disclosure, accountability, risk management, internal controls, ethical leadership, and good corporate citizenship. The Council is committed to maintaining these in its institutional framework by continuously adopting corporate governance principles and best practices. The Board is responsible for the Council's overall strategic direction and operational guidance.

Board of Directors

The Board embraces and recognizes the benefits of diversity in skills and experience in its compositions to effectively discharge its strategic oversight function. During the reporting period, the Board consisted of nine (9) members comprising the non-executive Chairperson, the Principal Secretary of Treasury, the Principal Secretary of the Ministry of Health, the Hon. Attorney General, the Chief Executive Officer and four (4) independent directors who are appointed by the Cabinet Secretary responsible for Health.

The term of office for board members and the chief executive officer is three years and may be renewed once for a maximum of three years. The appointments are through a notice in the Kenya Gazette.

Role and Functions of the Board

The Board is responsible for the Council's overall strategic direction and operational guidance. In this regard and as per Mwongozo, the responsibilities of the Board include:

1. Determining the organization's mission, vision, purpose, and core values.
2. Setting and overseeing the overall strategy and approving significant policies of the organization.
3. Ensuring that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its stakeholders.
4. Ensuring that the organization's strategy is aligned with its long-term goals on sustainability so as not to compromise the ability of future generations to meet their own needs.
5. Approving the organizational structure and annual budget.
6. Monitoring the organization's performance and ensuring sustainability.
7. Appointing the CEO and Senior Management Staff, including the Corporation Secretary.
8. Ensuring effective communication with stakeholders
9. Enhancing the corporate image of the organization.
10. Ensuring the availability of adequate resources to achieve the organization's objectives.

Board of Directors Financial Year 2022/2023

No.	NAME	Position
1.	Mr. Geoffrey Mbirua Gitu	Chairperson
2.	Dr. Ruth Laibon-Masha, PhD	CEO/Secretary, National Syndemic Diseases Control Council
3.	Mr. Andrew Rukaria	Alternate Member to The Principal Secretary, Ministry of Health
4.	Mr. Patrick Macharia	Alternate Member to The Principal Secretary, National Treasury
5.	Ms. Jennifer Ng'ang'a	Alternate Member to the Attorney General
6.	Mr. Mark J. Obuya	Independent Board Member

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No.	NAME	Position
1.	Mr. Geoffrey Mbirua Gitu	Chairperson
7.	Dr. Lorna K. Sangale	Independent Board Member
8.	Ms. Lucy Ghati	Independent Board Member
9.	Prof. Sylvia Ojoo	Independent Board Member

Board of Directors who exited during the financial year 2022/2023

No.	NAME	Position
1.	Ms. Caroline Amondi	Alternate Member to the Attorney General
2.	Mr. Moses Mbaruku	Alternate Member to The Principal Secretary, Ministry of Health

Board of Directors who were appointed during the financial year 2022/2023

No.	NAME	Position
3.	Ms. Jennifer Ng'ang'a	Alternate Member to the Attorney General
4.	Mr. Andrew Rukaria	Alternate Member to The Principal Secretary, Ministry of Health

The following meetings were held during the financial year 2022/2023.

Meeting	Number of meetings	Average %
Full Board	10	8
Audit, Compliance and Risk Management Committee	6	4
Strategy and Programmes Committee	4	4
Human Resource and Administration Committee	7	4
Finance & Resource Mobilization Committee	4	4

Board Committees of the Council

The Council has four standing committees which meet regularly as per the approved Board Almanac. These are:

1. Audit, Compliance and Risk Management Committee
2. Finance and Resource Mobilization Committee
3. Strategy and Programmes Committee
4. Human Resource and Administration Committee

1. **Audit, Compliance, and Risk Management Committee**

The Audit, Compliance, and Risk Management Committee operates within the confines of its Charter which is aligned to Audit Committee Guidelines for National Government, the Code of Corporate Governance for State Corporations (Mwongozo) and best practices as guided by the Institute of Internal Auditors. The Committee is comprised of four (4) members including the Head of Internal Audit; and oversees the internal and external audit function. The Committee receives

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from the internal audit function a written assessment of the internal controls and risk management system. The Committee held six (6) meetings within the reporting period.

2. Finance and Resource Mobilization Committee

The Finance and Resource Mobilization Committee provides oversight on all financial management issues. The Committee held four (4) meetings within the reporting period.

3. Strategy and Programmes Committee

The Strategy & Programmes Committee is responsible for policies and programmes that support the HIV response in the Country. The Committee held four (4) meetings during the reporting period.

4. Human Resource and Administration Committee

The Human Resource and Administration Committee provides guidance on human resources and administration management. The Committee held seven (7) meetings during the reporting period.

Board remuneration

The remuneration paid to the Directors during the financial year 2022/2023 is disclosed in Note 11 to the Annual financial statements. The Board of Directors are paid a sitting allowance for every meeting attended and the Chairperson is also paid a monthly honorarium.

Board and members' performance

Corporate governance best practices require that the Board conduct a self-evaluation of its performance on an annual basis. The Board is guided by a pre-determined annual work plan in providing its oversight role. To this end, the Board undertook an annual evaluation for FY 2021/2022 to assess its performance, efficiency and effectiveness. The evaluation exercise was facilitated by the State Corporations Advisory Committee (SCAC) and was conducted as a self/peer review. The Board attained an overall score of 96.56% which underscores the board's commitment and ability to achieve its objectives.

Board Charter

The roles and responsibilities of the Board of Directors are stipulated in the Board Charter. It also sets out the powers of the various board committees and the separation of roles between the board and the management and its responsibilities to stakeholders.

Induction and Capacity Building for the Board

The Board ensures the induction of its members and maintains a continuous process of skill and knowledge development. This enhances their knowledge in various facets thus strengthening their oversight role. In the FY 2022/2023, all board members were trained in Corporate Governance. The training was conducted by the Institute of Certified Secretaries and the State Corporations Advisory Committee. All Board Members belonging to professional bodies are in good standing.

Internal Audit Assurance

The Council has established an Internal Audit Function in line with the requirements of Section 73(5) of PFMA 2012. The Internal Audit Function has continued to proactively provide assurance to the Council that the existing internal controls and processes are in place and optimized for effective and efficient risk management. Internal Audit aims at deepening the good governance practices to support the achievement of effective internal controls through continuous monitoring and follow-up while maintaining its objectivity and independence.

During the reporting period, the Internal Audit Division audited the NSDCC operations at the Head Office and 18 decentralized offices that are spread across the country. As a result of the effective monitoring and assurance provision, the Council activities were delivered undisturbed and within set timelines during the period under review.

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Risk Management

The Council is committed to a process Enterprise Risk Management (ERM) aligned to the principles of best practice and corporate governance tenets. Risk reporting assures that pertinent risk information is available at all Council levels and serves as guidance for making both strategic and operational decisions. The Council has established a comprehensive risk management framework to identify, analyze and manage all key operational and strategic risks. The Council oversees the implementation of enterprise risk management by ensuring that strong governance structures are in place. The enterprise risk management processes are managed by the Advisory Committee of the Management on risk and audit issues which reports to the Board through the Audit, Compliance and Risk Management Committee. The Council maintains a risk management register which is reviewed on an annual basis.

Ethics and Conduct

The Council has a zero-tolerance policy towards corruption and bribery. At the entry point staff and Board members are issued with an anti-corruption pack which comprises Whistle Blower Protection Policy, Anti-Corruption Policy, Code of Conduct and Ethics, Risk Management Policy and Corruption and Bribery Policy. All staff are sensitized on the corruption prevention obligations of public officers under the Leadership and Integrity Act 2012 and the Bribery Act 2016. The council has put in place mechanisms to oversee and coordinate the management of ethical culture in its operations. It has an Integrity Committee and a team of integrity Assurance Officers drawn from all operational levels. These Committees were trained by EACC within the Financial Year 2022/2023. The Council is therefore committed to ensuring that ethics and integrity remain at the core of the NSDCC's operations. The Code of Conduct is intended to establish standards of integrity and ethical conduct in the NSDCC. It includes a declaration of conflict of interest during meetings and declaration of gifts received. The Council maintains a conflict of interest and gift register in which staff and board members record the declared interests and gifts received.

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9. MANAGEMENT DISCUSSION AND ANALYSIS

2.0 ACHIEVEMENTS ON STRATEGIC FOCUS AREAS

The National Syndemic Diseases Control Council continued implementing a multisectoral and multifaceted HIV response to accelerate the achievement of Universal Health Coverage. This model brought together efforts from the state and non-state actors at all levels. Based on this robust programming, the country registered a 36% reduction in new HIV infections from 34,540 in 2021 to 22,154 in 2022. Additionally, AIDS-related deaths reduced by 17% from 22,373 in 2021 to 18,473 in 2022, according to the 2023 HIV estimate report.

By the end of December 2022, about 1,236,472 people living with HIV were actively accessing lifesaving Anti-retroviral therapy, yielding 94% ART coverage of the 1,377,784 people estimated to be living with HIV. The prevention of mother-to-child transmission of HIV program initiated 46,381 HIV-positive mothers into ART to prevent the vertical transmission of HIV to unborn babies. This reduced the MTCT rate from 8.9% in 2021 to 8.6% in 2022.

Below is a summary table showing the performance of the HIV program for the last three years.

	2020	2021	2022
HIV Prevalence	4.30%	4.00%	3.70%
PLHIV	1,435,271	1,437,267	1,377,784
Incidence	0.09%	0.10%	0.06%
HIV Infections	32,027	34,540	22,154
Mortality	19,486	22,373	18,473
MTCT Rate	9.70%	8.90%	8.60%

Source: 2022 HIV Estimates

2.1 STRATEGIC OBJECTIVE 1: EFFECTIVELY COORDINATE THE DEVELOPMENT AND MONITOR THE IMPLEMENTATION OF POLICIES, STRATEGIES, AND GUIDELINES FOR HIV RESPONSE

To coordinate and supervise an effective and efficient multi-level and multi-sectoral response to HIV, STI, and related epidemic response, NSDCC provides leadership in the development of policies, strategies, and guidelines. During the period under review, the following was achieved under this strategic objective.

