

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

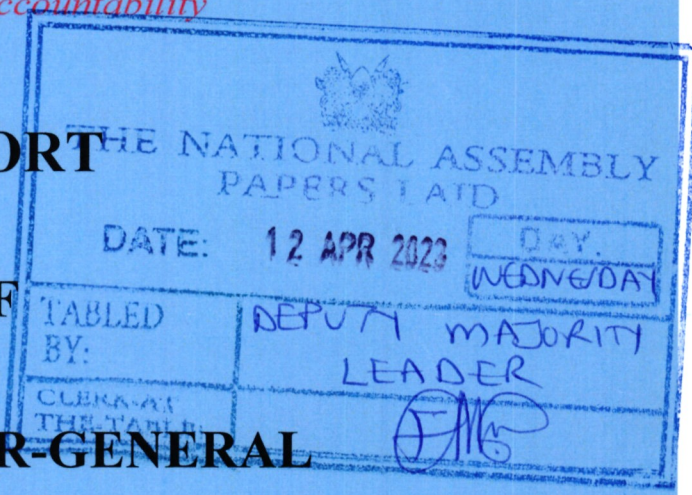
THE AUDITOR-GENERAL

ON

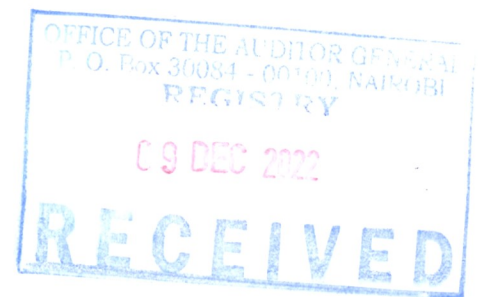
GLOBAL FUND - TO REDUCE MORBIDITY AND MORTALITY CAUSED BY MALARIA IN THE VARIOUS EPIDEMIOLOGICAL ZONES BY TWO-THIRDS OF THE 2015 LEVEL BY 2020 PROGRAM - KEN-M-TNT, GA 1546

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

THE NATIONAL TREASURY







**PROJECT NAME: TO REDUCE MORBIDITY AND MORTALITY CAUSED BY
MALARIA IN THE VARIOUS EPIDEMIOLOGICAL ZONES BY TWO THIRDS OF
THE 2015 LEVEL BY 2020**

IMPLEMENTING ENTITY: THE NATIONAL TREASURY

PROJECT GRANT/CREDIT NUMBER: KEN-M-TNT, GA 1546

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2022

Table Contents

1. Project Information and Overall Performance.....	iv
2. Statement Of Performance Against Project’s Predetermined Objectives.....	xiii
3. Environmental and Sustainability Reporting.....	xvi
4. Statement Of Project Management Responsibilities	xviii
5. Report Of the Independent Auditor on The Project.....	xx
6. Statement Of Receipts and Payments for The Year Ended 30th June 2022.....	1
7. Statement of Financial Assets As at 30 th June 2022	3
8. Statement of Cashflow for the Year Ended 30 th June 2022.....	4
9. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 th June 2022.....	6
10. Significant Accounting Policies	7
11. Notes To the Financial Statements	11
12. Other Important Disclosures.....	Error! Bookmark not defined.
13. Progress On Follow Up Of Prior Year Auditor’s Recommendations	21
14. Annexes	23

1. Project Information and Overall Performance

1.1 Name and registered office

Name

The project's official name is **To reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the 2015 level by 2020,**

Objective

The key objective of the project is to reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020,

Address

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

The address of its registered office is:

The National Treasury
Treasury Building, 11th Floor
Harambee Avenue
P.O Box 30007-00100
Nairobi

Contacts: The following are the project contacts

P.O. Box: 30007-00100
Telephone: (254) (020) 2252299
E-mail: ps@treasury.go.ke
Website: www.treasury.go.ke

Project information and overall performance (continued)

1.2 Project Information

Project Start Date:	The project start date is 01.01.2018
Project End Date:	The project end date is 30.06.2021
Project Manager:	The project manager is Mr. Stephen I. Muiruri
Project Sponsor:	The project sponsor is the Global Fund

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury Ministry.
Project number	KEN-M-TNT,GA1546
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) To have at least 80% of people living in malaria risk areas using appropriate malaria preventive interventions by 2020 (ii) To have 100% of all suspected malaria cases presenting to a health provider managed according to the national malaria treatment guidelines by 2020; and (iii) To increase utilization of all malaria control interventions by target communities in Kenya to at least 80% by 2020 and sustain thereafter
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Use of LLINs distributed through mass campaigns and routine through maternal and child health clinics; (ii) Implement IRS as a component of insecticide resistance management to protect the efficacy of the LLINs; (iii) Scale up access to prompt and effective treatment through provision of ACTs, improve the capacity of

	<p>healthcare workers, strengthen diagnostics and scale up community case management;</p> <p>(iv) Increase early ANC attendance as one of the strategies to enhance IPTp uptake, up to IPTp-3;</p> <p>(v) Strengthen county SBCC structures, while sustaining and increasing the uptake of key malaria control interventions;</p> <p>Ensure that all malaria indicators are routinely monitored, reported and evaluated in all counties through routine information systems and periodic surveys.</p>
Other important background information of the project	The project started on 1st January 2018 up to 30 th June 2021.
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) Malaria Prevention</p> <p>(ii) Malaria Treatment</p>
Project duration	The project started on 1st January 2018 and is expected to run until 30 June 2021

