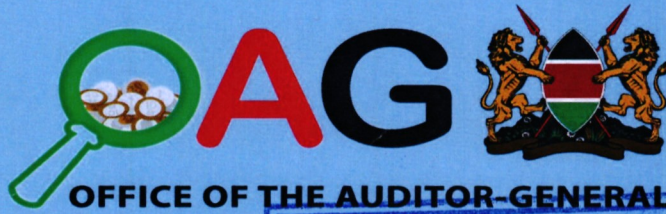


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*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 23 FEB 2021

DAY.
Thursday

**REPORT**

TABLED  
BY:

L.O.M

CLERK-AT  
THE-TABLE:

Mainah Wanjiku

PARLIAMENT  
OF KENYA  
LIBRARY

OF

**THE AUDITOR-GENERAL**

ON

**GLOBAL FUND TUBERCULOSIS GRANT  
PROGRAMME (GRANT NO.KEN-T-TNT-854  
AND KEN-T-TNT-1548)**

**FOR THE YEAR ENDED  
30 JUNE, 2020**

**MINISTRY OF HEALTH**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30034 - 00100, NAIROBI  
**REGISTRY**

23 DEC 2020

**RECEIVED**

**Project Name. GLOBAL FUND TUBERCULOSIS**

**Implementing Entity. MINISTRY OF HEALTH - NATIONAL TUBERCULOSIS, LEPROSY  
AND LUNG DISEASE - PROGRAM**

**PROJECT GRANT/CREDIT NUMBER. KEN-T-TNT-1548**

**THE NATIONAL ASSEMBLY  
PAPERS LAID**

**DATE. 23 FEB 2021**

**DAY.**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**TABLED  
BY:**

**CLERK-AT  
THE TABLE:**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2020**

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

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**1 PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

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

**Objective:** To accelerate the reduction of TB, Leprosy and lung disease burden through provision of people-centred, universally accessible, acceptable and affordable quality services in Kenya,

**Address:**

Ministry of Health  
P.O. Box 30016 - 00100  
Afya house, Cathedral Road,  
Nairobi, Kenya.

The address of its registered office is:

National Tuberculosis Leprosy and Lung Disease Program (NTLD-P)  
P.O. Box 20781 - 00202  
Afya Annex Building, KNH Grounds, Hospital Road  
Nairobi, Kenya.

**Contacts:** The following are the project contacts

The following are the project contacts

Telephone: (254) 0773 977 440

E-mail: [info@nltp.co.ke](mailto:info@nltp.co.ke)

Website: [www.nltp.co.ke](http://www.nltp.co.ke)

**1.2 Project Information**

Project Start Date:	GF TB SSF Grant: The project start date is 01/01/2011
Project End Date:	GF TB SSF Grant: The project end date is 30/09/2015
Project Start Date:	GF TB Grant KEN-T-TNT-854: The project start date is 01/10/2015
Project End Date:	GF TB Grant KEN-T-TNT-854: The project end date is 31/12/2017
Project Start Date:	GF TB Grant KEN-T-TNT-1548: The project start date is 01/01/2018
Project End Date:	TB NFM Grant KEN-T-TNT-1548: The project end date is 30/06/2021
Project Manager:	The project manager is Dr. Elizabeth Onyang'o
Project Sponsor:	The project sponsor is GFATM

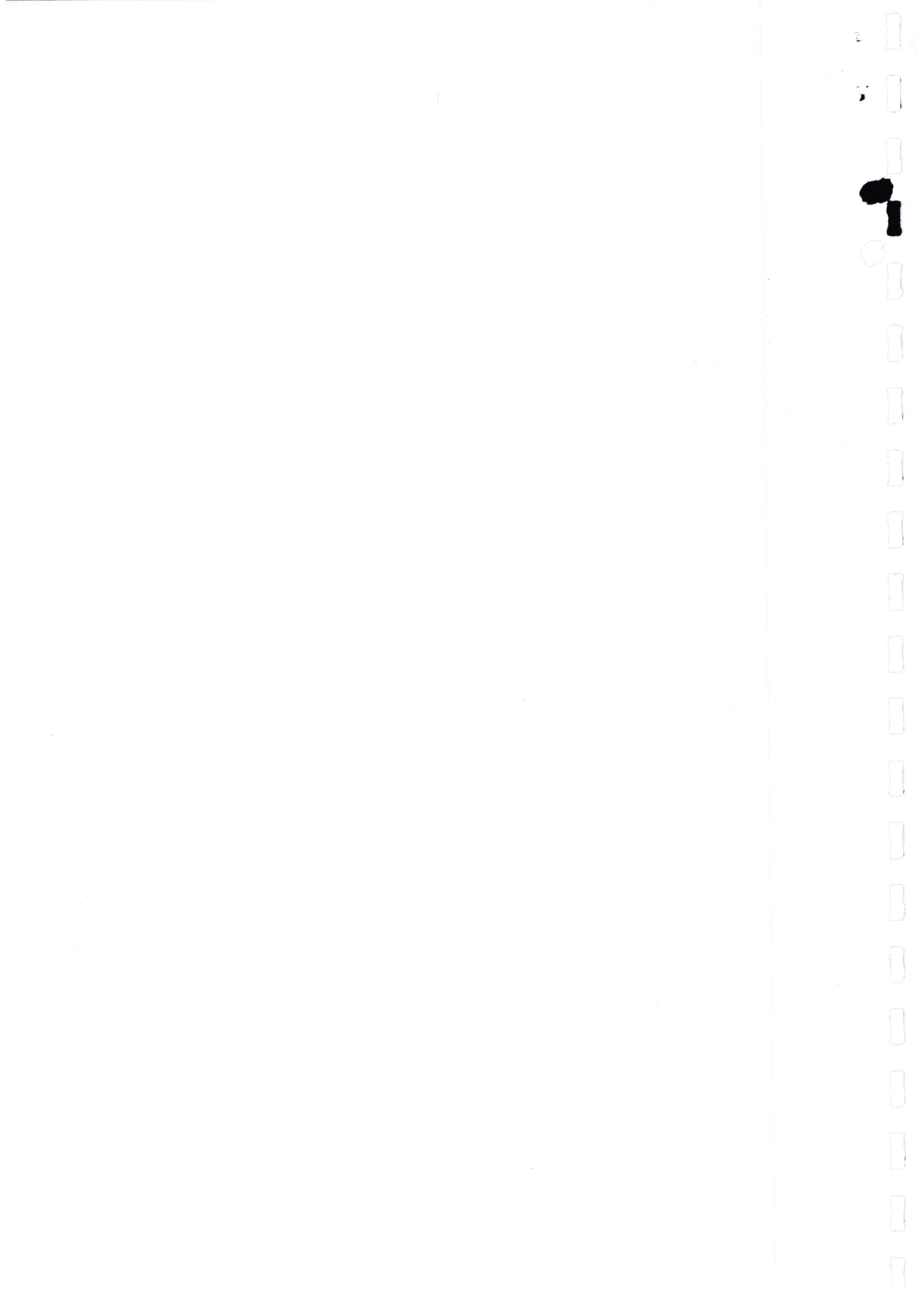
**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health.
Project number	KEN-T-TNT-1548
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>(i) To sustain the gains in the context of a newly devolved health system</li> <li>(ii) To intensify efforts to find "missing" cases</li> <li>(iii) To reduce transmission</li> <li>(iv) To prevent active disease and morbidity</li> <li>(v) To enhance the quality of care for chronic lung diseases</li> </ul>
Achievement strategic goals of	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Improving/increasing case finding and notification of TB cases from health facilities through adoption of new programmatic approaches including proactive case detection/screening in facilities; optimization of Gene Xpert usage and strengthening of the community referral system.</li> <li>(ii) Scaling up Sputum transportation to optimize testing.</li> <li>(iii) Strengthening Public /Private Partnership.</li> <li>(iv) Scaling up X-ray use for diagnosis.</li> <li>(v) Setting realistic MOR targets and support for MDR TB patients to allow adherence to treatment.</li> <li>(vi) Adoption of a Injection Free Regime for MDR TB patients.</li> <li>(vii) Strengthening TB/HIV coordination at county and national level to improve efficiency in utilization of resources.</li> </ul> <p>Under RSSH, strategies will aim at strengthening of PSM for health products under the devolved system of governance; strengthening of data systems with a focus at the county level; integrated service delivery through iCCM at community level, including RMNCH services and community systems strengthening which will build capacity to support a community response to HIV, TB and Malaria in an integrated and aligned manner.</p>