2.1.1 Successful Mid-Term Review of the HIV Programme in Kenya

The Kenya AIDS Strategic Framework 2020/21 - 2024/25 (KASF II) guides the implementation of an evidence-based HIV response in the Country. the implementation of KASF II devolved to counties through the context-specific County AIDS Implementation Plans (CAIPs). During the year under review, the NSDCC conducted stakeholder engagements with approximately 600 technical experts from all 47 Counties and 300 national stakeholders to assess the performance of the HIV response nationally and across all 47 counties. The resulting Mid-Term Review (MTR) report has informed the development of the addendum for the Global Fund Grant (GC7) submission. Individual County Performance Profiles developed from the MTR report will be utilized by counties to identify priority programs and those that require support in achieving the KASF II targets by 2025.

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2.1.2 Multisectoral County HIV Coordination Meetings

The NSDCC facilitated multisectoral County HIV Committee meetings in all 47 Counties to monitor and review progress on the implementation of the Kenya AIDS Strategic Framework and the CAIPS. These committees comprise at least 20 members drawn from all sectors involved in the implementation of KASF II. The committees meet quarterly for data review and program analysis and serve as high-level decision-making advisory forums and recommend either acceleration or remedial actions such as the ongoing triple threat campaign.

2.1.3 Guidelines to Secure HIV-Related Human Rights in Pandemic Situations

During the year under review, NSDCC coordinated the development of Guidelines on Human Rights in Pandemics to help mitigate the negative effects of COVID-19 and to prepare for future public health emergencies. The guidelines are undergoing review by various stakeholders before finalization and eventual launch.

2.1.4 Review of the HIV and AIDS Prevention and Control Act (HAPCA) 2006

The HIV and AIDS Prevention Act (HAPCA) No. 14 of 2006 is legislation that came into force in 2009 with the main objective of "provision of measures for the prevention, management and control of HIV and AIDS, to provide for the protection and promotion of public health and the appropriate treatment, counselling, support and care of persons infected or at risk of HIV and AIDS infection." Since its operationalization, developments such as the promulgation of the Constitution of Kenya in 2010 that provided for the protection of the rights of persons living with HIV and the recognition of international treaties and conventions ratified by Kenya necessitated its review. The responsibility of spearheading the review process, which is ongoing, was delegated to the NSDCC. The review of the HAPCA will ensure that legally binding mechanisms are in place to prevent and control HIV while further ensuring the protection of the rights of people living with HIV. In line with the constitutional requirement of public participation, subject experts from the NSDCC are actively soliciting views and comments on specific sections of the HAPCA - including through an advertisement published in the *MyGov* insert on 12th July 2022- to inform the revised legislation.

2.1.5 Development of Gender and Human Rights Curriculum for the Disciplined Forces

The Kenya AIDS Strategic Framework 2020/21-2024/25 identifies prison populations as a key priority group that is prone human rights violations and gender-based violence due to their undue exposure to mental illness, drug use, abuse and misuse that are known to increase the risk and vulnerability to negative health outcomes including HIV and TB. In line with this, a curriculum on Gender and Human Rights for the Disciplined Forces was developed to adequately equip these officers with the necessary skills and knowledge to ensure that the rights of officers and the people in their custody are upheld.

2.1.6 Development of Harm Reduction Policy

People who use drugs may be at increased risk of HIV infection through behaviors such as unprotected sex, multiple sexual partners, sex work and other high risk sexual practices, and needle sharing. The Harm Reduction Policy was developed to provide a policy framework that outlines mitigation strategies for people who inject drugs.

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2.2 STRATEGIC OBJECTIVE 2: MOBILIZATION OF RESOURCES AND GRANTS TO IMPLEMENTING PARTNERS

The HIV response in Kenya is largely dependent on donor funding with about 80% of the KES 25.4 billion required annually for procurement of essential prevention and treatment commodities being externally resourced. The funding landscape has changed significantly in the last decade, with a shift in priority and reduction in the resource envelope leaving the HIV response largely underfunded. To mitigate and correct this, the following programs were undertaken during the period under review:

2.2.1 Resource Mobilization Strategy for National Syndemic Diseases Control Council

The NSDCC developed a resource mobilization strategy to explore new funding mechanisms for HIV programs with the aim of bridging the gaps in the country's HIV resource envelope towards achieving sustainable financing.

2.2.2 Feasibility Study on Integrating HIV Treatment Packages for People Living with HIV in National Health Insurance Fund

Achieving Universal Health Coverage requires sustainable financing of health programs, including treatment for people living with HIV. The NSDCC coordinated an actuarial study conducted to estimate the cost of HIV treatment packages for consideration under the National Health Insurance Fund (NHIF) social health insurance scheme. Further, the study explored various funding pathways like direct government allocation to NHIF, member contributions, or cost-sharing between the government, donors, funding instruments, and premium contributions. The integration of all these funding models was subjected to an actuarial analysis in collaboration with the NHIF, to arrive at the cost variables, amounts, and contributions that will inform the next phase of HIV financing options.

2.2.3 Toward Self-reliance: County Governments Engaged to Allocate and Ringfence Resources for the HIV Response through County HIV and Health Bills

To address sustainability and country ownership for the HIV response, the NSDCC, with support from the Kenya Law Reform Commission and Kenya School of Government, developed an HIV



NSDCC hands over the HIV Management Prototype Bill to Embu County Leadership 2023/2024.

Implementation and Financing Proto-type bill to be adopted by the county governments. Dissemination of the bill was undertaken in all Counties. In the financial year under review, the NSDCC supported the Embu Members of the County Assembly and the county leadership to understand and fast-track adoption of the proto-type bill and further enact the same to a bill within the county. The county has since set aside KES 500,000 per ward to kick start prevention programs. NSDCC targets to support this move in five more counties in the FY

2.2.4 Costing HIV Combination Prevention Interventions Package in Kenya



Countries heavily reliant on declining donor funding for HIV programs must adopt more efficient and effective programming, particularly through investing in high-impact prevention interventions. To accurately estimate the costs associated with implementing and scaling such interventions, the NSDCC conducted a study to define the resources needed to implement a comprehensive 5-year HIV prevention program among high-priority populations in Kenya. The study findings suggest that to achieve optimum coverage of the different priority populations with an essential package of services, Kenya needs a total investment of \$897.92 million for 5 years. The NSDCC has developed a tool using this costing information to create county-level budgets and will facilitate discussions with national and county governments, donors, and key stakeholders to utilize this information to determine financing options for

priority populations.

2.3 STRATEGIC OBJECTIVE 3: TO PROVIDE TECHNICAL SUPPORT AND CAPACITY BUILDING FOR EFFECTIVE SECTORAL PROGRAMMES FOR HIV RESPONSE

Kenya has for the last 20 years invested in a multi-sectoral approach to respond to HIV. The sectoral programming approach requires partnerships and strengthening of capacities and emphasizes the active involvement of all sectors of the economy in addressing the causes and impact of HIV and AIDS. During the period under review, the NSDCC implemented the following activities under this strategic Objective.

2.3.1 Strengthening County Multisectoral Coordinating Structures on HIV, GBV and Human Rights

The County Multisectoral Coordinating committees brings together stakeholders from key departments in the Health Sector, National Government Administration, the Faith Sector, the Education sector, Persons Living with HIV (PLHIV), Adolescents and Young People (AYP), Implementing Partners, and CBOs to provide technical leadership and spearhead the multisectoral response on HIV, gender-based violence, human rights, and adolescent pregnancies at the county level. During the period under review, The NSDCC facilitated all 47 county coordination structures to hold quarterly program review meetings. The resolutions of these meetings are followed up by the County Health Management Teams.

2.3.2 Scaling-up Multi-sectoral Youth Consultative Dialogue

Consultative meetings with Adolescents and Young People (AYP) are key in reducing new HIV infections among this population. The NSDCC has leveraged existing county structures to establish and institutionalize Maisha Youth Chapters in all 47 counties. To this end, the NSDCC held a 3-day meeting dubbed Maisha Youth Consultative Dialogue that yielded the following achievements:

1. Developing a work plan for County Maisha youth activities for each County in collaboration with the Regional HIV Coordinators,
2. Training on professional development, communication, community engagement and advocacy,
3. Institutionalization of Maisha Youth Committees.

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Figure 1: Maisha youth leaders with the NSDCC CEO

The Maisha Youth chapters in each County have been actively engaged as peer champions for HIV prevention, sexual and gender-based violence, and the triple threat and have participated in key events like the World AIDS Day, International Condom Day, and other conferences. The Maisha youth reached over 180,000 young people countrywide with information on HIV and sexual reproductive health.

2.3.4 Leveraging Community-led Programs for an Effective HIV Response through the Local Interventions Scaled Through Enterprise Networks (LISTEN) Program

The community's role in enhancing ownership through demand creation, service delivery, and advocacy is paramount to the sustainability of interventions. The LISTEN Model is a novel mobilization model based on a Human-centered Design (HCD) capacity-building process that supports the utilization of social capital to develop sustainable solutions based on needs identified and prioritized by a community. Ultimately, LISTEN accelerates HIV programming, enhances cross-sector linkage and partnerships, while ensuring responsiveness. This program is implemented by the NSDCC with financial support from Georgetown University (GU) and the Bill & Melinda Gates Foundation (BMGF). LISTEN is currently being implemented in Kiambu and Homa Bay Counties. Each county has a LISTEN technical working group that meets every quarter and technical bi-weekly review meeting held with county innovation CPs to provide technical support on program implementation and documentation. The program is currently working with Boda Boda riders, Fisher Folk, Adolescents and young people, adolescent mothers, and key populations as communities of practice. The program has also helped scale up the human-centred design approach across the country by training relevant strategic partners and staff spread across the various counties.

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Boda Boda Riders Buy Ksh 42M Land From Ksh 50 Bob Contributions

By STEVEN THAKU on Friday, 7 April 2023 6:42 pm



Ruiru Boda Boda Association inspired many when they acquired a 5-acre plot of land in Ruiru, Kiambu County on Friday, April 7, 2023.