Project Information and Overall Performance (Continued)

1.4 Bankers

The following are the bankers for the current year:

(i) PROJECT SPECIAL BANK ACCOUNT

NCBA Bank Ltd
 Account No.: 1005429982

(ii) LOCAL ACCOUNT

NCBA Bank Ltd
 Harambee Branch
 NAIROBI
 Account No: 1005363717

1.5 Auditors

The project is audited by the Office of the Auditor General-Kenya

1.6 Roles and Responsibilities

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

Names		Title designation	Key qualification	Responsibilities
Dr Julius Muia, CBS	PhD,	Principal Secretary National Treasury	PhD,CPA(K),CPS(K)	Accounting Officer
Stephen Muiruri	I.	Director, Planning	MA ECONOMETRIC, BA(Econ)	Current Coordinator
Feisal Mohamed	A.	Assistant Director	MSc Comparative Economics, BSc Political Financial	Deputy Global Fund Coordinator

*To reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project
Annual Report and Financial Statements for the financial year ended 30th June, 2022*

		Mathematics	
Anthony Miiru	Program Officer-Malaria	Bachelor in Environmental Health	Malaria Programme Officer
Dr Kimuu Peter	Senior Program Officer-TB	MBChB, MSC, DLSHTM, DQHC& DTMPH	Senior Prograame Officer
Dr Clare Obonyo	Pharmacist	MPH, B.Pharmacy, Higher Dip in MIS	Pharmacist
Simon Kibia	Senior Finance Officer-Malaria	BA(Econ),CPA(K)	Senior Finance Officer
Cornelius Muthiani	Finance Officer-TB	EXECUTIVE MBA,BCOM,CPA(K)	Finance Officer TB
Catherine A.Maneno	Finance Officer - HIV	MSC(FIN),BCOM (FIN),CPA(K),DIP IN ACCTS.	Finance Officer HIV
Fridah K.Matumo	Accounts Assistant	BA,CPA(K)	Accounts Assistant
Teresa W.Kariuki	Internal Auditor-TB	BCOM(FIN) CPA SEC4	Internal Auditor
Kennedy Kithuka	Principal Internal Auditor	MBA,BA(ANTHROPOLOGY),CPA FINALIST	Internal Auditor in charge
Michael C. Mukanzi	Principal Accountant	BCOM (FINANCE), CPA (K), CIFA	Accountant-in-charge
Nancy Mbogo	Principal internal Auditor	CPA(K)	
Ronald Otsola	Accountant II	BCOM (FINANCE), CPA (K)	In-charge of Examination section

1.7 Funding summary

The Project is for duration of three (3) years from 2018 to 2021 with an approved budget of US\$.90,018,368 (equivalent to Kshs.**9,638,374,350**). The Project is being implemented by The National Treasury as the Principal Recipient and National Malaria Control Programme (NMCP) under Ministry of Health. However, we are only reporting on the National Treasury component as highlighted in the table below:

To reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project

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

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date -- (30 June 2022)		Undrawn balance to date	
	Donor currency (A)	Kshs (A')	Donor currency Kshs (B)	Kshs (B')	Donor currency Kshs/USD (A)-(B)	Kshs (A)-(B)
(i) Grant						
TNT	45,701,462.00	4,868,229,484.00	27,853,734.17	2,780,288,624.00	17,847,727.83	2,087,940,860.00
Cumulative Interest earned				1,055,096.00		
(ii) Counterpart funds						
Government of Kenya FY 2020/2021		634,000,000.00		633,971,795.00		28,205.00
Total	45,701,462.00	5,502,229,484.00	27,853, 734.17	3,415,315,515.00	17,847,727.83	2,087,969,065.00

10 reduce Mortality and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project
Annual Report and Financial Statements for the financial year ended 30th June, 2022

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative amount paid to date – (30 th June 2022)	Unutilised balance to date (30 th June 2022)	
	Donor currency	Kshs		Donor currency	Kshs
(i) Grant	(A)	(A')	(B')	(A)-(B)	(A')-(B')
TNT	27,853,734.17	2,780,288,624.00	2,773,607,536.00	57,343.47	6,681,088.00
Transfer to NFM 2			7,736,184.00		(7,736,184.00)
Cumulative interest earned		1,055,096.00			1,055,096.00
(ii) Counterpart funds					
Government of Kenya FY 2020/2021		633,971,795.00	633,971,795.00		-
Total	27,853,734.17	3,415,315,515.00	3,415,315,515.00	57,343.47	-

Project information and overall performance (continued)

1.8 Summary of Overall Project Performance:

- During the reporting period, the LLIN target was surpassed. The programme distributed 10.4 M LLINs against a target of 7.9 M LLINs. This was to adhere to the guidelines that were issued by the GF team regarding the NFM grant closure and therefore the LLINs earmarked for 2018 had to be brought forward and distributed/ committed before the grant closure.
- Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities- 90%
- Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities 96%
- Proportion of health facilities without stock outs of key commodities 83%
- Number of people with uncomplicated malaria receiving ACTs as per national treatment guidelines in the public sector 67%.