**Global Fund Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020**

<p>Other background information of the project</p> <p>important of the</p>	<p>Kenya is a lower-middle income country with an estimated population of 44.1 million. Because of its emerging economic status and strategic position, it is the regional economic hub for East and Central Africa. Kenya, has a devolved governance system since 2012 comprising of the National Government and 47 County Governments which are autonomous and responsible for managing health facilities and pharmacies, promotion and provision of healthcare services including HIV, Tuberculosis, Malaria, and Reproductive Maternal, Neonatal, Child and Adolescent Health (RMNCAH).</p> <p>Kenya successfully carried out the TB prevalence survey in 2015/16; key findings indicate that TB burden in Kenya is higher than previously estimated. Prevalence is now estimated at 558/100,000 (nearly double the WHO estimates of 217/100,000) translating to about 138,000 TB cases per year implying 40% of TB cases remain undetected and untreated per year. Prevalence was twice as high in men as in women and the highest burden of TB is among people aged 25-34. Other key survey findings are that the current practice of TB symptom screening misses cases and that a high percentage of TB infected people (43%) seek initial care at the private facilities including pharmacies. The country has taken into consideration survey findings and program results to guide this funding request and ensure strategies and interventions respond to the identified gaps.</p> <p>In TB, key success areas included the expansion of diagnostic capacity including roll out of new technologies (GeneXpert, idled microscopy), community involvement, and quality assured medicines which have contributed to sustained increase of bacteriologically confirmed cases, and treatment success rate at over 87% over the last 3 years. However, while the prevalence is higher than previously estimated, TB case notification has remained constant or even declined in the last few years despite increased efforts to find more cases at facility and community level. Considering the TB program has generated new data through the recent prevalence survey and DRS that has established that the burden of TB is higher than previously thought; this funding request highlights the additional innovative strategies for finding the missing TB cases.</p>
<p>Current situation that the project was formed to intervene</p>	<p>The project targets the following groups/beneficiaries:</p> <ul style="list-style-type: none"> <li>(i) TB patients (including TB/HIV co-infected patients and MDR-TB patients)</li> <li>(ii) Key populations (including prisoners, migrants, people living in informal settlements and mobile populations)</li> <li>(iii) The general population of Kenya</li> <li>(iv) Health workers</li> </ul>
<p>Project duration</p>	<p>The Global Fund TB Grant KEN-T-TNT-1548 commenced on 1st January 2018 and is expected to run until 30 June 2021.</p>
	<p>The project is under the supervision of the Ministry of Health.</p>

**1.4 Bankers**



**Global Fund Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020**

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The following are the bankers for the current year:

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

**SPECIAL ACCOUNT**

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

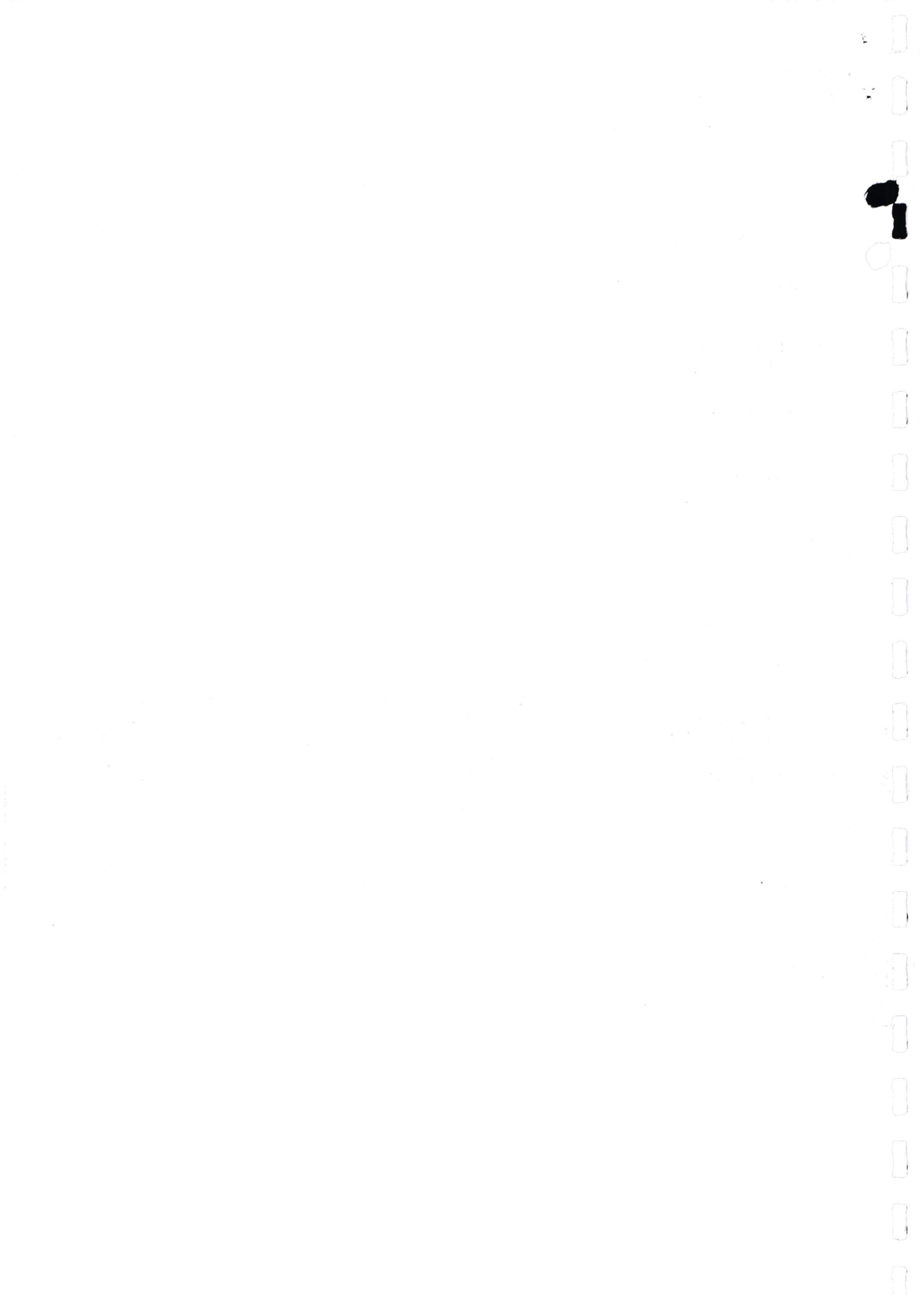
**1.5 Auditors**

The project is audited by  
The Auditor - General  
Kenya National Audit Office  
P.O Box 30084- 00100  
NAIROBI

**1.6 Roles and Responsibilities**

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

<b>Names</b>	<b>Title designation</b>	<b>Responsibilities</b>	<b>Contacts</b>
Dr. Pacifica Onyancha	Ag. Director, DMS/ Preventive & Promotive Health Services	Program Co- ordinator	<a href="mailto:dmskenya@gmail.com">dmskenya@gmail.com</a>
Dr. Elizabeth Onyang'o	Assistant Director of Medical Services	Head of Program	<a href="mailto:eyonyango@nltp.co.ke">eyonyango@nltp.co.ke</a>
Newton Angwa	Pharmacist	Global Fund TB Focal Person	<a href="mailto:nomale@nltp.co.ke">nomale@nltp.co.ke</a>
Dr. Kiogora Gitambu	Pharmacist	Pharmacist	<a href="mailto:kgatimbu@nltp.co.ke">kgatimbu@nltp.co.ke</a>
Aiban Ronoh	M&E Officer	M&E	<a href="mailto:aronoh@nltp.co.ke">aronoh@nltp.co.ke</a>
John Mutegi	Principal Accountant	Accounts	<a href="mailto:jmutegi@nltp.co.ke">jmutegi@nltp.co.ke</a>
Silas Kamuren	Project Finance Officer	Finance	<a href="mailto:skamuren@nltp.co.ke">skamuren@nltp.co.ke</a>



**Global Fund Tuberculosis Grant  
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For the financial year ended June 30, 2020**

**1.7 Funding summary**

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

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

The country signed the current grant in December 2017 for a duration of three and a half years from 01 January 2018 to 30 June 2021 with an approved budget of US\$ 32,617,670, where US\$ 10,208,546 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 22,409,125 relates to funds for programmatic interventions implemented by the Ministry of Health – National Tuberculosis Leprosy and Lung Disease Program (Sub-recipient) as highlighted in the table below.

The total cumulative funds received up to 30 June 2020 from The Global Fund is KES 4 391,745,757, while the cumulative interest earnings amount to KES 58,336,958 and Counterpart funding of KES 35,295,710 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30/06/2019)		Undrawn balance to date (30/06/2019)	
	Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
Global Fund SSF	\$ 15,730,768	1,352,846,048	\$ 11,916,805	1,064,415,028	\$ 3,813,963	288,431,020
Global Fund NFM KEN-T-TNT-854*	\$ 15,538,812	1,553,881,200	\$ 15,014,599	1,550,533,022	\$ 524,213	3,348,178
Global Fund TB – KEN-T-TNT-1548*	\$ 22,409,125	2,308,532,662	\$ 16,928,130	1,730,014,200	\$ 5,480,994	578,518,462
In Country Balance – June 2010			\$ 571,087	46,783,507		
Interest Earnings				58,336,958		
<b>Total Grants</b>	<b>\$ 53,678,705</b>	<b>5,215,259,910</b>	<b>\$ 44,430,621</b>	<b>4,450,082,715</b>	<b>\$ 9,819,171</b>	<b>870,297,660</b>
<b>(ii) Counterpart funds</b>						
Government of Kenya	-	-	-	35,295,710	-	-
<b>Total</b>	<b>\$ 53,678,705</b>	<b>5,215,259,910</b>	<b>\$ 44,430,621</b>	<b>4,485,378,425</b>	<b>\$ 9,819,171</b>	<b>870,297,660</b>



**1.8 Summary of Overall Project Performance:**

- Budget performance against actual amounts for current year and for cumulative to-date,
- Physical progress based on outputs, outcomes and impacts since project commencement,
- Comment on value-for-money achievements,
- Indicate the absorption rate for each year since the commencement of the project.
- List the implementation challenges and recommended way forward.