Games between the police and bodaboda riders in Kiambu



Members of a CP volunteer to refill condoms in hot spots areas



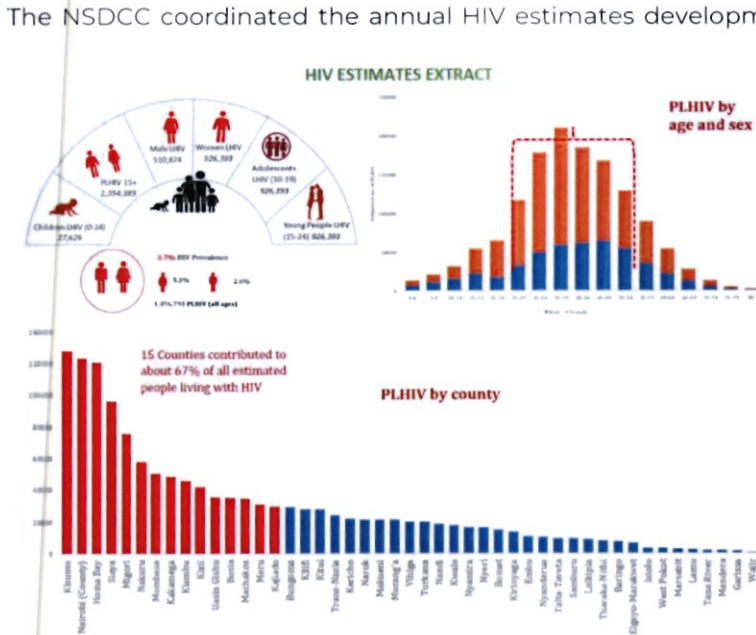
Some of the achievements include the utilization of the CPs to facilitate more than 10,000 households to register for social health insurance and the ability of the CPs to distribute condoms in non-health settings, thus reducing the spread of HIV, sexually transmitted infections, and unintended pregnancies. Over 1,800 motorbike riders have been sensitized by the Ministry of Interior on road safety. This approach has improved communities' economic livelihoods; for example, Boda Boda members in Kiambu established a Savings and Credit Cooperative Society (SACCO), enabling them to purchase land. This programming approach has the potential to realize benefits for communities in health and socioeconomic well-being.

2.4 STRATEGIC OBJECTIVE 4: TO STRENGTHEN AND MANAGE A ROBUST AND COHERENT NATIONAL INFORMATION SYSTEM FOR HIV AND SEXUALLY TRANSMITTED INFECTIONS

Accurate and timely data play a critical role in support of coordination efforts, informed programmatic decision-making, and policy formulation. The NSDCC has invested in infrastructural development to manage strategic information on HIV and sexually transmitted infections. During the period under review, NSDCC strengthened data reporting and collating systems by training key stakeholders and enhancing digital spaces. The program will strive to expand the granular approaches of engineered data to the lowest geographical location and population to routinely measure progress and inform the design of tailored interventions through:

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2.4.1 Generation of the Annual 2022 HIV Estimates



society, government agencies, implementing partners, and donors in the estimation of key metrics that provide the status of the HIV epidemic in the country to allow implementing agencies to tailor their interventions and to respond effectively to the prevailing situation. In addition, HIV estimates avail impact and outcome level data that inform annual course correction for the HIV response.

2.4.2 Development and submission of the 2023 Global AIDS Monitoring (GAM) Report to meet Global Reporting Obligation for Kenya

Development and submission of the annual Global Monitoring Report (GAM) for Kenya to UNAIDS is a global obligation for Kenya as a member state and signatory to the United Nations commitments. The GAM report compiles data on antiretroviral therapy, HIV-related behaviour, policies, expenditure data, and other indicators measuring progress toward global commitments and against global targets to inform HIV policymaking. The NSDCC developed, validated, and submitted the 2022 GAM report by March 31, 2023, as per the UNAIDS guidelines. Over 100 participants representing the national and county governments, development, and implementing partners validated the data.

2.4.3 Granulating the HIV Epidemic by population and location (Epidemic Appraisal)



Figure 2: Epidemic appraisal training of trainers

The NSDCC cascades this knowledge to key players in the HIV program in the 47 Counties, empowering them to carry out an informed situational analysis of the HIV burden in their counties and devising informed policies for the HIV response.

The epidemic appraisal is an approach that yields accurate and timely guidance on the status and drivers of ongoing local transmission, epidemic heterogeneity, and trajectories, which is needed in designing various HIV interventions and resource allocations. The categorization of counties based on their epidemic typology helps inform data-led HIV programming by detailing the population sub-groups (key populations, general populations, and other sub-populations) that Kenya should prioritize in the respective counties.

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2.4.4 Development of the 2022 World AIDS Day Progress Report



The Kenya AIDS Response Progress Report outlined the key achievements in the HIV response; providing an opportunity for self-assessment in the progress towards achieving the national targets (as set out in KASF) and global targets (as set out in 2016 United Nations Political Declaration on HIV and AIDS), and by doing so allowing the country to take stock of the progress made and devise remedial actions where necessary.

2.4.5 Enhancing data demand and use at County

The the County Profiles generated for each of the 47 Counties provide a contextualized understanding of the HIV epidemic at the local level. These profiles offer a comprehensive snapshot of the unique dynamics, vulnerabilities, and resources within a specific county, empowering policymakers, healthcare professionals, and advocacy groups to tailor their HIV response strategies effectively. Data from the county profiles facilitates evidence-based decision-making, enhancing the precision and effectiveness of HIV response strategies – further promoting community engagement and empowering local organizations to advocate for HIV awareness, prevention, and care tailored to their region.

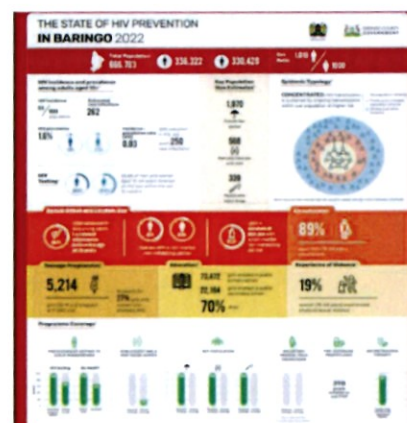


Figure 3: County Profile

2.5 STRATEGIC OBJECTIVE 5: PUBLIC EDUCATION, COMMUNICATION, AND ADVOCACY FOR THE HIV RESPONSE

This strategic objective targets leveraging public education, communication, and advocacy to enhance demand for services and behaviour change. During the period under review, the following progress was achieved.

2.5.1 Expanding HIV Messages Reach through Mass and Social Media

1. Over 50.4 million people were reached with HIV Messages through a sustained media campaign on HIV prevention and treatment focused on ending the Triple Threat, COVID-19 and universal health coverage in the context of HIV
2. Over 5 million people reached through 19 local radio stations engaged to air content focused on the elimination of mother-to-child transmission of HIV and ending the triple threat of new HIV infections, pregnancies, and sexual and gender-based violence.
3. About 40 videos that reached approximately 3.5 million people were developed and disseminated *through the* strategic use of digital and social media platforms.

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4. Five town hall meetings aired on Citizen TV and TV 47 provided a platform to discuss and contextualize issues around HIV among young people. Similarly, radio town hall meetings were held on Milele FM, West FM, Radio Mchungaji, Watchman FM, and Radio Ashe.
5. NSDCC engaged Kenyatta University TV and Radio, Nation Media Digital, and Standard Group Digital for a one-month campaign on PREP as an HIV prevention method.

2.5.2 Documentary on Universal Health Coverage (UHC) in the Context of HIV and AIDS



This TV program comprehensively showcased the quality HIV treatment provided in government facilities through testimonials of a discordant couple and people living with HIV, proving that people living with HIV continue to lead healthy and fulfilling lives in Kisumu County. The TV program was produced and aired on KTN television, with media reports indicating that over **3,999,000** people watched the program.

Figure 4: UHC talk show panel discussion.

2.5.3 Advocacy on COVID-19 vaccination targeting PLHIV, PLWD, and community leaders

To increase the uptake of COVID-19 vaccinations, the NSDCC, with support from UNAIDS, developed and disseminated HIV and COVID-19 vaccination information, education, and communication (IEC) material to support advocacy and communication targeting people living with HIV, persons with disabilities, community leaders, religious leaders, adolescent girls and young women and key populations.

Three hundred copies of information booklets were produced in braille, 4 messages in audio-visual sign, 700 information booklets and 3,000 posters were printed and distributed. The project reached **1.5 million** people.



Figure 5: Community consultative forum on HIV

2.5.4 Building Capacity of Journalists in Health and HIV Reporting

Thirty journalists from mainstream and vernacular stations attended a Pre-World AIDS Day 2022 media briefing. Additionally, NSDCC, in conjunction with the Media Council of Kenya, conducted 8 regional media trainings where 240 journalists were trained in the following regions: Bungoma, Kitui, Nakuru, Kisumu, Mombasa, Kilifi, Marsabit, and Meru.

2.5.5 Commemoration of the 2022 World AIDS Day 2022 at National and in All 47 Counties

The 2022 World AIDS Day (WAD) was marked on 1st December 2022 nationally and in all 47 Counties themed "End the Triple Threat #EQUALIZE #Sawazisha.. Adopting the 2022 WAD global theme, "EQUALIZE", Kenya prioritized ending inequalities exacerbated by new HIV infections, adolescent pregnancies, and sexual and gender-based violence in line with the Triple Threat Campaign. The National commemoration was held in Bungoma County and was graced by Ms. Susan Nakhumicha Wafula, Cabinet Secretary, Ministry of Health, Hon. Kenneth M. Lusaka, Governor Bungoma County, among other dignitaries. Commemoration activities included:

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1. A solidarity walk and candle lighting ceremony in remembrance of those who have lost their lives to AIDS-related deaths,
2. Sensitization meetings and dialogues on the Triple Threat, sexual and reproductive health, drug and substance use, stigma reduction and Elimination of Mother to Child Transmission of HIV (eMTCT)- both one on one and through national and local media houses
3. Service provisions such as HIV testing , screening for NCDs, COVID-19 vaccination, blood donation and distribution of condoms, menstrual hygiene products and foodstuff to vulnerable households and individuals,
4. and planting of over 10, 000 trees.