1.9 Summary of Project Compliance:

- The project has largely complied with the Global fund requirements as per the performance framework that was set during the Grant signing.
- On average the malaria programme maintained a rating of B1
- The project has largely complied with laws and regulations

2. Statement of Performance against Project’s Predetermined Objectives

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

The key development objective of the *project’s agreement/* plan is to:

- a) reduce malaria incidence and deaths by at least 75% of the 2016 level by 2023

Progress on attainment of Strategic development objectives

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

b)

Project	Objective	Outcome	Indicator	Performance
Global Fund Malaria KEN-M-TNT	1. To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023	Improved malaria case diagnosis	1. Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities	In 19/20FY, 53.5% of suspected malaria patients received a parasitological test (target – 70%)
		Improved malaria case treatment	2. Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities	In FY 19/20, 96% of confirmed malaria patients received first line anti-malarial treatment (target – 97%)

			3. Number of people with uncomplicated malaria receiving ACTs as per national treatment guidelines in the public sector	In FY 19/20, 5,282,666 the targeted 7,025,264 (75%) patients received ACTs as per national treatment guidelines
--	--	--	---	---

Progress on attainment of strategic development objectives

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

*To reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project
Annual Report and Financial Statements for the financial year ended 30th June, 2022*

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Global Fund Malaria KEN-M- TNT	1. To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023	Improved malaria case diagnosis	1. Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities	In 19/20FY, 53.5% of suspected malaria patients received a parasitological test (target – 70%)
		Improved malaria case treatment	2. Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities	In FY 19/20, 96% of confirmed malaria patients received first line anti-malarial treatment (target – 97%)
			3. Number of people with uncomplicated malaria receiving ACTs as per national treatment guidelines in the public sector	In FY 19/20, 5,282,666 of the targeted 7,025,264 (75%) patients received ACTs as per national

				treatment guidelines
--	--	--	--	-------------------------

3. Environmental and Sustainability reporting

Kenya is a malaria-endemic country with about 70 percent of the population at risk of the disease. Transmission is almost exclusively due to *P. falciparum*.

The transmission pattern is heterogeneous with stable transmission in eight counties around Lake Victoria in Western Kenya and five counties in the coastal region.

However, transmission is unstable in ten counties in epidemic prone western highlands of the country and fourteen largely arid and semi-arid counties in northern and south-eastern parts of the country that are characterized by intense transmission during rainfall seasons. The central highlands of the country including Nairobi remain a low risk transmission zone.

About 30% of Kenyan population is to be found in the Lake and Coastal endemic regions, 22% in seasonal transmission areas and 20% in epidemic prone region.

The key strategies for malaria control in Kenya include improved malaria case management using Artemisinin-based combination Therapy (ACT) and management of Malaria in Pregnancy (MIP) including use of Insecticide Treated Nets (ITNs) and Intermittent Preventive Treatment (IPTp),

Further, the country has adopted the Global Malaria Action Plan for a Malaria Free World with emphasis on the need for rapid scale-up of key malaria prevention interventions. The prevention interventions include widespread use of Long-Lasting Insecticidal Nets (LLINs) by people at risk for malaria based on research findings that had demonstrated their effectiveness in reducing all-cause malaria mortality and morbidity in young children.

Global Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

1. Community Engagements

The Global Fund Malaria Project provides additional resources that prioritize facility-based treatment services, prevention efforts involving Long Lasting Insecticidal Nets (LLINs), surveillance, monitoring and evaluation.

4. Statement of Project Management responsibilities

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Global Fund Unit are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2022.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

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


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

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for **Global Fund Project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received

during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

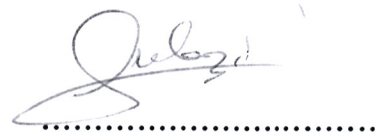
The Project financial statements were approved by the *Principal Secretary* for the National Treasury and the *Project Coordinator* for **Global Fund Project** on 30th September, 2022 and signed by them.



Dr. Julius Muia, PhD,
CBS
Principal Secretary



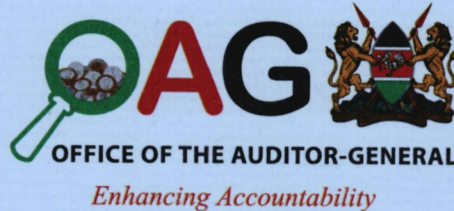
Stephen I. Muiruri
Project Coordinator



Michael C. Mukanzi
Project Accountant
ICPAK Member No.17538

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND - TO REDUCE MORBIDITY AND MORTALITY CAUSED BY MALARIA IN THE VARIOUS EPIDEMIOLOGICAL ZONES BY TWO-THIRDS OF THE 2015 LEVEL BY 2020 PROGRAM - KEN-M-TNT, GA 1546 FOR THE YEAR ENDED 30 JUNE, 2022 - THE NATIONAL TREASURY

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 of the Auditor-General on Global Fund - To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two-Thirds of the 2015 Level by 2020 Program - KEN-M-TNT, GA 1546 for the year ended 30 June, 2022 - The National Treasury

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Global Fund - To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two-Thirds of the 2015 Level by 2020 Program set out on pages 1 to 22, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the of Global Fund - To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two-Thirds of the 2015 Level by 2020 Program as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement No. KEN-M-TNT, GA 1546 dated 15 December, 2017 between the Global Fund and The National Treasury of the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

Basis for Qualified Opinion

Unsupported Expenditure - Counterpart Funding

As previously reported, the statement of receipts and payments reflects comparative receipts from the Government of Kenya (Counterpart funding) of Kshs.383,971,795 for the financial year ended 30 June, 2021 and cumulative to-date from inception balance of Kshs.633,971,795. However, Management has not analyzed the expenditure to indicate how the balance has been built up since the inception of the Program. Further, although the amount had previously been omitted in the audited financial statements for previous years, the balances had not been marked as restated on the face of the financial statements.