**1.9 Summary of Project Compliance:**

- Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
- Include consequences suffered on account of non-compliance or likely to be suffered
- Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance



**2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

**Introduction**

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

The key development objectives of the *project's 2018-2021* plan are to:

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

**Progress on attainment of Strategic development objectives**

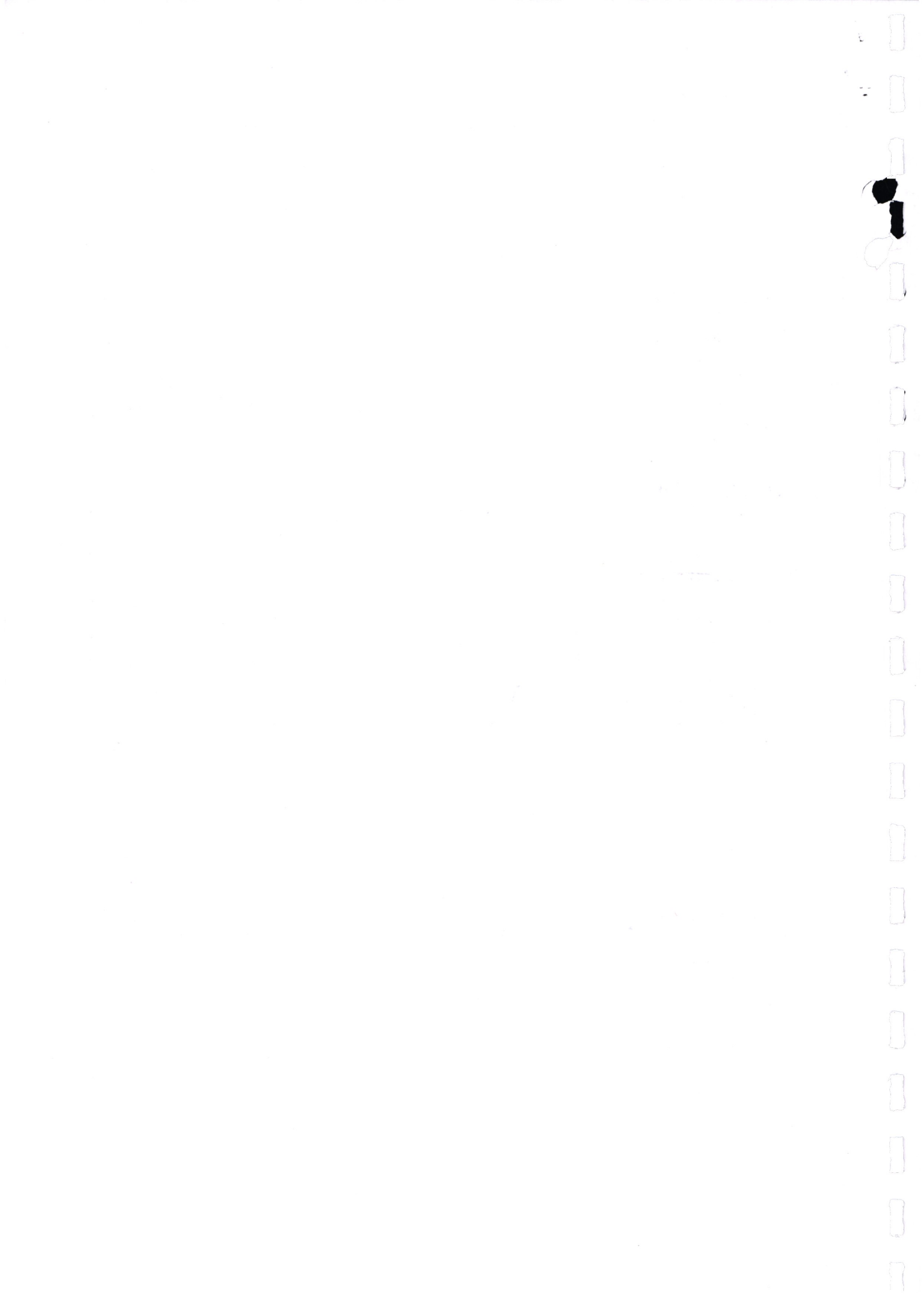
For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bund (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking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

Project	Objective	Outcome	Indicator	Performance
Global Fund Grant-Tuberculosis Component	To accelerate reduction of TB, Leprosy and lung disease burden through provision of people centred, universally accessible, acceptable and affordable quality services in Kenya	<ol style="list-style-type: none"> <li>1. Reduction of TB incidence by 90%</li> <li>2. Reduction of TB mortality by 95%</li> <li>3. Zero households suffering from catastrophic costs by 2030</li> </ol>	1.TB Mortality rate 2. TB incidence rate	The country achieved a mortality rate of 38 per 100,000 against a target of 19 per 100,000-This means mortality is still high Achieved incidence rate of 292 per 100,000 against a target of 308; the country is still missing people with TB
			3.Treatment success rate (All forms of TB)	<b>Target=90%</b> <b>Achieved=83%</b> <b>Performance of 92%</b>
			Number of notified cases of all forms of TB	<b>Targets=107,883</b> <b>Achieved=80,271</b> <b>Performance of 74%</b>



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	Percentage of registered new and relapse TB patients with documented HIV status	<b>Target=95%</b> <b>Achieved=97%</b> <b>Performance of 102%</b>
	Percentage of HIV-positive new and relapse TB patients on ART during TB treatment	<b>Target=95%</b> <b>Achieved=94%</b> <b>Performance of 99%</b>
	Percentage of previously treated TB patients receiving DST (bacteriologically positive cases only)	<b>Target=90%</b> <b>Achieved=98%</b> <b>Performance of 109%</b>
	Number of cases with RR-TB and/or MDR-TB that began second-line treatment	<b>Target=747</b> <b>Achieved=843</b> <b>Performance of 103%</b>
	Number of children <5 in contact with TB patients who began isoniazid preventive therapy	<b>Target=6696</b> <b>Achieved=8704</b> <b>Performance of 130%</b>



### **3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

#### **1. Sustainability strategy and profile -**

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

#### **2. Environmental performance**

Tuberculosis legal environmental assessment: KELIN an arm of legal and human right wing, carried out Tuberculosis: assessment of the legal environment in Kenya in 2018, according to the report launch in February 2018. It is appreciated that in the area of TB prevention and control, legal and policy barriers might not be as obviously problematic to treatment and care as they are in the area of HIV. However, human rights and law issues have emerged and should be addressed through country-level reviews of laws and policies. These issues have increasingly presented barriers to access to the best standards of care for TB patients, especially the marginalized communities. The legal environment assessment entailed an evaluation of the national legal and policy framework of TB in Kenya. It aimed at identifying and examining all important legal and human rights issues in TB affecting people. An environmental legal assessment has led to development of TB isolation policy taking into consideration the issues of human rights raised and hence inclusion of human rights intervention in the National Strategic 2019-2023, for TB, Leprosy and Lung Health. The other environmental performance includes the funding landscape.

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

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### **3. Employee welfare**

The program implements the Public Service commission policies procedures and guideline provide. During hiring the program applies the *i) Human Resource Policies and Procedures Manual for the Public Service – May 2016 and ii) Diversity Policy for Public Service - May 2016* to foster, cultivate and preserve a culture of respect for diversity by embracing and encouraging an inclusive workforce in terms of age, colour, minority and marginalized, disability, ethnicity, family or marital status, gender, language, physical and mental ability, race, religion, socio-economic status, and other characteristics that make its human resource unique.

The Program is currently implementing the *i) Human Resource Policies and Procedures Manual for the Public Service – May 2016 ii) Human Recourse Development Policy for the Public Service where – June 2015*; clear guidelines for efficient, effective and purpose driven management of human resource development in the public service for socio-economic development. Further, it provides for systematic identification and mitigation of performance gaps; and creation of an environment that promotes Private Public Partnerships in training and development, innovativeness and creativity in service delivery. In addition, it provides direction in planning and implementation of capacity building programmes and mechanisms for performance improvement, while ensuring continuous and lifelong learning for public servants. The Policy presents a mechanism for structured training, competency development and assessment; knowledge and talent management; entrenchment of Values and Principles of Public Service, human resource development audit and development of a monitoring, evaluation and reporting framework for human resource development programmes.