2.5.7 Addressing the Intersection Between New HIV Infections, Adolescent Pregnancies, Sexual and Gender-Based Violence (Triple Threat Initiative)

The Triple Threat initiative is a comprehensive campaign that has adopted a whole Government approach to ending the overlapping challenge of new HIV infections, pregnancies, and sexual and gender-based violence (the Triple Threat) among adolescents and young women aged between 10 and 19 years. This campaign aims to sensitize the public and build the capacity of stakeholders, gatekeepers, and opinion leaders on the Triple Threat situation in the Country, and equip them with necessary knowledge, skills, and tools required to carry out the campaign, incorporate data for decision making and program science into Triple Threat program planning, implementation, and impact assessment for continuous quality improvement in program delivery. Through this initiative:

1. 141 master trainers (3 from each county) trained on the Triple Threat.
2. Over 450,000 Community gatekeepers and opinion leaders across the 47 Counties reached with one-on-one messages addressing the Triple Threat, Prevention of Mother to Child Transmission of HIV (PMTCT), drug and substance abuse and addressing stigma and discrimination against people living with HIV.
3. Sensitization meetings in 26 counties targeting National Government Administrative Officers, community health promoters ,and other community gatekeepers.
4. Media coverage on the Triple Threat

2.5.8 Partnering with the State Department of Fisheries to Advocate for Increased Uptake of HIV Services among the Fisherfolk



Figure 6:BMUs sensitization in Migori

The NSDCC, in partnership with the state department of fisheries through the regions, supported fishing communities to promote the uptake of HIV services and bridge the knowledge gap. The program was implemented in *Mombasa, Kwale, Kilifi, Lamu, Marsabit, Homabay, and Migori*. The program was implemented in two phases, with an initial Multi-Sectoral forum, which served as a community entry meeting followed by a 3-day interpersonal engagement with fisherfolks and vulnerable populations living among the fishing communities. Numbers reached

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through interpersonal engagement with fisherfolks and vulnerable populations.

	Indicators	Numbers reached
1.	Beach Management Unit Leaders reached with key HIV messages, Triple threat information and whose capacity built as HIV and Triple Threat champions in 7 Counties	639
2.	Fisherfolk community members reached with HIV prevention messages and triple threat information	5,962
3.	Adolescents and Young people reached with HIV prevention messaging	505
4.	Fisherfolks reached with HIV services (Testing and counseling)	3,874
5.	Condoms distributed	42,565
6.	Community gatekeepers and opinion leaders' who were sensitized and engaged as champions	16
7.	Fisherfolks sensitized on NCDs prevention and management	5,072

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

I. SUSTAINABILITY STRATEGY AND PROFILE

The National Syndemic Control Council is steadfastly committed to integrating sustainability into its core operations and initiatives. Our sustainability strategy revolves around the principles of environmental stewardship, social responsibility, and long-term viability.

NSDCC sustainability strategy encompasses fostering partnerships with governmental bodies, non-governmental organizations, and local communities to coordinate a multisectoral HIV response, designed to implement the Kenya AIDS Strategic Framework. By forging these alliances, we aim to create a harmonized and holistic approach that harnesses the expertise and resources of diverse stakeholders, effectively addressing the intricate challenges posed by the HIV response. During the reporting period, NSDCC had not received direction on transfer of function across all areas mandated in its legal order.

II. ENVIRONMENTAL PERFORMANCE

The following are some of the key initiatives undertaken by the NSDCC towards environmental conservation:

1. Electronic Document Management System (EDMS)

The NSDCC has integrated finance, procurement and human resources into one information financial management system through an enterprise planning resource (ERP) system. The EDMS infrastructure in the ERP facilitates the online processing and archiving of documents. The system has a mechanism for retrieving documents and eliminating paper transactions to a great extent.

2. Electronic Document Management System (EDMS)

The procurement of capital equipment is accompanied by a schedule detailing the projected life span and disposal mechanisms before approval is given. The tendering and evaluation processes factor whole life costing of the assets/items being procured with an efficient disposal mechanism.

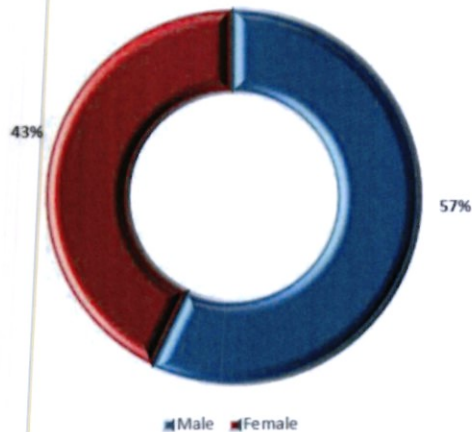
3. Production of multi-purpose IEM materials

The NSDCC strives to develop IEC materials standardized for multiple occasion use instead of single occasion use. Reusing IEC materials such as banners, brochures, and pamphlets is meant to support environmental conservation.

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III. EMPLOYEE WELFARE

Male-to-Female Ratio



The NSDCC human resource compliment consists of a team that is prepared to handle the present mandate and shape the future changes. The existing human resources policies are designed to ensure that we attract and retain staff with the appropriate skills, attitudes and competencies required for the achievement of the NSDCC's mandate.

While the policies are designed to ensure fairness, consistency, and compliance with legal regulations within the workplace, they also contribute to a positive work culture, employee satisfaction, and organizational success.

Further the NSDCC staff compliment is made up of 57% male employees and 43% female employees, meeting the one-third gender rule. During the year the NSDCC undertook numerous Human Resource strategic operations as follows:

4. Youth Internship

The NSDCC is committed to empowering young people and preparing them for future job challenges and engagements. During the year the NSDCC mentored 45 Youth in internships and attachment programme with a view to provide these unemployed Kenyans with opportunities for hands-on training in skills acquisition and prepare them for the job market. There was significant transfer of skills to the young people.

5. Propagation and use of a Seamless resource planning system.

The NSDCC initiated the use of digital technology in a number of Human Resource operations. These include:

- Appraisal system.
- training needs analysis.
- Payroll operations.
- Employee Personal Details data and leave applications.
- Out of office tracking through the web-based intranet.
- Working from home modules.

These systems facilitate employees to access resources from their web-based portals.

6. Staff Welfare.

The NSDCC sought and secured an employee car loan and mortgage scheme. This will ensure greater stability, staff retention and motivation while also ensuring that the NSDCC consolidates its position an employer of choice without losing focus on it smandate. This coupled with other schemes such as a robust medical scheme, WIBA, GPA policies and day to day review of operational

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welfare ensures that employees focus on their respective expectations rather than other extrinsic concerns.

Further, the NSDCC has the following policies that promote employee welfare:

- HIV & AIDS Workplace policy
- Drug & Substance Abuse Policy
- Health and Safety Policy
- Conflict of Interest Policy
- Complaints Handling Procedures
- NSDCC Code of Conduct and Ethics guidelines
- Disability Mainstreaming Guidelines

The Work Injury Benefits cover provides cover to employees to safeguard their next of kin against death in service, permanent total disability, occupational illness, temporary total disability or accidental medical expenses. The Employers' Liability indemnifies against NSDCC's legal liabilities to employees arising from death or bodily injury and or illness arising out of and in the course of employment. The Group life indemnifies in respect of an employee's death.

7. Competence Development

The NSDCC immensely believes in the capacity enhancement of its employees who were granted different capacity growth opportunities in the form of training, mentorship, experiential learning, employee development schemes, continuous professional development programmes and programme interventions / experiences among others.

These interventions are undertaken hand in hand with open door approach policies, continuous sensitization and availing of well-defined feedback channels to allow greater interaction. There are wide ranging approved human resources policies that guarantee employee motivation including:

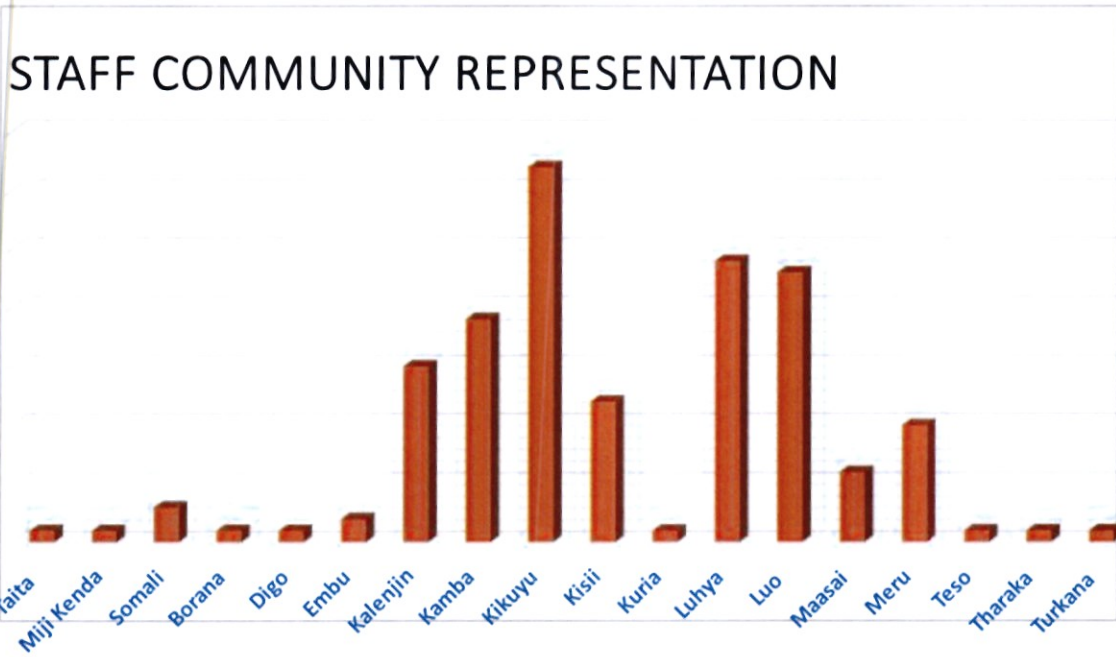
- Human Resources Policy
- Sexual Harassment Policy
- Employee induction policy
- Whistle Blowers policy
- Code of Regulations
- Employee Career Guidelines
- Staff Training Policy

These policies are continuously revised using participatory approach to ensure they are alive to the changing dynamics and responsive to the employee needs. The NSDCC endeavours to comply with the human resources expectation of the Constitution of Kenya (2010). This is demonstrated by the following analyses:

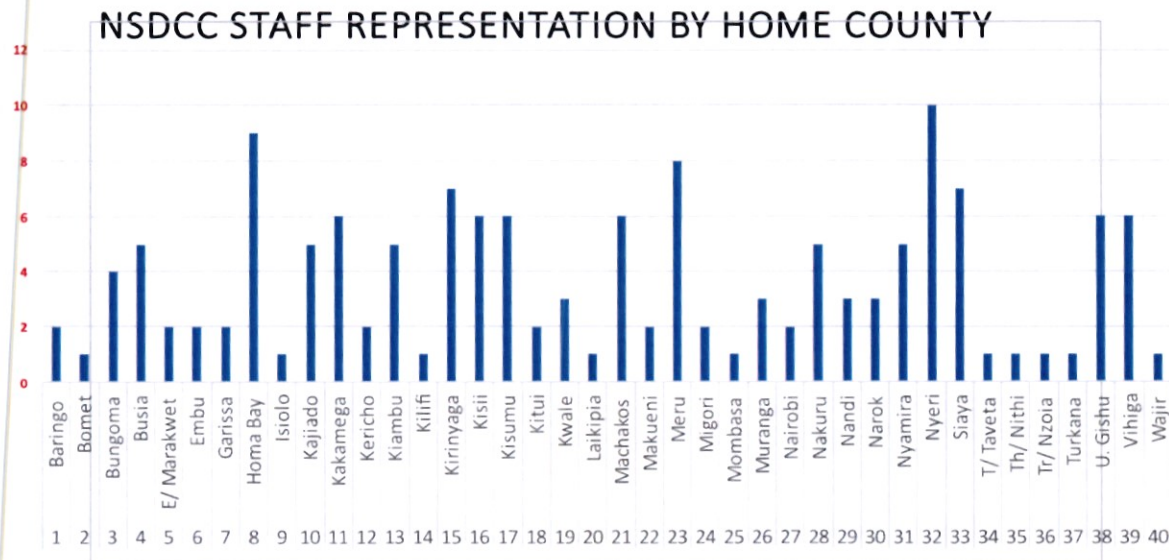
a. NSDCC BIODIVERSITY DATA

The NSDCC also complies with the expectations of progressive involvement of communities in its mandate with 18 communities represented in the staff compliment as follows:

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In addition, employees hailing from a total of 40 counties are represented at the NSDCC as follows:



This diversity is instrumental in influencing the impact of our mandate across the nation and enhancing the results framework for the daily operations.

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IV. MARKET PLACE PRACTICES

- a) Responsible competition practice:** The National Syndemic Diseases Control Council adopted an e-procurement system that enhances transparency and audit trail. All procurement transactions are processed online end-to-end, including supplier registration, as indicated below. Some of the e-procurement processes transacted online include:
- Preparation and implementation of the Annual Procurement Plan
 - Memo and purchase requisition approval and tracking.
 - Supplier registration and updates for renewal of statutory documents.
 - Supplier/Vendor Profile (Table 2 above) that hosts all tenders invited and participated, approved LPO/LSOs where a supplier is successful.
 - E-invoicing and end-to-end online payment process, which has increased efficiency in supplier payments.
 - Online opening of tenders and automatic receipt of tender opening report/minutes by bidders who participated in a tender.
 - Online evaluation and generation of evaluation reports etc.
- b) Responsible marketing and advertisement:** The NSDCC uploaded tenders and contracts for the procurements and contracts awarded during FY 2022/2023, as indicated below in the Public Procurement Information Portal
- **Compliance on Anti-Corruption Commission Regulations:** The NSDCC awarded 96 contracts valued at Kshs 500,000 and above, totaling Kshs 148 million during the FY 2022/2023. Submitted quarterly reports, including the firm's directors list, awarded to Ethics and Anti-Corruption Commission (EACC).
 - **Implementation of the Preference and Reservation for Special Groups: The NSDCC set aside** Kshs 202 million worth of procurement opportunities for special groups, 30% of the procurement budget for the period under review. The NSDCC achieved the target and complied with the constitutional provision of support for disadvantaged groups by awarding contracts worth Kshs 246 million during the period under review.
 - **Responsible supply chain and supplier relations:** The NSDCC processed all procurements and program-based invoices to provide goods, services, and works. We also settled all duly supported invoices during the period under review.

V. CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY ENGAGEMENTS

KASF II recommends the need for layering comprehensive HIV sensitive social safety to build resilience of community health systems during period of emergencies. KASF II further guides that in situations of food insecurity, measures to protect women and child-headed homesteads from HIV vulnerabilities should be prioritized. Vulnerable populations among them PLHIV, chronically ill persons and the Adolescent girls and young women are adversely affected by the prolonged drought. Additionally, the nutrition status of children and women has worsened due to prolonged drought. Over 970,000 children aged 6 to 59 months and 142,000 pregnant and breastfeeding mothers are currently malnourished compared to 884,000 reported in July 2022 (NDMA 2023).

The activity focused on the ASAL counties - Kwale, Marsabit, Garissa, Wajir, Samburu and Nairobi due to the slum areas that were most hit by the prolonged drought in Kenya. In the context of effects of drought on HIV, there is risk of low drug adherence due to malnutrition. AGYW are forced to skip school and at times engage in transactional sex to avert the drought effects.

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Objectives

- Strengthen Community Social Responsibility status for the NSDCC.
- Support vulnerable populations (PLHIV, Chronically Ill Persons & AGYW) in ASAL Counties with nutritional and psychosocial support.
- Conduct nutritional sensitization among vulnerable populations (PLHIV, Chronically Ill Persons & AGYW) during emergencies.
- Sensitize vulnerable populations (PLHIV, Chronically Ill Persons & AGYW) on risk preparedness and reduction during emergencies.
- Sensitize vulnerable populations (PLHIV, Chronically Ill Persons & AGYW) on stigma eradication.

Key Achievements

Indicator	Numbers Reached
Number of vulnerable populations reached with support (KES 3000 pp)	350
Number of vulnerable populations reached with Triple Threat messages and integration of HIV responses in emergencies	368
Provision of psychosocial and nutritional support and Counseling	368
Vulnerable populations sensitized on mental health awareness	368
Number of vulnerable populations provided with food stuff (Milk and bread)	100
Number provided with sanitary pads and non-food items	383

Lessons Learnt

- Vulnerable groups supported by various partners to start IGAs.
- Support groups existence really assist getting nutritional interventions through group supported initiatives by National Government, Partners and County Government.
- Gaps and Recommendations.

	Gaps	Recommendation
1.	Poor social economic status of vulnerable populations	Continuous nutritional and financial support Development of sustainable IGAs
2.	Increasing number of vulnerable PLHIVs	Provisional of psychosocial and nutritional support by counties

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11. REPORT OF THE DIRECTORS

The Directors submit their report together with the financial statements for the year ended June 30, 2023, which show the state of the NSDCC affairs.

i. Principal activities

The principal activities of the entity are:

- Provision of policy and a strategic framework
- Mobilization and coordination of resources
- Prevention of HIV transmission
- Care and support for those infected and affected by HIV and AIDS

ii. Results

The results of the NSDCC for the year ended June 30, 2023 are set out on page 53.

iii. Directors

The members of the Board who served during the year are shown on pages 11 to 14.

iv. Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The NSDCC did not generate any surplus and hence no remittance to the Consolidated Fund.

v. Auditors

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

By Order of the Board



Chairperson of the Board



Date

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12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act Cap 446 requires the Directors to prepare financial statements in respect of NSDCC, which give a true and fair view of the state of affairs of NSDCC at the end of the financial year and the operating results of NSDCC for that year. The Directors are also required to ensure that NSDCC keeps proper accounting records which disclose with reasonable accuracy the financial position of NSDCC. The Directors are also responsible for safeguarding the assets of NSDCC.

The NSDCC Board is responsible for the preparation and presentation of the NSDCC's financial statements, which give a true and fair view of the state of affairs of the NSDCC for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

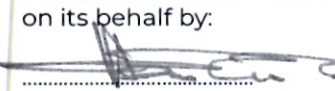
1. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
2. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NSDCC.
3. Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
4. Safeguarding the assets of the NSDCC.
5. Selecting and applying appropriate accounting policies; and
6. Making accounting estimates that are reasonable in the circumstances.

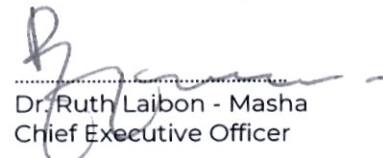
The NSDCC Board accepts responsibility for the NSDCC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Board is of the opinion that the NSDCC's financial statements give a true and fair view of the state of NSDCC's transactions during the financial year ended June 30, 2023, and of the NSDCC's financial position as at that date. The Board further confirm the completeness of the accounting records maintained for the NSDCC which have been relied upon in the preparation of the NSDCC's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

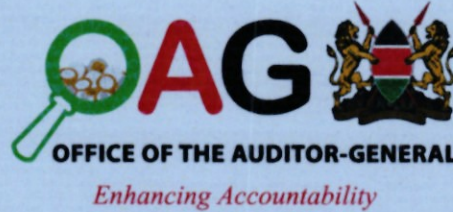
The NSDCC's financial statements were approved by the Board on September 26, 2023 and signed on its behalf by:


.....
Mr. Geoffrey Mbirua Gitu
Chairperson of the Board


.....
Dr. Ruth Laibon - Masha
Chief Executive Officer

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL SYNDemic DISEASES CONTROL COUNCIL FOR THE YEAR ENDED 30 JUNE, 2023

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 the 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 National Syndemic Diseases Control Council set out on pages 53 to 77, which comprise of the statement of financial

position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, 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 National Syndemic Diseases Control Council as at 30 June, 2023, 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 and the National Aids Control Council (Amendment) Order, 2022 published vide Legal Notice No. 143 of 2022.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Syndemic Diseases Control Council 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 my opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects income budget of Kshs.1,784,118,968 and actual revenue on comparable basis of Kshs.1,529,945,655 resulting to revenue shortfall of Kshs.254,173,313 or 14% of the budget. Similarly, the Council spent Kshs.1,365,070,176 compared to approved budget of Kshs.2,194,529,776 resulting to under absorption of Kshs.898,459,600 or 38%. The underfunding and underperformance may have affected the Council's key mandate of coordination of HIV and AIDS response in Kenya.

2. Decline in Accumulated Surplus Balance

The statement of financial performance reflects a deficit of Kshs.65,225,763 while the statement of changes in net assets reflects an accumulated surplus balance of Kshs.376,308,053 which has declined from the accumulated surplus balance of Kshs.629,570,629 as at 30 June, 2021 on account of deficits registered in the past two years totalling to Kshs.253,262,576 which Management has attributed to non-remittance of recurrent budgetary allocations.