In the circumstances, the accuracy and completeness of the reported cumulative receipts from Government of Kenya of Kshs.633,971,795 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Global Fund - To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two-Thirds of the 2015 Level by 2020 Program 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 qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Global Fund, I report based on my audit that:

Report of the Auditor-General on Global Fund - To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two-Thirds of the 2015 Level by 2020 Program - KEN-M-TNT, GA 1546 for the year ended 30 June, 2022 - The National Treasury

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Program, so far as appears from the examination of those records; and,
- iii. The Program's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Program's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Program or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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 and that public resources are applied in an effective way, 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 audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 control 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 ability to

continue 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 Program to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 November, 2022

to reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project
Annual Report and Financial Statements for the financial year ended 30th June, 2022

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

	Note	2021-2022		2020-2021		Total	Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties		
Receipts		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts from Government (CPF)	1	-	-	383,971,795		383,971,795	633,971,795
Proceeds from domestic and foreign grants	2	750,690,459		750,690,459	1,650,400,053	1,650,400,053	2,780,288,624
Miscellaneous receipts	3	-	-		314,233	314,233	1,055,096
Total receipts		750,690,459		750,690,459	2,034,686,081	2,034,686,081	3,415,315,515
Payments							
Compensation to employees	4	-	-	20,955,640		20,955,640	70,466,810
Purchase of goods and services	5	750,690,459		750,690,459	1,630,988,432	1,630,988,432	2,685,620,454
Social security benefits	6	-	-		17,520,272	17,520,272	17,520,272
Other grants and transfers /payments	7	-	-		383,971,795	383,971,795	633,971,795
Transfer to NFM 3		7,736,184		7,736,184	-	-	7,736,184
Total payments		758,426,643		758,426,643	2,053,436,139	2,053,436,139	3,415,315,515
Surplus/ (deficit)		(7,736,184)		(7,736,184)	(18,750,058)	(18,750,058)	-

10 reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project

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

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


.....

Dr. Julius Muia, PhD, CBS
Principal Secretary


.....

Stephen I. Muiruri
Project Coordinator



.....


Michael C. Mukanzi
Project Accountant
ICPAK Member No.17538


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

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	-	7,736,184
Total Cash and Cash equivalents		-	7,736,184
Total Financial Assets		-	7,736,184
Financial Liabilities			
Net Assets		-	7,736,184
Represented By			
Fund Balance B/fwd.	8	7,736,184	26,486,242
Surplus/(Deficit) for the Year		(7,736,184)	(18,750,058)
Net Financial Position		-	7,736,184

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September, 2022 and signed by:


Dr. Julius Muia, PhD, CBS
 Principal Secretary


Stephen I. Muiruri
 Project Coordinator


Michael C. Mukanzi
 Project Accountant

ICPAK Member No.17538

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


Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Cashflow from operating activities			
Receipts			
Transfer from government (CPF)	1	-	383,971,795
Proceeds from domestic and foreign grants	2	750,690,459	1,650,400,053
Miscellaneous receipts	3	-	314,233
Transfer to NFM 3		7,736,184	
Total receipts		758,426,643	2,034,686,081
Payments			
Compensation of employees	4	-	20,955,640
Purchase of goods and services	5	750,690,459	1,630,988,432
Social security benefits	6	-	17,520,272
Other grants and transfers/payments	7	-	383,971,795
Total Payments		750,790,782	2,053,436,139
Net cash flow from operating activities		(7,736,184)	(18,750,058)
Cash and cash equivalent at beginning of the year	11	7,736,184	26,486,242

to reduce mortality and morbidity caused by malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020
Project

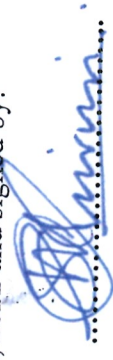
Annual Report and Financial Statements for the financial year ended 30th June, 2022

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Cash and cash equivalent at end of the year	11	-	7,736,184


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th September, 2022 and signed by:



Dr. Julius Muia, PhD, CBS
 Principal Secretary



Stephen I. Muiruri
 Project Coordinator



Michael C. Mukanzi
 Project Accountant
 ICPAK Member No.17538

to reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020
Project
Annual Report and Financial Statements for the financial year ended 30th June, 2022

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

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	436,719,440	339,506,496	776,225,936	750,690,459	25,535,477	97
Total Receipts	436,719,440	339,506,496	776,225,936	750,690,459	25,535,477	97
Payments						
Purchase of goods and services	436,719,440	339,506,496	776,225,936	750,690,459	25,535,477	97
Total Payments	436,719,440	339,506,496	776,225,936	750,690,459	25,535,477	97
Surplus or Deficit				-		

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



 Dr. Julius Muia, PhD, CBS
 Principal Secretary



 Stephen I. Muiruri
 Project Coordinator



 Michael C. Mukanzi
 Project Accountant
 ICPAK Member No.17538

10. Significant Accounting Policies

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

10.1 Statement of compliance and basis of preparation

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

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

10.2 Reporting entity

The financial statements are for Malaria Programme under the National Treasury. The financial statements are for the reporting entity (Global Fund Unit) as required by Section 81 of the PFM Act, 2012 .

10.3 Reporting currency

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

10.4 Recognition of receipts

(The Project) recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received.

