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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
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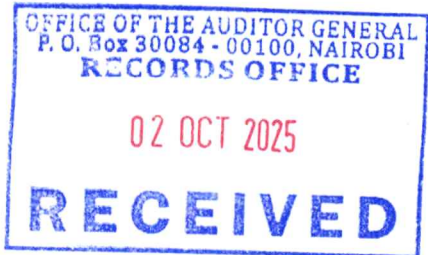
GLOBAL FUND PROJECT-TO CONTRIBUTE
TO ACHIEVING VISION 2030 THROUGH
UNIVERSAL ACCESS TO COMPREHENSIVE
HIV PREVENTION, TREATMENT,
AND CARE GRANT
NUMBER: KEN-H-TNT-4147

FOR THE YEAR ENDED

30 JUNE, 2025

NATIONAL SYNDOMIC DISEASE CONTROL
COUNCIL





**PROJECT NAME: TO CONTRIBUTE TO ACHIEVING VISION 2030 THROUGH
UNIVERSAL ACCESS TO COMPREHENSIVE HIV PREVENTION, TREATMENT AND CARE.**

**IMPLEMENTING ENTITY: NATIONAL SYNDemic DISEASES CONTROL
COUNCIL**

PROJECT GRANT/CREDIT NUMBER: KEN-H-TNT-4147

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

To contribute to achieving Vision 2030 through universal access to comprehensive HIV Prevention, treatment and care

Annual Report and Financial Statements for the financial year ended June 30, 2025

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1. Acronyms and Definition of Terms

| | |
|----------------|--|
| AGPO | Access to Government Procurement Opportunities |
| AIDS | Acquired Immunodeficiency Syndrome |
| ART | Antiretroviral Therapy |
| AYP | Adolescents and Youth Programs |
| CECMs | County Executive Committee Members |
| Comparative FY | Financial year preceding the current financial year. |
| CT | County Treasury |
| EDMS | Electronic Document Management System |
| ERP | Enterprise Resource Planning |
| ETR | End Term Review |
| GBV | Gender Based Violence |
| GFATM | Global Fund HIV/TB/Malaria |
| HQ | Headquarters |
| HRG | Human Rights and Gender |
| ICC | Interagency Coordinating Committee |
| JAPR | Joint HIV&AIDS Program Review |
| KASF | Kenya AIDS Strategic Framework |
| LPOs | Local Purchase Orders |
| LSOs | Local Service Order |
| MCAAs | Members of County Assembly |
| MCCs | Multisectoral Coordinating Committees |
| MTCT | Mother-to-Child Transmission |
| NDMA | National Drought Management Agency |
| NSDCC | National Syndemic Diseases Control Council |
| NT | National Treasury |
| PFMA | Public Finance Management Act. |
| PLHIV | People Living with HIV |
| PMTCT | Prevention of Mother-to-Child Transmission |
| PrEP | Pre-Exposure Prophylaxis |
| PSEAH | Prevention of Sexual Exploitation, Abuse, and Harassment |
| PWID | People Who Inject Drugs |
| SMART | Specific, Measurable, Accurate, Reliable, Time Bound |
| SR | Sub-Recipient |
| SRH | Sexual Reproductive Health |
| TB | Tuberculosis |
| TWG | Technical Working Group |
| UHC | Universal Health Coverage |
| UNAIDS PCB | UNAIDS Program Coordinating Board |
| UNFPA | United Nations Population Fund |

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2. Project Information and Overall Performance

2.1 Name and registered office

The project's official name is: *To contribute to achievement of the vision 2030 through universal access to comprehensive HIV prevention treatment and care.*

Objective

To provide comprehensive HIV prevention, treatment, care and support towards Universal Health Coverage for all people in Kenya.

Address

The is being implemented by NSDCC whose headquarters offices are in Nairobi city, Kenya.

The address of its registered office is:

National Synde mic Diseases Control Council,
Maktaba Kuu Building (KNLS), 2nd Floor, Ngong Road, Upperhill
P.O. Box 61307 - 00200, Nairobi, Kenya

The NSDCC also has offices/branches as follows

| Region No. | County Clusters | Regional Office Location | Office Physical Addresses |
|------------|----------------------------------|--------------------------|---|
| 1 | Taita Taveta Kwale Mombasa | Mombasa | County HQs, Uhuru Na Kazi Building, 7th Floor, Mombasa |
| 2 | Tana River Kilifi Lamu | Kilifi | National Drought Management (NDMA), office, Opposite Huduma center |
| 3 | Mandera Wajir Garissa | Garissa | Regional Commissioner's Office, 1st Floor, Garissa |
| 4 | Kitui Machakos Makueni | Machakos | County Commissioner's Office, Machakos |
| 5 | Nairobi Kiambu Kajiado | Nairobi | Nyayo House, 4th Floor, Nairobi |
| 6 | Isiolo Meru | Meru | County Commissioner's building, 3rd Floor, Room 91, Meru |
| 7 | Tharaka Nithi Embu | Embu | Regional Commissioner's Building, Ground floor Room 18, Embu |
| 8 | Nakuru Baringo Nyandarua | Nakuru | Regional Commissioner's Officer, Block A, 1st Floor, Nakuru |
| 9 | Kisii Nyamira | Kisii | Ministry of Planning and Devolution, Opposite County Commissioner's Office, Kisii |
| 10 | Homabay Migori | Homabay | County Commissioner's Office, Homa Bay |

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| Region No. | County Clusters | Regional Office Location | Office Physical Addresses |
|------------|---|--------------------------|---|
| 11 | Kisumu Siaya | Kisumu | Nyanza Regional headquarters, 6th Floor, Room C, Kisumu |
| 12 | Busia Bungoma Transzoia | Bungoma | ICT Authority Building |
| 13 | Kakamega Vihiga | Kakamega | Regional Commissioner's Office, 2nd Floor, Block B, Room 74, Kakamega |
| 14 | Turkana West Pokot | Turkana | IEBC Offices Opposite, Huduma Centre, Turkana. |
| 15 | Narok Bomet Kericho | Bomet | County Commissioner's Building, Kericho Town |
| 16 | Elgeyo Marakwet Uasin Gishu Nandi | Uasin Gishu | County Commissioner's Building, 2nd Floor, Room 210 & 211, Eldoret |
| 17 | Nyeri Kirinyaga Muranga | Nyeri | County Commissioner's Building Block B Annex, Nyeri |
| 18 | Samburu Laikipia | Nyahururu | Deputy County Commissioner's Office, Laikipia West Subcounty, Nyahururu |
| 19 | Marsabit | Marsabit | Assistant County Commissioner's Building, Marsabit Town |

Contacts: The following are the project contacts

Telephone: (+254) 020 2896000

E-mail: ceo@nsdcc.go.ke

Website: www.nsdcc.go.ke

2.2 Project Information

| | |
|---------------------|---|
| Project Start Date: | The project start date is July 1, 2024 |
| Project End Date: | The project end date is June 30, 2027 |
| Project Manager: | The project manager is Mr. Douglas Bosire. |
| Project Sponsor: | The project sponsor is the Global Fund AIDS, TB, and Malaria (GFATM) through National Treasury. |

To contribute to achieving Vision 2030 through universal access to comprehensive HIV Prevention, treatment and care
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2.3 Project Overview

| | |
|--|---|
| Line Ministry | The project is under the State Department for Medical Services of the Ministry of Health |
| Project number | KEN-H-TNT-4147 |
| Strategic goals of the project | The strategic goal of the project is to provide comprehensive HIV prevention under universal health coverage |
| Summary of Project Strategies for achievement of strategic goals | The project management aims to achieve the goals through the following means: a) Reduce new HIV infections by 75% b) Reduce AIDS-related mortality by 50% c) Reduce HIV-related stigma and discrimination by 25% d) Increase domestic financing of the HIV response to 50% e) Micro-eliminate viral hepatitis and reduce the incidence of sexually transmitted infections |
| Other important background information of the project | The project is aligned with Kenya AIDS Strategic Framework (KASF) II 2020/21 – 2024/25 and the Constitution of Kenya (2010). The response to HIV is a priority for the national development agenda outlined under Vision 2030. |
| Areas that the project was formed to intervene | The project was formed to intervene in the following areas: (i) Prevention of new HIV infections through: a. Adapting and scaling up effective interventions for impact using a combination prevention approach, and engagement of communities to create demand and advocate for HIV prevention. b. Improve access, efficiency and outcomes of prevention programmes through integration, collaboration and partnership, and c. Eliminating HIV mother-to-child transmission (ii) Improving treatment, care and support through strengthening differentiated service delivery models, scaling up retention and support systems including psycho-social support, and improving TB screening and outcomes amongst people living with HIV. (iii) Contributing to the strengthening of resilient and sustainable systems for HIV and AIDS and health through investing in laboratory infrastructure, human resources for health, community systems, and the commodity management system. (iv) Expanding strategic information, research, and innovation through the implementation of population-based surveys and strengthening research capacity at all levels. (v) Ensuring a human rights-based approach to HIV through addressing the structural and social barriers to accessing fair and non-discriminatory treatment in the health and justice systems, and (vi) Strengthening communication and advocacy for HIV through social mobilization and targeted behaviour change communication. |

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| | |
|------------------|---------|
| Project duration | 3 years |
|------------------|---------|

2.4 Bankers

The following are the bankers for the project:
 NCBA Bank Ltd NCBA House Branch,
 P.O. Box 44599-00100,
 Nairobi, Kenya.

2.5 Independent Auditor

The project is audited by:
 Auditor General
 Anniversary Towers, University Way,
 P.O. Box 30084 - GPO 00100
 Nairobi, Kenya

2.6 Roles and Responsibilities

| No. | Designation | Name |
|-----|---|--------------------------|
| 1. | Ag. Chief Executive Officer | Mr. Douglas O. Bosire |
| 2. | Director, Internal Audit | CPA, Gabriel Nkari |
| 3. | Director, Legal Services & Corporation Secretary | CS Emily Mukami Njiru |
| 4. | Director, Management Information Systems and Communication | Mr. Alex Kariuki |
| 5. | Director, Human Resource and Administration | Mr. William Birech |
| 6. | Director, Health Promotion and Program Management | Dr. Kiio S. Ndolo |
| 7. | Director, Epidemiology and Strategy | Dr. Murugi Micheni, MD |
| 8. | Director, Partnership Planning & Resource Mobilization | Mrs. Angella Langat, MBS |
| 9. | Ag. Director, Regional Coordination | Ms. Jenny Gakii Miriti |
| 10. | Ag. Director, Finance and Grants Management | CPA, Lydia Mbai |
| 11. | Ag. Deputy Director, Supply Chain Management | Ms. Purity Ndale |

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2.7 Funding summary

The Global Fund KEN-H-TNT-4147 Project is for duration of 3 years from July 1, 2024 to June 30, 2027. The initial approved budget was USD 5,289,755 (Kshs 761,724,713).

Below is the funding summary:

A. Source of Funds

| Source of funds | Global Fund Commitment | | Amount received to date – (30 th June 2025) | | Undrawn balance to date | |
|----------------------------|------------------------|--------------------|---|--------------------|-------------------------|--------------------|
| | USD | Kshs | USD | Kshs | USD | Kshs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A') - (B') |
| The Global Fund 4145 grant | 5,289,755 | 761,724,713 | 1,991,226 | 257,816,796 | 3,298,528 | 503,907,917 |
| Total | 5,289,755 | 761,724,713 | 1,991,226 | 257,816,796 | 3,298,528 | 503,907,917 |

Note

USD 2,044, 829.9 (Ksh 264,218,087) was disbursed for the project. Of this amount, USD 53,605 (Ksh 6,401,292) has been recognized as revenue for grant no 2065 in separate financial statements.

B. Application of Funds

| Application of funds | Amount received to date – (30 th June 2025) | | Cumulative amount paid to date – (30 th June 2025) | | Unutilised balance to date (30 th June 2025) | |
|----------------------------|---|--------------------|---|--------------------|--|-------------------|
| | USD | Kshs | USD | Kshs | USD | Kshs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A')-(B') |
| (i) Grant | | | | | | |
| The Global Fund 4147 Grant | 1,991,226 | 257,816,796 | 1,518,318 | 196,586,325 | 472,909 | 61,230,471 |
| Total | 1,991,226 | 257,816,796 | 1,518,318 | 196,586,325 | 472,909 | 61,230,471 |

**To contribute to achieving Vision 2030 through universal access to comprehensive HIV Prevention, treatment and care
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Project information and overall performance

2.8 Summary of Overall Project Performance:

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

The current cumulative budget performance for the grant stands at 61% based on funds available for the grant period ending 30 June 2025.

ii. Physical Progress Based on Outputs, Outcomes, and Impacts Since Project Commencement

During the 2024/2025 financial year, notable progress was made in reducing the national HIV burden, with the total number of people living with HIV (PLHIV) declining from 1,378,457 in 2023 to 1,326,336 in 2024. Similarly, HIV prevalence among adults aged 15–49 years dropped to 3.03%, continuing a downward trend from 3.31% in 2023 and 3.70% in 2022. The Prevention of Mother-to-Child Transmission (PMTCT) Need declined to 46,964, signalling a reduction in at-risk pregnancies, though the MTCT rate increased to 9.3% from 7.28% the previous year, an area requiring targeted intervention. PMTCT coverage slightly decreased to 90.1% from 94.16%, indicating potential gaps in service delivery.

While new HIV infections rose to 19,991 in 2024 after a significant drop in 2023, the overall trend since 2022 shows progress. ART coverage among adults declined to 87.69% after peaking at 98.27%, and coverage for children increased modestly to 75.11%, suggesting a need for renewed efforts in treatment adherence and paediatric HIV services. AIDS-related deaths continued to rise, reaching 21,007 in 2024, highlighting the urgent need to strengthen treatment outcomes and care systems to curb HIV-related mortality.

The table below summarizes trends in key indicators over the last 3 years

| Indicator | 2022 | 2023 | 2024 | Observation / Trend |
|----------------------------------|-------------|-------------|-------------|--|
| People Living with HIV (PLHIV) | 1,377,784 | 1,378,458 | 1,326,336 | Decline in HIV burden |
| HIV Prevalence (15–49 yrs) | 3.70% | 3.31% | 3.03% | Continued downward trend |
| PMTCT Need (At-risk pregnancies) | 51,764 | 51,382 | 46,964 | Reduction in need |
| MTCT Rate | 8.60% | 7.28% | 9.30% | Increase – requires intervention |
| PMTCT Coverage | 90.00% | 94.16% | 90.10% | Decline – service delivery gaps |
| New HIV Infections | 22,154 | 16,752 | 19,991 | Increase in 2024 despite overall progress since 2022 |
| ART Coverage – Adults | 94% | 98.27% | 87.69% | Decline – concern for adherence |
| ART Coverage – Children | 85% | 73% | 75.11% | Modest improvement |
| AIDS-related Deaths | 18,473 | 20,480 | 21,007 | Rising mortality – urgent need for strengthened care |

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Implementation challenges

| | Challenge | Mitigation measure |
|----|--|--|
| 1. | Delays in Fund Disbursement: There was often a significant delay between the requisition and the actual receipt of funds from the National treasury via the Ministry of Health, impacting negatively on the timely implementation of activities | Fast track disbursements from the MOH and Treasury |
| 2 | Limited availability of HIV prevention commodities such as condoms | Advocate for increased domestic financing for HIV commodities through county and national budgets. |
| 3 | Changing funding priorities by funding partners | Diversify funding sources, including private sector and philanthropic contributions. |

2.9 Summary of Project Compliance:

The NSDCC Global Fund KEN-H-TNT-4147 project complied with all applicable Global Fund and Kenya Government regulations.

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3. Statement of Performance against Project's Predetermined Objectives
Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national government project's performance against predetermined objectives at the end of each financial year.

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

- a. Reduce new HIV infections by 75%,
- b. Reduce AIDS-related mortality by 50%, and
- c. Reduce rate of mother-to-child transmission to less than 5%.

Progress on the attainment of strategic development objectives

To implement and cascade 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 to track progress and performance measurement.

Below, we provide the criterion for measuring progress:

Outcome Performance Matrix

| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---|---|---------------------------------|--|--|--|
| <i>1.1.1. Technical support through joint support supervision to enhance capacity of community implementing partners.</i> | <i>Strengthen the Routine Data Systems</i> | <i>Improved quality of data</i> | <i>Number of support supervision undertaken</i> | <i>4</i> | <i>1</i> |
| <i>1.2.1. Joint annual performance reviews (JAPR) with all sectors</i> | <i>To convene multisectoral stakeholders to review the progress and challenges in the implementation of the HIV program</i> | <i>JAPR meeting report</i> | <i>JAPR meeting with multisectoral stakeholders convened</i> | <i>One national meeting bringing together multisectoral stakeholders</i> | <i>A national meeting that brought together multisectoral stakeholders at national and county level to review progress of the HIV program and identify priorities for the next framework</i> |

| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---------------------------------------|--|--|--|---|--|
| <p>1.2.2. Development of KASF III</p> | <p>To develop a national framework to guide HIV response in the Country for year 2025/26-2029/30</p> | <p>Draft KAISF priorities identified</p> | <p>KAISF developed accompanying 47 County Operational Plans developed, launched and disseminated</p> | <p>RRI to generate input on the WHO six building blocks from counties, stakeholders questionnaire to gather country wide input on priorities for the framework, County cluster meetings & communities meetings for identifying priorities and interventions</p> | <p>9 cluster meetings bringing together stakeholders from 47 counties to give input to KASF III/KAISF and develop their County operational plans</p> |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---|--|--|--|--|---|
| 1.2.3. ETR of KASF II and CAIPs I | To undertake an end term review of KASF II to identify progress, lessons learnt and propose recommendations that inform KASF III/KAISF | ETR report for KASF II and 47 individual county CAIP | ETR of KASF II and CAIPS done and report produced | ETR of KASF & of the 47 CAIPS - ETR report | Engagement of 47 counties to review their CAIP- County based meetings, 3 National stakeholders meetings to review KASF II and provide priorities for KAISF/KASF III |
| 1.2.6. Timely development of strategic information products | Honour reporting obligations on time | Improved access to up-to-date, high-quality evidence that informs policy formulation, program planning, and stakeholder decision-making for the HIV response | Annual HIV and NCD estimates and county profiles produced and disseminated | 1 | 1 |
| 1.2.7. Timely development and dissemination of the KARPR report | Strengthen the Coordination, Monitoring, and Evaluation of the Syndemic Diseases Integrated Framework | Improved access to up-to-date, high-quality evidence that informs policy formulation, program planning, and stakeholder decision-making for the HIV response | Number of SIRI meetings conducted | 1 | 1 |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|--|---|--|--|---------------------|--------------------------------------|
| 1.2.8. Conduct annual epidemiological and impact analysis study (Epidemic appraisal & KMOT) | Strengthen the Coordination, Monitoring, and Evaluation of the Syndemic Diseases Integrated Framework | Improved performance of key program metrics | Maisha Conference | 0 | 1 |
| 1.2.9. Generate annual HIV and NCD estimates, produce and disseminate respective Country profiles/reports. | Undertake Mathematical Modeling to bridge Syndemic Disease Response | Improved performance of key program metrics | Programme science report developed | 1 | Programme science workshop conducted |
| 1.3.1. Facilitate operations of the National SIRI oversight committee | Strengthen the Routine Data Systems | Increased data quality of community-level health data | Improved accuracy, timeliness, and completeness of routine health data | 1 | 1 |
| 1.4.1. Utilization of research outputs to inform HIV response | Strengthen access to and availability of quality Strategic Information | Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases | KAPR report developed and printed | 1 | 1 |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|--|---|--|---|--|-----------------------|
| 1.4.2. Apply Program Science and use programming data to document what is working well, and what is not working well and work with beneficiaries to improve programming based on data | Strengthen the Coordination, Monitoring, and Evaluation of the Syndemic Diseases Integrated Framework | Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases | KMOT report | 1 | 1 |
| 1.5.1. Undertake corrective measures to enhance the credibility of data reported by organizations implementing non-facility-based health-related interventions at the community level. | Strengthen the Coordination, Monitoring, and Evaluation of the Syndemic Diseases Integrated Framework | Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases | Meeting conducted | Epidemic Appraisal meeting to capacity build and review program data | 1 |
| 1.6.2. Availability of real time financial data to undertake NASA including other related financial policy briefs and decisions | To strengthen financial transparency and accountability by ensuring timely access to real-time financial data for NASA and related policy analyses. | Enhanced evidence-informed financial decision-making and policy formulation through the use of up-to-date NASA financial data. | Number of financial policy briefs and decisions informed by real-time NASA financial data | - | 1 |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---|---|---|---|---------------------|--------------------------|
| 1.6.3. Development of HIV program ROI for the GF financing and other investments Development of an efficiency and impact analysis model for investments in HIV programs | To generate evidence on the return on investment, efficiency, and impact of HIV program financing to guide resource mobilization and strategic allocation of funds. | Improved investment decisions and advocacy for sustainable HIV financing, supported by evidence on program efficiency, impact, and ROI. | Number of ROI and efficiency analysis reports/models developed and disseminated to stakeholders | - | 1 |
| 1.2.7. Timely development and dissemination of the KARRR report -Printing and Editing Costs | Strengthen access to and availability of quality Strategic Information | Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases | Consultant hired with clear TOR | 1 | 1 |
| 1.2.4. KASF III M&E Framework & Research Agenda-Conduct annual epidemiological and impact analysis study (Epidemic appraisal & KMOT) | Strengthen the Coordination, Monitoring, and Evaluation of the Syndemic Diseases Integrated Framework | Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases | KMOT report | 1 | 1 |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|--|--|--|---|---|-----------------------|
| <i>1.2.4. KASF III M&E Framework & Research Agenda- Conduct annual epidemiological and impact analysis study (Epidemic appraisal & KMOT)- National validation meeting</i> | <i>Strengthen the Coordination, Monitoring, and Evaluation of the Syndemic Diseases Integrated Framework</i> | <i>Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases</i> | <i>Meeting conducted</i> | <i>Epidemic Appraisal meeting to capacity build and review program data</i> | <i>1</i> |
| <i>1.6.3. Development of HIV program ROI for the GF financing and other investments Development of an efficiency and impact analysis model for investments in HIV programs</i> | <i>To generate evidence on the return on investment, efficiency, and impact of HIV program financing to guide resource mobilization and strategic allocation of funds.</i> | <i>Improved investment decisions and advocacy for sustainable HIV financing, supported by evidence on program efficiency, impact, and ROI.</i> | <i>Number of ROI and efficiency analysis reports/models developed and disseminated to stakeholders</i> | <i>-</i> | <i>1</i> |
| <i>1.2.6. Strengthen health collaboration efforts at county level to create structures and support learners living with HIV in schools for improved adherence and treatment outcome.</i> | <i>Enhance county-level health-education collaboration to establish school-based support structures that improve treatment</i> | <i>Reduction in school absenteeism related to HIV treatment appointments or illness.</i> | <i>Number of teachers/matrons trained on adolescent HIV care, treatment adherence, and confidentiality.</i> | <i>150</i> | <i>150</i> |

**To contribute to achieving Vision 2030 through universal access to comprehensive HIV Prevention, treatment and care
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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|--|---|---|---|---------------------|---------------------------------|
| | <i>adherence and viral suppression among learners living with HIV.</i> | | | | |
| <i>1.2.7. Timely development and dissemination of the KARRR report -Consultancy for professional editing & graphic design.</i> | <i>Strengthen access to and availability of quality Strategic Information</i> | <i>Enhanced evidence based decisions through utilization of quality information products on HIV and syndemic diseases</i> | <i>Consultant hired with clear TOR</i> | <i>1</i> | <i>1</i> |
| <i>Facilitation with airtime for GF PMU staff-NAACC</i> | <i>To enhance coordination and real-time communication between staff and stakeholders, supporting effective program management and reporting.</i> | <i>Improved communication and timely coordination among GF PMU staff and stakeholders.</i> | <i>Number of GF PMU staff facilitated with airtime monthly.</i> | <i>5</i> | <i>This activity was paused</i> |
| <i>HIV and Joint ICC meetings</i> | <i>To facilitate policy dialogue, coordination, and joint decision-making across stakeholders to harmonize interventions in</i> | <i>coordination mechanisms strengthened across HIV, TB, and Malaria programs.</i> | <i>Number of ICC and joint coordination meetings held annually.</i> | <i>4</i> | <i>4</i> |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---|--|--|---|------------------|-----------------------|
| | HIV, TB, and Malaria responses. | | | | |
| Support of strategic direction working groups at national level and HIV ICC and joint TB, HIV & Malaria meetings (National Level) and development partners forums | To provide technical input, align national strategies with global best practices, and ensure resource optimization through effective partner coordination. | Technical recommendations and joint communiqués developed to guide national HIV and syndemic disease strategies. | Number of national-level coordination/technical meetings supported. | 3 | 2 |
| Capacity Building -Local Trainings and conference for HIV and Professionals Max 2 weeks-NAACC | To strengthen the technical and managerial skills of NSDCC staff, enhancing program implementation and sustainability. | Improved competency in roles and tasks | Number trained through workshops/conferences | 15 | 16 |
| HIV Implementing partners Report writing workshop | To build capacity of partners in evidence-based reporting, ensuring high-quality. | partner reports produced in line with agreed reporting standards. | Number reporting through PRS System | 200 | 170 |

**To contribute to achieving Vision 2030 through universal access to comprehensive HIV Prevention, treatment and care
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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---|---|---|---|---------------------|---------------------------------|
| | <i>standardized, and timely program reports.</i> | | | | |
| <i>Validation of the Implementing partners report- Virtual meeting</i> | <i>To review, validate, and ensure accuracy, completeness, and reliability of partner reports before submission for decision-making and donor reporting.</i> | <i>Validated partner reports endorsed for submission and use in program review and donor reporting.</i> | <i>Number of validated reports disseminated</i> | <i>1</i> | <i>This activity was paused</i> |
| <i>Cluster dissemination workshops (Mombasa, Kisumu, Nakuru, Embu)- Virtual</i> | <i>To disseminate program results, share best practices, and strengthen regional learning and collaboration for improved implementation of HIV interventions.</i> | <i>Disseminated findings and lessons shared with counties, leading to increased awareness and uptake of evidence into planning.</i> | <i>Cluster dissemination workshops</i> | <i>4</i> | <i>This activity was paused</i> |

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| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|---|--|--|---|--|---|
| 1.5.4. Private and online pharmacy- Annual Pharmacy Assessments | To generate evidence on access, availability, and readiness of private and online pharmacies to deliver PrEP services to AGYW. | Availability of county- and national-level data on pharmacy-based PrEP delivery models to inform scale-up and integration into the Syndemic Strategic Framework. | Number of annual assessments conducted on availability, access, and readiness of private and online pharmacies to deliver PrEP services for AGYW. | 1 assessment covering 4 counties (Kisumu, Nyeri, Garissa, Lamu) and ≥24 pharmacies | 1 assessment initiated in Kisumu and Nyeri, with pharmacy visits and FGDs conducted |
| 1.5.4. Private and online pharmacy- Stakeholders engagement meetings for Private & Online Pharmacy PrEP delivery (PBB, PSK, Counties, NASCOP, NSDCC, Association of Private health sector etc) - MF | To engage multisectoral stakeholders in policy, regulation, and implementation dialogues on pharmacy-based PrEP delivery. | Strengthened policy environment, private sector participation, and regulatory support for PrEP delivery through pharmacies. | Number of multisectoral stakeholder engagements conducted to support policy, regulatory, and implementation frameworks for pharmacy-based PrEP delivery for AGYW. | 1 national inception meeting (kick-off and agreement on pilot design). | 1 stakeholder session convened during the JAPR meeting, with participation from NASCOP, PPB, NSDCC, private sector, and UN partners. Discussions focused on supply chain readiness and integration of local condom and PrEP manufacturing into delivery models. |
| 1.5.4. Private and online pharmacy- Stakeholders engagement meetings for Private & Online Pharmacy PrEP delivery (| To engage multisectoral stakeholders in policy, regulation, and | Strengthened policy environment, private sector participation, and regulatory support for PrEP | Number of multisectoral stakeholder engagements conducted to support | 1 national inception meeting (kick-off and | 1 stakeholder session convened during the JAPR meeting, with participation from NASCOP, PPB, |

| Description of Activities | Objective | Outcome | Indicator | Target 2024/2025 | Performance 2024/2025 |
|--|--|-------------------------------------|---|------------------------------------|---|
| <i>PBB, PSK, Counties, NASCOP, NSDCC, Association of Private health sector etc) - within</i> | <i>implementation dialogues on pharmacy-based PrEP delivery.</i> | <i>delivery through pharmacies.</i> | <i>policy, regulatory, and implementation frameworks for pharmacy-based PrEP delivery for AGYW.</i> | <i>agreement on pilot design).</i> | <i>NSDCC, private sector, and UN partners. Discussions focused on supply chain readiness and integration of local condom and PrEP manufacturing into delivery models.</i> |

4. Environmental and Sustainability Reporting

I. SUSTAINABILITY STRATEGY AND PROFILE

The Council is committed to integrate sustainability in its operations and institutional frameworks which is anchored in three key pillars: environmental responsibility, social equity and enduring organizational resilience. These guiding principles serve as the foundation for policy formulation, programme execution and the Council's overarching role in promoting public health and wellness in Kenya. The Council advocates collaborative engagement with diverse stakeholders including governmental entities, civil society organizations and communities. By fostering these partnerships, the Council aligns its efforts with the Kenya Integrated Strategic Framework, ensuring a comprehensive and unified approach to syndemic diseases response. Such coordination promotes efficient resource use, minimizes duplication and builds shared accountability in the pursuit of national health priorities. The Council continues to advance its sustainability objectives through the rollout of targeted interventions and the operationalization of well-defined policy instruments. The Council remains actively committed to executing the expanded mandates conferred under Legal Order No. 143 of 2022.

II. ENVIRONMENTAL PERFORMANCE

Electronic Document Management System (EDMS)

The Council has implemented an integrated Finance, Procurement and Human Resources system through an Enterprise Resource Planning (ERP) platform. The Electronic Document Management System (EDMS) infrastructure within the ERP enables online processing, approval workflows and digital archiving of documents, significantly reducing reliance on physical files and paper-based transactions. This shift has improved turnaround time, reduced storage and printing costs and enhanced transparency and traceability in operations.

Production of multi-purpose Information Education Communication materials

The Council develops Information, Education and Communication (IEC) materials designed for use across multiple occasions, promoting efficiency and reducing single-use production. Reusing items such as banners, brochures and pamphlets contributes to environmental conservation by minimizing waste. In line with its dedication to sustainability and resource optimization, the Council has adopted a strategic production model for IEC materials. This approach enables consistent use of items like banners and pamphlets across various events, lowering printing frequency and limiting paper consumption. Further, the Council has integrated QR codes into key display materials, allowing stakeholders to conveniently access digital versions of IEC content via mobile devices that promotes accessibility and encourages broader information sharing.

III. EMPLOYEE WELFARE

Staff Welfare and Workforce Diversity

The Council's Human Resource policies are developed to attract, retain and empower staff with the requisite skills, competencies and professional disposition necessary to fulfil the Council's strategic mandate. These policies are firmly grounded in national labour legislation and workplace regulations, instrumental in fostering a positive organizational culture, enhancing employee satisfaction and advancing long-term institutional success. The Council's human resource management is supported by a team of qualified professionals who possess the technical expertise required to deliver on the Council's objectives and to the emerging workforce demands. Their contributions are central to strengthening internal capacity and sustaining a high-performing work environment. The period under review, the Council's staff establishment stood at 156 employees. The gender distribution across the workforce complied with the constitutional requirement on the

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two-thirds gender principle, (46% Female, 54% Male) reinforcing the Council's commitment to equitable representation and inclusive employment practices as illustrated below:

Staff Development and Competency Enhancement

The Council continued to prioritize staff development through strategic training initiatives. Training needs were systematically identified through supervisor recommendations, performance appraisals and the evaluation of existing skills gaps. In addition, employees were encouraged and supported to participate in Continuous Professional Development (CPD) programmes to maintain active membership and good standing within their respective professional bodies. Staff development was guided by policy framework, including the Staff Training Policy, Human Resources Policy, Employee Career Development Guidelines, Employee Induction Policy and the Code of Conduct and Ethics. These policies collectively ensured that capacity-building efforts were aligned with institutional goals and professional standards. The Council was able to support professional development for 70 staff members, representing 44.9% of the total workforce. Due to budgetary constraints, the Council prioritized training interventions based on strategic relevance. As a result, trained employees enhanced their functional competencies and strengthened their communication, teamwork, and leadership skills, contributing to improved organizational performance and service delivery.

Enterprise Resource Planning (ERP) System

The Council has adopted a comprehensive Enterprise Resource Planning (ERP) system to advance operational efficiency and streamline Human Resource Management. This digital platform has transformed several core HR processes by integrating technology driven solutions that enhance both productivity and transparency. The functions facilitated through the ERP system include performance appraisal, training needs analysis, payroll processing, employee data management, leave administration and out-of-office tracking, accessible through a secure, web-based intranet portal. This personalized digital interface allows employees to manage essential HR tasks independently while ensuring real-time access to accurate records and resources. By leveraging ERP technologies, the Council has significantly improved service delivery within its Human Resource function.

Strengthening Access and Equity for Persons with Disabilities

During the reporting period, the Council made significant strides in fostering inclusivity and promoting accessibility within the workplace. In line with the recommendation by the National Council for Persons with Disabilities (NCPWD), institutions are encouraged to ensure that at least 5% of their total workforce comprises Persons with Disabilities (PWDs). To support this recommendation, the Council has taken deliberate steps, including advertising job vacancies through the NCPWD platform to enhance access and visibility for qualified candidates with disabilities. As of the reporting period, 3.2% of the Council's staff were Persons with Disabilities. The Council remains committed to implementing inclusive hiring practices and pursuing targeted outreach initiatives to achieve the 5% benchmark. The Council received a donated wheelchair from NCPWD which was made available to support the mobility needs of staff and visitors with physical disabilities as well as produced copies of its service charter in braille format, enhancing accessibility for visually impaired stakeholders and reinforcing its commitment to equitable information dissemination. Three staff members underwent training in sign language, thereby enhancing the Council's internal capacity to engage with individuals with hearing impairments and significantly improving communication and service delivery for this demographic.

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e) Youth Empowerment and Internship Programme

The Council remains steadfast in its commitment to empowering youth by facilitating meaningful opportunities for skill development and career readiness. Recognizing the pivotal role that internships play in bridging the gap between academic learning and professional practice, the Council continues to invest in structured programmes designed to nurture talent and prepare young people for entry into the workforce. During the reporting period, a total of 65 interns and attachment students were engaged across various departments. The interns benefited from hands-on training, mentorship and job-readiness initiatives tailored to provide exposure to real world work environments. This marked a notable increase from the previous financial year, which saw the engagement of 52 interns and attachment students.

1. Marketplace practices

Responsible Supply chain and supplier relations-

To promote ethical and transparent procurement practices, the Council adopted a comprehensive e-procurement system that supports responsible competition and ensures full accountability across its supply chain operations. This digital platform facilitates the processing of procurement transactions, including supplier registration. The system supports a range of functions critical to procurement governance, including the preparation and implementation of the Annual Procurement Plan, real-time tracking and approval of memos and purchase requisitions, and digital registration and updating of supplier information, particularly for the renewal of statutory documents. Additionally, the platform hosts a centralized Supplier/Vendor Profile that displays all tenders invited and participated in, as well as approved Local Purchase Orders (LPOs) and Local Service Orders (LSOs) for successful bidders. Other features include e-invoicing and an automated online payment process, which has significantly improved the efficiency and timeliness of supplier payments. Tenders are opened electronically, and comprehensive evaluation reports are generated through the e-procurement system enhancing transparency, promoting fairness and strengthening competitive practices in the procurement process.

IV. COMMUNITY ENGAGEMENTS

Tree Growing Initiative

The Council committed to grow 4,400 trees under the 21st Performance Contract Cycle in support of environmental sustainability and climate resilience. During the commemoration of World AIDS Day 2024, the Council partnered with 13 counties including Meru, Kitui, Makueni, Uasin Gishu, Kiambu, Kajiado, Narok, Nyeri, Murang'a, Busia, Trans Nzoia, and Vihiga to scale up its tree growing efforts. These collaborative engagements resulted in the successful planting of 8,350 trees across participating regions. In response to the Presidential Directive on the National Tree Growing Restoration Campaign and under the leadership of the Ministry of Health, the Council coordinated a large-scale tree planting event in Elgeyo Marakwet County, resulting in the planting of 44,000 trees.

In parallel with these environmental efforts, the Council also conducted public sensitization to 500 members of Elgeyo Forest Community on the prevention of HIV, teenage pregnancies and gender-based violence (Triple Threat) underscoring the vital connection between public health education and environmental stewardship.

5. Statement of Project Management Responsibilities

The Chief Executive Officer and the NSDCC Council 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 the financial year ended on June 30, 2025.

This responsibility includes:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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
- vi) Making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer and the NSDCC Council accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer and the NSDCC Council are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Chief Executive Officer of the NSDCC and the NSDCC Council 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 and the adequacy of the systems of internal financial control.

The Chief Executive Officer and the NSDCC Council 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 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 NSDCC Council and the Chief Executive Officer on August 26, 2025 and signed by:



.....

Mr. Ahmed Ibrahim Abass
Chairman, NSDCC Council



.....

Mr. Douglas O. Bosire
Ag. Chief Executive Officer

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND PROJECT-TO CONTRIBUTE TO ACHIEVING VISION 2030 THROUGH UNIVERSAL ACCESS TO COMPREHENSIVE HIV PREVENTION, TREATMENT, AND CARE GRANT NUMBER: KEN-H-TNT-4147 FOR THE YEAR ENDED 30 JUNE, 2025 - NATIONAL SYNDEMIC DISEASE CONTROL COUNCIL

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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 the Global Fund Project - To Contribute to Achieving Vision 2030 Through Universal Access to Comprehensive HIV

Prevention, Treatment and Care Grant No. KEN-H-TNT-4147 set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 Global Fund Project - To Contribute to Achieving Vision 2030 Through Universal Access to Comprehensive HIV Prevention, Treatment and Care Grant No. KEN-H-TNT-4147 as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Grant Agreement No. KEN-H-TNT-4147 dated 24 June, 2024 between the Global Fund and the Republic of Kenya.

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

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Global Fund – To Contribute to Achieving Vision 2030 Through Universal Access to Comprehensive HIV Prevention, Treatment and Care Grant No. KEN-H-TNT-4147 Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.295,835,007 and Kshs.258,560,484 respectively resulting to underfunding of Kshs.37,274,523 or 13% of the budget. Similarly, out of the actual receipts realized of Kshs.258,560,484 only Kshs.196,586,325 was spent resulting to an under-absorption of Kshs.61,974,159 or 24% of the realized receipts.

The under-funding and the under absorption may have affected the implementation of planned activities which may have impacted negatively on service delivery to the Public.

My opinion is not modified in respect to this matter.

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.

Other Information

The Management is responsible for the Other Information set out on page v to xxviii which comprises of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. In my opinion, except for the matter described below, I confirm that the other information is not materially inconsistent with the financial statements.

Under Performance on Project Targets

Review of project performance against annual targets revealed that out of the four (4) planned joint support supervisions to community implementing partners, only one (1) was conducted. Further, the Kenya AIDS Response Progress Report (KARPR) development and dissemination had only two (2) outputs delivered against the planned four (4). Further, only two (2) of the three (3) planned national-level strategic direction working group and joint coordination meetings were undertaken. Similarly, the HIV Implementing Partners' Report Writing Workshop trained one hundred and seventy (170) participants against a target of two hundred (200), leaving thirty (30) partners untrained.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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 3000 and ISSAI 4000. The standards 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

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

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

Basis for Conclusion

The Global Fund requires that, I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Projects' compliance with laws and regulations. I believe that the

audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 October, 2025

**To contribute to achieving Vision 2030 through universal access to comprehensive HIV
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7. Statement of Financial Performance for the Year Ended 30th June 2025

| | Notes | FY 2024/25 Kshs |
|---------------------------|-------|--------------------|
| Revenue | | |
| Revenue Transfers | 6 | 257,816,796 |
| Miscellaneous Revenue | 7 | 743,688 |
| Total revenue | | 258,560,484 |
| Expenses | | |
| Use of goods and services | 8 | 196,586,325 |
| Total expenses | | 196,586,325 |
| Surplus | | 61,974,159 |

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


Mr. Douglas O. Bosire
Ag. Chief Executive Officer

Date 29/09/25


CPA Lydia Mbai
Ag. Director Finance and Accounts
ICPAK Member No: 18570

Date 29/09/25


Mr. Ahmed Ibrahim Abass
Chair, NSDCC Council

Date 29/09/25

To contribute to achieving Vision 2030 through universal access to comprehensive HIV
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8. Statement of Financial Position as at 30th June 2025

| Description | Note | 2024/25 |
|----------------------------------|------|--------------------|
| | | KShs |
| Current Assets | | |
| Bank Balances | 9 | 78,050,810 |
| Imprest and advances | | |
| Total Current assets | | - |
| Non-Current Assets | | |
| Property, Plant and Equipment | 11 | 88,760,908 |
| Total Non- Current Assets | | |
| Total Assets (a) | | 166,811,718 |
| Net Assets | | 166,811,718 |
| Represented By | | |
| Fund balance brought forward | | 104,837,559 |
| Deficit for the year | | 61,974,159 |
| Net Financial Assets | | 166,811,718 |

The financial statements were approved on August 26, 2025 and signed by:


Mr. Douglas O. Bosire
Ag. Chief Executive Officer

Date 29/09/25


CPA Lydia Mbai
Ag. Director Finance and Accounts
ICPAK Member No: 18570

Date 29/09/25


Mr. Ahmed Ibrahim Abass
Chair, NSDCC Council

Date 29/09/25

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9. Statement of Changes in Net Assets

| Description | Accumulated Surplus |
|---|---------------------|
| | Kshs |
| As at 30 th June 2024 (Cash Basis) | 104,837,559 |
| Adjustments | |
| | |
| As at 1st July 2024 | 104,837,559 |
| | |
| Surplus for the year | 61,974,159 |
| | |
| As at 30th June 2025 | 166,811,718 |

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

The financial statements were approved on August 26, 2025 and signed by:



Mr. Douglas O. Bosire
Ag. Chief Executive Officer

Date 29/09/25



CPA Lydia Mbai
Ag. Director Finance and Accounts
ICPAK Member No: 18570

Date 29/09/25



Mr. Ahmed Ibrahim Abass
Chair, NSDCC Council

Date 29/09/25

10. Statement of Cashflow for the year ended 30th June 2025

| Description | Note | FY 2024/25 Kshs |
|---|----------|--------------------|
| Cashflow from operating activities | | |
| Receipts | | |
| Revenue Transfers | 6 | 257,816,796 |
| Miscellaneous Revenue | 7 | 743,688 |
| Total receipts | | 258,560,484 |
| Payments | | |
| Use of goods and services | 8 | 180,509,674 |
| Total payments | | 180,509,674 |
| Net cash flow from operating activities | | 78,050,810 |
| Decrease in cash and cash equivalents | | 78,050,810 |
| Cash and cash equivalent at 1st July 2024 | | - |
| Cash and cash equivalent at end June 2025 | 9 | 78,050,810 |

11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

| Receipts/Payments Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---------------------------|--------------------|-------------------|--------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | |
| Revenue Transfers | 231,570,406 | 63,464,601 | 295,035,007 | 257,816,796 | 37,218,211 | 87% |
| Miscellaneous Revenue | 800,000 | - | 800,000 | 743,688 | 56,312 | 93% |
| Total Revenue | 232,370,406 | 63,464,601 | 295,835,007 | 258,560,484 | 37,274,523 | 87% |
| | | | | | | |
| Payments | | | | | | |
| Use of goods and services | 232,370,406 | 63,464,601 | 295,835,007 | 196,586,325 | 99,248,682 | 66% |
| Total Payments | 232,370,406 | 63,464,601 | 295,835,007 | 196,586,325 | 99,248,682 | 66% |
| Surplus | - | - | - | 61,974,159 | | |

Budget Notes

1. Revenue Transfers

The utilization difference in revenue transfers of Ksh 37,218,228 is as a result of foreign exchange loss arising from appreciation of Kenya shilling against the US Dollar from 144 at the time of grant signing to 129 at the time of disbursements.

2. Use of Goods and services

The 66% utilization reported for use of goods is attributable to late disbursement of funds with the last disbursement of Ksh 113,894,966.80 (43% of total disbursement) being received on the last day of the financial year.

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Budget Reconciliation

| Description of Particulars | Amount in Kshs |
|---|----------------|
| Actual Surplus Amounts as per the statement of Budget | 61,974,159 |
| Add back depreciation | 16,076,651 |
| Closing Cash and Cash Equivalent as per the statement of Cash flows | 78,050,810 |

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12. Notes to the Financial Statements

1. General Information

The Global Fund KEN-H-TNT-4147 Project is being implemented by the NSDCC. The NSDCC is established by and derives its authority and accountability from State Corporations Act CAP 446. The NSDCC is wholly owned by the Government of Kenya and is domiciled in Kenya. The project's principal activity is to lead and coordinate multi- sectoral partnerships in HIV response and other syndemic diseases.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

These financial statements were authorized for issue by the NSDCC Board on August 26, 2025.

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

| Standard | Effective date and impact: |
|---|---|
| IPSAS 43 | <p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Project.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This standard has no impact on NSDCC - Global Fund Project financial statements.</p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>This standard has no impact on NSDCC - Global Fund Project financial statements.</p> |
| IPSAS 45- Property Plant and Equipment | <p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing</p> |

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| Standard | Effective date and impact: |
|-------------------------|--|
| | principles e.g valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. This standard has no impact on NSDCC - Global Fund Project financial statements. |
| IPSAS 46 Measurement | <p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This standard has no impact on NSDCC - Global Fund Project financial statements</p> |

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

| Standard | Effective date and impact: |
|--|--|
| IPSAS 47- Revenue | <p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an project shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This standard has had an impact when accounting for binding and unbinding arrangements related to revenue on NSDCC - Global Fund Project financial statements</p> |
| IPSAS 48- Transfer Expenses | <p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>This standard has no impact on NSDCC - Global Fund Project financial statements</p> |
| IPSAS 49- Retirement Benefit Plans | <p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector</p> |

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Annual Report and Financial Statements for the financial year ended June 30, 2025

| Standard | Effective date and impact: |
|--|--|
| | employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. This standard has no impact on NSDCC - Global Fund Project financial statements. |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the project's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. This standard has no impact on NSDCC - Global Fund Project financial statements |

iii) Early adoption of standards

The NSDCC Global Fund project did not early adopted any standards in the financial year 2024/25.

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 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 project and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

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 FY 2024/2025 was approved by the Council for implementation. Subsequent revisions or additional appropriations were made to the approved budget in

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accordance with specific approvals from the appropriate authorities. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 3 note 11 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) 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 project does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the project's financial statements. A financial instrument is any contract that gives rise to a financial asset of one project and a financial liability or equity instrument of another project. At initial recognition, the project measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The project classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the project'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

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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 an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The project 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 project recognizes a loss allowance for such losses at each reporting date.

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Financial liabilities

Classification

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

e) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Project.

f) Provisions

Provisions are recognized when the Project 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 Project 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.

Contingent liabilities

The Project 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.

Contingent assets

The Project 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 Project in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial

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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.

g) Nature and purpose of reserves

The Project creates and maintains reserves in terms of specific requirements

h) Changes in accounting policies and estimates

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

i) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

j) 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 Project, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

k) 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 commercial banks at the end of the financial year.

l) Subsequent events

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

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Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Project'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 Project based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Project. 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 Project.
- 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

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6. Revenue Transfers

| Description | FY 2024/25 |
|--------------------------------------|--------------------|
| | KShs |
| Unconditional Transfers | |
| Transfers from the Global Fund | 257,816,796 |
| Total Unconditional Transfers | 257,816,796 |

a) Details to Revenue Transfers

| Name of The Entity Transferring | Amount recognized to Statement of Financial performance | Total transfers (Current FY) |
|---------------------------------|---|------------------------------|
| | Kshs | Kshs |
| The Global Fund | 257,816,796 | 257,816,796 |
| | | |
| Total | 257,816,796 | 257,816,796 |

7. Miscellaneous revenue

| Description | FY 2024/25 |
|-----------------|----------------|
| | Kshs |
| Interest Income | 743,688 |
| Total | 743,688 |

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8. Use of goods and services

| Description | FY 2024/25 |
|---|--------------------|
| | Kshs |
| Bank charges | 778,172 |
| Communication, supplies and services | 124,136 |
| Domestic travel and subsistence | 48,550,890 |
| Program facilitation | 89,479,502 |
| Fuel and lubricants | 3,500,000 |
| Hire of facilities | 32,823,618 |
| Stationery, Printing, advertising, and information supplies | 1,093,560 |
| Training | 1,453,486 |
| Hospitality supplies and services | 457,784 |
| Design and printing | 804,009 |
| Consultancy | 1,444,517 |
| Depreciation | 16,076,651 |
| Total | 196,586,325 |

9. Cash and Cash Equivalents

| Description | 2024/25 |
|--|-------------------|
| | Kshs |
| Cash in Bank | 78,050,810 |
| Total Cash and Cash Equivalents | 78,050,810 |

Project Bank Accounts

| Details | 2024/25 |
|------------------------------------|--------------------------|
| | Kshs |
| Local Currency Accounts | |
| NCBA Bank [A/c no 1689250144] | 78,050,810 |
| | - |
| Total bank account balances | <u>78,050,810</u> |

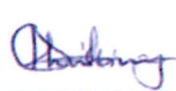
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10. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items 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 voted in the year. These funds have been reported as grants received in the year under the Statement of financial performance for this grant USD 1,991,226 and USD 53,604 under Global Fund grant no 2065.

| HIV NFM 4 GRANT STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION FOR THE YEAR ENDED 30TH JUNE 2025 PART B KEN-H-TNT GA1547 Bank Account No.100005345248 Held with Stanbic Bank | | | | |
|---|---|---------------|---------------|----------------------|
| | NOTES | AMOUNT USD | AMOUNT USD | |
| 1 | Amount advanced by Global Fund | | | 34,467,926.09 |
| | TNT | 30,584,849.22 | | |
| | NASCOP | 1,838,246.97 | | |
| | NSDCC | 2,044,829.90 | | |
| | Less | | | |
| 2 | Total amount justified to Global Fund | | | - |
| 3 | Outstanding amount to be justified | | | 34,467,926.09 |
| | Represented by: | | | |
| 4 | Ending Designated Account Balance at 30.06.2025 | | | 1,258,561.90 |
| 5 | Amount claimed but not credited at 30.06.2025 | | | - |
| 6 | Amount withdrawn and not claimed as at 30.06.2025 | | | 33,209,364.19 |
| 7 | Service charges (if not included in 5 & 6 above) | | | - |
| | Less | | | |
| 8 | Interest earning (if included in Designated Account) | | | - |
| 9 | Total advance to Designated Account year ended 30.06.2025 | | | 34,467,926.09 |
| Discrepancy between total appearing on lines 3 and 9 | | | | - |
| Notes: | | | | |
| 1 | Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account) | | | |
| 2 | Amount in line 6 is eligible for financing. The expenses have not been claimed yet as they are being reviewed by auditors (LFA and internal audit) before replenishment | | | |
|  AUTHORIZED REPRESENTATIVE RESOURCES MOBILIZATION DEPARTMENT THE NATIONAL TREASURY | | | | |
| | | DATE: | 05-08-2025 | |

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11. Property Plant and Equipment

| Cost | Motor vehicles | Furniture and fittings | ICT Equipment | Total |
|------------------------------------|-------------------|------------------------|------------------|--------------------|
| | Kshs | Kshs | Kshs | Kshs |
| Depreciation rate | 25% | 20% | 33.33% | |
| As At 1 July 2024 | 24,151,250 | 336,283,787 | 8,310,577 | 368,745,614 |
| As at 30th June 2025 | 24,151,250 | 336,283,787 | 8,310,577 | 368,745,614 |
| | | | | |
| Depreciation And Impairment | | | | |
| As at 1 July 2024 | 22,337,861 | 234,667,242 | 6,902,952 | 263,908,055 |
| Depreciation charge for the year | 453,347 | 15,333,188 | 290,115 | 16,076,651 |
| As At 30th June 2025 | 22,791,208 | 250,000,430 | 7,193,067 | 279,984,705 |
| | | | | |
| Net Book Values | | | | |
| As at 1st July 2024 | 1,813,389 | 101,616,545 | 1,407,625 | 104,837,559 |
| As at 30th June 2025 | 1,360,042 | 86,283,357 | 1,117,510 | 88,760,909 |

12. Cash Generated from Operations

| Description | FY 2024/2025 |
|--|-------------------|
| | Kshs |
| Surplus/Deficit for the year | 61,974,159 |
| Adjusted for: | |
| Depreciation | 16,076,651 |
| Working capital adjustments | 78,050,810 |
| Increase in deferred income | - |
| Decrease in payables | |
| Net cash flow from operating activities | 78,050,810 |

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13. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the NSDCC include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the NSDCC, holding 100% of the NSDCC's equity interest.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Council of Directors.

| Description | FY 2024/25 |
|---|--------------------|
| | Kshs |
| Transactions with related parties | |
| Grants /transfers from the government | |
| Grants from Global Fund channeled through National Govt | 257,816,796 |
| | |
| Total | 257,816,796 |

14. Events after the Reporting Period

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

15. Ultimate And Holding Project

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

16. Currency

The financial statements are presented and rounded to the nearest Kshs.

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13. Annexes

Annex 1: Reconciliation of inter-project transfers

| Global Fund KEN-H-TNT- 4147 Project | | | |
|---|---------------------|--------------------|--------------------------------|
| Break down of transfers from the State Department for Medical Services | | | |
| a. Global Fund grant disbursement channelled through State | | | |
| | Bank Statement Date | Amount (Kshs) | FY to which the amounts relate |
| 1 | 12-09-24 | 21,104,421 | FY 2024/25 |
| 2 | 18-02-25 | 129,218,700 | FY 2024/25 |
| 3 | 30-06-25 | 113,894,967 | FY 2024/25 |
| | Total | 264,218,088 | |

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

| | | | | | | | |
|------------|--------------|--------------------------|-----------------------|---|-------------------------|-------------------------|---|
| 30-Sept-24 | FT24274JN7M4 | - | 8,326,887.00 | - | 8,326,887.00 | 8,326,887.00 | - |
| 12-Sept-24 | FT24256CQ818 | - | 21,104,420.80 | - | 21,104,420.80 | 21,104,420.80 | - |
| 17-Feb-25 | FT25048H12HM | - | 129,218,700.00 | - | 129,218,700.00 | 129,218,700.00 | - |
| 30-Jun-25 | FT25181T6KB2 | - | 113,894,966.80 | - | 113,894,966.80 | 113,894,966.80 | - |
| | | 1,171,949,999.600 | 272,544,974.60 | | 1,444,494,974.20 | 1,444,494,974.20 | |

The Chief Executive Officer,
National Syndemic Diseases
Control Council (NSDCC)
P. O. Box 61807 - 00200
NAIROBI

| | | | | | | | |
|-----------|--------------|-------------------------|-----------------------|---|-------------------------|--|--|
| 30-Sep-24 | FT24274JN7M4 | - | 8,326,887.00 | - | 8,326,887.00 | | |
| 12-Sep-24 | FT24256CQ818 | - | 21,104,420.80 | - | 21,104,420.80 | | |
| 17-Feb-25 | FT25048H12HM | - | 129,218,700.00 | - | 129,218,700.00 | | |
| 30-Jun-25 | FT25181T6KB2 | - | 113,894,966.80 | - | 113,894,966.80 | | |
| | | 1,171,950,000.60 | 272,544,975.60 | | 1,444,494,974.20 | | |


Dr. Ouma Oluga, OGW
PRINCIPAL SECRETARY

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Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 2: Income and Expenditure in USD

| | |
|----------------------------------|----------------|
| Gant Number | KEN-H-TNT-4147 |
| Accounting Methodology | Cash |
| Grant's Currency | USD |
| Implementation Period Start Date | 01-Jul-24 |
| Implementation Period End Date | 30-Jun-27 |

| | | | | |
|--|-----------------|-----------|-----------|-----------|
| Period of Financial Reporting | Beginning Date: | 01-Jul-24 | End Date: | 30-Jun-25 |
| Cumulative Period of Financial Reporting | Beginning Date: | 01-Jul-24 | End Date: | 30-Jun-25 |

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

| | Current Period | | | Cumulative Period | | | Notes |
|---------------------------------------|------------------|------------------|-----------------|-------------------|---------------------|-----------------|-------|
| | Budget | Actual | Variance | Budget | Actual | Variance | |
| Sources of Grant funds | | | | | | | |
| Opening grant cash balance | | - | | | | | |
| Receipts from Global fund | 1,604,969 | 1,993,213 | -388,244 | 1,604,969 | 1,993,212.90 | -388,244 | |
| Insurance Proceeds from damaged goods | | | | | | | |
| Interest | | 6,180.69 | | - | 6,180.69 | | |
| Total sources of Grant Funds | | | | | | | |
| | 1,604,969 | 1,999,394 | -388,244 | 1,604,969 | 1,999,393.59 | -388,244 | |
| Uses of Grant Funds | | | | | | | |
| 1.0 Human Resources (HR) | 12,632 | 11,237 | 1,394 | 12,632 | 11,237.25 | 1,394 | |
| 2.0 Travel related costs (TRC) | 1,422,081 | 1,300,938 | 121,144 | 1,422,081 | 1,300,937.53 | 121,144 | |
| 3.0 External Professional services | 100,627 | 3,939 | 96,688 | 100,627 | 3,939.15 | 96,688 | |
| 10.0 Communication Material | 10,393 | 4,929 | 5,464 | 10,393 | 4,929.05 | 5,464 | |
| 11.0 Program Administration | 34,286 | 18,649 | 15,637 | 34,286 | 18,648.66 | 15,637 | |
| 13.0 Payment for Results | 24,951 | 54,277 | 29,326 | 24,951 | 54,277.37 | - 29,326 | |
| Exchange gain/loss | | | | 0 | 0.00 | | |
| Total uses of Grant Funds | 1,604,969 | 1,393,969 | 211,000 | 1,604,969 | 1,393,969 | 211,000 | |
| Net grant cash balance | 0 | 605,425 | -599,244 | | - | | |

Cash reconciliation

| | | |
|------------------------------------|----------------|---------------|
| Cash at bank as at 30th JUNE 2025 | 895,755.78 | |
| MPESA Balance as at 30th JUNE 2024 | - | |
| Outstanding as at 30th June 2023 | (292,326.07) | |
| Total | 603,429.71 | |
| | 1,994.88 | Exchange loss |
| | <u>605,425</u> | |

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Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 4: Other Support Documents

i. Bank Reconciliations statement as at 30th June 2025

Bank Account Reconciliation

RECONCILIATION AS AT: 6/30/2025

Bank Code: BANK0011

Bank Account No: 1689250144

Bank Name: GLOBAL FUND 2018-KN-H-TNT-1547

| | |
|---------------------------------------|----------------|
| Balance as per Cash Book: | 78,050,809.77 |
| Add: Credits in Cash Book not in Bank | 0.00 |
| Less: Debits in Cash Book not in Bank | 0.00 |
| Add: Differences in Bank: | 0.00 |
| Balance as per bank statement: | 115,851,819.77 |
| Difference to be explained | -37,811,010.00 |

Prepared By: Accountant E. Makera Date: 10/07/2025

Checked By: Financial Accountant Eric Anoch Date: 10/07/2025

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ii. Council of Survey Report

REPUBLIC OF KENYA F.O. 51

Report of the Board of Survey on the Cash and Bank Balances of GLOBAL FUND 2018 KN-H-TNT-1597
1687250/44 as at the close of
 business on 30TH JUNE 2025

The Board, consisting of – (Names and official titles)

assembled at the office of NSDCC
 at 11:45 AM (time) on the 01 / JULY 2025
 and the following cash was produced:-

| | | |
|---------------|-----|--|
| Notes... .. | Sh. | |
| Silvers... .. | Sh. | |
| Copper... .. | Sh. | |

It was observed that cheques amounting to Sh. NIL cts NIL had been on hand for more than 14 days prior to the date of survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.


The Cash Book reflected the following balances as at close of Business on the 20


| | | |
|---------------------|-----|-----------------------|
| Cash on hand | Sh. | |
| Bank Balance | Sh. | <u>115,833,819/77</u> |

The Bank Certificate of Balance showed a sum of Sh. 115,833,819/77
 (Sh. _____ cts _____)

Standing to the credit of the account on 01 JULY 2025

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.


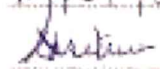

 Chairman

Cashier  Date 01/7/25 Members of the Board

To contribute to achieving Vision 2030 through universal access to comprehensive HIV Prevention, treatment and care.

Annual Report and Financial Statements for the financial year ended June 30, 2025

iii. Special Deposit Account reconciliation statement

| SPECIAL ACCOUNT STATEMENT | |
|---|---|
| For period ending | 30th JUNE, 2025 |
| Account No. | 1000375043 |
| Depository Bank | CENTRAL BANK OF KENYA. |
| Address | CENTRAL BANK OF KENYA. |
| Related Loan | HIV GRANT NO KEN-H-TNT GA 1547-MAIN |
| Credit Agreement | |
| Currency | USD |
| Part A - Account Activity | |
| Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account | 141,809.30 |
| Add: | |
| Total Amount deposited by <i>Global Fund</i> World Bank | 85,938,047.85 |
| Total Interest earnings if deposited in account | |
| Total amount refunded to cover ineligible expenditure | |
| Deduct: | |
| Total amount withdrawn | 85,084,452.59 |
| Total service charges if not included above in amount withdrawn | |
| Ending balance on 30th June, 2025 | 995,404.56 |
| AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA | SIGNATURE:  |
| | DATE: 14/07/2025 |
| AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY | SIGNATURE:  |
| | DATE: 05-08-2025 |

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2025 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