My opinion is not modified in respect to these matters.

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 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

Budget Deficit

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.1,784,118,968 and final expenses budget of Kshs.2,194,529,776 resulting to budget deficit of Kshs.410,410,808 contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 on budget guidelines which provides that at all times during budget formulation and approval the budget shall be balanced.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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 control, 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 the Board of Directors

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 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, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Council's ability 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 Council 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, revenue transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Council's revenue 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 audit is planned and performed to express a conclusion about 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.

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 non-compliance. 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 Council's ability to sustain 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 Council to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the revenue 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 Council 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 February, 2024

NATIONAL SYNDIC DISEASES CONTROL COUNCIL

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FOR THE YEAR ENDED JUNE 30, 2023


14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2023

	Note	2022/2023 Ksh	2021/2022 Ksh
Revenue from non-exchange transactions			
Transfers from other government entities	6	959,090,304	972,500,000
Public contributions and donations	7	80,146,805	30,765,231
Deferred revenue		300,000,000	-
		1,339,237,109	1,003,265,231
Revenue from exchange transactions			
Other income	8	3,627,188	9,732,410
		1,342,864,297	1,012,997,641
Expenses			
Use of Goods and services	9	901,387,096	677,565,103
Employee costs	10	437,830,777	471,218,078
Council Expenses	11	10,891,912	15,364,670
Depreciation and amortization expense	12	43,175,903	19,353,795
Repairs and maintenance	13	14,960,392	16,582,754
		1,408,246,080	1,200,084,400
Other gains/(losses)			
Gain on sale of assets	14	156,020	352,920
		(65,225,763)	(186,733,839)
Deficit/Surplus before taxation			
Taxation	15	-	(1,302,974)
		(65,225,763)	(188,036,813)
Surplus/Deficit for the period			

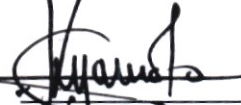
Note:

The reported deficit was occasioned by non-remittance of recurrent budgetary allocations amounting to Ksh 247.7 million meant to finance NSDCC programs and operations.


The notes set out on pages 59 to 76 form an integral part of these Financial Statements
The Financial Statements set out on pages 53 to 76 were signed on behalf of the Board by:


Name: Dr. Ruth Laibon-Masha
BOARD SECRETARY/CEO

Date: 20/12/2023


Name: Kenneth Nyamolo
Head of Finance
ICPAK MEMBER No: 6532

Date: 20/12/2023


Name: Mr. Geoffrey Mbirua Gitu
CHAIR, NSDCC BOARD

Date: 20/12/2023

NATIONAL SYNDemic DISEASES CONTROL COUNCIL


ANNUAL REPORT AND FINANCIAL STATEMENTS

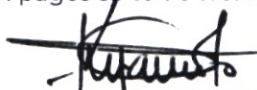
FOR THE YEAR ENDED JUNE 30, 2023


15. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2023

Assets	Note	2022/2023 Ksh	2021/2022 Ksh
Current assets			
Cash and cash equivalents	16	591,847,910	892,714,264
Inventories	17	1,791,236	13,514,027
Receivables from exchange transactions	18	31,642,992	57,124,046
Receivables from non exchange transactions	19	3,632,844	13,173,172
		628,914,982	976,525,509
Non-current assets			
Property, plant and equipment	20	140,971,798	159,294,159
Intangible assets	21	29,508,575	32,354,121
Total non-current assets		170,480,373	191,648,280
Total assets		799,395,355	1,168,173,789
Liabilities			
Current liabilities			
Trade and other payables	22	138,870	12,863,153
Provisions	23	4,200,000	7,900,000
Employee benefit obligation	24	94,401,734	80,819,287
Taxation	25	106,946	1,096,409
Total current liabilities		98,847,550	102,678,849
Non Current liabilities			
Deffered Revenue	26	186,000,000	486,000,000
Total non-current liabilities		186,000,000	486,000,000
Total liabilities		284,847,550	588,678,849
Net assets		514,547,805	579,494,940
Funds and reserves			
Revaluation reserve	27	138,239,752	137,961,123
Accumulated surplus		376,308,053	441,533,816
Total funds and liabilities		514,547,805	579,494,940

The Financial Statements set out on pages 53 to 76 were signed on behalf of the Board by:


 Name: Dr. Ruth Laibon-Masha
 BOARD SECRETARY/CEO


 Name: Kenneth Nyamolo
 Head of Finance
 ICPAK MEMBER No: 6532


 Name: Mr. Geoffrey Mbirua Gitu
 CHAIR, NSDCC BOARD

Date: 20/12/2023

Date: 20/12/2023

Date: 20/12/2023

NATIONAL SYNDemic DISEASES CONTROL COUNCIL

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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023


	ACCUMULATED SURPLUS Ksh	REVALUATION RESERVE Ksh	TOTAL Ksh
Balance as at June 30, 2021	629,570,629	205,022,343	834,592,974
Surplus for the year	(188,036,813)	-	(188,036,813)
Adjustment during the year	-	(67,061,221)	(67,061,221)
Balance as at June 30, 2022	<u>441,533,816</u>	<u>137,961,122</u>	<u>579,494,940</u>
Surplus for the year	(65,225,763)	-	(65,225,763)
Adjustment during the year	-	278,630	-
Balance as at June 30, 2023	<u>376,308,053</u>	<u>138,239,752</u>	<u>514,269,176</u>

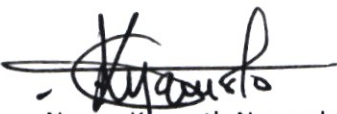
NATIONAL SYNDemic DISEASES CONTROL COUNCIL
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 FOR THE YEAR ENDED JUNE 30, 2023

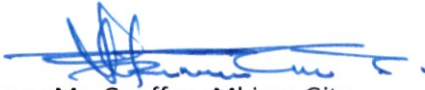
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2022/2023 Ksh.	2021/2022 Ksh.
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		959,090,304	972,500,000
Public contributions and donations		80,146,805	30,765,231
Other income		3,627,188	9,732,410
Total receipts		1,042,864,297	1,012,997,641
Payments			
Use of goods and services		858,474,224	368,515,807
Employee costs		437,830,777	471,218,078
Board Expenses		10,891,912	15,364,670
Repairs and maintenance		14,960,392	16,582,754
Total payments		1,322,157,305	871,681,309
Net cash flows from/(used in) operating activities	29	(279,293,008)	141,316,332
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(21,729,366)	(21,127,378)
Proceeds from sale of PPE		156,020	521,088
Net cash flows from/(used in) investing activities		(21,573,346)	(20,606,290)
Net increase/(decrease) in cash & Cash equivalents		(300,866,354)	120,710,042
Cash and cash equivalents at 1 July	16	892,714,264	772,004,222
Cash and cash equivalents at 30 June		591,847,910	892,714,264

The Financial Statements set out on pages 53 to 76 were signed on behalf of the Board by:


 Name: Dr. Ruth Laibon-Masha
 BOARD SECRETARY/CEO
 Date: 20/12/2023


 Name: Kenneth Nyamolo
 Head of Finance
 ICPAK MEMBER No: 6532
 Date: 20/12/2023


 Name: Mr. Geoffrey Mbirua Gitu
 CHAIR, NSDCC BOARD
 Date: 20/12/2023

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023						
	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference(%)
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	
Revenue	Ksh	Ksh	Ksh	Ksh	Ksh	
Balance of funds brought forward	187,081,358	-	187,081,358	187,081,358	-	0%
Appropriations In Aid (AIA)	90,037,610		90,037,610	83,773,993	6,263,617	7%
Government grants and subsidies-recurrent	877,000,000		877,000,000	690,250,000	186,750,000	21%
Government grants & subsidies-development						
i) Elimination of Mother to Child Transmission of HIV	51,600,000		51,600,000	30,000,000	21,600,000	28%
ii) Data infrastructure -situation room	78,400,000		78,400,000	39,000,000	39,400,000	20%
Grants from development partners	633,475,887	(433,475,887)	200,000,000	199,840,304	159,696	0%
Tripple Threat	300,000,000		300,000,000	300,000,000	-	
Interest on deposits						
Total income	2,217,594,855	(433,475,887)	1,784,118,968	1,529,945,655	254,173,313	14%
Expenses						
Compensation of employees	468,760,616		468,760,616	437,830,777	30,929,839	7%
Rent paid	8,000,000		8,000,000	72,427,766	(4,427,766)	-7%
Other payments (program and admin costs)	1,961,245,047	(433,475,887)	1,527,769,160	785,811,634	871,957,526	53%
i) Elimination of Mother to Child Transmission of HIV	51,600,000		51,600,000	30,000,000	21,600,000	0%
ii) Data infrastructure -situation room	78,400,000		78,400,000	39,000,000	39,400,000	0%
Total expenditure	2,628,005,663	(433,475,887)	2,194,529,776	1,365,070,176	898,459,599	41%
Operating surplus				164,875,479		

NATIONAL SYNDemic DISEASES CONTROL COUNCIL
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Statement of Budget /Statement of Financial Performance reconciliation

Operating surplus	164,875,479
Adjustment for:	
Fund balance brought forward	(187,081,358)
Taxation	-
Depreciation	(43,175,903)
Gain on disposal	156,020
Deficit as per statement of financial performance	(65,225,763)

Explanations for the variances

During the year under review, the NSDCC received partial funding, 79% for recurrent and 53% for development votes. This resulted in the 21% variance in budgeted revenue under Government grants and subsidies-recurrent vote line. For the development vote line, non-disbursement of allocated funds resulted in 28% and 20% variance in the Elimination of Mother To Child Transmission of HIV and Data infrastructure projects respectively.

The above shortfall in budget revenue affected budgeted utilization resulting in 53% variance in expenditure on other payments -programs and administrative costs.

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The NSDCC was established under Section 3 of the State Corporations Act Cap 446 and derives its authority and accountability from Legal Notice No. 170 of 1999 and the State Corporations Act. The NSDCC is wholly owned by the Government of Kenya and is domiciled in Kenya. The NSDCC principal activity is Coordination of the HIV and AIDS response in Kenya

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 NSDCC accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NSDCC.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act Cap 466, 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 2023.***

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> · Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; · Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and · Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>This standard has no impact on NSDCC.</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and

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Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. This standard has no impact on NSDCC.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. This standard has no impact on NSDCC.
Other improvements to IPSAS	Applicable 1st January 2023 <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. This standard has no impact on NSDCC.