Cash is considered as received when payment instruction is issued to the bank and

Significant Accounting Policies (Continued)

10.5 Recognition of payments

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

i) Compensation to employees

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

Significant Accounting Policies (Continued)

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

10.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were

10.7 Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as

Significant Accounting Policies (Continued)

required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

10.8 Comparative figures

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

11. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	KShs	KShs	Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Counterpart funding through National Treasury</i>			
Counterpart funds	-	383,971,795	633,971,795
Total (See Annex 2)	-	383,971,795	633,971,795

There were no counterpart funds under NFM 2

To reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project

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

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

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

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Total amount in KShs	
				2021/22 KShs	2020/21 KShs
		USD	KShs		
Grants Received from Multilateral Donors (International Organizations)					
Global Fund	Q1	6,642,536.78	741,307,104.65	741,307,104.65	1,650,400,053.00
Global Fund	Q2	81,579.45	9,383,354.77	9,383,354.77	
Global Fund	Q3	-	-	-	
Global Fund	Q4	-	-	-	
Total		6,724,116.23	750,690,459.42	750,690,459.42	1,650,400,053.00

1.0 reduce morbidity and mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project

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

Notes to the Financial Statements (Continued)

3. Miscellaneous receipts (Interest)

	2021-2022			2020/2021	
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	Total receipts Kshs	Total receipts Kshs	Cumulative to-date (from inception) Kshs
Q1				86,246.47	113,181.47
Q2				102,472.33	387,616.33
Q3				72,408.90	311,495.90
Q4				53,105.30	242,801.30
Total				314,233.00	1,055,095.00

Notes to the Financial Statements (Continued)

4. Compensation to Employees

	2021/2022			2020/2021	
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total payments Kshs	Total payments Kshs	Cumulative to-date Kshs
-					
Basic wages of temporary employees				20,955,640	67,176,928
Personal allowances paid as part of salary				-	3,289,882
Total				20,955,640	70,466,810

To reduce Morbidity and Mortality caused by Malaria in the various Epidemiological zones by two thirds of the 2015 level by 2020 Project

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

There were no salaries or allowances paid under the old grant (New Funding Model 2)

Notes to the Financial Statements (Continued)

5. Purchase of Goods and Services

	2021/2022			2020/2021	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic travel and subsistence	-	-	-	2,499,700	3,748,900
Specialized materials and services	706,006,765.80		706,006,765.80	1,541,597,524	2,439,736,859
Other operating payments				34,884,985	35,107,721
Fuel Oil and Lubricants				113,540	321,190
Contracted Professional Services	44,683,693.62		44,683,693.62	51,592,544	112,926,277
Routine maintenance – vehicles and other transport equipment	-	-	-	306,139	744,588
Total	<u>750,690,459.42</u>	=	<u>750,690,459.42</u>	<u>1,630,988,432</u>	<u>2,592,585,535</u>

Specialized Materials and Services

Quarters	Payee	Description	Amount (USD)	Amount (KSHS)
Q1	Tianjin Yorkool	Supply of LLNS (Mosquito nets)	6,320,600.50	705,379,015.80
Q1	Nairobi Enterprises Limited	Supply of face masks	5,625.00	627,750.00
	Total		6,326,225.50	706,006,765.80

*To Reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the level by 2020
Annual Report and Financial Statements for the financial year ended 30th June, 2022*

Contracted Professional Services

Quarters	Payee	Description	Amount (USD)	Amount (KShs)
Q1	Kenya Medical Supplies Authority	Procurement and Warehousing	316,311.28	35,300,338.85
Q2	Kenya Medical Supplies Authority	Procurement and Warehousing	81,579.45	9,383,354.77
	Total		397,890.73	44,683,693.62

Notes to the Financial Statements (Continued)

6. Social Security Benefits

	2021-2022			2020-2021		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Martin Munene				682,621.00	17,520,272.00	
Anthony Miru				2,862,709.00	-	
Peter Kimuu				4,509,665.00	-	
Principal Recipient Global Fund				9,465,277.00	-	
Total				17,520,272.00	17,520,272.00	

Notes to the Financial Statements (Continued)

7. Other Grants, Transfers and Payments

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2022-2021		2020-2021		
	Kshs	Kshs	Kshs	Kshs	Kshs
Counterpart funds				383,971,795	633,971,795
Total				383,971,795	633,971,795

Notes to the Financial Statements (Continued)

11. A Bank Accounts

Project Bank Accounts

Details	2021-2022	2020-2021
	Kshs/USD	Kshs
<u>Foreign Currency Accounts</u>		
NCBA Bank [A/c No.1583580368]	3,512,669.74	298,584,072.87
NCBA Bank [A/c No.1583581377]	-	Nil
Total Foreign Currency balances	<u>3,512,669.74</u>	<u>298,584,072.87</u>
<u>Local Currency Accounts</u>		
NCBA Bank [A/c No.1005363717]	-	7,736,184
Total local currency balances	-	<u>7,736,184</u>

To Reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the level by 2020

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

Notes to the Financial Statements (Continued)

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

Description	2021-2022	2020-2021
	Kshs	Kshs
(i) A/c Name [A/c No.....]		
Opening balance	2,766,022.18	24,546,715.62
Total amount deposited in the account	55,922,789.54	8,885,766.61
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>55,922,789.54</u>	<u>30,666,460.05</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>Nil</u>	<u>2,766,022.18</u>
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	-	554,019.07
Total amount deposited in the account		-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	<u>554,019.07</u>
Closing balance (as per SDA bank account reconciliation attached)	=	<u>Nil</u>

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix (iv) to support these closing balance.

8. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts		26,486,242
Total		26,486,242

To Reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the level by 2020 Annual Report and Financial Statements for the financial year ended 30th June, 2022

Notes to the Financial Statements (Continued)

12. Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Unsupported Expenditure – Counterpart Funding	The management is liaising with its sister department in reconciling the figures	Not Resolved	December 2022

Guidance Notes:

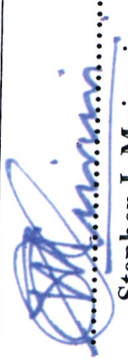
1. Use the same reference numbers as contained in the external audit report;
2. Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
3. Before approving the report, discuss the timeframe with the appointed Focal Point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

*To Reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the level by 2020
Annual Report and Financial Statements for the financial year ended 30th June, 2022*



.....
Dr. Julius Muia, PhD, CBS

Principal Secretary



.....
Stephen I. Muiruri

Project Coordinator

*To Reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the level by 2020
Reports and Financial Statements
For the financial year ended 30th June, 2022*

13. Annexes

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	776,225,936	750,690,459	25,535,477	97	None
Total Receipts	776,225,936	750,690,459	25,535,477	97	None
Payments					
Purchase of goods and services	776,225,936	750,690,459	25,535,477	97	None
Total payments	776,225,936	750,690,459	25,535,477	97	None

*To Reduce Morbidity and Mortality caused by Malaria in the various epidemiological zones by two thirds of the level by 2020
Annual Report and Financial Statements for the financial year ended 30th June, 2022*

- i. Bank Reconciliations statement as at 30th June 2022
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. GOK IFMIS comparison Trial Balance



**THE
GLOBAL
FUND**

All statements as required by the Auditing Guidelines and the Terms of reference **must** be provided to the auditors by the Principal Recipients for them to carry out their work appropriately, namely:

- i. The format of the "Income and Expenditures statement" in Figure 1 is mandatory and **must** be used by all Principal Recipients;
- ii. Similarly, notes providing specific information on the accounting principles used in the preparation of the Financial Statements are **mandatory**;
- iii. Supplemental schedule of commitments (**Note 9**) **must** be provided and audited;
- iv. The different tables on SRs advances (**Notes 11**) and Fixed assets (**Note 12**) must be provided.

Other notes

The notes to the financial statements are integral parts of the financial statements. The Principal Recipient must ensure that notes are provided wherever they would provide additional information to the stakeholder's understanding of the financial statements. The following could be cases where a note to the financial statements would be expected: material amount, significant change from previous year, significant variance with the budget, etc.

Figure 1: Income and Expenditures Statement

Gant Number	KEN-M-TNT	Accounting Methodology	Cash	Grant's Currency	USD	Implementation Period Start Date	1-Jan-18	Implementation Period End Date	30-Jun-21
Period of Financial Reporting	Beginning Date:	1-Jul-21	End Date:	31-Dec-21					
Cumulative Period of Financial Reporting	Beginning Date:	1-Jan-18	End Date:	31-Dec-21					

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

Sources of Grant funds	Current Period			Cumulative Period			Notes
	Budget	Actual	Variance	Commitments	Budget	Actual	
Opening cash balance		3,397,474	-3,397,474				
Receipts from Global fund	0	4,632,543	-4,632,543	-	45,754,473	55,306,005	9,551,533 xxx
Insurance Proceeds from damaged goods			0			0	
Interest		57,177				671,111.97	
Receipts from NFM1						1,017,455.62	
Third Party disbursements- Wambo		13,549,578				13,549,577.57	
Total sources of Grant Funds	0	21,636,771	-8,030,017	-	45,754,473	70,544,150.64	9,551,533
Uses of Grant Funds							
1.0 Human Resources (HR)	0	0	0			838,758	-13,562 xxx
2.0 Travel related costs (TRC)	0	0	0			36,910	681 xxx
3.0 External Professional services	0	0	0			0	0
4.0 Health Products (HPPP)	0	0	0			4,738,500	7,410
5.0 Health Products (HPNP)	0	19,982,678	-			31,676,060	6,117,413
6.0 Health Products (HPE)	0	0	19,382,678			0	0
7.0 Procurement and Supply-Chain	0	372,630	-372,630			1,268,817	1,061,417
8.0 Infrastructure (INF)	0	0	0			0	0
9.0 Non-health equipment	0	0	0			0	0
Total	0	21,636,771	-8,030,017	-	45,754,473	70,544,150.64	9,551,533

	Previous year		variance
	Budget	Actual	
		24,969,039.98	-24,969,040
	8,673,936	8,288,047.81	385,889
		412,689.18	
		605,549.27	
	8,673,936	34,275,326	385,889
	240,926	354,106	-113,180
	13,932	24,151	-10,220
	0	0	0
	0	2,901,452	-2,901,452
	8,329,862	10,826,610	-2,496,748
	0	0	0
	74,074	738,039	-663,965
	0	0	0
	0	0	0

Notes to the financial statements

All amounts are in US\$

Note 1: Basis of accounting

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

Note 2: Disbursements/Receipts

Receipts comprises amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [January 1, 2018 to December 31, 2021] to the Principal Recipient and to third parties. Receipts from Global Fund were in United States Dollars.