DNTLD is implementing the *Occupational safety and health policy guidelines for the health sector In Kenya* as developed by the Ministry of Health.

### **4. Market place practices-**

#### *a) Responsible competition practice.*

DNTLDP is a division within the Ministry of Health, being a government entity, the program does not participate or have any political affiliation(s) not does it undertake any commercial activities. All the staff are duly trained and guided by the *i) Code of Regulation, ii) Bribery Act 47 and framework for the implementation of values and principles in articles 10 and 232 of the constitution in the public service 2015.*

#### *b) Responsible Supply chain and supplier relations-*

DNTLDP is a government entity is governed by the *Public Procurement and Disposal Act 2015 and PFM Act*. This act clearly stipulates policies and procedures to follow to ensure fair and competitive selection of suppliers when procuring goods and services to be used in the implementation of the project. Being a performance-based grant, the TB program it settles all invoices within thirty days to enhance grant absorption.

### **5. Community Engagements-**

The role of communities and community-based organizations in TB work is limited and even if they played a role, it is mainly limited to a few tasks in service delivery. Lessons learnt from other public health responses, highlight the importance of community engagement and participation in all aspects of communication, advocacy, planning, implementation and monitoring of programs. In line with the call for paradigm shift articulated in the Global Plan for ending TB 2016- 2020, the Stop TB Partnership, Kenya started a work stream that focuses on communities and the related issues of rights and gender. Involvement of former TB patients and those affected has been very visible during national events like the world TB day



***Global Fund Tuberculosis Grant  
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For the financial year ended June 30, 2020***

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planning meetings and implementations which has been most of time been on voluntary basis. Community health volunteers (CHVs) continues to provide essential services on contact tracing, tracing those who interrupt treatment and public health education at the community level particularly during this era of COVID 19 pandemic. During the Global Fund grant application, the TB champions among other community-based actors played a key in grant application process. Noted here is the valuable man hours given by this group of community players. In this regard, the contribution of this community actors is part of their contribution to the society as part of CSR.

**4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

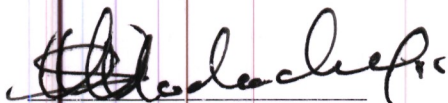
The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in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

The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial period ended June 30, 2020, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


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

**Approval of the Project financial statements**

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Project** on 14 DECEMBER 2020 and signed by them.



Principal Secretary  
Susan Mochache, CBS



Project Coordinator  
Dr. Pacifica Onyancha



Project Accountant:  
Silas Kamuren  
ICPAK Member Number: 24479

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND TUBERCULOSIS GRANT PROGRAMME (GRANT NO.KEN-T-TNT-854 AND KEN-T-TNT-1548) FOR THE YEAR ENDED 30 JUNE, 2020 – MINISTRY OF HEALTH**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Global Fund Tuberculosis Grant Programme set out on pages 1 to 23, which comprise of the statement of financial assets as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Global Fund Tuberculosis Grant Programme Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreements No.KEN-T-TNT-854 and KEN-T-TNT-1548 dated 1 October, 2015 and 15 December, 2017 respectively and the Public Finance Management Act, 2012.

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

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Global Fund Tuberculosis Programme Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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

## **Other Matter**

### **Budget Control and Performance**

The statement of comparative budget and actual amounts reflects budgeted receipts totalling Kshs.859,847,389 from the External Development Partners and actual receipts on comparable basis of Kshs.421,825,238 resulting to a shortfall of Kshs.438,022,151 or 51% of the budgeted receipts. Similarly, Management had budgeted to spend Kshs.859,847,389 but only Kshs.506,478,971 or 59% was actually expended. The under-utilization of funds implies that the Project may not be achieving its planned goals and objectives.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Recover Long Outstanding Imprests**

As previously reported, the statement of financial assets reflects accounts receivable-imprest and advances balance of Kshs.3,164,169 as at 30 June, 2020. However, and as disclosed under Note 9.10 to the financial statements, the total imprest and advances of Kshs.3,164,169 some dating back to 2012/2013 financial year were overdue as at 30 June, 2020. This is contrary to Section 93(5) of the Public Finance Management Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Further, Section 93(6) provides that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank rate.

Consequently, Management is therefore in breach of the law.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**21 December, 2020**


*Global Fund Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020*


**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
<b>RECEIPTS</b>						
Transfer from Government entities	9.3	-	-	-	-	35,295,710
Proceeds from domestic and foreign grants	9.4	417,710,009	-	810,755,537	-	4,391,745,757
Miscellaneous receipts	9.5	4,115,229	-	3,758,025	-	58,336,958
<b>TOTAL RECEIPTS</b>		<b>421,825,238</b>	<b>-</b>	<b>814,513,562</b>	<b>-</b>	<b>4,485,378,425</b>
<b>PAYMENTS</b>						
Compensation of employees	9.6	173,730,734	-	218,041,944	-	1,185,725,387
Purchase of goods and services	9.7	332,748,237	-	445,744,425	-	2,910,943,590
Acquisition of non-financial assets	9.8	-	-	-	-	44,378,452
<b>TOTAL PAYMENTS</b>		<b>506,478,971</b>	<b>-</b>	<b>663,786,370</b>	<b>-</b>	<b>4,141,047,429</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(84,653,733)</b>	<b>-</b>	<b>150,727,192</b>	<b>-</b>	<b>344,330,997</b>

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

  
Principal Secretary  
Susan Mochache, CBS

  
Project Coordinator  
Dr. Pacifica Onyancha

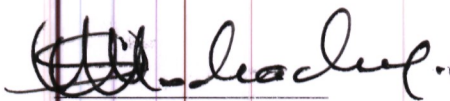
  
Project Accountant:  
Silas Kamuren  
ICPAK Member No: 24479

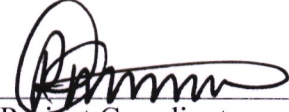
**Global Fund Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020**


**7. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2020**

	Note	2019-2020	2018-2019
		KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	9.9.A	341,166,828	424,552,261
<b>Total Cash and Cash Equivalents</b>		<b>341,166,828</b>	<b>424,552,261</b>
Accounts receivables – Imprest and Advances	9.10	3,164,169	4,432,469
<b>TOTAL FINANCIAL ASSETS</b>		<b>344,330,997</b>	<b>428,984,730</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	9.11	428,984,730	278,257,538
Prior year adjustments	9.12	-	-
Surplus/(Deficit) for the year		(84,653,733)	150,727,192
<b>NET FINANCIAL POSITION</b>		<b>344,330,997</b>	<b>428,984,730</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 14 DECEMBER 2020 and signed by:

  
Principal Secretary  
Susan Mochache, CBS  
Date 17/12/2020

  
Project Coordinator  
Dr. Pacifica Onyancha  
Date 17/12/2020

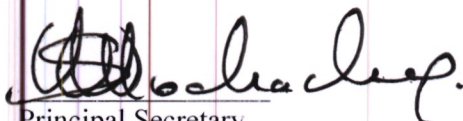
  
Project Accountant  
Silas Kamuren  
Date 14/12/2020  
ICPAK Member No: 24479


**Global Fund Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020**


**8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2020**

		2019-2020	2018-2019
	Note	KShs	KShs
<b>Receipts from operating activities</b>			
Proceeds from domestic and foreign grants	9.4	417,710,009	810,755,537
Miscellaneous receipts	9.6	4,115,229	3,758,025
<b>Payments from operating activities</b>			
Compensation of employees	9.7	(173,730,734)	(218,041,944)
Purchase of goods and services	9.8	(332,748,237)	(445,744,425)
<b>Adjustments during the year</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	9.13	1,268,300	74,595
<b>Net cash flow from operating activities</b>		<b>(83,385,433)</b>	<b>150,801,787</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(83,385,433)</b>	<b>150,801,787</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>424,552,261</b>	<b>273,750,474</b>
<b>Cash and cash equivalent at END of the year</b>		<b>341,166,828</b>	<b>424,552,261</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14/12 2020 and signed by:

  
Principal Secretary  
Susan Mochache, CBS  
Date 17/12/2020

  
Project Coordinator  
Dr. Pacifica Onyancha  
Date 17/12/2020

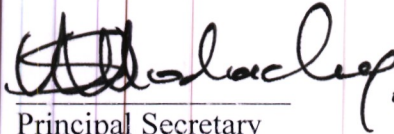
  
Project Accountant  
Silas Kamuren  
Date 14/12/2020  
ICPAK Member No:24479

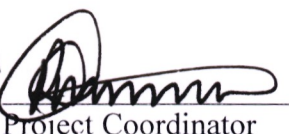
**Global Fund Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020**

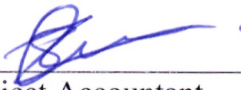
**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR  
THE YEAR ENDED 30 JUNE 2020**