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	Applicable 1st January 2025 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. State the expected impact of the standard to the Entity if relevant
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. State the expected impact of the standard to the Entity if relevant

ii. Early adoption of standards

The NSDCC did not early – adopt any new or amended standards in year 2022/2023

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 entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized as deferred revenue in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

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

b) Budget information

The original budget for the current financial year was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. The NSDCC did not have additional appropriations for the financial year.

The NDSCC'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 financial performance has been presented under Statement of Comparison of Budget and Actual of these financial statements.

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c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the *Entity* operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The NSDCC's operations are fully funded by the National Government and are therefore not subject to taxes. Taxes withheld from employees and suppliers of goods and services are remitted as required. Any unremitted amounts are included in the accounts payables.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

The annual depreciation rates are calculated using reducing method. The rates in use are:

Nature of Asset	Rate
Motor Vehicle	25%
Computers	33.3%
Office Equipment	20%
Furniture and Fitting	12.5%
Computer software amortization	12.5%

e) Leases

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

f) Intangible assets

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

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e) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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.

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Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 5

b. Financial liabilities

Classification

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

f) Inventories

Inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of cost and net realizable value. 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 of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the NSDCC.

g) Provisions

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

Where the NSDCC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

h) Contingent liabilities

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

i) Contingent assets

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

j) Nature and purpose of reserves

The NSDCC created and maintains accumulated surplus as a revaluation reserve. Any surplus or deficits at the end of the financial year are transferred into this reserve.

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k) Changes in accounting policies and estimates

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

l) Employee Benefits

Retirement benefit plans

The NSDCC provides gratuity benefits for its employees. The amount is calculated at 31% of basic pay for the duration of the three-year renewable contract. The amount earned during the year are expensed in statement of financial performance and recognized as a current liability in the statement of financial position. The earned amount is payable at the end of the employees' contract or when exiting the NSDCC.

m) Foreign currency translations

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

n) Related parties

The NSDCC 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 NSDCC, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

o) 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 do not include short term cash imprest and advances to authorized public officers and/ or institutions which were not surrendered or accounted for at the end of the financial year.

p) Comparative figures

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

q) 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, 2023.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the NSDCC'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 NSDCC

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based its assumptions and estimates on parameters available when the 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 NSDCC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 23 - 25. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

	2022/2023	2021/2022
6 Transfers from Other Government entities	Ksh	Ksh
Un-conditional grants		
GOK-Recurrent	690,250,000	747,000,000
GOK-Development	69,000,000	125,500,000
Global Fund Grants	199,840,304	100,000,000
	<u>959,090,304</u>	<u>972,500,000</u>
7 Public contributions and donations		
Funding partner		
Georgetown University	78,402,580	12,744,170
UNDP /UNFPA/UNICEF/UNOP/WHO	1,544,225	16,523,015
Other miscellaneous donations and support	200,000	1,498,046
	<u>80,146,805</u>	<u>30,765,231</u>
8 Other Income		
This represents interest earned from bank deposits during the period.		
Interest earned	3,627,188	9,732,410

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	2022/2023	2021/2022
9 Use of Goods and Services	Ksh	Ksh
Program travel expense	476,381,782	327,995,769
Design printing and publishing	82,703,833	26,537,528
Hire charges	91,178,376	63,325,416
Advertisement	18,548,372	32,201,353
Consulting fees	35,825,458	42,754,058
Audit fees	3,700,000	4,000,000
Consumables	7,908,826	7,837,404
Utilities	2,318,747	3,587,002
Fuel and Lubricants	24,339,536	14,660,960
General Insurance	5,467,906	4,947,265
Licenses and permits	14,842,406	16,457,791
Postage	373,361	695,210
Stationery	23,307,473	16,225,409
Rent	72,427,766	65,257,867
Security costs	1,764,191	1,978,598
Telecommunication	16,120,541	21,380,025
Staff Training	8,606,741	11,704,221
Membership and subscriptions	1,470,957	1,602,816
Other General expenses	10,215,878	10,120,006
Bank charges	3,884,946	4,296,405
	<u>901,387,096</u>	<u>677,565,103</u>
10 Employee costs		
Basic Salary	218,170,932	225,680,008
House Allowance	55,912,287	59,487,684
Remuneration Allowances	28,895,380	30,995,096
Staff Gratuity	74,428,470	59,159,289
Staff Medical Insurance	43,750,325	41,083,786
Other Allowances	4,383,960	12,592,514
Non-Practicing allowance	960,000	1,240,000
Acting/Special duty Allowance	169,411	2,253,385
Leave allowance	3,388,516	3,376,579
Employer NSSF Contribution	1,015,120	367,800
CACC responsibility allowances	6,648,376	34,497,562
Casual wages	108,000	484,375
	<u>437,830,777</u>	<u>471,218,078</u>

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	2022/2023	2021/2022
11 Council Expenses	Ksh	Ksh
Sitting Allowance	5,440,000	6,320,000
Meal Allowance	264,000	222,000
Per Diem Allow	2,560,652	4,900,560
Chair Honoraria	1,042,530	1,044,000
Medical insurance	567,320	491,987
Mileage reimbursement	-	182,223
Other Expenses	1,017,410	-
Board Training	-	2,203,900
	<u>10,891,912</u>	<u>15,364,670</u>
12 Depreciation and amortization expense		
Motor Vehicles Depreciation	22,093,958	8,034,167
Computer equipment depreciation	9,787,093	6,532,331
Office Equipment Depreciation	3,558,848	2,118,936
Furniture & Fittings Depreciation	3,597,458	1,255,696
Computer software amortization	4,138,546	1,412,665
	<u>43,175,903</u>	<u>19,353,795</u>
13 Repairs and maintenance		
Repairs and Maintenance General	6,411,783	5,873,642
Motor Vehicles Repairs & Maintenance	7,076,113	10,043,382
Office Equipment Repairs	1,472,496	665,730
	<u>14,960,392</u>	<u>16,582,754</u>
14 Gain on sale of assets		
During the year under review, NSDCC received compensation for lost items resulting a gain		
Proceeds from insurance compensation/sale	156,020	521,088
Less Cost of items disposed	251,800	(810,321)
Add Accumulated depreciation	(251,800)	642,153
	<u>156,020</u>	<u>352,920</u>
15 Taxation expense		
Tax charged on interest income	-	1,302,974

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	2022/2023	2021/2022
	Ksh	Ksh
16 Cash and cash equivalents		
During the financial year, the NSDCC opened two new bank account.		
ABSA Bank -Recurrent vote account	62,859,730	17,533,231
Stanchart -UNDP project account	2,579,816	2,460,056
NCBA Bank -UNFPA Operating project account	223,165	2,000,711
ABSA Bank -Development vote account	299,831,784	660,161,491
NCBA GLOBA FUND-KN-H-TNT-1547	105,387,132	169,548,127
NCBA Bank- Gratuity Fund Account	20,861,004	39,653,458
KCB-NSDCC Staff Mortgage scheme	70,000,000	-
KCB-NSDCC Car Loan Scheme	30,000,000	-
Co-op Bank Coast	805	204,139
Co-op Bank Garissa and Tana River	-	1,290
Co-op Bank Wajir and Mandera	463	490
Co-op Bank Machakos	569	1,431
Co-op Bank Nairobi	31,193	163,653
Co-op Bank Eastern (Isiolo)	3,402	1,344
Co-op Bank Eastern (Embu)	1,417	27,585
Co-op Bank South Rift (Nakuru)	2,473	211,178
Co-op Bank Nyanza -Kisii	-	55,286
Co-op Bank Nyanza - H/Bay	3,001	5,956
Co-op Bank Nyanza - Kisumu	25,050	246,450
Co-op Bank Western - Bungoma	10,386	22,898
Co-op Bank Western - Kakamega	6,368	8,842
Co-op Bank North Rift - Lodwar	3,043	1,867
Co-op Bank North Rift - Kitale	-	249,197
Co-op Bank North Rift - Eldoret	364	137,124
Co-op Bank - Central- Nyeri	16,608	17,142
Co-op Bank - South Rift (Nyahururu)	137	1,318
	591,847,910	892,714,264
17 Inventories		
Office consumables	1,791,236	13,514,027
18 Receivables from exchange transactions		
Deposits	10,009,348	10,009,348
Prepayments	21,633,644	47,114,698
	31,642,992	57,124,046

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	2022/2023	2021/2022
	Ksh	Ksh
19 Receivables from non-exchange transactions		
NSDCC Field Office Advance	4,148,912	8,587,792
Advances to District Technical Committees	19,820,858	19,820,858
Advance to TOWA project Financial Management Agency	47,020,210	47,020,210
Direct advances to implementers	3,316,375	2,952,973
Advances to Constituency AIDS Committees	909,127	7,294,776
Advances - World AIDS Day	2,161,700	2,161,700
AIDS Control Units Advances	3,835,024	3,697,926
Staff Imprest Advances	3,722,872	2,313,370
Other advances	257,858	883,659
Less Impairment	(81,560,092)	(81,560,092)
	<u>3,632,844</u>	<u>13,173,172</u>

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20. Property, plant and equipment

	Motor Vehicles	Computers	Office Equipment	Furniture & fittings	Total
Cost	Ksh	Ksh	Ksh	Ksh	Ksh
At 30 June 2021	432,535,358	154,856,154	93,810,028	93,102,374	774,303,913
Additions	-	13,727,878	6,114,814	1,216,100	21,058,792
Revaluation	(63,725,000)	5,244,733	4,948,600	16,199,800	(37,331,867)
Disposal	(263,250)	(547,071)	-	-	(810,321)
At 30 June 2022	368,547,108	173,281,694	104,873,442	110,518,274	757,220,518
Adjustments	-	379,972	-	-	379,972
Disposal	-	251,800	-	-	251,800
Additions	-	18,888,846	1,547,520	-	20,436,366
At 30 June 2023	368,547,108	192,802,312	106,420,962	110,518,274	778,288,656
Depreciation					
At 30 June 2021	272,400,358	142,526,423	85,319,028	80,381,574	580,627,383
Depreciation	8,034,167	6,532,331	2,118,936	1,255,696	17,941,130
Disposal	(263,250)	(378,903)	-	-	(642,153)
Transfer/adjustment	-	-	-	-	-
At 30 June 2022	280,171,275	148,679,851	87,437,964	81,637,270	597,926,359
Depreciation	22,093,958	9,787,093	3,558,848	3,597,458	39,037,357
Disposal	-	251,800	-	-	251,800
Transfer/adjustment	-	-	-	101,342	101,342
At 30 June 2023	302,265,233	158,718,744	90,996,811	85,336,070	637,316,858
Net book values					
At 30 June 2023	66,281,875	34,083,568	15,424,150	25,182,204	140,971,798
At 30 June 2022	88,375,833	24,601,843	17,435,478	28,881,004	159,294,159