Note 3:

Expenditure represents amounts disbursed and costs incurred denominated in US\$.

Note 4:

Transactions in KES are translated to US dollars at the 3 months weighted average exchange rate for each quarter. For the purpose of this report, balances denominated in KES have been translated to US dollars based on the CBK exchange rate as at 31.12.2021.

Note 5: Receipts from Global Fund

Start Date			7/1/2021	7/1/2020	1/1/2018
End Date			6/30/2022	6/30/2021	6/30/2022
Period			Current period US\$	Prior period US\$	Cumulative US\$
Description	Date	Amount			
Disbursement 1	4/4/2018	4,110,177.33			4,110,177.33
Disbursement 2	8/31/2018	4,307,714.00			4,307,714.00
Disbursement 3	6/6/2019	1,815,951.81			1,815,951.81
Disbursement 4	11/21/2019	5,935,504.05			5,935,504.05
Disbursement 5	12/17/2019	21,206,393.11			21,206,393.11
Disbursement 6	3/17/2020	5,009,674.58			5,009,674.58
Disbursement 7	8/21/2020	8,288,047.81		8,288,047.81	8,288,047.81
	04.08.2021	4,632,542.79	4,632,542.79		4,632,542.79
Total		55,306,005.48	4,632,542.79	8,288,047.81	55,306,005.48

Note 6: Human Resources

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

Note 7: Cash balances

Item Description	Amount US\$
PR Special Offshore Account	592,821.15
PR interest	617,884.19
PR Local Account (KES)	70,744.58
Uncleared cheques	-
Advances	13.08
Cash in Hand	-
Unexplained difference	-
Net sources of Grant Funds	1,281,463.00

Note 8: Sub-recipient advances

	NMCP Amount
Unliquidated advances (prior year)	6,279,700.68
Add advances from PR (current year)	0.00
Less SR justified advances	5,710,665.13
	569,035.55

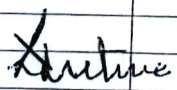


**THE
GLOBAL
FUND**

Annex 2: Financial Statements cash basis and commitments reconciliation template

30TH JUNE 2022

THE NATIONAL TREASURY, GLOBAL FUND PROGRAM

GLOBAL FUND MALARIA GRANT KEN-M-TNT GA1546 (NFM 3)							
STATEMENT OF SPECIAL (DESIGNATED ACCOUNT RECONCILIATION							
FOR THE YEAR ENDED 30TH JUNE 2022							
PART B: ACCOUNTS RECONCILIATION STATEMENT							
Credit No. KEN M-TNT GA 1546							
Bank Account No. 1005429982 Held with NIC Bank Ltd							
NOTE						USD	
1	Amount advanced by Global fund						9,422,486.30
	TNT-PR				4,317,568.16		
	MOH-DOMC				5,104,918.14		
	Less						
2	Total Amount Accounted for						4,944,128.44
3	Outstanding Amount advanced to Special Account						4,478,357.86
	Represented by						
4	Ending Special Account Balance at 30th June 2022						3,512,669.74
5	Amount Claimed but not credited at 30th June 2022						
6	Amount withdrawn but not claimed/accounted for as at 30.06.2022						965,688.12
	Represented by;						
	TNT-PR				(574,319.73)		
	MOH-DOMC				1,540,007.85		
7	Service Charges if not included in 5 and 6 above						-
8	Intrest Earning if not included in special account						-
9	Total advance to special account Year ended 30th June 2022						4,478,357.86
Discrepancy between total appearing in lines 3 and 9							
							
AUTHORIZED REPRESENTATIVE							
RESOURCE MOBILIZATION DEPARTMENT-TREASURY							DATE 19/08/22

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2022
Account No.	1583580368
Depository Bank	NIC BANK NAIROBI
Address	NIC HOUSE BRANCH, MASABA RD, NAIROBI.
Related Loan	MALARIA GRANT KEN-M-TNT GA1546-MAIN
Credit Agreement	NO. 4568-KE
Currency	USD

Account Activity

Beginning balance of 1ST July, 2021 as per C.B.K. Ledger Account	2,766,022.18
---	---------------------

Add:

Total Amount deposited by ADB	14,072,866.35
-------------------------------	----------------------

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible expenditure

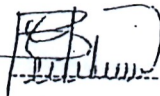
Deduct:

Total amount withdrawn	13,326,218.79
------------------------	----------------------

Total service charges if not included above in amount withdrawn

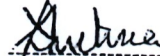
Ending balance on 30th June,2022	3,512,669.74
----------------------------------	---------------------

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE 14-07-2022

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE 19-08-2022

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

Results 1 - 36 of 36

Run Date: 14/07/2022 Run Time: 07:55:53
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000375086

ACCOUNT TITLE : MALARIA GRANT KEN-M-TNT GA1546-MAIN
 30/06/2022

STATEMENT PERIOD: From 01/07/2021 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT	CREDIT BALANCE
	OPENING BAL :		-2,766,022.18			
1	08/07/2021	FT21187F486D	PA 126100	0.00	106,875.00	
2	08/07/2021	FT21187QG9M1	PA 126091	0.00	5,343.75	-2659147.18
3	09/08/2021	FT212215K6SK	FUNDING	-4,632,542.79	0.00	-2653803.43
4	17/08/2021	FT2122985JTX	FUNDING	-4,208,135.25	0.00	-7286346.22
5	15/09/2021	FT212571H9Z1	PA126249	0.00	6,320,600.50	-11494481.47
6	15/09/2021	FT212571J5Y2	PA126250	0.00	316,030.03	-5173880.97
7	15/09/2021	FT212579LWH9	PA127253	0.00	5,625.00	-4857850.94
8	15/09/2021	FT21257DMNBX	PA127254	0.00	281.25	-4852225.94
9	14/10/2021	FT21285J0DZT	PA127281	0.00	621,804.00	-4851944.69
10	14/10/2021	FT21285L5YZ	PA127282	0.00	31,090.20	-4230140.69
11	18/11/2021	FT21322CX5Q3	FUNDING	-17,776.35	0.00	-4199050.49
12	18/11/2021	FT21322ZMKQP	FUNDING	-60.91	0.00	-4216826.84
13	01/12/2021	FT21335Y4142	FUNDING	-1,627,941.65	0.00	-4216887.5
14	08/12/2021	FT21342DQT8W	FUNDING	-7,193.17	0.00	-5844829.4
15	08/12/2021	FT21342P3KCX	FUNDING	-7,848.32	0.00	-5852022.57
16	17/12/2021	FT21350H6GMN	PA127620	0.00	2,000,000.00	-5859870.89
17	17/12/2021	FT21350HPH0	PA127623	0.00	133,414.59	-3726456.3
18	20/12/2021	FT21351T6YH5	PA127624	0.00	487,900.00	-3238556.3
19	20/12/2021	FT21351VK8X8	PA127629	0.00	24,395.00	-3214161.3
20	23/12/2021	FT213553BYM	PA127638	0.00	13,826.41	-3200334.89
21	23/12/2021	FT2135547523	PA127636	0.00	11,138.20	-3189196.69
22	23/12/2021	FT21355G0GIT	PA127637	0.00	8,883.98	-3180312.71
23	23/12/2021	FT21355GV4X8	PA127639	0.00	7,616.60	-3172696.11
24	23/12/2021	FT21355R4LBR	PA127640	0.00	9,510.02	-3163186.09
25	24/12/2021	FT213585T19G	FUNDING	-7,180.09	0.00	-3170366.18
26	30/12/2021	FT213632LMKX	PA127659	0.00	6,969.51	-3163396.67
27	30/12/2021	FT21363ZMSGZ	PA127658	0.00	8,520.04	-3154876.63
28	11/01/2022	FT2201082R6T	PA127664	0.00	932,390.00	-2222486.63
29	11/01/2022	FT22010KHLZ9	PA127661	0.00	8,397.12	-2214089.51
30	11/01/2022	FT22010VPCNZ	PA127663	0.00	7,129.45	-2206960.06
31	20/01/2022	FT2202068LY5	REV FT21342DQT8W	0.00	7,193.17	-2199766.89
32	20/01/2022	FT22020QQGW	REV FT21342P3KCX	0.00	7,848.32	-2191918.57
33	20/01/2022	FT22020YQKCV	REV FT213585T19G	0.00	7,180.09	-2184738.48
34	08/03/2022	FT22067423PC	FUNDING	-3,586,409.40	0.00	-5771147.88
35	31/03/2022	FT22090RS7H9	PA127946	0.00	2,172,528.14	-3598619.74
36	21/06/2022	FT2216834DB3	PA127982	0.00	85,950.00	-3512669.74

END OF ACCOUNT STATEMENT

CLOSING BALANCE : -3512669.74

Favourites

TAM E STMT OF ACCT EPRM

More Options
 Clear Selection Find

Account equals 1000375086
 Statement From equals 20210701
 Statement To equals 20220630

TAM E STMT OF ACCT EPRM

CENTRAL BANK OF KENYA - RECONCILIATION

STATEMENT AS AT : 30.06.2022

G.L A/C NO : 1000375086

MALARIA GRANT KEN-M-TNT GA1546-MAIN

REMARKS ACTION TAKEN

OFF-SHORE A/C NO: 1005429982

DETAILS

1. BALANCE AS PER OFFSHORE STATEMENT:

CURRENCY
USD

AMOUNTS

3,512,669.74

2. ADD DEBITS NOT IN NRB

3. LESS CREDITS NOT IN NRB

4. ADD DEBITS NOT IN OFFSHORE

5. LESS CREDITS NOT IN OFFSHORE

6. BALANCE AS PER CBK LEDGER

(3,512,669.74)

3,512,669.74

Prepared By: SIMIYU T.K.

Checked by:

[Signature]

Approved By:

[Signature]

Date: 01.07.2022

Date: 1/7/2022

Date: 4/7/2022

NCBA

MALARIA NFM 2 TRIAL BALANCE FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

	NFM 2	
	DR(KSHS)	CR(KSHS)
Balance b/f		7,736,184.00
Contractual employees		
Accommodation		
Catering services		
Medical drugs		
dressing and other non pharmaceutical medical items	705,379,015.80	
Laboratory Materials, Supplies and Small Equipment	627,750.00	
Fuel oil and lubricants		
Contracted Professional services	44,683,693.62	
Bank charges		
Interest earning		
Maintenance expenses - Motor vehicle		
Transfer from KEMSA		
Proceeds from domestic and foreign grants		750,690,459.42
GoK Counterpart funding		
GoK Counterpart funding (Unsupported expenditure)		
Transfer to NFM 3	7,736,184.00	
Transfer from NFM 2		
Balance C/D		
TOTAL	758,426,643.42	758,426,643.42