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 %
<b>Receipts</b>						
Transfer from Government entities						
Proceeds from domestic and foreign grants	906,188,600	(46,341,211)	859,847,389	417,710,009	442,137,380	49%
Proceeds from borrowings						
Miscellaneous receipts			0	4,115,229	(4,115,229)	0%
<b>Total Receipts</b>	<b>906,188,600</b>	<b>(46,341,211)</b>	<b>859,847,389</b>	<b>421,825,238</b>	<b>438,022,151</b>	<b>49%</b>
<b>Payments</b>						
Compensation of employees	218,045,283	0	218,045,283	173,730,734	44,314,549	80%
Purchase of goods and services	688,143,317	(46,341,211)	641,802,106	332,748,237	309,053,869	52%
Social security benefits						
Acquisition of non-financial assets						
Transfers to other government entities						
Other grants and transfers						
<b>Total Payments</b>	<b>906,188,600</b>	<b>(46,341,211)</b>	<b>859,847,389</b>	<b>506,478,971</b>	<b>353,368,418</b>	<b>59%</b>

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

  
 Principal Secretary  
 Susan Mochache, CBS  
 Date \_\_\_\_\_

  
 Project Coordinator  
 Dr. Pacifica Onyancha  
 Date 19/12/2020

  
 Project Accountant  
 Silas Kamuren  
 Date 14/12/2020  
 ICPAK Member No: 24479

## **10. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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

### **9.1. Basis of Preparation**

#### **9.1.1. Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

#### **9.1.2. Reporting entity**

The financial statements are for the Global Fund Tuberculosis Grant Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

#### **9.1.3. Reporting currency**

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

### **9.2. Significant Accounting Policies**

#### **a) Recognition of receipts**

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

##### **• Transfers from the Exchequer**

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

##### **• External Assistance**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donations and grants**

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

**Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

**Undrawn external assistance**

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

• **Other receipts**

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

**b) Recognition of payments**

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

- **Acquisition of fixed assets**

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

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

**c) In-kind donations**

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**d) Cash and cash equivalents**

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

**Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Accounts receivable**

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

**f) Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities, Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**g) Contingent Assets**

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



**h) Pending bills**

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

**i) Budget**

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial period under review has been included in an annex to these financial statements.

**j) Third party payments**

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

During the year Kshs Nil being loan disbursements were received in form of direct payments from third parties.

**k) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Comparative figures**

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

**m) Subsequent events**

There have been no events subsequent to the financial period end with a significant impact on the financial statements for the year ended June 30, 2020.

**n) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.3. RECEIPTS FROM GOVERNMENT OF KENYA**

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

	2019/20	2018/19	Cumulative to-date (from inception)
	KShs	KShs	
<i>Counterpart funding through Ministry of Health</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	35,295,710
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total	<u>-</u>	<u>-</u>	<u>35,295,710</u>

*Global Fund Tuberculosis Grant  
Reports and Financial Statements  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

During the 12 months to 30 June 2020 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2019/20	2018/19
			KShs	KShs	KShs	KShs	KShs
<b>Grants Received from Multilateral Donors (International Organisations)</b>							
Global Fund to Fight Aids Malaria and Tuberculosis KEN-T-TNT-1584	09-12-19	2,473,421	256,271,150	-	-	256,271,150	
	02-06-20	1,506,100	161,438,859	-	-	161,438,859	810,755,537
<b>Total</b>						417,710,009	810,755,537

\* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.5. MISCELLANEOUS RECEIPTS**

	2019/20			2018/19	Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		(from inception)
	KShs	KShs	KShs		
Sale of Tender	-	-	-	-	462,574
Other receipts not classified elsewhere – Bank Interest (0112000540000)	206,547	-	206,547	801,088	50,974,853
Other receipts not classified elsewhere – Bank Interest (01141163732900)	3,908,682	-	3,908,682	2,956,936	6,899,532
	<u>4,115,229</u>	=	<u>4,115,229</u>	<u>3,758,025</u>	<u>58,336,958</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.6. COMPENSATION OF EMPLOYEES**

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees	171,458,784	-	171,458,784	215,611,994	1,166,389,915
Compulsory national social security schemes	685,600	-	685,600	734,800	6,684,537
Compulsory national health insurance schemes	1,586,350	-	1,586,350	1,695,150	12,650,934
<b>Total</b>	<u>173,730,734</u>	=	<u>173,730,734</u>	<u>218,041,944</u>	<u>1,185,725,387</u>

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**9.7. PURCHASE OF GOODS AND SERVICES**

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	1,325,608	-	1,325,608	1,092,424	5,045,636
Communication, supplies and services	3,915,947	-	3,915,947	4,048,087	18,730,092
Domestic travel and subsistence	106,290,441	-	106,290,441	214,212,191	1,254,891,334
Foreign travel and subsistence	-	-	-	-	11,625,642
Printing, advertising and - information supplies & services	91,919,873	-	91,919,873	30,453,271	216,459,609
Rentals of produced assets	-	-	-	-	-
Training payments	55,598,707	-	55,598,707	116,748,953	1,047,828,741
Hospitality supplies and services	27,458,219	-	27,458,219	43,245,783	204,856,935
Insurance costs	5,220	-	5,220	1,160,040	9,414,521
Specialised materials and services	44,103,379	-	44,103,379	33,279,097	105,895,525
Office and General Supplies and Services	835,682	-	835,682		1,455,510
Other operating payments	-	-	-	-	21,634,036
Routine maintenance -- vehicles and other transport equipment	1,295,162	-	1,295,162	1,504,581	12,391,744
Routine maintenance- -- other assets	-	-	-	-	714,264
Exchange rate losses/gains (net)		-		-	
<b>Total</b>	<b><u>332,748,237</u></b>	<b>=</b>	<b><u>332,748,237</u></b>	<b><u>445,744,425</u></b>	<b><u>2,910,943,590</u></b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.8. ACQUISITION OF NON-FINANCIAL ASSETS**

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of vehicles & other transport equipment	-	-	-	-	26,462,622
Purchase of office furniture & general equipment	-	-	-	-	9,857,909
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	8,057,921
<b>Total</b>	=	=	=	=	<b><u>44,378,452</u></b>

**9.9. CASH AND CASH EQUIVALENTS CARRIED FORWARD**

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 8.13A)	341,166,828	424,552,261
Outstanding imprests and advances (Note 8. 13B)	3,164,169	4,432,469
<b>Total</b>	<b><u>344,330,997</u></b>	<b><u>428,984,730</u></b>

The project has 2 project accounts spread within the project implementation area and Nil number of foreign currency designated accounts managed by the National Treasury as listed below:



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.9 A Bank Accounts**

**Project Bank Accounts**

	2019/20	2018/19
	KShs	KShs
<b><u>Foreign Currency Accounts</u></b>	-	-
<b><u>Local Currency Accounts</u></b>		
Co-operative Bank of Kenya [A/c No 01120005400000] Grant No. KEN-T-TNT-854	0	15,185,644
Co-operative Bank of Kenya [A/c No 01141163732900] Grant No. KEN-T-TNT-1548	333,324,733	406,886,638
Safaricom PLC – MPESA [A/c TB-KEN-T-TNT-NLTP (Pay Bill.No 467926)]	7,842,095	2,479,979
<b>Total local currency balances</b>	<b><u>341,166,828</u></b>	<b><u>424,552,261</u></b>
<b>Total bank account balances</b>	<b><u>341,166,828</u></b>	<b><u>424,552,261</u></b>

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2020 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

**Special Deposit Accounts Movement Schedule**

	2019/20	2018/19
	KShs	KShs
<b>(i) A/C Name- TB Grant KEN-T-TNT GA 1548 [A/c No 1000375124]</b>		
Opening balance	6,993,864	327,009
Total amount deposited in the account	2,841,372	15,964,507
Total amount withdrawn (as per Statement of Receipts & Payments)	7,885,816	9,297,652
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>1,949,420</u></b>	<b><u>6,993,864</u></b>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix I* support these closing balances.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.10. OUTSTANDING IMPRESTS AND ADVANCES**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Amount Banked</i>	<i>Balance 2020</i>	<i>Balance 2019</i>
<b>GF TB Grant No. KEN-T-TNT-854</b>						
Patrick Gawo	21,000	30/01/2015	18,000	0	3,000	
Benjamin Ontita	30,000	30/06/2014	0	0	30,000	
Joseph Karimi	95,000	30/01/2015	0	0	95,000	
Nicholas Njeru	2,392,400	30/06/2014	0	0	2,392,400	
EANP	7,441,500	30/12/2013	7,430,699	0	10,801	
NEP	11,682,060	30/12/2013	11,332,110	330,000	19,950	
NRBN	10,388,250	30/12/2013	9,966,439	330,844	90,967	
NYS	9,629,210	30/12/2013	9,537,790	0	91,420	
NRBS	14,521,300	30/12/2013	14,425,300	0	96,000	
Coast	15,168,150	30/12/2013	15,064,832	0	103,318	
WEP	9,627,800	30/12/2013	9,459,227	0	168,573	
RVN	9,752,100	30/12/2013	9,494,441	54,038	203,621	
<b>Sub Total</b>	<b>90,748,770</b>		<b>86,728,838</b>	<b>714,882</b>	<b>3,305,050</b>	
Dr Everlyn Kimani	231,000	10/02/2015	212,000	41,000	(22,000)	
Drusilah Nyaboke	496,000	15/01/2016	494,908	13,600	(12,508)	
Elizabeth Chirchir	120,000	31/07/2014	99,400	30,600	(10,000)	
George N. Otieno	12,000	19/12/2014	21,000	0	(9,000)	
Victor Kimathi	451,000	19/09/2017	443,620	16,380	(9,000)	
Lawrence Mutua	34,000	07/06/2013	38,000	0	(4,000)	
Silas Kamuren	4,252,900	23/11/2015	4,037,350	218,050	(2,500)	
Bob oldatir	27,000	04/03/2015	18,500	10,000	(1,500)	
Halima Abdulrahaman	686,700	28/06/2013	662,450	25,400	(1,150)	
Henry Kandie	410,600	11/12/2012	367,320	44,280	(1,000)	
BENJAMIN ONTITA	21,000	09/05/2013	22,000	0	(1,000)	
Martin Githiomi	3,199,000	03/10/2016	3,174,845	24,500	(345)	
Josephine Mburu	1,607,000	03/10/2016	1,606,500	600	(100)	
Silas Kamuren	581,500	03/10/2016	542,610	38,980	(90)	
Drusilah Nyaboke	737,000	30/06/2016	731,576	5,430	(6)	
Drusilah Nyaboke	328,000	30/06/2016	311,556	16,450	(6)	
NYN	14,779,300	30/12/2013	14,549,009	262,500	(32,209)	
Central	8,131,700	30/12/2013	8,152,200	6,300	(26,800)	
EASP	14,814,000	30/12/2013	14,821,661	0	(7,661)	
RVS	11,617,100	30/12/2013	11,344,106	273,000	(6)	
<b>Sub Total</b>	<b>62,536,800</b>		<b>61,650,611</b>	<b>1,027,070</b>	<b>(140,881)</b>	
<b>Grand Total</b>	<b>153,285,570</b>		<b>148,379,449</b>	<b>1,741,952</b>	<b>3,164,169</b>	<b>4,432,469</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.11. FUND BALANCE BROUGHT FORWARD**

	2019/20	2018/19
	KShs	KShs
Bank accounts	424,552,261	273,750,474
Outstanding imprests and advances	4,432,469	4,507,064
<b>Total</b>	<b>428,984,730</b>	<b>278,257,538</b>

**9.12. CHANGES IN RECEIVABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	4,432,469	4,507,064
Imprest issued during the year (B)	1,956,388	40,402,002
Imprest surrendered during the Year (C)	3,224,688	40,476,597
Net changes in account receivables D= A-(A+B-C)	<b>1,268,300</b>	<b>74,595</b>

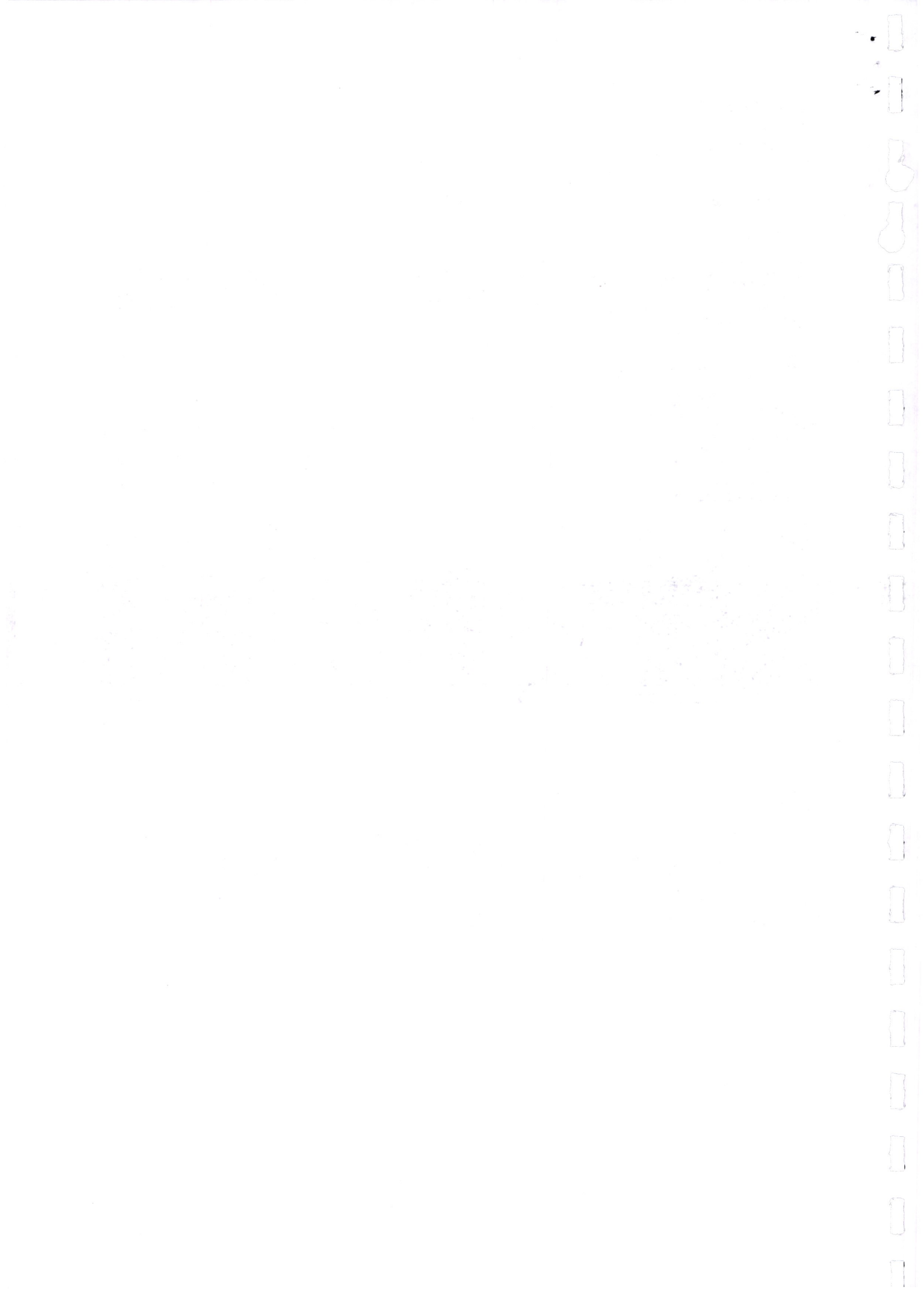
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**11. OTHER IMPORTANT DISCLOSURES**

**10.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)**

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Supply of services	176,505,828	195,490,647	289,563,085	82,433,390
Supply of goods	43,185,152	-	43,185,152	-
<b>Total</b>	<b>219,690,980</b>	<b>195,490,647</b>	<b>332,748,237</b>	<b>82,433,390</b>



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**OTHER IMPORTANT DISCLOSURES (Continued)**

**10.2 External Assistance**

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
External assistance received in cash	417,710,009	810,755,537
<b>Total</b>	<b>417,710,009</b>	<b>810,755,537</b>

*a) External assistance relating loans and grants*

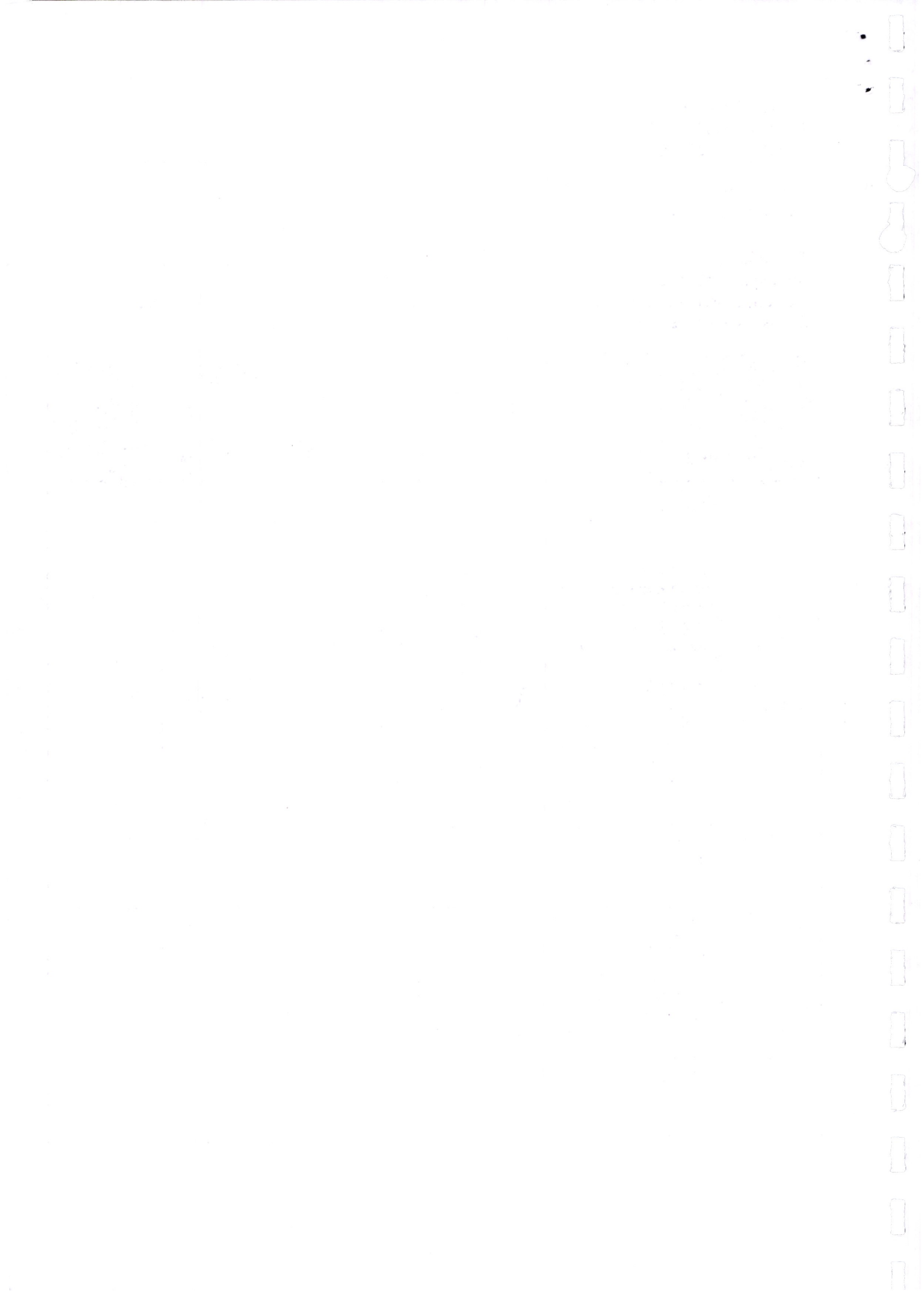
Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
External assistance received as grants	417,710,009	810,755,537
<b>Total</b>	<b>417,710,009</b>	<b>810,755,537</b>

*b) Undrawn external assistance*

Description	Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2018/2019
		Kshs	Kshs
Undrawn external assistance - grants	Tuberculosis control programmatic activities	442,137,380	996,228,471
<b>Total</b>		<b>442,137,380</b>	<b>996,228,471</b>

*c. Classes of providers of external assistance*

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Multilateral donors	417,710,009	996,228,471
<b>Total</b>	<b>417,710,009</b>	<b>996,228,471</b>



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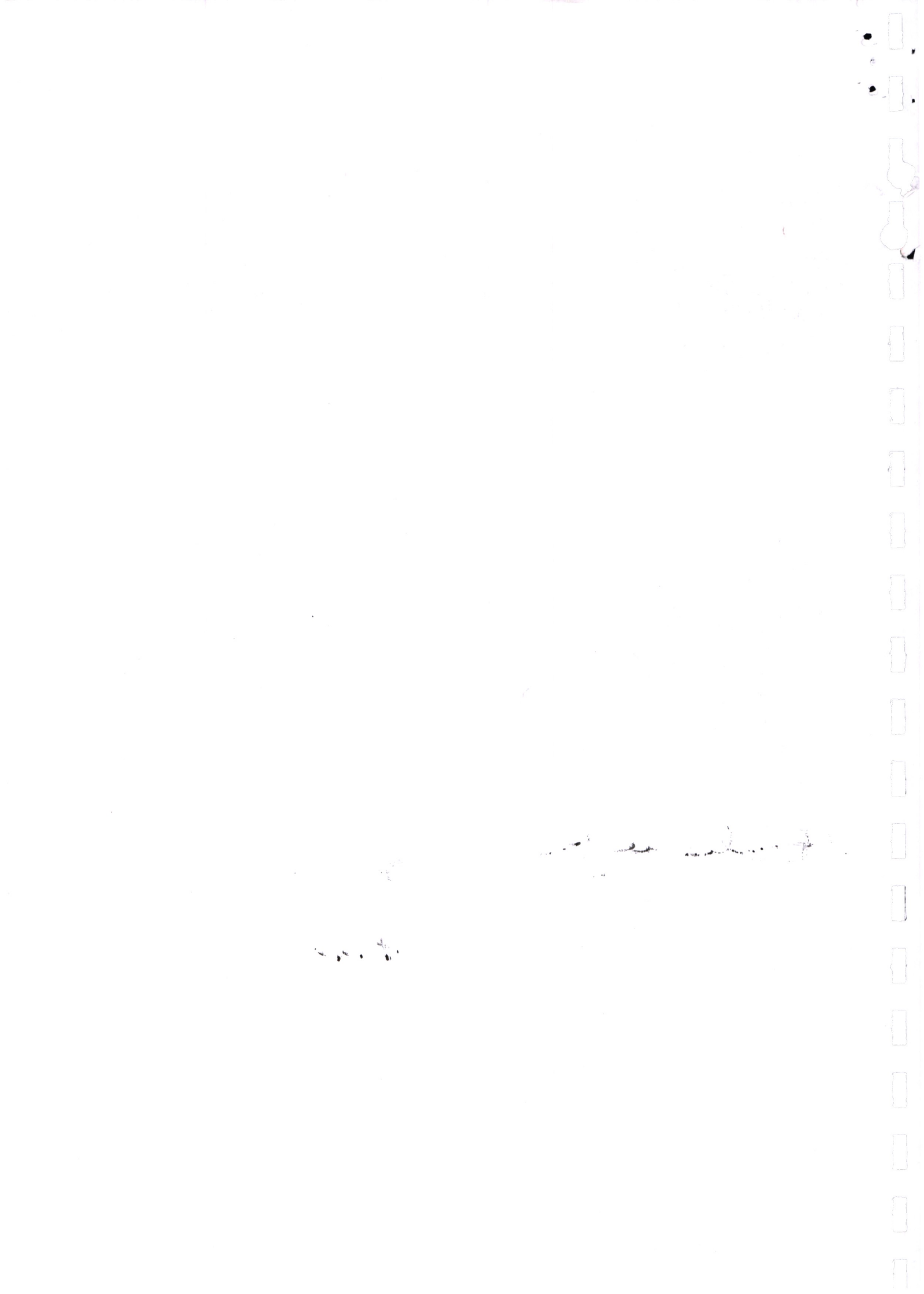
**12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY 2018/19	<p><b><u>Cash and Cash Equivalents</u></b></p> <p>The statements of financial assets reflects cash and cash equivalent balance of Kshs. 424,552,261 as disclosed under note 8.9 to the financial statements. A reconciliation of the balances between the cashbook balance and those in the bank statement include reconciling items totaling Kshs. 1,429,924 which have been long outstanding.</p>	<p>The management agreed there were long outstanding reconciling items in the bank reconciliation statements. The bank reconciliation items have been investigated and cleared from the bank reconciliation statement.</p>		Resolved	N/A
FY 2018/19	<p><b><u>Budget control and Performances</u></b></p> <p>The statement of comparative budget and actual amounts reveals that the project had budgeted receipts totalling Kshs. 1,166,028,879 from the external development partners but actual</p>	<p>The management acknowledges that there was under-utilization of the grant budget during FY 2018/19. The shortfall in receipts disbursement was occasioned by the</p>		Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	receipts amounted to Kshs. 814,513,562 only, resulting to a shortfall of Kshs. 351,515,317 or 30% of the total budgeted receipts. Similarly, the project had budgeted to spend an amount of Kshs. 1,166,028,879 but only Kshs. 663,786,370 or 57% was actually expended. The under utilization of funds implies that the project may not be achieving its planned goals and objectives.	incountry balances from the previous FY 2017/18 of Kshs. 273,750,474, thus 97% the funds for the FY 2018/19 were received. At the end of FY 2018/19, the TB program had pending bills worth Kshs 225,527,738.40 The program had postponed activities to the next FY of Kshs 71,372,444.69 and projected savings of Kshs 205,338,987.91 due to efficiency savings and reprogramed activities.			
FY 2018/19	<b><u>Outstanding Imprest Balances</u></b> As previously reported, the statement of financial assets reflects accounts receivable imprests and advances balance of Kshs.4,432,469 as at 30 June 2019. However, and as disclosed in note 8.10 to the financial statements, the total	The management acknowledged the long outstanding imprest as reported in the Financial Statement. As at the end of FY 2019/20 the outstanding imprest of Kshs 3,164,169 relates to outstanding		Not Resolved	30 <sup>th</sup> December 2020

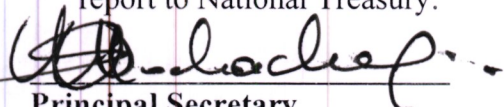


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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	imprest and advances of Kshs.4,432,469 some dating back to 2012/2013 Financial year were overdue as at 30 June 2019.	balances from the closed grant that has been reimbursed to The Global Fund. The Management is proposing to write off the amounts from the financial statements to have it resolved.			

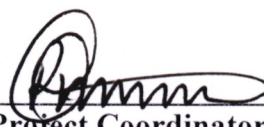
**Guidance Notes:**

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



Principal Secretary  
Susan Mochache, CBS

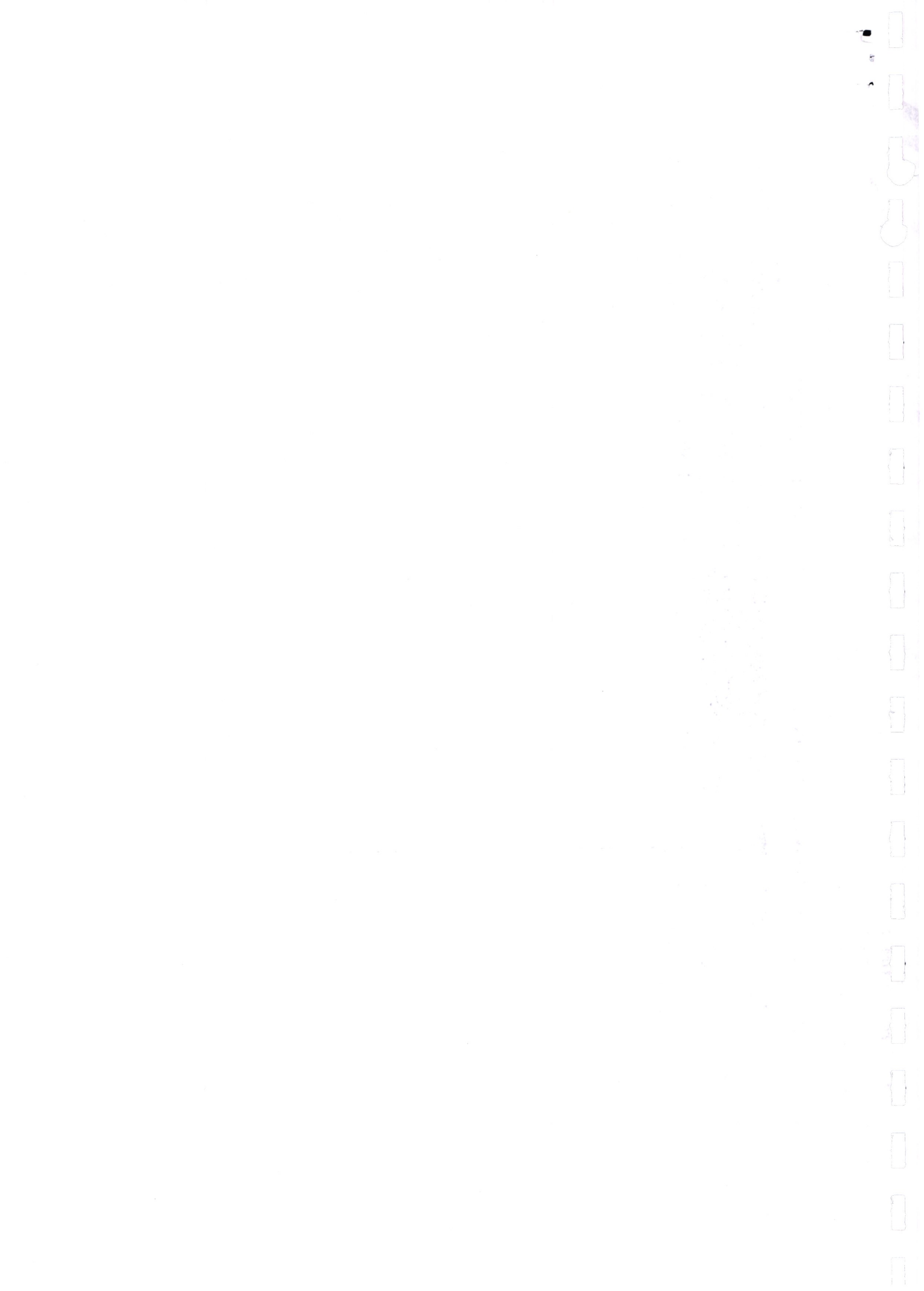
Date



Project Coordinator  
Dr. Pacifica Onyancha

Date

17/12/2020



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**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Proceeds from domestic and foreign grants	859,847,389	417,710,009	442,137,380	49%	The program had opening cash balance of Kshs 424,552,261. This reduced the cash disbursement request during the financial year.
Miscellaneous receipts	0	4,115,229	(4,115,229)	-	The relates to interest earned which is not budgeted for
<b>Total Receipts</b>	<b>859,847,389</b>	<b>421,825,238</b>	<b>438,022,151</b>	<b>49%</b>	
<b>Payments</b>					
Compensation of employees	218,045,283	173,730,734	44,314,549	80%	During the period there were staff resignations resulting in 80% absorption rate for payment of salaries and statutory deductions.
Purchase of goods and services	641,802,106	332,748,237	309,053,869	52%	During the period there was a disruption of implementing major activities due to COVID-19 pandemic resulting in 52% absorption of funds.
<b>Total payments</b>	<b>859,847,389</b>	<b>506,478,971</b>	<b>353,368,418</b>	<b>59%</b>	

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**ANNEX 2A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
a	b	c	d=a-c			
<b>Supply of services</b>						
1. Sensous logistics	22,500	30-04-20		22,500		
2. Machakos University	120,000	30-05-19		120,000		
3. Elgon Valley resort	56,800	02-12-19		56,800		
4. Forte Hotel	66,000	05-12-19		66,000		
5. Golden Palm Breeze Hotel	66,000	03-02-20		66,000		
6. Darajani Hotel	66,000	05-12-19		66,000		
7. Royal gardens Gateway	66,000	02-12-20		66,000		
8. Kalya Investments	41,200	02-12-20		41,200		
9. Meru slopes hotel	66,000	17-11-19		66,000		
10. Teatot hotel	240,000	03-02-20		240,000		
11. Migoko African dishes	45,000	04-03-20		45,000		
12. Elysian Resort	420,000	28-03-19		420,000		
13. Blue Hills Nandi	150,000	08-04-19		150,000		
14. Blue Hills Nandi	180,000	09-10-19		180,000		
15. Eland Safari	56,000			56,000		
16. Lamu Archipelago	27,000			27,000		
17. Red Sea Resort	36,000			36,000		
18. Eseriani Hotel	128,000	04-03-20		128,000		
19. UAP Insurance	553,850	04-06-19		553,850		
20. Teatot hotel	51,000	27-11-18		51,000		
21. SOLO WORLDWIDE INTER-ENTERPRISES LTD	20,455,200	25-03-20		20,455,200		
22. SOLO WORLDWIDE INTER-ENTERPRISES LTD	20,455,800	25-03-20		20,455,800		
23. SOLO WORLDWIDE INTER-ENTERPRISES LTD	9,284,585	25-03-20		9,284,585		
24. SOLO WORLDWIDE INTER-ENTERPRISES LTD	11,716,200	25-03-20		11,716,200		
25. SOLO WORLDWIDE INTER-ENTERPRISES LTD	17,317,255	25-03-20		17,317,255		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
26. twig restaurant	72,000	24-06-20		72,000		
27. Friends guest hse	72,000	24-06-20		72,000		
28. J.J Hotel	72,000	24-06-20		72,000		
29. Mbale rural health training	72,000	24-06-20		72,000		
30. Fanisi resorts ltd	72,000	24-06-20		72,000		
31. Fresh highway guest hse	99,000	24-06-20		99,000		
32. Bekam hotel	72,000	24-06-20		72,000		
33. Border palace	72,000	24-06-20		72,000		
34. Minata hotels	72,000	24-06-20		72,000		
35. Guardian hotel	72,000	24-06-20		72,000		
<b>Sub-Total</b>	<b>82,433,390</b>			<b>82,433,390</b>	<b>219,690,980</b>	
<b>Grand Total</b>	<b>82,433,390</b>			<b>82,433,390</b>	<b>219,690,980</b>	

**Global Funa Tuberculosis Grant  
Reports and Financial Statements  
For the financial year ended June 30, 2020**

**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Opening Cost (KShs) 2019/20 (a)	*Purchases/Additions in the Year (KShs) 2019/20 (b)	**Disposals in the Year (KShs) 2019/20 (c)	Transfers in/(out) Kshs 2019/20 (d)	Closing Cost (KShs) 2020 (e)= (a)+(b)-(c)+(-)d
Buildings and structures	8,057,921	-	-	8,057,921	8,057,921
Transport equipment	26,462,622	-	-	26,462,622	26,462,622
Office equipment, furniture and fittings	9,857,909	-	-	9,857,909	9,857,909
<b>Total</b>	<b><u>44,378,452</u></b>	-	-	<b><u>44,378,452</u></b>	<b><u>44,378,452</u></b>

*Notes*

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