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21 Intangible assets

Computer Software	2022/2023	2021/2022
	Ksh	Ksh
Cost		
At beginning of the year	33,766,786	63,427,555
Additions	1,293,000	68,586
Revaluation adjustment	-	(29,729,355)
At end of the year	35,059,786	33,766,786
Amortization and impairment		
At the beginning of the year	(1,412,665)	-
Amortization	(4,138,546)	(1,412,665)
At end of the year	(5,551,211)	(1,412,665)
NBV	29,508,575	32,354,121

		2022/2023	2021/2022
		Ksh	Ksh
22 Trade and other payables from exchange transactions			
Payable to suppliers of goods and services		138,000	12,811,297
Other payables		870	51,856
-	-	138,870	12,863,153
23 Provisions			
Audit fees	Opening balance	7,900,000	7,600,000
	Payments during the year	(7,400,000)	(3,700,000)
	Provision for the year	3,700,000	4,000,000
	Closing balance	4,200,000	7,900,000
24 Employee benefit obligation			
Staff gratuity	Opening balance	80,819,287	115,376,037
	Payments during the year	(60,846,023)	(93,716,039)
	Provision for the year	74,428,470	59,159,289
	Closing balance	94,401,734	80,819,287
25 Tax payable			
	Tax payable at beginning of the year	1,096,409	12,147,048
	Income tax charge for the year (note 17)	-	1,302,974
	Income tax paid during the year	(989,463)	(12,353,613)
	At end of the year	106,946	1,096,409

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26	Deferred revenue	'2022/2023	'2021/2022
		Ksh	Ksh
	This refers to funds disbursed for capital projects that had not been utilized.		
	Opening balance	486,000,000	100,000,000
	Addition during the year	-	386,000,000
	Transferred during the year	<u>(300,000,000)</u>	<u>-</u>
		<u>186,000,000</u>	<u>486,000,000</u>
27	Revaluation reserve		
	The NSDCC carried out a revaluation of all non current asset during the FY 2021/22 resulting in creation of a Ksh 205,022,345 revaluation reserve as follows;		
	Opening balance	137,961,122	205,022,345
	Adjustments -Property plant and equipment	278,630	(37,331,867)
	Adjustments -Intangible assets	-	(29,729,355)
		<u>138,239,752</u>	<u>137,961,123</u>
28	Provision for doubtful debts	2022/2023	2021/2022
	The outstanding advances listed below were considered doubtful	Ksh	Ksh
	First World AIDS Day Commemoration Advance	2,161,700	2,161,700
	AIDS Control Units Advances	3,697,926	3,697,926
	District Technical Committees	19,613,358	19,613,358
	Advances to former employees	2,216,487	2,216,487
	Community Based Organizations TOWA Project Sub-implementers Advances	782,283	782,283
		<u>53,088,338</u>	<u>53,088,338</u>
		<u>81,560,092</u>	<u>81,560,092</u>

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29 Cash generated from operations	2022/2023	2021/2022
	Ksh.	Ksh.
(Deficit)for the year before tax	(65,225,763)	(188,036,809)
Adjustments for:		
Depreciation	43,175,903	19,353,795
Gain on asset disposal	(156,020)	(352,920)
Working capital changes		
Decrease in trade and other payables	(303,831,299)	348,754,474
Decrease in inventories	11,722,791	(1,813,688)
Decrease in trade and other receivables	<u>35,021,380</u>	<u>(36,588,514)</u>
Cash flows from operating activities	(279,293,008)	141,316,338

30. Related party disclosures

a) Government Transfers through parent ministry	959,090,304	972,500,000
b) Management remuneration		
Board emoluments	10,891,912	15,364,670
Compensation to the CEO	8,969,132	8,969,132
Compensation to key management	79,047,503	71,851,815
	<u>98,908,547</u>	<u>96,185,617</u>

31. Financial Risk Management

The NSDCC activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The corporation's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Council of the board has the overall responsibility for the establishment and oversight of the NSDCC risk management framework. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

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

1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The NSDCC credit risk is primarily attributable to its liquid funds with financial institutions staff receivables as well as fund advanced the regional offices and CACCs to undertake projects. The credit risk with financial institutions is low because the counter parties are banks with high credit rating. The financial assets are fully performing as NSDCC continues to enjoy services secured by these balances.

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Credit risk arising from cash and cash equivalents and trade and other receivables are managed in line with the corporation's credit policies as laid down by the board so as to ensure effective oversight and reduction of credit risk.

The NSDCC maximum exposure to credit risk as at 30th June 2023 is analyzed in the table below:

	Total Amount Kshs	Fully Performing Kshs	Past Due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	31,642,992	31,642,992	-	-
Receivables from non-exchange transactions	85,192,936	3,632,844	-	81,560,092
Bank balances	591,847,910	591,847,910	-	-
Total	708,683,838	627,123,746	-	81,560,092
At 30 June 2022				
Receivables from exchange transactions	57,124,047	57,124,047	-	-
Receivables from non-exchange transactions	94,733,263	13,173,171	-	81,560,092
Bank balances	892,714,269	892,714,269	-	-
Total	1,044,571,579	963,011,487	-	81,560,092

2) Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The NSDCC approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed economic conditions.

The NSDCC manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The institution derives most of its income from the government (94% for the financial year 2022/2023). Thus, risks faced by the central government's revenue raising abilities directly impact the NSDCC. In a bid to cushion Kenyans against adverse economic and financial effects from the pandemic, the government introduced the Tax Laws (Amendment) Act, 2020 that reduced the government's revenue. Though the government later sought to reduce the income gap through the Finance Act, 2020, it remains to be seen what effect this will have on the government's revenue raising abilities and NSDCC's future revenue from non-exchange transactions.

3) Market risk

The NSDCC takes on exposure to market risk, which is the risk that changes in the market prices, such as interest rates and foreign exchange rates will affect the Council cashflow or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Monitoring of risk exposures is done by the management in conjunction with the Board of the Council. Market risk exposures are measured using sensitivity analyses. The NSDCC market risk exposures related primarily to foreign currency risk and interest rate risk.

a) Foreign currency risk

The NSDCC has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices

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denominated in foreign currencies are converted at the time of payment is done using the prevailing spot exchange rate.

The main foreign currency risk faced by the NSDCC is in regard to the payment of lease obligations for the corporations Head Office occupancy (further details can be found in the lease obligations footnote). These payments are made in US dollars and an adverse effect in US dollars would mean higher lease rentals. The Kenya shilling depreciated on an average 9% to the US Dollar making the rent payments in Kenya Shillings appreciate by the same percentage rate. A further weakening of the shilling would make future lease obligations more expensive. This results in exposure to exchange rate fluctuations. The Council does not hedge its foreign currency risk.

In light of the above, any adverse movement in exchange rates may result in either exchange gain or loss, with the latter having a negative impact on earnings, as the Council reports its financial performance in Kenya shillings

b) Interest rate risk

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

Management of interest rate risk.

To manage the interest rate risk, management has endeavored to bank with tier 1 banking institutions that offer favorable and stable interest rates on the NSDCC institutions deposits. While this offers some level of mitigation against unfavorable movements in interest rates, it does not eliminate this risk.

Interest income has however represented only 1% of our total income over the last two financial years and thus any move by the banks to reduce the interest payable on deposits should not have a materially adverse effect on the NSDCC institution's capabilities to perform its core functions.

33 Events after the Reporting Period

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

34 Ultimate and Holding Entity

The NSDCC is a State Corporation under the Ministry of Health. Its ultimate parent is the Government of Kenya.

35 Currency

The financial statements are presented in Kenya Shillings (Ksh).

36 Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The NSDCC did not make any surplus during the year and hence no remittance to the Consolidated Fund.

20. APPENDIX

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no serious governance or financial probity issues raised from the annual audit of NSDCC for the financial year 2021/22 by the Office of the Auditor General.



Dr. Ruth Laibon-Masha

Chief Executive Officer

APPENDIX II

PROJECTS IMPLEMENTED BY THE NSDCC

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1 Report For The Global Fund HIV/AIDS Project	Grant Number Ken-H-Tnt-2065	The Global Fund	July 2021 to June 2024	Ksh 892,073,176	Yes	Yes

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APPENDIX III

INTER-ENTITY TRANSFERS

ENTITY NAME:		National Syndemic Disease Control Council (NSDCC)	
Break down of Transfers from the Ministry of Health			
FY 2022/2023			
a.	Recurrent Grants		
	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
	17/08/2022	73,083,333	2022/2023
	8/9/2022	73,083,333	2022/2023
	5/10/2022	73,083,333	2022/2023
	14/11/2022	73,083,333	2022/2023
	13/12/2022	73,083,333	2022/2023
	10/1/2023	73,083,333	2022/2023
	15/02/2023	73,083,333	2022/2023
	28/03/2023	73,083,333	2022/2023
	28/03/2023	73,083,333	2022/2023
	19/06/2023	32,500,000	2022/2023
	Total	690,250,000	
b.	DEVELOPMENT GRANTS		
	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
	03/07/2023	30,000,000	2022/2023
	03/07/2023	39,000,000	2022/2023
	Total	69,000,000	
c.	DONOR RECEIPTS		
	<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
	GLOBAL FUND	24/04/2023	99,840,303.65
		14/06/2023	100,000,000
	Total		199,840,303.65

The above amounts have been communicated to and reconciled with the parent Ministry.

CPA, CS Kenneth Nyamolo
Ag. Deputy Director Finance & Administration
NACC

Signature:

Date:

10/8/2023



Head of Accounting Unit
Ministry of Health

Signature:

Date:

