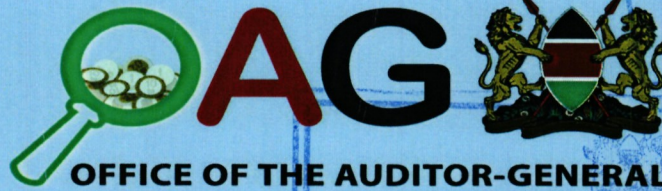


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OF

THE AUDITOR-GENERAL

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**NATIONAL AIDS CONTROL
COUNCIL**

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

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11
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14
15
16
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National AIDS Control Council

OFFICE OF THE AUDITOR GENERAL
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NATIONAL AIDS CONTROL COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2020**

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

TABLE OF CONTENTS

TABLE OF CONTENTS	3
KEY ENTITY INFORMATION AND MANAGEMENT	4
BOARD OF DIRECTORS	5
MANAGEMENT TEAM	9
STATEMENT OF THE CHAIRPERSON	11
REPORT OF THE CHIEF EXECUTIVE OFFICER	14
CORPORATE GOVERNANCE STATEMENT	20
MANAGEMENT DISCUSSION AND ANALYSIS	33
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	52
REPORT OF THE DIRECTORS.....	58
STATEMENT OF DIRECTORS' RESPONSIBILITIES	59
REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY.....	60
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020.....	61
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020.....	62
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020	63
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020.....	64
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	65
FOR THE YEAR ENDED 30 JUNE 2020	65
NOTES TO THE FINANCIAL STATEMENTS.....	67

KEY ENTITY INFORMATION AND MANAGEMENT

Background Information

The National AIDS Control Council (NACC) was established under Section 3 of the State Corporations Act Cap 446 through the National AIDS Control Council Order, 1999 published vide Legal Notice No. 170 of 1999.) The entity is domiciled in Kenya.

Principal Activities

NACC is a non-commercial organization whose mission is to:

“Provide policy and a Strategic framework for mobilizing and coordinating resources for the prevention of HIV transmission and provision of care and support to the infected and affected people in Kenya”.

Our Vision: “To be a responsive authority in the multi-sectoral coordination of the Kenya HIV & AIDS Response.”

NACC Mandate includes:

- HIV policy formulation and implementation
- Coordination of a multi-sectoral HIV and AIDS response in Kenya
- Implementation of a national information management system for HIV and STIs
- Undertake advocacy for HIV prevention and control
- Mobilization of technical and financial resources for the HIV response

As an agency of National Government, the NACC is mandated to provide Technical Assistance to Counties for the HIV response.

Key Management

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

NACC Council
Chief Executive Officer
Management

BOARD OF DIRECTORS



Ms Angeline Siparo
Board Chairperson
DOB: 1968

Ms. Siparo is a Senior Technical Advisor for the Population Reference Bureau. She holds a Master's of Arts in Counselling Psychology with a focus on organizational development. Ms. Siparo brings to the organization more than 20 years' experience as a donor, implementer, and policymaker in the HIV, FP/RH, and women's rights responses. Ms. Siparo is a board member of MGSN and the budget and economic forum, Narok County. She is also a member of the GFF advocacy network in Eastern and Southern Africa. Ms. Siparo has served on the boards of Amnesty International - Kenya Chapter, the HIV and AIDS Tribunal, SONY Sugar Company and the Children's Council.
Appointed: 24th June 2016.



Dr Ruth Laibon –Masha
Board Secretary/Chief Executive

Dr. Laibon Masha is the Chief Executive Officer of the National AIDS Control Council. She holds a PhD in Public Health from Jomo Kenyatta University of Agriculture and Technology and Master of Science in Public Health with close to 20 years of experience in HIV, human rights, gender, sexual and reproductive health gained from serving in various capacities at the global, regional and country level. Dr Masha, has previously served in the United Nations Joint Programme for HIV and AIDS based in Geneva and Kenya offices, ActionAid International, Engender Health and Family Health Options of Kenya. She also previously served as a board member of C.G.C.U mixed secondary school in Nairobi, Kenya.

Mr. Benson N. Mugambi

Alternate Board Member to the Principal Secretary, Ministry of Health; June 2019 – May 2020

DOB: 1976

Mr. Benson N. Mugambi is holder of a Master's Degree in International studies from UoN and a certificate in strategic studies from the National Defense College earning the privilege to use the title. "NDC (K)." Further, a seasoned career Administration Officer in Government for the last 31 years at both field and national administration. Former DC, Deputy PC, Director of Administration and now Secretary Administration.

Appointed: June, 2019

Mr. Moses Mbaruku

Alternate Member to The Principal Secretary, Ministry of Health Appointed: May, 2020



Mr. Vincent Matioli Member

DoB: 1966

Alternate to the Principal Secretary, State Department for Devolution, Ministry of Devolution and Arid and Semi-Arid Lands (ASALs).

He holds a Master's of Arts degree in Public Administration and currently the Senior Deputy Secretary, State Department of Devolution. He started working in the public service in 1994 as a District Officer where he worked in various Divisions in the country. In the years between 2003-2005 he worked as a programme officer in the National Campaign Against Drug and Substance Abuse (NACADA) before being redeployed to the then Ministry of State for Special Programmes where he spearheaded the development of disaster risk reduction policy and other disaster risk management strategic documents. He has a span of over 20 years colour of service.

Appointed: 1st October, 2009



Mr. Daniel O. Bolo

Alternate to The Principal Secretary, Ministry of Interior and Coordination of National Government Member; October, 2009 – May 2020

DOB 1960

He holds a Master's of Science degree in Administration and is the Deputy Secretary Ministry of Interior and Coordination of National Government, State Department of Interior and Coordination.

Appointed: October, 2009

Mr. Kangethe Thuku

Alternate Member to The Principal Secretary, Ministry of Interior and Coordination of National Government



Mr. Walder Mukunga

Alternate to the Principal Secretary, The National Treasury, Member; October, 2009 – January 2020

DOB: 1961

He is an Administrative Officer and holds a BA degree in Administration and Economics, besides various certificates in in general management and financial management from many institutions.

He has wide experience on policy, management and financial fields in both the central government and the provincial administration.

Appointed: 1st October, 2009.



Mr. Alfayo Mogaka

Alternate to The Principal Secretary, The National Treasury **for Audit Committee only.**

DoB: 1961

He is a Certified Internal Auditor (CIA) and a Certified Fraud Examiner (CFE) with over 30 years' experience in the public service. He is currently serving as the Internal Auditor General and is responsible for managing the Internal Audit Function in the public service. Mr. Mogaka is also the chair of the Institute of Internal Auditors (IIA) Kenya Chapter.

Appointed: October 2009.



Rev. Canon Dr. Rosemary Mbogo

Independent - Alternate to Chairperson, National Council of Churches of Kenya,

DOB 1960

Rev Canon Dr. Mbogo is the Provincial Secretary of the Anglican Church of Kenya. She has an honorary Doctorate in Divinity from Virginia Theological Seminary in United States and holds a Master's of Arts degree in Theology and Biblical Counselling. She has wealth of experience in leadership gathered over years both at the Education Ministry and as a member of the University Councils. Her experience cuts across in all strategic areas of management and administration: planning, organizing, directing, leading and controlling – both at governance and management levels of Institutions.

Appointed: 1st October, 2012.



Ms. Jacinta Mutegi

Independent - Alternate Member to The Chairman Kenya Conference of Catholic Bishops.

Ms. Mutegi is the Chair, Finance and Administration Committee. She is also the National Executive Secretary of Kenya Conference of Catholic Bishops - Catholic Health Commission of Kenya. She holds a Masters of Arts degree in Project Planning and Management and an Executive Masters in Organizational Development. She has 15 years' experience in Kenya's health research and health systems management with non-government and public sector. Ms. Mutegi is a member of

the Mission for Essential Drugs and Supplies (MEDS) Board.

Appointed: 1st October, 2009.



Mr. Lattif N. Shaban

Independent - Alternate to The Chairman, Supreme Council of Kenya Muslims DOB: 1952

Mr. Shaban is the alternate board member to the Chairman, Supreme Council of Kenya Muslims (SUPKEM). Mr. Shaban holds an Ordinary Level Certificate of Cambridge University. In addition, he has undertaken various professional courses among them Advance Management and Leadership Certificate from Galilee International Management Institute, Israel; Certificate of Programme for effective directorship, Certificate in Universal Health Coverage from Bangkok and Certificate of Risk Management Training from KCA University. He also holds Certificate in Strategic Leadership and Change Management for Directors of State corporations from KSG, Certificate in Implementing Internal Auditing Standards from The Institute of Internal Auditors and Certificate in Leadership and Organizational Development from New York, U.S.A. With a vast experience in public corporations Board Management spanning over 10 years, Mr. Shaban currently sits in the Board of National Hospital Insurance Fund (NHIF) and is a Certified Pensions Funds Trustee by the Retirement Benefits Authority (RBA). He is also a committee member of the following committees: Beyond Zero Campaign Steering Committee, Human Resources for Health Coordination Steering Committee under the Ministry of Health and Electoral Observation Group (ELOG) Steering Committee.

Appointed: 1st October, 2009.



Ms. Dorothy Onyango, OGW

Independent- Executive Director, Women Fighting AIDS in Kenya, WOFAK) and the Chairperson of the Programmes Committee. She holds a Bachelor of Arts degree in Development Studies and Social Work and Masters in Leadership and governance. She has worked as a Program Director, Ken Wide Media Ltd, served in the Board of the National Empowerment Network of People living with HIV and AIDS in Kenya (NEPHAK) for 4 years as the first Chairperson. A founder member of The International Community of Women Living with HIV (ICW) global and former chair of The Pan-African Positive Women's Coalition (PAPWC). She also served on the Board of National Council of Children's Services.
Appointed: 1st October, 2009.



Mrs Rahab Mwikali Muiu, HSC

Independent - National Chairperson, Maendeleo Ya Wanawake Organization DOB: 1956
Mrs. Rahab Muiu is the National Chairperson Maendeleo Ya Wanawake Organization (MYWO), Member of National Anti-Corruption Campaign Steering Committee Board (NACCSC), former Managing Director Samuria Kenya Limited (Family Business), member of UNDP Team of Eminent Person (TEP), Member of Kamba Council of Elders (Nzama Ya Atumia ma Ukamba). Renowned Kenyan Entrepreneur who pioneered the weaving and marketing of Kenyan handicrafts especially the 'Kiondo' abroad and has been instrumental in empowering Kenyan women through trade especially former Kitui, Kisii, Muranga Mombasa, Turkana and Machakos Districts for about three decades. She is a former Civil Servant as a Secretary trained in Kenya Government Secretarial College and a Member of Mothers Union.
Appointed: 1st October, 2009.

Mrs. Elizabeth Mayieka

Independent - Alternate Member to National Chairperson, Maendeleo Ya Wanawake Organization.



Mr. Mark Joseph Obuya

Independent - National President, Federation of Kenya Employers DOB: 1957
Mr. Obuya is an Advocate of the High Court of Kenya and an Arbitrator; He is the Chair of the NACC, Audit & Risk Management Committee and the National president of the Federation of Kenya Employers. He holds Master of Laws Degree (LLM) from the University of Nairobi in Law, Science and Technology, majoring in Intellectual Property, Medical and Telecommunications Law. He is a seasoned Commercial Lawyer, Arbitrator, Finance and Insurance professional with over 25 years of experience in leadership with a thorough knowledge of company law, alternative dispute resolution mechanisms, medical law, intellectual property law, corporate governance, financial markets, investments, labour laws and social security schemes.
Appointed: 8th May, 2017.



Dr. Stella K. Njagi

Independent DOB: 1982

Dr. Njagi is an independent board member of NACC. A medical doctor trained at the University of Nairobi and a practicing public health specialist in HIV and NCDs. She currently serves as the NCDs Programs Technical Advisor at Christian Health Association of Kenya (CHAK) overseeing programs in Diabetes and Hypertension and additionally, serves as a HIV Cluster Technical Advisor for the CHAPUZIMA HIV program. She represents CHAK in the National NCD-Inter-agency Coordinating Committee. She has previously worked in clinical trials in HIV (Pre-Exposure Prophylaxis) and HPV vaccine (Gardasil).
Appointed: December 19, 2018

Dr. Waston Litunya

Independent Appointed: December 19, 2018

COUNCIL COMMITTEES

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

- Executive Committee,
- Finance and Administration Committee,
- Programmes Committee,
- Audit and Risk Management Committee

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

Headquarters

Headquarters /NACC REGISTERED OFFICE
P.O. Box 61307 - 00200
Landmark Plaza, 9th Floor
Argwings Kodhek Road
Nairobi, KENYA
Telephone: (254) 20 2896 000
E-mail: communication@nacc.or.ke
Website: www.nacc.or.ke

BANKERS

Citibank N.A
Upper hill Branch, P.O. Box 30711-00100, NAIROBI
ABSA Bank Ltd

NCBA Branch, PO Box 18060, NAIROBI

Standard Chartered Bank Ltd
Kenyatta Avenue Branch, PO Box 40310, NAIROBI
Kenya

NCBA Bank Ltd
NCBA House Branch, PO Box 44599-00100, NAIROBI
Kenya

Co-operative Bank Ltd
Upper Hill Branch, PO Box 30415-00100, NAIROBI
Kenya

INDEPENDENT AUDITORS

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way, P.O. Box 30084 - GOP 00100
Nairobi, Kenya

PRINCIPAL LEGAL ADVISER

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Dr. Nduku Kilonzo
2.	Deputy Director, Finance & Administration	CPA Kamuren Dennis K.
3.	Deputy Director, Policy, Monitoring and Research	Mr. John Kamigwi
4.	Deputy Director, Coordination and Support	Dr. Emmy Chesire
5.	Deputy Director, HIV Investments	Ms. Regina Ombam

MANAGEMENT TEAM



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



Deputy Director, Finance & Administration.
Mr. Kamuren Dennis K.
MBA, BA, PG Dip in Corruption Studies. Member CPA & CPS of Kenya & ISO Lead Auditor.



Deputy Director, Coordination and Support.
Dr. Emmy J. Chesire.
Doctor of Philosophy in Public Health, Master of Public Health in Community Health and Nutrition, Master in Education in Primary Healthcare.



Deputy Director, Policy, Monitoring & Research.
Mr. John Kamigwi Mwangi.
Masters of Economics and Social Studies (Health Planning & Development), Bachelor of Philosophy (Economics) and Bachelor of Arts (Economics)



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



Head, Stakeholders' Coordination.
Mr. Reuben T. Musundi.
Master of Arts in Project Planning and Management, Bachelor of Science Degree, Post Graduate Diploma in Community Development and project management and Certificate in HIV and AIDS monitoring



Head Finance.
CPA, CS, Kenneth O. Nyamolo.
Master of Business Administration (Finance), Bachelors of Law (LLB-UoN)-1st Class Honours, Bachelors of Environmental Studies (1st class Honours), a member of the Institute of Certified Public Accountants of Kenya (ICPAK), a member of the Institute of Certified Public Secretaries of Kenya (ICPSK), an Accredited Governance Auditor and a member of the Legislative Affairs Sub-Committee of the Public Policy & Governance at ICPAK and Finance & Strategy Committee at ICPSK.



Head, HR & Administration
Mr. Gregory Weere.
MA specializing in Industrial & Health Psychology, BA, in Political Science & Public Administration Honours in Psychology, Higher Dip. in Human Resource Management, Post Graduate Dip. in Guidance and Counselling and Full Member IHRM (K).



Head, Procurement
Mr. Clauder N. Musi.
Masters in Commerce, Bachelor of Commerce, Advanced Dip. in Purchasing & Supply (CIPS).



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

 <p>Head, Internal Audit. Mr. Gabriel Mutembei Nkari. MBA Finance, Bachelor of Commerce (Accounting option), CPA, ICPAK & a member of Institute of Internal Auditors</p>	 <p>Head, Legal Services. Ms. Jane Wanjiku Githinji. LLM, Bachelor of Laws, CPS & Chartered Institute of Arbitrators LSK</p>
 <p>Head, M & E Coordination Mr. Joshua M'Maita Gitonga. Master's in Public Health and Epidemiology, Higher Dip. in Public Health Education and Promotion.</p>	 <p>Head, Communication Mary Oyuke. Masters Degree in Corporate Communication, a member of the Public Relations Society of Kenya (PRSK)</p>
 <p>Head County Support. Ms. Caroline Nkatha Kinoti. Master's in Public Health & Epidemiology, Bachelor of Education.</p>	 <p>Head Research Ms. Fridah Ndinda Muinde Master of Public Health Degree from Kenyatta University and a Bachelors Degree in Nursing (BSc N) from the University of Nairobi.</p>
 <p>Head Policy and Strategy Mr. Geoffrey Obonyo. MA Economics, BA (Economics Major).</p>	 <p>Head, Management Information Systems. Mr. Alex Kariuki Migwi. MA Project Planning & Management, BSc Information Technology. He holds Professional certifications in CCNA, MCSE, ITIL, PRINCE2, MCSDT and CompTIA Project +</p>
 <p>Head, Costing & Expenditure Analysis Josphine Karambu Kaberia Master of Science in Finance & Investments from Nairobi University, Bachelor of Commerce (Finance) and Certified Public Accountant (CPA). Also a member of Institute of Certified Public Accountants of Kenya (ICPAK).</p>	

STATEMENT OF THE CHAIRPERSON

I am delighted to present to you the 2019/2020 Annual Report. This report comes at an unprecedented time for the world as we grapple with the COVID-19 pandemic. I am however happy to note that the National AIDS Control Council (NACC) has stepped up to not only coordinate the HIV Response, but also contribute to management of the COVID-19 health crisis. The NACC exists to provide Policy and Strategic Framework for mobilizing and coordinating resources for prevention of HIV transmission and provision of care and support to the infected and affected people in Kenya. Indeed, we have remained committed to our Vision, “To be a responsive authority in the multi-sectoral coordination of the national HIV and AIDS response.”

It is through the many years managing the HIV Response that we have learnt critical lessons that the country is borrowing from on various fronts. We have shared lessons from our multi-sectoral convening power that have influenced Universal Health Coverage (UHC) and are currently contributing the same expertise to management of the COVID-19 Response.

During the reporting period, the Council continued to execute its mandate in line with the NACC legal notice and Government regulations. The Board signed the 2019/20 Performance Contract with the Cabinet Secretary, Ministry of Health, Mrs. Sicily Kariuki on November 27, 2019. The PC was subsequently cascaded in the NACC for implementation by the Management. Further, the Board approved its annual work plan in line with the NACC mandate.

I am happy to report that the NACC Board has continued to steer the Council using good governance practices, which have yielded positive results. The various board committees have continued to discharge their duties with unwavering commitment. The NACC Board undertakes an annual evaluation to appraise its performance to enable it identify strengths, collective skill gaps and individual areas of improvement for continuous growth and sustainability.

In line with Government regulations, the NACC operations were funded by the exchequer as reflected in the National Treasury budget, with supplementary funds from our donor partners: Global Fund, the United Nations Joint Team on AIDS, and Foundations. The NACC acknowledges and appreciates this invaluable support.

One of the Council’s key mandates is to provide policy for the HIV Response. I am delighted to report that finalization of the country’s second Kenya AIDS Strategic Framework (KASF) is on course. This critical document provides a clear coordination structure for the HIV and AIDS Response for the next five years (2020/2021 – 2024/2025) and calls for building a national and county-led AIDS response that is resilient enough to withstand institutional leadership changes, manage uncertainties, emergencies and increase efficiency in application of resources. The AIDS Response vision in Kenya will remain embedded within people centred approaches, respect to constitutionally guaranteed human rights and translation of scientific vision into concrete programmatic actions. KASF II was validated during FY 2019/2020 through an online validation meeting that brought together all HIV stakeholders for consensus building.

In the Financial Year 2019/2020, Kenya, through the NACC was honored to host the high level Global HIV Prevention Coalition (GPC) partners meeting, which came on the heels of the International Conference on Population and Development (ICPD+25) Forum in Kenya. The GPC meeting presented an opportunity to reflect on the interconnectedness between the HIV prevention response and the issues that were raised at ICPD, and also affirm NACC’s commitment to strengthening inclusive community action, including engagement with key populations, communities of persons living with HIV, and adolescents and young people. From a country perspective, Kenya identified three key lessons that can accelerate the HIV prevention agenda: Enhancing community engagement in HIV prevention; Promoting male involvement in

HIV prevention and Elimination of Mother to Child Transmission (eMTCT); and strengthening integration of HIV prevention and SRH services.

In this same reporting period, Kenya, through the NACC handed over chairmanship of the Executive Directors Committee of The Great Lakes Initiative on AIDS (GLIA). GLIA is an intergovernmental organization created in 1998 to address HIV and AIDS challenges in the Great Lakes Region (GLR). GLIA comprises six member countries of Burundi, Kenya, and *Republique Democratique Du Congo (DRC)*, Rwanda, United Republic of Tanzania and Uganda. The Country successfully handed over to the Republic of Rwanda pursuant to the provision of Article 10, Section 3 and Article 12, Section 2 of the Convention establishing the Great Lakes Initiative on AIDS. During Kenya's tenure, the country, through the Cabinet Secretary of Health, successfully hosted the Council of Ministers meeting held in April 2019 in Nairobi.

NACC acknowledges the confidence of the Ministry of Health in our capacity to propel the health agenda based on critical lessons learnt from the HIV Response. During the period under review, NACC took strategic leadership in sensitizing the public and disseminating information on UHC; integration and expansion of community health networks and programmes, partner tracking systems to integrate non-communicable diseases as well as integration of health data and information systems. The NACC was also appointed to lead the multi-sector/disciplinary Resource Mobilization Working Group (WG) for the COVID-19 emergency response and report to the Steering Committee and the Principal Secretary of Health. Through our leadership, the WG has so far developed short and medium term budgets for the COVID-19 response; is undertaking continuous tracking of budget implementation; continuous planning of distribution of commodities to facilities; mobilization of support (in cash and kind) from local sources and foreign partners; and tracking of donations. The team also delivered the COVID-19 Taskforce Health Report within the first 60 days of the COVID response. Additionally, the NACC is part of the Health Promotion Committee charged with health promotion for COVID-19, and also leads a multi-agency team charged with sustenance of a resilient HIV Response in the advent of the COVID-19 global pandemic.

As we continue to pursue funding opportunities for the HIV Response, we take cognizance of the dwindling resource envelope that we must prudently utilize. While a 30% increase in health budgets to a US\$1 billion investment between the financial years 2018 and 2020 pushed us towards our HIV and other disease prevention targets, we need to do more. In this regard, a strategy employed by NACC is enhancing the capacity of County governments in the adoption of financing models for Health. In the period under review, the NACC supported Kiambu and Homabay counties in developing their capacity for enhanced domestic resource mobilization. The counties have identified mechanisms to increase their domestic resources for health as well as alternative financing frameworks from a business case perspective. The strategy is expected to support the county governments to develop business case models to adopt in increasing financing for health; support the county government in adopting mechanisms for the integration of NCDs in HIV Programming; assist counties in increasing Domestic Resource Mobilization as well as models for ring-fencing the resources; and develop mechanisms to identify and utilize resources in infrastructure projects and enhance efficiency models in service delivery.

As we move even closer to ending AIDS by 2030, the National AIDS Control Council Board commits to continuing delivering on its mandate in line with Kenya's and the global HIV Prevention and Control targets, while applying good governance practices. The NACC remains cognizant of emerging diseases that we must all collectively respond to. We will thus continue leveraging on lessons from the HIV Response to make our strategic contribution towards health for all even as we make economic and programmatic reprioritization so that we sustain our gains in the HIV Response.

Finally, I take this opportunity to thank the NACC Board, Secretariat and staff for their great input towards this year's performance. I thank our partners, communities of persons living with HIV, the private and public sector, the faith sector, NGOs, and CBOs, for the gains we have made during this Financial Year. I thank the Ministry of Health and the county governments for your leadership and continued support in the HIV Response. I look forward to a more fruitful engagement in the new Financial Year.

A handwritten signature in black ink, appearing to read 'Angeline Siparo', written in a cursive style.

Ms. Angeline Yiamiton Siparo
Chairperson

REPORT OF THE CHIEF EXECUTIVE OFFICER

I am pleased to present to you the financial and performance report of 2019/2020. This report highlights the achievements and challenges in the implementation of the Kenya AIDS Strategic Framework, fulfillment of the country's national and international obligations in line with global targets to end AIDS by 2030. It also highlights the Council's contribution to Universal Health Coverage and the COVID-19 pandemic response.

KENYA'S PERFORMANCE AS PER THE KENYA AIDS STRATEGIC FRAMEWORK

The NACC is committed to meet its national and international obligations in its mandate to coordinate multi-sectoral HIV and AIDS Response in Kenya. The NACC continues to collaborate with a wide range of implementing partners from civil society, public and private sector in the implementation of the Kenya AIDS Strategic Framework (KASF), which has continued to yield positive results for the HIV Response.

During the reporting period we recorded an overall drop in new infections across all population groups. We registered a 14.7% reduction in new HIV infections between 2018 and 2019 for Adults (15+); 11% reduction in HIV infections for Adolescents and Young People (15-24years) and 10.6% reduction in new HIV infections for children (0-14years). ART coverage for adults increased from 69% in 2018 to 80% in the reporting period, while coverage for children increased from 61% to 70%. Subsequently, we recorded an overall 16% reduction in the number of AIDS related deaths between 2018 and 2019.

NACCS PERFORMANCE IN LINE WITH ITS MANDATE

a) Policy development and guidelines

The Kenya AIDS Strategic Framework (KASF) II

In the Financial Year 2019/2020, KASF II was developed and validated. KASF II provides a clear coordination structure for the HIV and AIDS Response for the next five years (2020/2021 – 2024/2025). It has been drawn from key lessons and emerging issues from KASF I, as well as recommendations earlier provided during various county and leadership review meetings.

a) Meaning Involvement of People Living with HIV guidelines

In the period under review, mainstreaming guidelines 2019 for the Meaningful Involvement of People Living with HIV (MIPA) were finalized for validation by key stakeholders. The guidelines provide policy makers and program people with a structured framework of not only ensuring that People Living with HIV and AIDS are involved in the response but more importantly doing so meaningfully while safeguarding and guaranteeing the inherent human rights and freedoms of members of this cohort.

b) HIV Prevention

i. HIV prevention cascades - Scaling up the application of the National Condom Cascades to Counties

HIV prevention cascades are a programme management and monitoring tool that outlines the sequential steps of an HIV prevention programme. The aim of the cascades is to assist in the implementation and monitoring of HIV prevention programmes by identifying gaps in the steps required for effective use of prevention methods. It consists of three key domains of motivation, access, and effective use in a priority population. In the reporting period, the National AIDS Control Council with support from Bill and Melinda Gates Foundation and in partnership with county governments developed county cascades in Kilifi, Kiambu and Kisumu Counties. These will guide HIV prevention programming as outlined in the Global HIV Prevention 2020 Roadmap.

ii. Male Engagement in HIV service uptake

The NACC is implementing a male engagement programme which is an integral and a key component of successful implementation of the Kenya AIDS Strategic Framework (KASF). The

programme has involved reaching out to men and adolescent boys specifically, owing to evidence that confirms their low uptake of health services.

During the reporting period, the NACC increased uptake of health and wellness services among adolescent boys and men in Kisumu, Makueni, Kiambu, Kisii, Narok, Kericho, and Mombasa. Through this programme, 195,294 boys and men were reached with comprehensive HIV information; 147,632 sensitized on correct condom use; 93,361 tested, and 438,315 reached with wellness services.

iii) Engagement with Boda Boda riders and Fishing communities in the HIV Response

The NACC in conjunction with the Boda Boda Association of Kenya, the Ministry of Transport, the Department of Fisheries, and National Transport Safety Authority engaged Bodaboda and Fisherfolk on HIV and AIDS. Through Global Fund support, the NACC engaged these cohorts in Trans Nzoia, Busia, Kakamega, Busia, Bungoma Homa Bay and Siaya counties, subsequently reaching 10,770 people with HIV information. During the engagements, 9,461 were counselled and tested, 10,280 were sensitized on correct condom use, and 83,712 condoms distributed. An additional 3,254 were reached with wellness services and 2,323 material distributed.

iv) HIV services targeting Adolescents and Young People

Development of County Adolescents and young people (AYP) Plans

In the period under review, the National AIDS Control Council with support from Global Fund supported 7 counties to review their AYP Programs and develop contextualized county AYP Acceleration Plans. The counties that were supported were Embu, Mandera, Samburu, Nyamira, Kericho, Busia and Makueni. Each county developed County AYP Plans and the County Multisectoral TWGs monitor and track the implementation.

The 3rd International Workshop on HIV and Adolescents

During the reporting period, NACC joined over 400 international participants at the 3rd International Workshop on HIV & Adolescents in Nairobi –Kenya. The workshop was an inclusive summit for multidisciplinary experts working with adolescents affected by HIV. The meeting addressed barriers encountered in delivering HIV services and ways to mitigate these, and how to build the capacity of youth on the importance of Evidence Based Interventions and Reporting as a way to demonstrate impact.

c) NACCs Global Engagement

i. Global Prevention Coalition Meeting

Kenya, a member of the Global Prevention Coalition, hosted a High-Level Meeting of the GPC to review and accelerate progress with HIV prevention towards and beyond 2020. The theme for the meeting was “*Accelerating Progress Towards the 2020 HIV Prevention Targets – The promise of comprehensive HIV Prevention and Sexual and Reproductive Health and Rights for all.*”

The meeting brought together 17 Ministers and Vice Ministers of Health from Coalition Member States and 20 Directors and representatives of the National AIDS Councils, and over 290 Policy makers and the civil society. The meeting adopted a four-point action that will strengthen countries stewardship of HIV prevention, commitment to increase in domestic financing, addressing structural factors that predispose the vulnerable especially the young and adolescents to HIV and strengthening of community systems.

ii) Great Lakes Initiative on AIDS (GLIA)

The Great Lakes Initiative on AIDS (GLIA) is a regional initiative in the war against HIV and AIDS in the region, and provides learning opportunities, joint and synergized policy development and implementation, south to south technical support and cross-border monitoring for HIV prevention and control.

In the year under review, Kenya handed over chairmanship of the Executive Directors Committee to the Republic of Rwanda pursuant to the provision of Article 10, Section 3 and Article 12, Section 2 of the Convention establishing the Great Lakes Initiative on AIDS. NACC looks forward to continued engagement in this initiative whose mandate also entails review of progress of the Response and addressing of the challenges emanating from implementation of HIV programmes within the Great Lakes Region.

d) Communication and Advocacy

The NACC with support from Global Fund Grant reached approximately 30 Million people through TV and radio campaigns targeting various cohorts, and another over 8 million audiences via digital and social media. The TV, radio and digital campaigns which ran for five months spread across the year targeted Adolescents and Young People (AYP), Expectant mothers and partners, as well the general population. Key messages were on HIV Prevention, Testing and Counselling, as well as Anti Stigma.

Additionally, NACC in partnership with the Ministry of Education engaged students from Nyeri and Taita-Taveta Counties during on-ground activations, reaching approximately 4,000 students with HIV and AIDS information including condom use, and 5,000 with Information Education materials.

e) Resource Mobilization

During the year under review, NACC made efforts to mobilize resources both locally and from various development partners.

Kenya has been a long strategic partner of the Global Fund, both as an implementer and as a donor. As an implementer, Kenya has consistently benefitted from the Global Fund grants, and has been part of the coordination in the Global Fund proposal development. Kenya has been allocated US\$415,310,170 for HIV, Tuberculosis, Malaria and building Resilient and Sustainable Systems for Health (RSSH) for the utilization period 2021 to 2024. Specifically, NACC's role in the Global Fund proposal development entails: Leadership during the writing process (the chair of the writing secretariat is the Head of Technical Support at the NACC; mobilization of resources to support the writing process; liaising with development partners in the support and recruitment of consultants, and providing Secretariat support for the writing team and secretariat.

Additionally, NACC in partnership with the Centre for Disease Control (CDC) is undertaking a survey to determine the cost of achieving viral load suppression in Kenya. This study aims to estimate the cost of achieving viral load suppression for PLHIV, which will inform HIV programming and sustainable financing for the HIV Response going forward.

f) Monitoring & Evaluation

M&E Surveillance

One of the Council's priority areas is to manage a robust Monitoring and Evaluation (M&E) system to monitor global and national targets. During the reporting period, the NACC spearheaded the process of development and submission of the 2020 Global AIDS Monitoring (GAM) report, which used various data sources to assess effectiveness of national HIV interventions. The NACC also finalized the Kenya Modes of Transmission (KMOT) study, which uses HIV modelling to provide information for cost effectiveness and resource mobilization through Mathematical Modelling, to describe and match Kenya's national HIV response to the subnational HIV context.

Routine Reporting

- Community Activities Programs Reporting (CAPR)

The NACC is happy to note that in Financial Year 2019/2020, we reviewed the CAPR to capture NCDs, TB, Malaria and other health priorities. The NACC is in the process of printing the CAPR tool in braille to facilitate reporting by Persons Living with Disabilities (PWDs). There was slight fluctuation on the average reporting rate from 62% in FY 2018/19 to 61.5% in FY 2019/20 which was mainly attributed to COVID-19 restrictions on cessation of movement and minimization on community social gatherings.

- Maisha Certification

The MAISHA Certification system monitors implementation of the Performance Contract HIV and AIDS prevention indicator by MCDAs. During the 16th Performance Contract cycle, NACC, through MAISHA Certification, expanded the 'Prevention of HIV Infections indicator' within the PC to include provision of information, services and referral for Non-Communicable Diseases.

MAISHA reporting trend decreased significantly in 2019/2020 from an average of 61% and 75% in 2017/18-2018/19 respectively, to 53.3%. However, the amount allocated for HIV interventions increased significantly from Ksh 274,672,742 in 2018/2019 to Ksh. 303,627,421.37 in 2019/2020. Worth noting is that 134,040 members of staff were facilitated to access screening for HIV, Cancer, Blood pressure, Blood sugar and BMI through various government institutions.

g) Delivery on the Performance Contract 2019/2020

During the past six years, NACC's performance as per the Performance Contract has reflected an upward trajectory. This is a demonstration of the institution's commitment to executing its core mandate strategically, while supporting the government's priority projects and attainment of national goals such as Vision 2030. The NACC is proud that it has attained a performance score of 'Very Good' for four years consecutively.

h) NACC institutional Strengthening

ISO 9001: 2015 Certification

The NACC has been ISO certified under 9001 International Standard Certification since 2011. In 2017/18 FY NACC was certified under the ISO 9001: 2015 after passing very elaborate and stringent audits by a certifying agency, the Kenya Bureau of Standards (KEBS). Since 2013, the management team has continued to ensure quality management principles are embedded in all our operations. Defined standards that guide each Division were reviewed by the teams and compliance to these must be assessed by the ISO Certification Team. NACC will be seeking recertification under 9001: 2015 Quality Management system in Quarter one of 2020/2021.

i)Automation

During the Financial Year 2019/2020, NACC automated its Board operations. The eBoard system is an online / cloud based system designed to automate all NACC Board operations. The eBoard system is an automated central documents' repository for shared access, permissions' control, version control and auto archiving. The System provides a platform for effective collaboration of meeting documents amongst board members, whether before, during or after meetings. It has a reporting module to handle Board Evaluations, Actions, Meeting Efficiency Assessment and Meeting Attendance. Subsequently, this system makes it easy to access previous reports, resolutions, meeting details and committee documents.

The automation comes at a critical time when state agencies have embarked on digitizing their operations as they strive to conform to Government Performance Contract requirements on innovation.

j) County Data Management Support

In the reporting period, the NACC continued to engage with Counties to strengthen real time data analytics and visualization, and establish their own Regional Kenya HIV and Health Situation Room (KHHSR) hubs. KHHSR is now live and available in all the 47 Counties and at National level, with real time data on HIV, NCDs and Reproductive, Maternal, Newborn and Child Health (RMNCH) available. In addition to the Situation Room at the Regional level, the NACC also provided support to other countries in the region to set up their Situation Rooms. Kenya is being used as a benchmark for this invaluable data system.

k) Accelerating progress towards Universal Health Coverage (UHC) and COVID-19 response

During the Financial Year 2019/2020, the NACC was an active member of the UHC's SAGA's committee under the chairmanship of the Cabinet Secretary, Ministry of Health. The NACC in partnership with other state agencies also supported the scale up of Communication on UHC. Through these engagements, NACC sensitized the public and disseminated information on UHC during various stakeholder programmes including pre-World AIDS Day activities across all 47 counties. The NACC has further integrated and expanded community health networks, as well as integrated health data and information systems. HIV NCD modelling has been conducted for cancers, diabetes, hypertension, depression and cardiovascular diseases with justification for integrated service delivery for UHC, among other interventions.

Additionally, the NACC reached over 20,000,000 with HIV and COVID prevention messages on various mass media platforms. The NACC in conjunction with the Faith Sector Working Group also developed COVID-19 congregational messages, which were disseminated to 14,972 religious leaders. The NACC also mobilized Persons Living with HIV (PLHIV), Adolescents and Young People (AYP), Key Populations, Pregnant and breastfeeding women, Adolescent girls and young women, who have been supported with 10,000 hygiene packs and food courtesy of our partner, UNAIDS. NACC has also been distributing condoms in non-health facilities, thus ensuring continuity of HIV services amid the COVID-19 pandemic. We have also revised the SCACs' monthly reporting tool to include indicators relevant to the COVID 19 response.

l) Prevention of Corruption

In the period under review, NACC implemented its three-prong strategy in mainstreaming the fight against corruption at the workplace, i.e. sensitizing staff on how to avoid, report and prevent corruption at the workplace; establishing a corruption reporting mechanism, and putting in place a committee that deals with corruption prevention agenda at the workplace. Subsequently, all new staff have been inducted on corruption prevention strategies, the NACC code of conduct and ethics, as well as leadership and integrity via the Integrity Act. The NACC has submitted quarterly reports to EACC on the progress made in mainstreaming the fight against corruption at NACC.

FINANCIAL PERFORMANCE

During the year under review, the NACC received Ksh 1.199 Billion, a 7% increase compared to Ksh 1.114 Billion received in the previous year. Of this amount, Ksh 1.109 Billion was Government of Kenya budgetary allocation for operations and programme management. Total expenditure for the same period amounted to Ksh 0.9 Billion resulting in an operating surplus of Ksh 123 Million. This surplus largely constituted of funds disbursed for programs that extended beyond the financial year.

Moving forward, the National AIDS Control Council remains cognizant of the dynamic health environment in which we are currently operating in. With the emergence of new diseases, we must strategically contribute to Response initiatives in line with the critical lessons we have learnt

from the HIV programme. Our expertise in various fronts will propel the health agenda in this country, and this requires strategic reprioritization across human, capital and financial resources.

From our funding landscape, I wish to appreciate the support we continue to receive from our donors. We however must still continue to pursue opportunities for domestic resource funding to ensure sustainability of Kenya's HIV Response.

Finally, I would like to thank the NACC Board, Management, staff and partners for the continued support in the implementation of HIV and AIDS programmes that have seen Kenya make strides in the Response. God bless you all!



Dr. Ruth Laibon - Masha
Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

Statement of Compliance

The NACC Board is committed to exhibiting good practice in all aspects of corporate governance and comply with the principles of good governance that are entrenched in Article 10 of the Constitution, the State Corporations Act, 2016, the Code of Governance for State Corporations (Mwongozo) – January 2015, other relevant laws and regulations and guidelines and circulars issued to provide direction for the effective governance and oversight of State Corporations. These principles seek to ensure efficiency, public participation, accountability, risk management, internal controls and transparency in the execution of the NACC's mandate. In compliance particularly to Mwongozo that guides on the governance and management of State Corporations, the NACC has proposed amendments of provisions of the National AIDS Control Council Order 1999 that establishes the Council. The process of amendment is at an advanced stage.

Process of Appointment of Directors

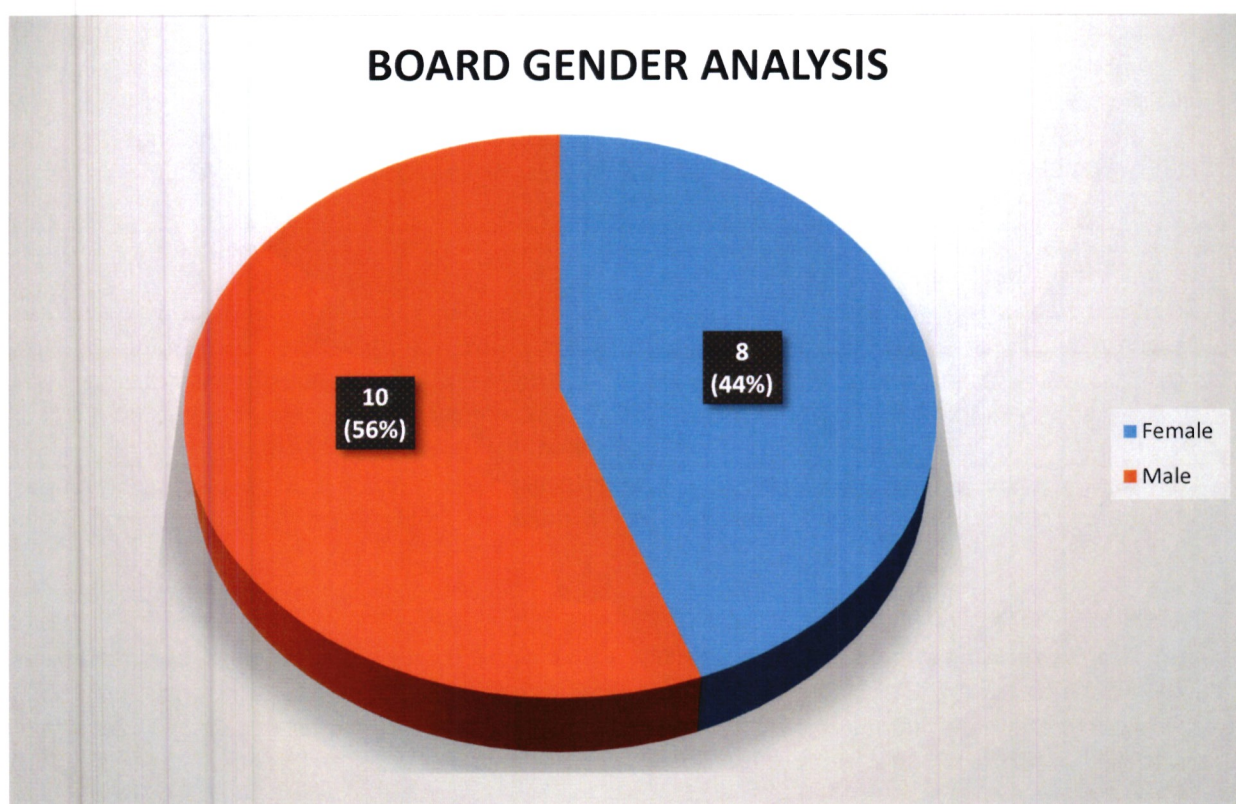
The Board is composed of sixteen Members as provided under the National AIDS Control Council Order 1999 published vide Legal Notice No. 170 of 1999 and amendments thereto pursuant to Section 3 of the State Corporations Act. The Membership consists a Chairperson appointed by the President, the Chief Executive Officer, three independent Members appointed by the Cabinet Secretary Health, seven Members drawn from Constituencies key to the HIV response and four other Members representing the Ministries of Health, Interior and Co-ordination of Government, Devolution and Planning and the National Treasury. The NACC is in the process of amending the Legal Notice No. 170 of 1999 to ensure compliance with Mwongozo on the size and composition of the Board.

During the year under review the following changes were noted: Dr. Waston Litunya, an independent member resigned as a member of the NACC Board in August 2019. The alternate to the Principal Secretary, the National Treasury Mr. Walder Mukunga exited the Board in February 2020. Two Members of the Board, Mr. Daniel Bolo, alternate to the Principal Secretary, Ministry of Interior and Coordination of National Government retired in May 2020 and Mr. Ben Mugambi, alternate member to the Principal Secretary, Ministry of Health exited the Board in May 2020.

NATIONAL AIDS CONTROL COUNCIL BOARD OF DIRECTORS 2019/2020

No.	NAME	DESIGNATION
1.	Ms. Angeline Yiamiton Siparo	Chairperson
2.	Dr. Nduku Kilonzo. EBS	CEO/Secretary
3.	Mr. Benson N. Mugambi	Alternate Member to The Principal Secretary, Ministry of Health
4.	Mr. Moses Mbaruku	Alternate Member to The Principal Secretary, Ministry of Health
5.	Mr. Vincent Matioli	Alternate Member to The Principal Secretary, Ministry of Devolution and Planning
6.	Mr. Daniel O. Bolo	Alternate Member to The Principal Secretary, Ministry of Interior and Coordination of National Government
7.	Mr. Kangethe Thuku	Alternate Member to The Principal Secretary, Ministry of Interior and Coordination of National Government
8.	Mr. Walder Mukunga	Alternate Member to The Principal Secretary, The National Treasury
9.	Mr. Alfayo Mogaka	Alternate Member to The Principal Secretary, The National Treasury for Audit Committee only

No.	NAME	DESIGNATION
10.	Rev. Canon Dr. Rosemary Mbogo	Independent - Alternate Member to Chairperson , National Council of Churches of Kenya,
11.	Ms. Jacinta Mutegi	Independent - Alternate Member to The Chairman Kenya Conference of Catholic Bishops
12.	Mr. Lattif N. Shaban	Independent - Alternate Member to The Chairman, Supreme Council of Kenya Muslims
13.	Ms. Dorothy Onyango, OGW	Independent- Executive Director, Women Fighting AIDS in Kenya,
14.	Mrs Rahab Mwikali Muiu, HSC	Independent - National Chairperson, Maendeleo Ya Wanawake Organization
15.	Mrs. Elizabeth Mayieka	Independent - Alternate Member to National Chairperson, Maendeleo Ya Wanawake Organization
16.	Mr. Mark Joseph Obuya	Independent - National President, Federation of Kenya Employers
17.	Dr. Stella K. Njagi	Independent
18.	Dr. Waston Litunya	Independent



The National AIDS Control Council board gender composition during the year 2019/2020

Role and Functions of the Board

To achieve its strategic objective, the NACC is led by an effective Board composed of competent, diverse and qualified members. Pursuant to Mwongozo, the Board is responsible for the following:

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

The Board Charter

The Board has developed and adopted a Board Charter. The Charter defines the role, responsibilities and functions of the Board in the governance of the NACC. The Board periodically reviews its Board Charter.

Board Induction, Training and Evaluation

The Board ensures Members are inducted and their skills and knowledge continually developed to enhance effectiveness. Upon appointment to the Board, new Members are inducted to the NACC's mandate and operating environment. Training Needs Assessments are conducted by the Board to determine any capacity gaps. The Board undertook an annual evaluation for FY 2018/19 to gauge its performance. The evaluation was facilitated by the State Corporations Advisory Committee (SCAC). The annual self-assessment is aimed at improving members' individual and collective performance for continuous growth and sustainability of the Organization.

Board Remuneration

The Board's remuneration is as per the policies developed by the Government from time to time. The Members are paid a taxable sitting allowance as well as travel and accommodation allowances while on duty. Members are also provided with a medical cover. The Chairperson is paid an honorarium and airtime allowance as applicable.

Compliance with Laws and Regulations

The NACC is committed to executing its mandate in full compliance with the Constitution, all applicable laws and regulations and in line with accepted national and international standards, as well as the internal policies of the organization. To this end, the NACC carries out annual compliance audits and independent legal audits, with the objective of establishing the level of adherence to applicable laws, rules, regulations and standards.

Conflict of Interest

The National AIDS Control Council (NACC) is committed to establishing and maintaining high standards of integrity and ethical conduct among its Board Members and Employees in discharge of their roles and responsibilities. As part of this process a Conflict of Interest Policy

is in place to provide clear guidance on management of conflict of interest within NACC. The policy applies to the NACC Board, staff and relevant stakeholders of the NACC.

Ethics and Conduct

The NACC has in place a Code of Conduct and Ethics which has been signed by the Board Members and Staff. The Code of Conduct is intended to establish standards of integrity and ethical conduct in the NACC.

Other Policies

In addition to the Code of Conduct and Ethics and Conflict of Interest the Board has developed; the Whistle blowing policy, Gift Policy, Corporate Social Responsibility Policy, Complaints Policy, ICT Policy, Procurement Policy and Investment policy.

Risk Management

The Board has ensured the development of a policy on Risk Management which takes into account sustainability, ethics and compliance risks. The Board monitors the risks taken and ensures they are within set tolerance and appetite levels. The Board receives assurance from Management that the Risk Management Framework is integrated in the day to day activities of the organization.

Audit compliance

The NACC Board has established an internal audit function and formed an Audit and Risk Management Committee which oversees the internal and external audit functions. The Committee's role, responsibilities and functions are as outlined in the Audit Committee Charter. The Board ensures that an independent, competent and qualified external auditor conducts an annual audit of the NACC to provide an objective assurance as to whether the financial statements fairly represent the financial performance of the NACC.

In compliance the PFM Act, the NACC prepared and submitted for audit, Annual Report and Financial Statements for FY 2018/19 which were audited by the Auditor General. The NACC also prepared and submitted quarterly reports as required by the Act.

The Board transacts its business through meetings. The Board held ten (10) Full Board meetings which were attended as follows. The increased number of Board meetings during this period was occasioned by the recruitment process of the NACC CEO as the term of the then CEO was coming to an end on May 2020: -

BOARD MEMBERS		DESIGNATION									
		July 12, 2019	July 30, 2019 Special	September 26, 2019	October 29, 2019 Special	December 11, 2019	January 28, 2020 Special	March 5, 2020 Special	May 5, 2020 Special	May 14, 2020	May 21, 2020
1.	Ms. Angeline Yiamiton Siparo	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
2.	Dr. Nduku Kilongo	✓	✓	✓	✓	✓	✓	x	x	✓	x
3.	Mr. Ben Mugambi	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
4.	Mr. Moses Mbaruku	x	x	x	x	x	x	x	x	x	✓
5.	Mr. Vincent Matioli	✓	x	✓	x	x	✓	✓	x	x	x
6.	Mr. Daniel O. Bolo	✓	✓	✓	x	✓	✓	✓	✓	✓	x
7.	Mr. Kangethe Thuku	x	x	x	x	x	x	x	x	x	✓
8.	Mr. Walder Mukunga	✓	✓	✓	✓	✓	✓	x	x	x	x
9.	Mr. Alfayo Mogaka	x	x	x	x	x	x	x	x	x	✓
10.	Rev. Canon, Dr. Rosemary Mbogo	x	✓	x	x	✓	✓	✓	✓	✓	✓
11.	Ms. Jacinta Mutegi	✓	✓	x	x	✓	✓	✓	✓	✓	✓

BOARD MEMBERS		DESIGNATION									
		July 12, 2019	July 30, 2019 Special	September 26, 2019	October 29, 2019 Special	December 11, 2019	January 28, 2020 Special	March 5, 2020 Special	May 5, 2020 Special	May 14, 2020	May 21, 2020
12.	Mr. Lattiff N. Shaban	✓	✓	✓	x	✓	✓	x	✓	✓	✓
	Alternate Member to The Chairman Supreme Council of Kenya Muslims										
13.	Ms. Dorothy Onyango	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Member Executive Director Women Fighting AIDS in Kenya										
14.	Mrs. Rahab Mwikali Muiu, HSC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Member National Chairperson Maendeleo ya Wanawake Organization										
15.	Mr. Mark Joseph Obuya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Member National president Federation of Kenya Employers										
16.	Dr. Stella Njagi	x	✓	✓	x	✓	✓	✓	✓	✓	✓
	Member Nominated										
17.	Dr. Litunya Waston	x	✓	x	x	x	x	x	x	x	x
	Member Nominated										

Committees of the Council

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

1. Audit and Risk Management Committee
2. Finance and Administration Committee
3. Programmes Committee
4. Executive Committee

1. Audit and Risk Management Committee

The Audit and Risk Management Committee is chaired by Mr. Mark Joseph Obuya, the National president of the Federation of Kenya Employers. The Committee is comprised of eight (8) members including the Head Internal Audit and Risk Management; and is responsible for overseeing the internal and external audit function. The Committee receives from the internal audit function a written assessment of the system of internal controls and risk management. The Committee Held 8 meetings which were attended as follows:

NO	BOARD MEMBER	DESIGNATION	July 29, 2019 Special	September 5, 2019	September 30, 2019 Special	November 12, 2019	February 7, 2020 Special	March 6, 2020	May 28, 2020	June 4, 2020 Special
1.	Mr. Mark Joseph Obuya	Committee Chair National president Federation of Kenya Employers	√	√	√	√	√	√	√	√
2.	Mr. Alfayo Mogaka	Alternate member to The Principal Secretary the National Treasury representing Kenya National Audit Office	x	√	√	√	√	√	√	√
3.	Mr. Ben Mugambi	Alternate member to The Principal Secretary, Ministry of Health	√	√	√	√	x	√	x	x
4.	Mr. Moses Mbaruku	Alternate member to The Principal Secretary, Ministry of Health	x	x	x	x	x	x	√	√
5.	Mr. Daniel O. Bolo	Alternate member to The Principal Secretary Ministry of Interior and Coordination of National Government	x	√	√	x	x	√	x	x
6.	Kangethe Thuku	Alternate member to The Principal Secretary Ministry of Interior and Coordination of National Government	x	x	x	x	x	x	x	x
7.	Rev. Canon Dr. Rosemary Mbogo	Alternate Member to The Chairperson National Council of Churches of Kenya	√	√	x	√	√	√	√	√
8.	Mr. Lattiff N. Shaban	Alternate member to The Chairman Supreme Council of Kenya Muslims	√	√	x	√	x	x	√	√
9.	Mrs. Rahab Mwikali Muiu, HSC	Member National Chairperson Maendeleo ya Wanawake	x	x	x	x	x	x	√	√
10	Mrs. Elizabeth Mayieka	Alternate member to National Chairperson Maendeleo ya Wanawake	√	√	√	√	x	√	x	x

2. Finance and Administration Committee

The Finance and Administration Committee is chaired by Ms. Jacinta Mutegi, the alternate member to the Chairman, Kenya Conference of Catholic Bishops. The Committee ensures effective financial and personnel oversight of the NACC. The Committee held six meetings which were attended as follows;

NO	BOARD MEMBERS	POSITION	July 2, 2019 Special	August 15, 2019	August 28, 2019 Special	October 24, 2019	February 18, 2020	May 27, 2020
1.	Ms. Jacinta Mutegi	Committee Chair Alternate Member to The Chairman Kenya Conference of Catholic Bishops	√	√	√	√	√	√
2.	Dr. Nduku Kilonzo	CEO/Secretary National AIDS Control Council	√	x	x	√	√	√
3.	Mr. Ben Mugambi	Alternate member to The Principal Secretary Ministry of Health	x	√	√	√	√	x
4.	Mr. Moses Mbaruku	Alternate to The Principal Secretary Ministry of Health	x	x	x	x	x	√
5.	Mr. Daniel O. Bolo	Alternate member to The Principal Secretary Ministry of Interior and Coordination of National Government	√	x	√	x	√	x
6.	Kangeithe Thuku	Alternate member to The Principal Secretary Ministry of Interior and Coordination of National Government	x	x	x	x	x	x
7.	Mr. Walder Mukunga	Alternate member to The Principal Secretary The National Treasury	√	x	√	√	x	x
8.	Rev. Canon Dr. Rosemary Mbogo	Member Chairperson National Council of Churches of Kenya	√	√	√	√	√	√
9.	Dr. Stella Njagi	Member Nominated	x	x	x	√	x	√

3. Programmes Committee

The Programmes Committee is chaired by Ms. Dorothy Onyango, the Executive Director of Women Fighting AIDS in Kenya (WOFAK). The Committee is responsible for policies and programmes that support HIV response in the Country. The Committee held six (6) meetings that were attended as follows:

NO	BOARD MEMBERS	DESIGNATION	July 4, 2019 Special	August 22, 2019	October 11, 2019 Special	November 7, 2019	March 3, 2020	May 26, 2020
1	Ms. Dorothy Onyango	Committee Chair	√	x	√	√	√	√
2	Dr. Nduku Kilonzo	Executive Director Women Fighting AIDS in Kenya CEO/Secretary National AIDS Control Council	√	√	x	x	x	√
3	Mr. Ben Mugambi	Alternate member to The Principal Secretary Ministry of Health	x	√	√	√	√	x
4	Mr. Moses Mbaruku	Alternate member to The Principal Secretary Ministry of Health	x	x	x	x	x	√
5	Mr. Lattiff N. Shaban	Alternate member to The Chairman Supreme Council of Kenya Muslims	x	√	√	√	x	√
6	Mrs. Rahab Mwikali Muiu, HSC	Member National Chairperson Maendeleo ya Wanawake Organization	x	√	√	√	√	√
7	Mrs. Elizabeth Mayieka	Alternate member to The Chairperson Maendeleo ya Wanawake Organization	√	x	x	x	x	x
8	Mr. Daniel O. Bolo	Alternate member to The Principal Secretary Ministry of Interior and Coordination of National Government	√	√	x	x	√	x
9	Mr. Kangeetha Thuku	Alternate member to The Principal Secretary Ministry of Interior and Coordination of National Government	x	x	x	x	x	x
10	Dr. Stella Njagi	Member Nominated	x	√	√	x	x	√

4. Executive Committee

The Committee deals with emerging and urgent issues that require Council decision. The Committee held six (6) meetings which were attended as follows:

NO	BOARD MEMBERS	DESIGNATION	July 29, 2019	October 3, 2019 Special	October 7, 2019	January 15, 2020	April 23, 2020	April 24, 2020 Special
			√	√	√	√	√	√
1	Ms. Angeline Yiamiton Siparo	Chairperson National AIDS Control Council	√	√	√	√	√	√
2	Dr. Nduku Kilonzo	CEO/Secretary National AIDS Control Council	√	√	√	x	√	√
3	Mr. Ben Mugambi	Alternate Member to The Principal Secretary Ministry of Health	√	x	x	√	√	√
4	Ms. Jacinta Mutegi	Alternate Member to The Chairman Kenya Conference of Catholic Bishops	√	√	x	√	√	√
5	Ms. Dorothy Onyango	Member Executive Director Women Fighting AIDS in Kenya	√	√	√	x	√	√
6	Mr. Mark Joseph Obuya	Member National President Federation of Kenya Employers	√	√	√	√	√	√

Board Membership and Attendance – Summary

No.	Board Member	Classification	Designation	Finance and Administration Committee Meetings (Total No. of Meetings held: 6)	Programmes Committee Meetings (Total No. of Meetings held: 6)	Audit and Risk Management Committee Meetings (Total No. of Meetings held: 8)	Executive Committee Meetings (Total No. of Meetings held: 6)	Full Board Meetings (Total No. of Meetings held: 10)
1.	Ms. Angeline Yiamiton Siparo	Independent	Board Chairperson	n/a	n/a	n/a	6	9
2.	Dr. Nduku Kilonzo. EBS	CEO	Secretary	4	3	n/a	5	7
3.	Mr. Gabriel M. Nkari	Head, Internal Audit	Secretary to the Audit Committee only	n/a	n/a	8	n/a	n/a
4.	Mr. Benson N. Mugambi	Representing the Principal Secretary, Ministry of Health	Alternate Member	4	4	5	4	9
5.	Mr. Moses Mbaruku	Representing the Principal Secretary, Ministry of Health	Alternate Member	1	1	2	n/a	1
6.	Mr. Vincent Matioli	Representing the Principal Secretary, Ministry of Devolution and Planning	Alternate Member	n/a	n/a	n/a	n/a	4
7.	Mr. Daniel O. Bolo	Representing the Principal Secretary, Ministry of Interior and Coordination of National Government	Alternate Member	3	3	3	n/a	8
8.	Mr. Kangethe Thuku	Representing the Principal Secretary, Ministry of Interior and Coordination of National Government	Alternate Member	n/a	n/a	n/a	n/a	1

No.	Board Member	Classification	Designation	Finance and Administration Committee Meetings (Total No. of Meetings held: 6)	Programmes Committee Meetings (Total No. of Meetings held: 6)	Audit and Risk Management Committee Meetings (Total No. of Meetings held: 8)	Executive Committee Meetings (Total No. of Meetings held: 6)	Full Board Meetings (Total No. of Meetings held: 10)
9.	Mr. Walder Mukunga	Representing the Principal Secretary, The National Treasury	Alternate Member	3	n/a	n/a	n/a	6
10.	Mr. Alfayo Mogaka	Representing the Principal Secretary, The National Treasury for Audit Committee only	Alternate Member	n/a	n/a	7	n/a	1
11.	Rev. Canon Dr. Rosemary Mbogo	Independent	Alternate Member	6	n/a	7	n/a	7
12.	Ms. Jacinta Muregi	Independent	Alternate Member	6	n/a	n/a	5	8
13.	Mr. Lattif N. Shaban	Independent	Alternate Member	n/a	4	5	n/a	8
14.	Ms. Dorothy Onyango, OGW	Independent	Member	n/a	5	n/a	5	10
15.	Mrs Rahab Mwikali Muiu, HSC	Independent	Member	n/a	5	2	n/a	10
16.	Mrs. Elizabeth Mayieka	Independent	Member	n/a	1	5	n/a	n/a
17.	Mr. Mark Joseph Obuya	Independent	Member	n/a	n/a	8	6	10
18.	Stella K. Njagi	Independent	Member	2	3	n/a	n/a	8
19.	Waston Litunya	Independent	Member	n/a	n/a	n/a	n/a	1

Remittance of Statutory Deductions

The NACC remitted all the statutory deductions to Kenya Revenue Authority, National Hospital Insurance Fund, National Social Security Fund, Higher Education Loans Board and other statutory bodies within the stipulated timelines attaining a 100% compliance rate and received the requisite certificates.

Procurement Obligations

The NACC policy on procurement is guided by the principles of economy, efficiency, value for money, transparency and fairness and participation of the enterprises owned by women, youth and persons with disabilities. The NACC allocated thirty (30%) of the procurement budget to the special groups. The NACC executed its procurements through the annual procurement plan with all the attendant approvals in accordance with the Public Procurement and Asset Disposal Act, 2015. All statutory reports were submitted to the oversight agencies. Contracts worth Kshs 64,634,166 were awarded to Special Groups; (Women, Youth and Persons Living with Disabilities).

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE OF KENYA AS PER THE KENYA AIDS STRATEGIC FRAMEWORK I

The NACC through its mandate of coordination of the multi-sectoral HIV response by stakeholder engagement, resource mobilization and alignment, prioritization of high impact interventions as well as monitoring and evaluation of programmes, has propelled the country to make significant progress in implementation of the KASF I for the reporting period as summarized below;

KASF Strategic Directions	Indicators	Comparison from 2016 to 2019				Achievement
		2016	2017	2018	2019	
SD 1: Reducing New HIV Infections	Adult (15+)new HIV Infections:	56,051	44,789	38,207	34,610	14.7% reduction in new HIV infections between 2018 and 2019
	Youth (15-24): new HIV infections	26,051	17,667	16,186	14,410	11% reduction in HIV infections between 2018-2019
	Children (0-14)new HIV infections:	6,091	7,978	7,619	6,806	10.6% reduction in new HIV infections between 2018-2019
SD 2: Improving Health outcomes and wellness of all PLHIV	No of people on ART:	1,018,905	1,121,900	1,067,636	1,087,511	ART coverage for the Adults increased from 69% in 2018 to 80% and for children from 61% to 70%.
	AIDS Related Deaths:	36,041	28,214	25,022	20,997	16% reduction in the number of AIDS related deaths between 2018 and 2019.
SD 3: Using an Human rights approach to facilitate access to services for PLHIV, Key Populations and other priority groups in all sectors	Increase in access to justice for people living with HIV	-				Between 2017 and 2019, The HIV and AIDS Tribunal have reviewed about 60 cases where people were discriminated against for being HIV positive in Kenya.
	No. of cases received within the HAT mandate		2017 - 31 Cases,	2018 - 44 Cases	2019 - 73 Cases	
SD 4: Strengthening integration of Health and Community Systems	HIPORS reporting rates	2015/16 =44(10%) reported, expended KES 14.3 Billion	2016/17= 50(12%) reported, expended KES 19.3 Billion	2017/18= 43(10%) reported, expended KES 18.2 Billion	2018/19 =34(8%) reported, expended KES 21.7 Billion	Decline of 20% in the number of NGOs reporting between the FY 2016/17 and 2018/19, Increase of 24% of the total amount reported.
SD 5:Strengthen Research and information to inform KASF goals	% increase in the number of webinars hosted through the Maisha Maarifa Research Hub	10 (Baseline)	70%	30%	70%	A 70% increase in the number of webinars hosted during the year

	% increase in the number of people participating in the webinars	282 (Baseline)	70%	51%	226%	Over 200% increase in the number of people participating in the webinars in the last one year
	%age of CSOs reporting on Community Activities Programs Reporting (CAPR) system		2017/18: 41%	2018/19: 62%	2019/20: 61.5%	Reporting rates have since stabilized with a slight fluctuation of 0.5% in FY 2019.2020
	%age of MDAs reporting on MAISHA Certification Process	2016/17: 61%	2017/18: 61%	2018/19: 75%	2019/20: 53.3%	Reporting trend decreased significantly by around 30% as compared to FY 2018/19.
SD 6: Promote utilization of Strategic Information for Research and M&E to enhance programming	Generation of National and County HIV Estimates Report	2017 HIV Estimates Report	2018 HIV Estimates Report	2019 HIV Estimates Report 2019 NCDs Report	2020 HIV Estimates Report	Compliant with the Global Requirements
	Develop and submit of GAM Report	2017 GAM Report	2018 GAM Report	2019 GAM Report	2020 GAM Report	Compliant with the Global Requirements
SD 7: Increase domestic financing for a sustainable response	Total Resources needs identified in the CASPs: 58599 Calculated Financing gaps in Millions	56,931	56,764	56,521	58,217	Financing gaps were projected by a 13.3% increment as per the GAM report
	Resources spent in Millions	1,668	1,834	2,077.922	2,244	
SD 8: Promoting accountable leadership for delivery of KASF results by all sectors and actors	Development and Review of Policies and Guidelines.			Review of the KASF Addendum 2018/19 The Joint HIV and AIDS End Term Review (JAETR) of KASF	Development of KASF II Review and validation of MIPA guidelines. Development of the Disability mainstreaming guidelines	Provision of the required policy and regulatory framework for the HIV Response
	Stakeholder coordination and accountability mechanisms.(No. of functional CHC Committees)			41	43	At least 43 counties (91%) met in the year to discuss progress of implementation of the HIV response in their respective counties

PROGRESS OF KEY HIV INDICATORS

Kenya has made significant progress in HIV response as depicted in the key indicators below:

Indicator	HIV Estimates				% Change		
	2017	2018	2019	2020	2018-2017	2019-2018	2020-2019
HIV Prevalence	5.40%	4.90%	4.74%	4.50%	-1%	0.16%	0.24%
Total PLHIV	1,587,844	1,493,382	1,559,130	1,508,405	-6%	4%	-3%
Adults LHIV	1,466,193	1,388,169	1,436,796	1,401,598	-5%	4%	-2%
Children LHIV	121,651	105,213	122,334	106,807	-14%	16%	-16%
Youth LHIV	247,792	184,719	191,521	145,471	-25%	4%	-24%
Total new HIV Infections	62,141	52,767	45,825	41,416	-15%	-13%	-10%
Adult New HIV Infections	56,051	44,789	38,207	34,610	-20%	-15%	-9%
Youth New HIV Infections	26,051	17,667	16,186	14,410	-32%	-8%	-11%
Children New HIV Infections	6,091	7,978	7,618	6,806	31%	-4%	-11%
PMTCT coverage	81%	77%	91%	94%	-4%	14%	3%

**The 2018/2019 denominator had a slight change as per the 2019 census data and due to new evidence on programming especially for children*

HIV POLICIES AND GUIDELINES

Kenya AIDS Strategic Framework (KASF II) 2020/21-2024/25

The second Kenya AIDS Strategic Framework (KASF II) 2020/2021-2024/2025 has been developed. The Framework provides strategic guidance for investment towards a population free of Human Immunodeficiency Virus (HIV) and Acquired Immuno-Deficiency Syndrome (AIDS) for the country. The main purpose of KASF II is to put in place a framework to effectively guide interventions on the HIV epidemic and creating an enabling environment for scaling up high impact prevention, care, treatment, and support and response management interventions in the current social, economic, humanitarian, governance and institutional context across the country.

Review of the Meaningful Involvement of People Living with HIV (MIPA) guidelines

The Meaningful Involvement of People Living with HIV (MIPA) is a guiding principle that calls for the active and meaningful engagement of people living with HIV and those affected through a rights based approach in the design, implementation, monitoring and evaluation of policies and programmes without leaving anyone behind. The guidelines aim to reduce stigma and discrimination which is a key barrier to achieving 90-90-90 strategy and to eliminating HIV by 2030. The guidelines provide a national framework for policy makers and programmers with a structured

framework of not only ensuring that People Living with HIV are meaningfully engaged at the community, county and national level but also gives key recommendations for the faith sector, civil society organizations, County governments, the public sector, private sector, donors and partners. The guidelines have been validated by the key stakeholders and are now awaiting printing, launch and dissemination.

Disability Mainstreaming Guidelines 2020-2025

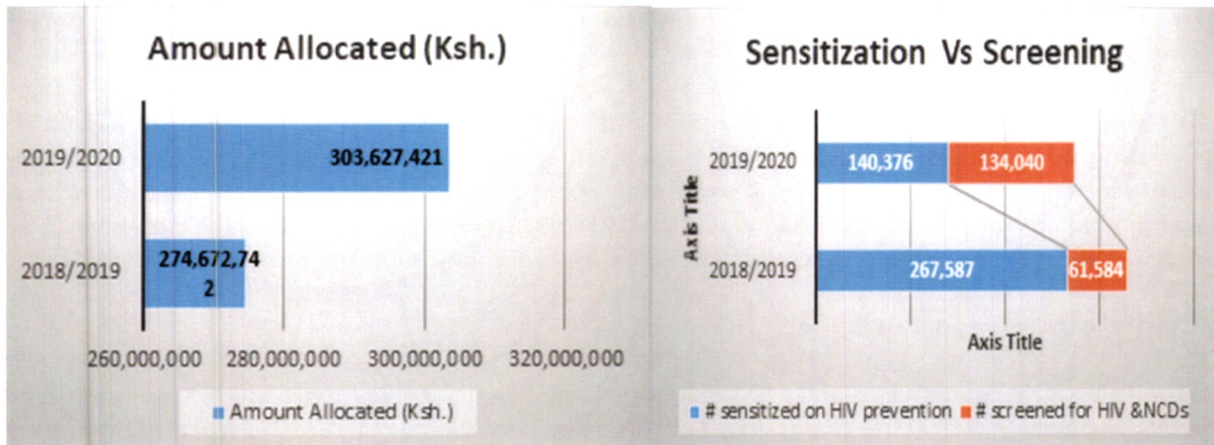
The NACC has developed the Disability Mainstreaming Guidelines to guide in internal and external mainstreaming for effective engagement of People with disabilities (PWD) in the National HIV and AIDS response. This is in recognition of the social, information, structural and environmental barriers faced by PWD in accessing HIV services. These guidelines are based on the principles of upholding respect for inherent dignity; Equal opportunity; Non-discrimination; Accessibility; Full and effective participation; and inclusion of all irrespective of their ability status. These guidelines outline measures adhering to the PWD universal standards under policies and legal frameworks; HIV programming; accessibility to and conducive work environment; information, communication and technology; employment and remuneration; training, capacity building and empowerment; assistive devices, services and social support; mobilization and coordination of resources; procurement services and opportunities; emergency; and corporate social responsibility.

COORDINATION OF HIV AT NATIONAL AND COUNTY LEVELS

Public Sector Coordination

Maisha Certification: The MAISHA Certification system monitors implementation of the Performance Contract HIV and AIDS prevention indicator by MDAs. During the 16th Performance Contract cycle, NACC, through MAISHA Certification, expanded the '*Prevention of HIV Infections indicator*' within the PC to include provision of information, services and referral for Non-Communicable Diseases. Through AIDS Control Units, the Public Sector was able to sensitize: 2,560,065 public servants and their immediate family members on Non-communicable diseases (NCDs) including Cancer (Breast, Cervical and Prostate); Diabetes, Hypertension, Stress management and mental health. This is approximately 41 times more than the number reached in the previous year (61,584). In addition, 45,091 public servants were reached with information on chastity, abstinence and being faithful, as a way to prevent HIV and other sexually transmitted diseases, and 140,376 sensitized on HIV prevention.

MAISHA reporting trend decreased significantly in 2019/2020 from an average of 61% and 75% in 2017/18-2018/19 respectively, to 53.3%. Even with this decrease, the amount allocated for HIV interventions increased significantly from Ksh 274,672,742 in 2018/2019 to Ksh. 303,627,421.37 in 2019/2020. Worth noting is that 134,040 members of staff were facilitated to access screening for HIV, Cancer, Blood pressure, Blood sugar and BMI through various government institutions.



Faith Sector coordination

Development of the HIV and Health message booklet for use by religious leaders

The faith communities play a pivotal role in the HIV response in Kenya. With 96.5% of Kenyans ascribing to a faith (85.5% Christians and 11% Muslim) out of a population of 47.6 M (KNBS, Census 2019) the religious leaders make contact once or more every week with this population. Religious leaders who possess the correct information on HIV have the capacity to change congregational perception on HIV testing, reduce stigma and address issues affecting ART adherence thereby scaling up service uptake. The booklet aims to enhance the skills of religious leaders to address HIV prevention within their congregations and to support the elimination of stigma and discrimination, as well as encouraging uptake and adherence to treatment. Further it addresses SGBV, UHC, Male and AYP engagement. 2500 copies were printed for distribution to religious leaders across the counties.

Development of congregational messages on COVID-19 for use by religious leaders

The outbreak of COVID-19 prompted an upsurge of misinformation, rumors, stigma and virus-shaming. The NACC took cognizance of the fact that the pandemic is likely to erode the gains made in the HIV response and hence developed a booklet that religious leaders could use to reach out to their congregants with the correct information on COVID- 19, and messages of hope amidst the calamity. The booklet has been disseminated to more than 14,972 religious leaders for use in sermons and other liturgy. Religious leaders have the ability to influence the uptake of COVID-19 prevention measures within their congregations as well as reduce the associated stigma. Further, they handle counselling matters for the affected families especially those in isolation and the bereaved.

Building capacity of religious leaders to respond to HIV

One of the cited barriers to effective response to HIV by religious leaders has been weak capacity. The NACC has continually strengthened the capacity of religious leaders by building on their knowledge base, influencing change in attitude to more positive and accepting ones, as well as enhancing skills in all aspects of HIV prevention, care and treatment and stigma reduction, Sexual and Gender Based violence as well as promoting human dignity. A Meeting with the National Association of Universities and College chaplains was held in Kiambu, during which 32 members were briefed on their role in HIV response especially amongst the AYPs in institutions of learning. Sensitization of the 60 NCK members (the second decision making body) drawn from across the

counties was also done. Part of this sensitization included the HIV and Health message booklet and the development of KASF II.

Training of religious leaders in 20 counties through the support of the PEPFAR faith initiative to 8 religious networks/ FBOs.

The Faith and Community initiative aims at equipping religious leaders with skills on the HIV and Health message booklet as well as the messages of hope, supporting child protection, men involvement, religious leader engagement with the media, and support for congregational HTS.

Engagement of people living with HIV

Creating awareness on HIV and AIDS Prevention and Control Act 2016 (HAPCA) and the HIV and AIDS Tribunal (HAT). The HIV and AIDS Prevention and Control Act 2016 (HAPCA) contains provisions that explicitly protect the rights of people living with HIV and create an enabling environment for the HIV response. HAPCA also provides for the establishment of the HIV and AIDS Tribunal (HAT). However, majority of the people at the community level are not aware of the existence of the HAPCA or the HAT, yet they continue to face HIV related stigma and discrimination. During the reporting period, HAT sensitizations meetings on Stigma and Human Rights were held in Garissa, Tana River, Wajir, Mandera, Lamu and Turkana where 1065 stakeholders were reached in the 6 counties. Sensitization was also done for Nairobi County with 219 participants reached. The objectives of the meeting was to create awareness on the HAPCA and its provisions; awareness on the existing of the HIV and AIDS Tribunal and the legal redress mechanisms available; sensitize the participants on issues that relate to HIV related stigma and discrimination which hinder uptake of HIV services by those affected; and strengthen Collaborations with HIV stakeholders in the Counties.

Disability mainstreaming

The Persons with Disability (PWD) Act 2003 appreciates that PWD face discrimination in various forms. It therefore provides for the rights, rehabilitation and equalization of opportunities for PWD, and provides for the establishment of the National Council for Persons with Disability (NCPWD). In 2008, Kenya ratified the Convention on rights of persons with disabilities and consequently adopted disability mainstreaming as part of performance contracting for Ministries, Departments and Agencies (MDAs). In this respect, the NACC in 2019 established a PWD TWG consisting of 18 members (10 stakeholders drawn from various sectors, and 8 NACC staff). Consequently the committee held their initial quarterly meeting and quarterly reports on disability mainstreaming were submitted to NCPWD. NACC was issued with a Certificate for 2018/2019 with a score of 90%.

TECHNICAL ASSISTANCE TO COUNTIES

Local Innovations Scaled Through Enterprise Networks (LISTEN) MODEL

The LISTEN is an accountability and sustainability model to enhance integration and uptake of the HIV and Health services for better UHC outcomes for the counties through; 1) identification or establishment of new communities of practice that are linked horizontally and vertically; 2) facilitation of access to and systematic review and use of data that is relevant to each community of practice; and 3) building capacity for the use of human-centered design to frame challenges and develop solutions to address them.

QUICK WINS ACHIEVED THROUGH IMPLEMENTATION OF THE LISTEN PROCESS

Communities of Practice: Homa Bay Boda boda Riders

Quick Win

1,860 sensitized on road safety
1,200 licensed
2,200 linked to microfinance
4,000 issued with identification tags
Government funding for road maintenance increased from Ksh 450 Million to Ksh 600 Million

Resources

Linkages with the National Ministry of Transportation; Trade, industrialization and cooperatives and Police Commandant

Communities of Practice: Homa bay Fisherfolk

Quick Win

Meteorological department briefs on the expected weather conditions provided to Fisher folk
80 linked to insurance companies
4 beach management units sensitized on search and rescue and water safety
1,500 educated on Family Planning & 20 linked to emergency contraception
450 sensitized on alcohol, drugs and substance abuse

Resources

Linkages with Ministry of Health and Department of Agriculture, Livestock and Fisheries

Communities of Practice: Kiambu Adolescent and Young Population (AYP)

Quick Win

647 AYPs linked with department of trade to market products, public commitment from governor to allocate more funds to HIV targeting the youth
150 AYP sensitized on Sexual Reproductive Health

Resources

Linkages with Department of Trade

Communities of Practice: Kiambu Faith Sector

Quick Win

HIV and Health Wellness mainstreamed in sermons, church leaders able to talk about condoms and sexuality openly

Resources

Linkages with Ministry and County Department of Health

KIAMBU COUNTY

- 3,601 people reached with HIV prevention and testing messaging
- 75,368 condoms distributed by Boda Boda chairs and male champions
- 119 AYP Tested for HIV and 15 enrolled for National Hospital Insurance Fund (NHIF)
- 104 Boda Boda tested for HIV
- Public commitment from governor to allocate more funds to HIV targeting the youth

**HIV results from
Integrated outreach
and screening
activities with the CPs**

HOMA BAY COUNTY

- 3,200 reached with condom education and prevention messages
- 26 condom dispensers installed in areas where Boda Boda Riders and Fisher folk congregate
- 159,840 condoms distributed by fisher folk and Boda Boda Riders
- 814 Boda Boda Riders tested for HIV (15 positive and linked to treatment)
- 1,239 Fisher folk test (5 positive and linked to treatment)
- 50 men circumcised
- Funding for HIV increased from Ksh.5M to Ksh.43M
- 89 Boda Boda Riders and 50 Fisher folk enrolled in the National Health Insurance Fund

ACTIVITIES IN THE DECENTRALIZED STRUCTURES

Technical Assistance to Counties

NACC has established 290 Constituencies AIDS Control /Sub County committees in the country to coordinate and supervise Multisectoral HIV and AIDS response at the community/constituency level. Through Sub County Coordinators (SCACs), Community Based Organizations (CBOs) report using a standard tool called Community AIDS Programs Reporting (CAPR) on a monthly basis.

Further, Counties have established County HIV Committees (CHC) which meet on quarterly basis. This is one of the committees identified in the KASF to ensure effective coordination of KASF implementation and accountability of results in the counties. The CHC is multisectoral in nature, with membership drawn from National government officials in the Counties, County Government representatives, CSOs, Public sector, and community representatives.

Similarly, County AIDS Strategic Plans (CASPs) have adopted CHCs as the mechanism for monitoring implementation of CASPs in counties. Their roles include Policy formulation and implementation, Coordination, Monitoring, Evaluation and Research and Resource Mobilization.

46 out of 47 Counties have CHCs (except Nairobi County).

Mitigation of COVID 19 pandemic and strengthening of the Health systems for UHC

During the reporting period, 4 Counties were provided with technical assistance to meet the irreducible minimum standards to manage COVID 19, and to enhance attainment of the UHC as a Government agenda as well reinforce the capacity of emergency response for COVID 19 pandemic.

NACC in partnership with Ministry of Health assessed 51 isolation centers in Machakos, Kajiado, Kitui and Makueni Counties. The assessment involved establishing whether the facilities had oxygen concentrator, having an ambulance, availability of kitchen, and designated COVID 19 staff, among others.

PREVENTION OF HIV INFECTIONS

Condom Programming

Increasing condoms outlets in non-health settings by 25%

Improved condom programming is essential in closing the gap in condom supply and use, and reducing the spread of HIV. The National AIDS Control Council with support from UNFPA conducted mapping of condom distribution points in all the 47 counties nationally. Dispensers were accessible in only 2500 (14 %) of the 17,854 identified condom distribution points. Subsequently, a total of 545 condom dispensers have been installed in the identified condom distribution points nationally from July 2019 to date. UNFPA supported Makueni County with 150 dispensers in Sept-Dec 2019. This has increased condom outlets by 18.4 % from the baseline of 2950 to 3495. This will increase access to condoms and in turn promote use.

Scaling up the application of the National Condom Cascades to Counties

HIV prevention cascades are a programme management and monitoring tool that outlines the sequential steps of an HIV prevention programme. The National AIDS Control Council with support from Bill and Melinda Gates Foundation and in partnership with county governments has developed county cascades in three counties: Kilifi, Kiambu and Kisumu to be used to guide HIV prevention programming as outlined in the Global HIV Prevention 2020 Roadmap. This will ensure coordinated

HIV prevention efforts leading to a reduction in the number of new HIV infections across all sub-populations putting the country on the path towards ending AIDS as an epidemic by the year 2030.

Interpersonal Engagement with Boda Boda riders and Fisherfolk

The National AIDS Control Council in partnership with the Ministry of Transport, the Department of Fisheries, the National Boda Boda Association, and the Beach Management units of the participating counties organized for interpersonal engagement with Boda Boda riders and Fisher folk to facilitate access to HIV information and services. Most boda boda riders are out of school youth in this age group. Fisher folk are location specific and the social context in which they work puts them at risk of acquiring HIV hence the need to reach them with HIV information and services.

The objective of the intervention is to facilitate access to HIV information and promote HIV prevention service uptake among the target populations who include Boda Boda riders and Fisher folk. For Bodaboda, implementation has been done in Trans Nzoia, Busia, Kakamega, Busia, and Bungoma counties, while for Fisher Folk program has been carried out in Homa Bay and Siaya. These counties were selected because their County AIDS Strategic Plans (CASPs) identified the Boda Boda riders as the drivers of new HIV infections. Implementation was carried out by NACC in partnership with National Boda Boda Association, the Ministry of Transport, the Department of Fisheries and NTSA.

The achievements are summarized in the table below:

Indicator	Number
Number reached with HIV information	10,770
Number sensitized on correct condom use	10,280
No of people counseled and tested	9,461
No of condoms distributed	83,712
Number reached with wellness services	3,254
Number of IEC material distributed	2,323

The Male Engagement Programme

The NACC with support of the Global Fund is implementing a male engagement programme. Men have received considerably less attention in the HIV response and as a result, they have less targeted HIV prevention and treatment programs. However, there is increasing recognition in Kenya that the involvement of men in HIV and related sexual and reproductive health [SRH] interventions has benefits for men, women and children. Men's vulnerability to HIV infection is made higher by their patterns of behaviour, modes of socialization, peer pressure, prevailing concepts of masculinity, alcohol and drug abuse, violence, hostile environments, cultural practices and norms.

Targeting men in prevention and treatment, may have a large impact on mortality, new infections, and the economic impact of HIV and AIDS. The objectives of the programme are; strengthen the HIV response through an enhanced male engagement, management of risks emanating from poor

/low male engagement in uptake of HIV services, provision of greater opportunities for male engagement in the HIV response and finally ensuring that the male engagement is effectively operationalized at national and county level.

The programme has involved reaching out to men and adolescent boys with evidence informed comprehensive knowledge on HIV, SRH, SGBV, HIV prevention services, HIV Testing Services (HTS), as well as care and treatment services. In addition the champions have been sensitized on correct condom use and distribution, wellness services including information on NCDs, through focus groups discussions. The male champions have also ensured integration of the services they deliver to include interventions that focus on HIV, SRH, SGBV and other health concerns facing boys and men including NCDs. In the reporting period, implementation was undertaken in Kericho, Narok, Kiambu, Makueni, Mombasa, Kisumu, and Kisii counties. The sectors that have partnered with NACC are the Ministry of Health, the Ministry of Interior & Coordination through engagement of Chiefs as community gatekeepers, the Ministry of Education sector, the Ministry of Transport and the Faith sector.

During this period, the male engagement toolkit was developed for use in the roll out of the male concept by the male champions. Currently, the male champions from the seven counties are engaged in the COVID 19 response in partnership County Governments.

Number reached during Male Engagement

Indicator	Number Reached
Number reached with comprehensive HIV information	195294
Number sensitized on correct condom use	447632
No of people counseled and tested	93361
No of condoms distributed	573428
Number reached with wellness services	438315
Number of IEC material distributed	59601
Number of Focus Group Discussions held	6405
Number reached with information on male engagement and uptake of HIV services	57099

Huduma Centres

The National AIDS Control Council with support from AIDS Health Foundation (AHF), Pathfinder International and in partnership with Huduma Kenya has supported the installation of condom dispensers in 51 Huduma centers nationally. The activity aims at promoting access to condoms for the sexually active populations.

The Constituency AIDS Coordinators (CACCs) have been tasked with the responsibility of replenishing Huduma centers with condoms and ensure this is reported in the CAPR tool. The next steps are mainly ensuring the replenishing of the dispensers with condoms to ensure uninterrupted supply for the end users.

Other activities the NACC has carried out in the Huduma Centers include: HIV Testing Services for the staff and their clients, Sensitization on HIV and AIDS for the staff and their clients and provision of digital format of Frequently Asked Questions to be run on Huduma digital screens in all centers nationally.

HIV programmes for Adolescents and Young People

Development of County Adolescents and Young People Plans

The Acceleration Plan for Adolescents and Young People HIV response provides direction to all stakeholders in the multisector HIV and AIDS response among adolescents and young people. It draws on past successes, lessons learnt and gives the opportunity to provide a revised approach for the next two years. It emphasizes a multi-sectoral approach and accountability among partners both at county and national level. The guide is shaped by the principles of adolescents and young people at the center, managing their own health and wellbeing. The guide is founded on a multi-sectoral approach with clear accountability mechanisms based on sector / agency mandate and a minimum package of care that can be customized into county acceleration plans that take into consideration the fact that the adolescents and young people dynamics differ from county to county.

The National AIDS Control Council with support from Global Fund supported 7 counties to review their AYP Programs and develop contextualized county AYP Acceleration Plans. The counties that were supported in the duration covered by this report are: **Embu, Mandera, Samburu, Nyamira, Kericho, Busia and Makueni. Each county developed County AYP Plans and the County Multisectoral TWGs monitor and track the implementation.**

Development and Finalization of the Youth Advocacy Toolkit

The National Youth Advocacy Toolkit was developed for young people by young people to address the lack of a standardized package of information on HIV, SRHR and SGBV. It seeks to support peer to peer engagement and reporting of the contribution of young people to the HIV Response to increase ownership and accountability.

The vision for the toolkit is to:-

- Increase access to accurate and complete sexual reproductive health information.
- Increase youth involvement in design, implementation and evaluation of programs and policies that affect their health and wellbeing.
- Measure the contribution of Adolescents and Young People Networks, CBOs and Youth Groups through increased knowledge on reporting through the CAPR Tool.

The NACC is set to disseminate this toolkit to Youth to Youth Networks in the country alongside building their capacity to report through the CAPR Tool.

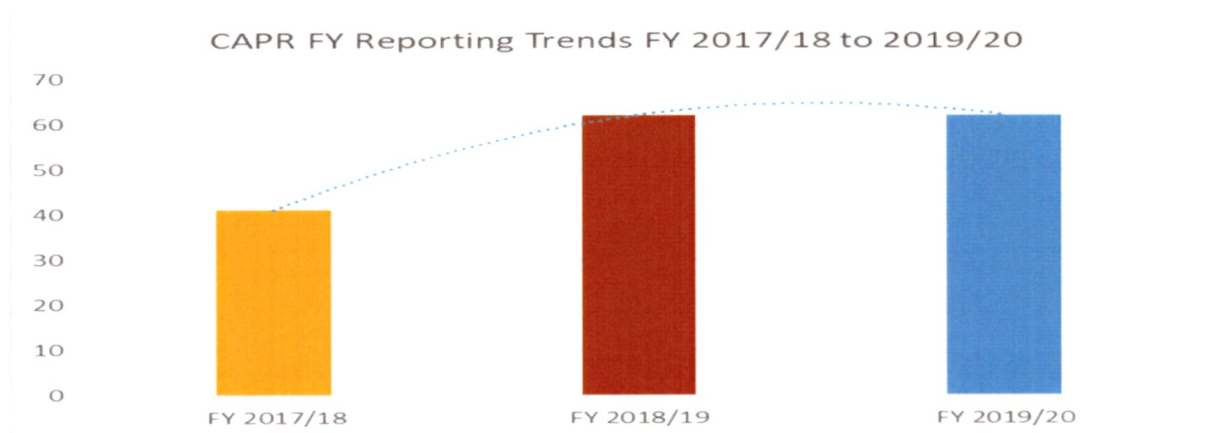
Monitoring and evaluation of HIV response

The NACC has continued to promote utilization of Strategic Information for decision making through management of a robust M&E system that effectively monitors the HIV Response with an increasing emphasis on measurable indicators and results. In the reporting period, this was done through:

- a) **2020 Global AIDS Monitoring (GAM) Reporting:** In line with the 2016 UN General Assembly Political Declaration on HIV and AIDS, each country is expected to develop and submit an annual progress report referred to as the Global AIDS Monitoring Report (GAM). The GAM report comprises of selected indicators that derive data from the programme level data, population based survey data and HIV Estimates data which is generated every year. To comply with this requirement and ensure that the country conforms to international

accountability mechanisms towards assessing progress on HIV response, the NACC developed, validated and submitted the 2020 GAM end-year report within the stipulated timelines of March 31, 2020.

- b) **Community Activities Programme Report:** CAPR data has been used in strengthening existing community level systems and harness efforts towards achievements of the country's goals for key programs and social determinants of health. These include economic and social conditions that influence individual and group differences in health status, conditions that may affect the behavior of an individual to access specific health related or non-health services such as Stigma and Discrimination and Gender based violence. The CAPR reporting rate for FY 2019/20 has experienced a gradual fluctuation due to decline in the total number of CAPR reports received during the 3rd and 4th quarter attributed to low involvement of CSO in implementation due to government restrictions on movement and social gatherings. However the average reporting rate was maintained at 61.5% in FY 2019/20 from 62% in FY 2018/19.



c) **Strengthening Regional Modelling Initiatives**

i. **Kenya Modes of Transmission Report 2020:** The NACC in collaboration with key stakeholders undertook a study to develop the 2020 KMoT study. This was key to ensure that the country generated its estimates on the distribution of new HIV infection among different population groups and across geographies to inform planning, programming and resource allocation for HIV prevention. The Modes of Transmission (MoT) study used a mathematical model approach to quantify the distribution of new infections according to different individual characteristics. Epidemiological and prevention analysis of the report was also conducted to provide county-specific incidence patterns that focused on sub-categorization of incidence in counties by population groups. This improved the geographical and population targeting capacity of the national program. These attributes to HIV incidence in Kenya further informed the selection criteria of priority populations in the KASF II 2020-2024, and the accompanying differentiated intervention approach.

ii. **Annual HIV Estimates Report:** The 2020 HIV National and county Estimates were developed by the HIV Estimates Task Team with experts from different institutions under the overall coordination and leadership of the National AIDS Control Council. The 2020 estimates are based on data from different sources including the 2018 PHIA results, KHIS ANC and ART Program data, 2019 census data, county shape files, Kenya Demographic Health Surveys and HIV Sentinel Surveillance among pregnant women. The estimates use the Estimation and Projection Package and Spectrum tools as recommended by the UNAIDS

Reference Group on Estimates, Modelling and Projections. The highlights of the report include a gradual decline in HIV incidence from 4.7% in 2019 down to 4.5% in 2020, MTCT rate has declined from 12.1% in 2018 to 10.8% in 2020, PMTCT coverage increased from 91% in 2018 to 94% in 2020.

MOBILIZATION OF RESOURCES FOR THE HIV RESPONSE

The NACC has continued to mobilize resources for the HIV response through various strategies that seek to enhance domestic resource mobilization. Further, the NACC mobilizes resources from various partners to fill the gap for a sustained HIV response.

Domestic Resource Mobilization for the HIV Response

The NACC is engaged in enhancing the capacity of County governments in the adoption of financing models for Health. The NACC supported two (2) counties (Kiambu and Homabay) in developing their capacity for enhanced domestic resource mobilization. In a meeting attended by the Governors, Deputy Governors, CECs, MCAs in the Health Committee and Directors, the counties identified mechanisms to increase their domestic resources for health as well as alternative financing frameworks from a business case perspective.

The strategy is expected to support the county governments to develop business case models to adopt in increasing financing for health; support the county government in adopting mechanisms for the integration of NCDs in HIV Programming; assist counties in increasing Domestic Resource Mobilization as well as models for ring-fencing the resources; and develop mechanisms to identify and utilize resources in Infrastructure projects and enhance efficiency models in Service delivery.

Survey on Cost of Achieving Viral Load Suppression in Kenya

NACC in partnership with CDC is undertaking a survey to determine the cost of achieving viral load suppression in Kenya. This study aims to estimate the cost of achieving viral load suppression for PLHIV. This will inform HIV programming going forward, given the dynamic HIV financing landscape and the need to achieve sustainable financing for the HIV response.

The processes under the ART Guidelines under which the study seeks to evaluate include HIV testing and other prevention services, Care and Treatment, and Drug Delivery management. The DCM + QI model is currently being piloted in 8 counties, i.e. Homabay (High Prevalence/Combo); Kisumu (High Prevalence); Migori (High prevalence, fishing community); Mombasa (High Prevalence, Key Population/Combo); Nairobi (High incidence, Key Population); Nakuru possibility of (rapid scale-up); Vihiga (Community Strategy stronghold) and Kwale (Community Strategy). Thereafter, this will be scaled up to all public facilities. The report has been finalized and disseminated to stakeholders.

Mobilizing resources for the HIV response from Development Partners

During the year under review, NACC in its efforts to mobilize resources both for the country and for the NACC workplan continued to engage various development partners. Key in resource mobilization in the year 2019/2020 has been NACC coordination in the Global Fund proposal development. Kenya has been a long strategic partner of the Global Fund, both as an implementer and as a donor.

Kenya has been allocated US\$415,310,170 for HIV, Tuberculosis, Malaria and building resilient and sustainable systems for health (RSSH) for the utilization period 2021 to 2024. In addition, Kenya is eligible for additional catalytic matching funds beyond the allocation amount as follows: US\$14,400,000 may be accessed for HIV Prevention programming in the following priority areas namely; Adolescent Girls and Young Women in High Prevalence Settings, Scaling Up Community-

Led Key Population Programs and a further US\$3,800,000 may be accessed for the Human Rights priority area.

NACCs role in the Global Fund proposal development entailed;

1. Leadership during the writing process. The chair of the writing secretariat is the head of Technical Support at the NACC.
2. Mobilizing resources to support the writing process;
3. Liaising with development partners in the support and recruitment of consultants.
4. Providing Secretariat support for the writing team and secretariat.

KEY PUBLIC EVENTS IN THE YEAR

World AIDS Day 2019

World AIDS Day is commemorated annually since 1988. During the reporting period (2019), WAD was commemorated in all 47 Counties. The global theme was: *Communities make the difference* while the National/Kenyan theme was; ***Towards UHC: Communities united for a HIV free generation.*** The national event was held in Kisii County. The chief guest was Kenya's First Lady, Margaret Kenyatta.

The objectives of 2019 WAD commemoration were:

- a) To demonstrate the role of communities in HIV prevention, treatment and care services.
- b) To leverage on WAD to promote the UHC agenda through provision of wellness services.
- c) To provide an opportunity for interaction and communication between the community, policy-makers, National and County Leaders.

The following were achieved from the build-up activities and on the main day: -

- WAD 2019 commemorated in all 47 Counties with over 46,000 attendees across the country.
- More than 58,000 people were reached with HIV and AIDS and NCD messages pre and during WAD.
- Over 1.59M Condoms distributed pre and during WAD.
- 32,360 tested out of which 171 turned positive and were referred for care and treatment.
- EMTCT Plans for Kisii and Migori Counties launched by her Excellency the First Lady Margaret Kenyatta.
- The Faith Messages Booklets launched in 35 counties including Kisii

International Condom Day 2020

The International Condom Day is marked every year on February 13 as a reminder about condoms and how effective they are in preventing pregnancies and STIs including HIV.

During the period under review, the National AIDS Control Council supported Kirinyaga County to host the National event at the Kirinyaga University grounds.

Approximately 5,000 participated in the event. Key services provided during the event ranged from HIV Testing Services to Non Communicable Disease testing, treatment and referrals as summarized in the table below.

ACHEVEMENTS DURING THE 2020 INTERNATIONAL CONDOM DAY

KEY ACHIEVEMENTS	
Indicator	Total
Number of clients counselled and tested (none positive)	111
Number screened for NCD (hypertension, diabetes, cancer)	37
Number referred for NCD Treatment or further testing (hypertension, diabetes, cancer)	2
Number Provided Health education/sensitized on HIV/SGBV/TB/Mental Health/NCD and Nutrition	18,000
Number of male condoms distributed	28,800
Number of female condoms distributed	500
Number of condom dispensers installed in sub counties	44
Number of IEC materials distributed	550

STRATEGIC HIGH-LEVEL MEETINGS, CONFERENCES AND COLLABORATIONS

The Global HIV Prevention Coalition 2019 Meeting

Kenya, a member of the GPC, hosted a High-Level Meeting of the GPC to review and accelerate progress with HIV prevention towards and beyond 2020. The theme for the meeting was “Accelerating Progress Towards the 2020 HIV Prevention Targets – The promise of comprehensive HIV Prevention and Sexual and Reproductive Health and Rights for all.”

The meeting brought together 17 Ministers and Vice Ministers of Health from Coalition Member States, 20 Directors and representatives of the National AIDS Councils, and over 290 Policy makers and the civil society.

The meeting adopted a four-point action that will strengthen countries’ stewardship of HIV prevention, commitment to increase in domestic financing, address structural factors that predispose the vulnerable especially the young and adolescents to HIV and strengthening of community systems.

Global HIV Prevention Member States NAC Directors Meeting

A follow up meeting for the NAC directors was hosted by Kenya against a backdrop of the changing health sector priorities and the public health dynamics in the context of UHC and emergence of NCDs. There was therefore an urgent need to reposition and transition the NACs from the traditional roles and bring the NAC’s experiences to the health space with specific regard to data and communities. Kenya was nominated to set up the Secretariat for NAC Directors community of practice over the next one year. The NACC is drawing draft TORs to establish this secretariat. The UNAIDS has offered resources to support this Secretariat.

The 3rd International Workshop on HIV and Adolescents

Over 400 international participants attended the 3rd International Workshop on HIV & Adolescents in Nairobi, Kenya an inclusive summit for multidisciplinary experts working with adolescents affected by HIV. The meeting addressed barriers encountered in delivering HIV services, ways to mitigate

these, and how to build the capacity of youth on the importance of Evidence Based Interventions and Reporting as a way to demonstrate impact.

Great Lakes initiatives on HIV and AIDS

GLIA is an Inter-governmental organization created in 1998 to address HIV and AIDS challenges in the Great Lakes Region (GLR). GLIA comprises of six member countries of Burundi, Kenya, and *Republique Democratique Du Congo (DRC)*, Rwanda, United Republic of Tanzania and Uganda.

Kenya has been Chair of both Council of Ministers and the NACC was appointed the Chair of the Executive Directors Committee from 2018-2020. During this period, Kenya through the Cabinet Secretary of Health in 2019, successfully hosted the Council of Ministers Meeting in Nairobi. Over 4 Executive Committee meeting and technical working group forums were held to develop a plan. The Country successfully handed over to the Republic of Rwanda pursuant to the provision of Article 10, Section 3 and Article 12, Section 2 of the Convention Establishing the Great Lakes Initiative on AIDS.

Kenya's Participation in IAS 2019

The 10th International AIDS Society Conference on HIV Science (IAS 2019) was held from July 21-24, 2019 in Mexico City, Mexico. The IAS Conference on HIV Science is the world's most influential meeting on HIV research and its applications. The NACC showcased its work at the scientific meeting and presented on the complimenting role of non-health facility indicators in HIV prevention outlining Kenya's HIV programme through a multi-sectoral approach, which received accolades from delegates as a model for replication in changing the tide against HIV and AIDS. NACC also made a presentation on Prevention cascades at country level highlighting Kenya's three pronged approach through Behavioral, social and structural spheres in addressing and preventing HIV and AIDS. Additionally, the NACC participated in the Men and HIV pre – conference forum.

Key insightful lessons from the conference for Kenya's HIV programme included the need to increase domestic resources, need to address structural and behavioral barriers hindering uptake of services to scale, need to integrate HIV services in the country's health system, fast-track integration and consolidated responses on HIV co-infections (notably TB, and viral hepatitis) and on emerging co-morbidities and other non-communicable diseases, among others.

Participation in ICASA 2019 Conference

NACC coordinated Kenya's participation in the 20th edition of the International Conference on AIDS and STIs in Africa (ICASA 2019) through an initiative dubbed “**#KENYAatICASA2019**”. The initiative sought to promote inter-country dialogue and enhance Kenya's visibility during the Conference. The Kenyan delegation comprised of representation from various institutions ranging from implementing and development partners.

Kenyans featured in a total of **18 sessions** either in plenary or panel sessions as speakers or chairs. A total of **123 abstract presentations** were made in form of **posters**. Various institutions and organizations also participated in showcasing their work on the HIV response in the exhibition booth session. NACC organized one satellite session and featured the Kenyan stand during the Conference. Key lessons from the Conference have continued to inform development of various policy documents and programming for the HIV Response.

Kenya's Bid to host ICASA 2021: During the period under review, the NACC submitted a bid for Kenya to host the 21st edition of the ICASA Conference. Kenya's bid to host ICASA 2021 was

reviewed and the country pre-selected as a potential host for this Conference. The Society for AIDS in Africa (SAA) assessment team visited the country to assess Kenya's capacity and commitment to host ICASA 2021 between October 3-4, 2019. However, after the evaluation process, Uganda received a majority vote and was selected to host the Conference.

COMMUNICATION AND ADVOCACY

Communication Activities

HIV Sensitization campaigns targeting AYP

Adolescents and Young People (AYP) in Kenya remain vulnerable to HIV because this is a stage where significant physical and emotional changes occur as AYPs reach the transition from childhood to adulthood, this is the time they explore and navigate peer relationships, gender norms, sexuality and economic responsibility.

During the period under review the NACC in partnership with the Ministry of Education undertook on-ground activations with students from Nyeri Technical College (Nyeri County) and Coast Institute of Technology in Voi (Taita-Taveta County). From the activations, approximately 4,000 students were reached with HIV and AIDS information including condom use; 117,792 condoms distributed; approximately 1,610 students (and general population) counseled and tested for HIV; and 5,000 Information Education materials distributed (brochures, FAQs, notebooks, caps, T-shirts and wristbands).

TV, Radio & Digital Media Campaigns

Mass media-TV & Radio, together with new technologies in communication commonly referred to as digital media forms a potentially powerful tool in the effort to address many social challenges in our society. The great promise of combined use of these media lies in their ability to disseminate well defined behavioural focused messages to mass audiences repeatedly, over time and in an incidental manner. Strategic and Programmatic communication ensures that the NACC reaches her audiences with correct information in a timely manner.

In the period under review, the NACC undertook a mass media campaign with HIV and AIDS messages chiefly on HIV Prevention, Testing and Counselling, as well as Anti Stigma, targeted at the youth, men and women and general public. Over 30,000,000 people were reached with HIV and AIDS related messages in the campaign which was aired on a total of 6 National Television Channels, as well as over 20 radio stations (national, vernacular and religious stations). In addition, the NACC reached a separate over 8,000,000 online audiences with HIV and UHC messages carried on the NACC digital and social media platforms, and selected social media channels for mainstream media outlets.

Health promotion and Advocacy for UHC

In the reporting period, NACC took leadership in UHC Communication as the convener of the UHC Communication Working Group. The team was charged with scale up of UHC Communication, including development of key messages and various literacy materials. The NACC disseminated key messages and IEC materials to various networks during stakeholder programmes as well as during World AIDS Day and pre-World AIDS Day activities across all the 47 counties. UHC messages were embedded in all congregational sermons on World AIDS Day across faith sectors, with approximately 1,000,000 reached. NACC liaised with Vice-Chancellors and ACUs on activities to be undertaken to commemorate WAD and with specific UHC messages to be incorporated. Over 100,000 students were reached through this. NACC liaised with the 18 national libraries across the

country to offer health and wellness services as part of WAD celebrations. Messages on mental health and substance abuse as part of UHC were incorporated into messaging for Adolescents and Youth which were disseminated via WhatsApp strategy, reaching approximately 100,000.

NACC'S CONTRIBUTION TOWARDS COVID-19

Over the years, the HIV Response has made significant strides, and has learnt critical lessons from which other disease areas can borrow from. It is on this premise that the NACC is contributing to, and providing leadership in managing the COVID-19 pandemic through various working groups.

Resource Mobilization

The NACC was appointed to lead the multi-sector/disciplinary Resource Mobilization Working Group (WG) for the COVID-19 emergency response and report to the Steering Committee and to the Principal Secretary. Through our leadership, the WG has so far developed short and medium term budgets for the COVID-19 response; is undertaking continuous tracking of budget implementation; continuous planning of distribution of commodities to facilities; mobilization of support (in cash and kind) from local sources and foreign partners; tracking of donations, and the team also delivered the COVID-19 Taskforce Health Report within the first 60 days of the COVID response.

Communication

The NACC is part of the Health Promotion Committee charged with health promotion for COVID-19, and also leads a multi-agency team charged with sustenance of a resilient HIV Response in the advent of the COVID-19 global pandemic.

In the period under review, NACC worked with the Health Promotion team to develop and disseminate TV and radio advertisements on COVID-19, which reached over 20,000,000. These advertisements (including presenter mentions and expert interviews) were focused on adherence to treatment (for PLHIV and those living with other pre-existing conditions) as a critical component of COVID-19 prevention. The adverts were aired for a month across select TV and radio channels as well as social media.

Further, the NACC leads a multi-agency team charged with sustenance of a resilient HIV Response in the advent of the COVID-19 global pandemic. In the period under review, the NACC led in development of key messages on HIV and COVID-19 for various target groups – Persons Living with HIV, General Population, Adolescents and Young People, as well as Expectant Mothers. The messages were centred on COVID-19 prevention, basic HIV prevention information, adherence to treatment for PLHIV, Elimination of Mother to Child Transmission, Sexual and Gender-based violence including post-exposure prophylaxis referrals; alcohol and substance abuse; mental health and psychosocial support, as well as anti-stigma (HIV and COVID) and discrimination). These messages are being disseminated using various platforms down to the grassroots.

Stakeholder Coordination and County Support

The NACC developed COVID-19 congregational messages, which were disseminated to 14,972 religious leaders. The NACC also mobilized Persons Living with HIV (PLHIV) and other vulnerable groups for COVID-19 response. The vulnerable groups, i.e. PLHIV, Adolescents and Young People (AYP), Key Populations, Pregnant and breastfeeding women, Adolescent girls and young women have been supported with 10,000 hygiene packs and food courtesy of UNAIDS. Additionally, the NACC Regional Teams and Sub County AIDS Coordinator (SCACs) were involved in COVID-19

response through dissemination of COVID-19 and HIV information; identification of vulnerable households including Persons Living with HIV, Orphans and Vulnerable Children (OVC)s and those with chronic illnesses for financial support through the Government COVID-19 Relief Funds, and distribution of condoms in non-health facilities. These have been critical in ensuring continuity of HIV services amid the COVID-19 pandemic.

Beyond Zero— Building Capacity of Community Health Volunteers (CHVs)

Training of CHVs on COVID-19 response continued throughout the month of July following the launch in June. The training via LEAP m-health programme started with two virtual sensitization meetings for Community Health Assistants (CHAs) and coordinators. These meetings enabled 51 CHAs and 10 Sub county Coordinators and 1 County Coordinator to go through four modules of the curriculum so that they could provide supervision and guidance to the Community Health Volunteers (CHVs), where necessary.

In this reporting period, 5153 CHVs out of the targeted 5100 have been trained with males representing 21% of the total number trained and female at 79%.

Organization of African First Ladies for Development

This initial webinar themed “The health and economic impacts of COVID-19 on achieving Universal Health Coverage” was co-hosted with the Global Fund to Fight AIDS, Tuberculosis and Malaria. The nine First Ladies from Angola, Botswana, Central Africa Republic, Democratic Republic of Congo, Gambia, Namibia, Niger, Mozambique, Zimbabwe were in attendance. Kenya was represented by Her Excellency Catherine Mwangi, the Ambassador of Kenya to Ethiopia, African Union, IGAD and UNECA. The technical advisors from Beyond Zero and the NACC were also present.

The meeting sought to raise awareness of the health, economic and financial impact of COVID-19 on communities, nations and at the regional level. It also aimed to emphasize the importance of universal social protection measures and maintaining essential health services in the face of COVID-19.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The National AIDS Control Council (NACC) is committed to the social, environmental and economic wellbeing of the communities in which it operates. Through NACC's CSR Policy and thematic areas for CSR engagement, we envisage an enhanced collaboration with communities, partners and stakeholders through implementation of impactful CSR activities.

A. ENVIRONMENTAL CONSERVATION IN THE OFFICE SPACE & WORK ENVIRONMENT

i) Reduction of Paper Based Procurement Transactions

The entire NACC procurement transactions are manual and implemented through paper trail. The manual processes entail storage of physical documents every financial year. The bulk of the procurement transactions are realized through the Request for Quotation (RFQ) and Request for Proposal (RFP) procurement methods and registration of suppliers given the voluminous documentations involved in one given financial year and the requirement to maintain the procurement records for a period of not less than six (6) years, creates challenges of archiving and storage space.

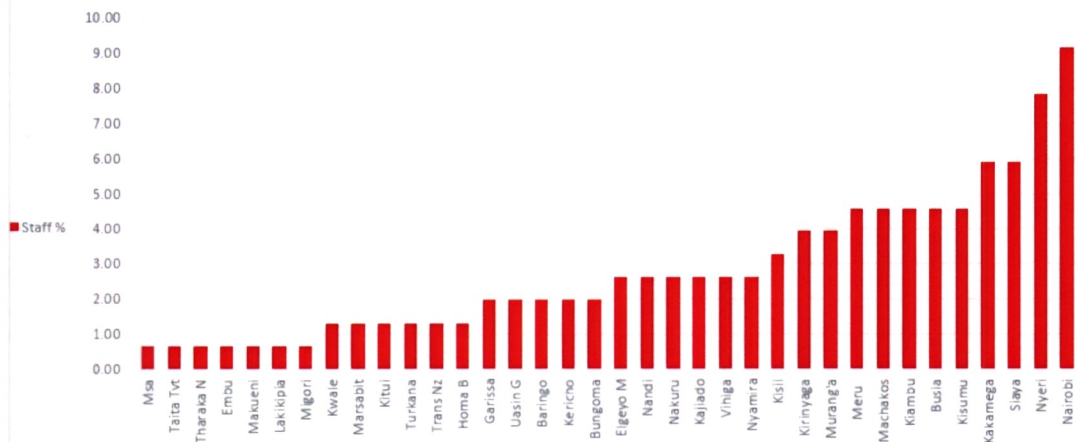
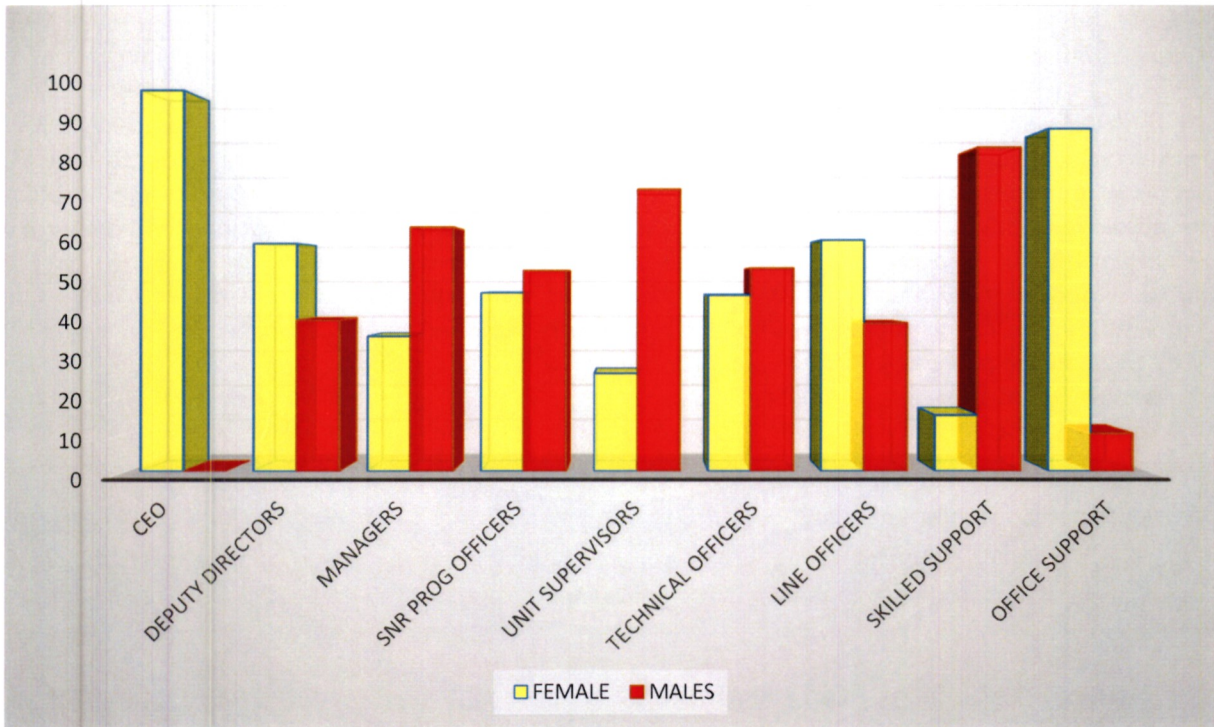
In order to address the challenges attributed to manual processes, storage space and cumbersome retrieval of documents, there is need to reduce paper based procurement transactions by 70%. In the reporting period, NACC initiated the process of Automation of Request for Quotations (RFQs) and Request for Proposals (RFPs), online documentations and generation of professional opinions.

ii) Environmental conservation through Tree Planting

The National AIDS Control Council is a socially responsive corporate with a vibrant Corporate Social Responsibility (CSR) policy that is anchored on Environmental conservation among other community interventions. In the Financial Year 2019/2020, NACC in partnership with the Kenya Forestry Service planted 250 tree seedlings at the Jeremiah Nyaga Technical Institute during World AIDS Day Commemoration. Economic and sustainable social development can help Kenya achieve the Kenya Vision for 2030, transforming the country into a clean, secure, and middle-income nation.

B. STAFF MATTERS AND EMPLOYEE WELFARE

NACC has a stringent recruitment policy that takes into consideration gender ratio, county representation, in addition to skills, attitudes and competencies required for the achievement of the NACC's mandate. The NACC has a vibrant programme on building human resource capabilities for the present and future by attracting and retaining staff through appraisal, training needs assessment, as well as reward systems. The NACC also continuously empowers unemployed youth through its internship and attachment programme that is established to provide unemployed graduates with opportunities for hands-on training for skills acquisition to enhance future employability.



The NACC facilitates the provision of a comprehensive in and outpatient medical cover for Board members, employees and their dependents. The cover incorporates an Employee Assistance Programme (EAP) that allows staff to access psychosocial support that is critical and counselling services especially at a time of the pandemic as witnessed from COVID19. Other benefits include

gratuity for each period worked, Group Life and Group Personal Accident Cover along with Work Injury Benefits to safeguard from workplace risks.

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

In the Financial Year 2019/2020, NACC complied with statutory requirements and maintained operations of various statutory workplace committees. Further, the NACC has the following policies that promote employee welfare:

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

C. MARKETPLACE PRACTICES - PROCUREMENT

a) NACC Corporate Citizenship

The NACC subscribes to good corporate governance and the Mwongozo Principles applicable to public sector institutions. In the reporting period, the NACC conducted its affairs ethically while contributing to its mandate towards the wellbeing of citizens.

The NACC implemented the requirements of the Public Procurement and Asset Disposal Act, 2015 by empowering the Youth, Women and Persons Living with Disabilities –PWD) under the Preference & Reservation Scheme i.e. Access to Government Procurement Opportunities (AGPO) The NACC filed statutory reports to the oversight agencies as indicated in the table below:

Table 1- Statutory Reports Submitted to Oversight Agencies

The NACC procurement budget for the year under review was Kshs 400M

S/NO	Type of Report	Annual Amounts Reported (Kshs)	Names of Oversight Agencies Reported to	Frequency of Reports
1	All Contracts & Buy Kenya, Build Kenya Reported FY 2019/2020	218,171,962.00	<ul style="list-style-type: none"> • Public Procurement Regulatory Authority (PPRA) • State Department of Trade and Enterprise Development • Public Procurement Directorate (National Treasury) 	Quarterly
2	Consolidated Contract Kshs 500,000 with list of directors FY 2019/2020	162,965,044	<ul style="list-style-type: none"> • Ethics and Anti- Corruption Commission (EACC) 	Quarterly
3	AGPO Awards Reported for the Preference & Reservation Scheme FY 2019/2020	62,630,365	<ul style="list-style-type: none"> • Public Procurement Regulatory Authority (PPRA) • Public Procurement Directorate (National Treasury) 	Quarterly

4	Award of procurement opportunities to Women	29,843,508	• Ministry of Public Service, Youth & Gender Affairs (State Department of Gender Affairs)	Quarterly
5	Award of procurement opportunities to Youth	29,103,992	• Ministry of Public Service, Youth & Gender Affairs (State Department of Youth Affairs)	Quarterly
6	Award of procurement opportunities to Persons with Disabilities (PWD)	3,682,865	National Council of Persons with Disabilities	Quarterly

Out of the Kshs 400M annual procurement budget for FY 2019/2020, the NACC implemented 54.5% of the Procurement Plan or Kshs 218,171,962.00. The planned activities for quarter 3 and 4 were hampered by the restrictions of movement during the months of March- June 2020 on account COVID-19 public health concerns.

b) Top Ten Contracts awarded by NACC by Value

The NACC as a public entity subscribes to the Mwongozo Principles and is therefore required to disclose the top ten (10) highest value contracts awarded each financial year. The two main categories where the NACC invested a large portion of its resources were:

- Mainstreaming of on the annual performance contract indicator for 'Prevention of HIV infections and UHC Promotion' implemented by **370 Ministries, Departments and Agencies (MDAs)** each financial year. The consultancy covering 2019/2020, 2020/2021 and 2021/2022 (**Table 2 Part (a)**) and;
- Production and Airing of TV HIV and AIDS Themed Infomercials between October to December, 2019, May, 2020 and June to July 2020 respectively (**Table 2 Part (b) & (c)**)

The top ten highest value contracts showing the result areas is as indicated in the table below:

Table 2- Top Ten Contracts awarded by NACC by Value and Results Areas

Impact/Rationale	Names of Suppliers	Amount (Kshs)
(a) Mainstreaming of Prevention of HIV infections and UHC Promotion' indicator implemented by 370 MDAs The consultancy covering 2019/2020, 2020/2021 and 2021/2022	1. Icpher Consultants Co. Ltd	36,477,870
(b) Production of TV HIV and AIDS Themed Infomercials Airing of TV HIV and AIDS Themed Infomercials. Objective: Informing and educating the public on HIV prevention, testing, as well as anti-stigma. Messages targeting Persons Living with HIV were also covered, with adherence to treatment a key aspect in COVID-19 prevention. Results: Over 25,000,000 were reached with HIV and AIDS messages during the campaign during the period October to December 2019 and May 2020	2. The Standard Group	9,724,724
	3. The Standard Group	6,960,000
	4. KBC	6,800,000
	5. Nation Media Group Ltd	6,700,000
	6. Royal Media Services Limited	6,699,000
	Sub Total Kshs	
(c) Airing of TV HIV and AIDS Themed Infomercials: Objective: Expanded to communicate COVID-19 prevention for especially Persons Living with HIV and other comorbidities during the June-July 2020 mass media campaign. Results: Close to 27,000,000 were reached with HIV and AIDS messages during the campaign.	7. The Standard Group (KTN Home)	3,400,000
	9. The Standard Group (KTN News)	3,400,000

	1. Kenya Broadcasting Corporation	3,400,000
	2. Nation Media Group Limited.	3,400,000
	Sub Total Kshs	17,000,000
(d)	Refurbishing and furnishing of Teleconferencing sites: Mombasa, Kisumu, Nyeri and Nairobi for HIV and AIDS Tribunal to facilitate installation of teleconference equipment for ease of virtual meetings	Ninart Enterprises Ltd 3,480,000
Top Ten Highest Value Procurements		Grand Total Kshs 93,841,594

(c) Compliance with Anti-Corruption laws

During the FY 2019/2020, the NACC transacted 473 procurements valued at Kshs 218,171,962.00 for provision of goods, services and works in the execution of its mandate. 73 procurements transactions of Kshs 500,000 and above together with the list of directors of the firms awarded contracts were reported quarterly to the Ethics and Anti-Corruption Commission (EACC). The total contracts reported to EACC amounted to Kshs 162,965,044 or 75% of all the procurements transacted during the year under review.

(d) Ethical Advertising of Tenders

The NACC advertised three open tenders as per the required thresholds through the national newspapers in addition to publication in its website and the Public Procurement Information Portal (PPIP) or government portal. 470 other procurements falling below the open tender threshold were advertised through the NACC website and the government portal (PPIP). There were no reported complaints or appeals on the tenders awarded during the period under review. However, one contract was terminated on mutual agreement between the parties owing to non-performance by the consultant.

(e) Responsible Supply chain and supplier relations

(i) Prompt Payment of Supplier Invoices

During the FY 2019/2020, the NACC transacted procurements valued at Kshs 218,171,962.00 for provision of goods, services and works. All invoices due were settled and there were no pending bills at the closure of the Financial Year.

(ii) E-Procurement for Ease of Doing Business

The NACC rolled out the E-Procurement in April 2020. The system integrates the NACC internal procurement processes with the tendering by the suppliers. The suppliers are linked with the NACC E-procurement system by the link, <https://eprocurement.nacc.or.ke>, which is the approved Supplier Portal/Dashboard. The Supplier Portal will host all the procurement transactions with the NACC.

The NACCs day to day procurement processes from internal procurement requisition and approval, invitation to tender, receipt and opening of tenders and evaluation have now transformed from manual to paperless operations and transacted online for ease of audit trail.

(iii) Sensitization of Suppliers on NACC's New E-Procurement System

In order to increase the uptake of the E-procurement, the NACC sensitized thirty (30) suppliers on the E-Procurement platform through a virtual sensitization held on June 26, 2020. A notification on this exercise was published through MY GOV. publication via the newspaper circulation of June 23, 2020. The sensitization meeting was successful and has also resulted in the increase of suppliers' registration. So far, 144 suppliers have registered on the E-Procurement platform for participation in NACC tenders online as indicated below:

Category	Number Register
General	28
PWD	14
Women	59
Youth	43
Grand Total	144

D. ICT FOR SUSTAINABILITY

Adoption of Paperless Regime and ICT Sustainability

The cost incurred for maintaining the current NACC ERP infrastructure for the last eight (8) years from July 1, 2009 when the system was fully functional has been cut by more than 50% by deploying and maintaining a new and fully integrated ERP system. NACC rolled out the new system at the beginning of the Financial 2019/2020. The cost associated with deploying a new ERP system has gone down drastically as a result of adoption of a paperless regime with the benefits of scanning functionality of the current equipment and use of mobile devices namely tablets. This has significantly reduced on usage of paper and cost of maintaining ICT equipment's.

Additionally, the NACC has deployed ICT equipment that emits less carbon to the environment through use of data centres that are designed to optimize on space and carbon emission. The NACC has also enhanced Green ICT procurement by checking suppliers' green credentials, with the aim of limiting the environmental impact of purchases and ensuring the deliver on less toxic products and equipment.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the NACC affairs.

Principal activities

The principal activities of the entity are:

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

Results

The results of the entity for the year ended June 30, 2020 are set out on page 63

Directors

The members of the Board who served during the year are shown on pages 6-7.

Dr. Waston Litunya, an independent member resigned as a member of the NACC Board in August 2019. The alternate to the Principal Secretary, the National Treasury Mr. Walder Mukunga exited the Board in February 2020. Two Members of the Board, Mr. Daniel Bolo, alternate to the Principal Secretary, Ministry of Interior and Coordination of National Government retired in May 2020 and Mr. Ben Mugambi, alternate member to the Principal Secretary, Ministry of Health exited the Board in May 2020.

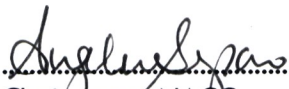
Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The NACC's reported surplus consisted of funds for on-going programs and hence no remittance to the Consolidated Fund.

Auditors

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

By Order of the Board


.....
Chairperson NACC

21/4/2020
.....
Date

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The NACC Board is responsible for the preparation and presentation of the NACC's financial statements, which give a true and fair view of the state of affairs of the NACC for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:


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

The NACC Board accept responsibility for the NACC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Board is of the opinion that the NACC's financial statements give a true and fair view of the state of NACC's transactions during the financial year ended June 30, 2020, and of the NACC's financial position as at that date. The Board further confirm the completeness of the accounting records maintained for the NACC which have been relied upon in the preparation of the NACC's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The entity's financial statements were approved by the Board on September 22, 2020 and signed on its behalf by:

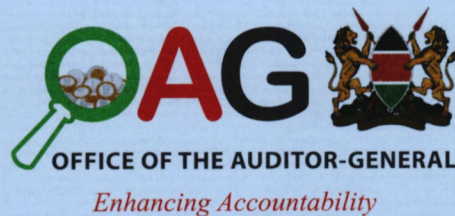

.....
Dr. Ruth Laibon - Masha
Chief Executive Officer


.....
Ms. Angeline Yiamiton Siparo
Chairperson

REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL AIDS CONTROL COUNCIL FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Aids Control Council set out on Pages 61 to 85, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of 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 National Aids Control Council 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 (Accrual Basis) and comply with Public Finance Management Act, 2012, the State Corporations Act, Cap 446 and the National Aids Control Order, 1999.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison budgeted and actual amounts of indicates that during the year under review, the Council's budgeted and actual revenues totalled

Kshs.1,055,180,000 and Kshs.1,119,785,426 respectively resulting in a surplus of Kshs.9,605,426. Further, the Council's budgeted and actual expenditures totalled Kshs.1,055,180,000 and Kshs.970,402,410 respectively resulting in under-expenditure of Kshs.84,777,590 or 8% of the budget. The under-expenditure was within the allowed threshold of 10%.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects.

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

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control.

In preparing the financial statements, Management is responsible for assessing the Council'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 dissolve the Council, 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 money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 February, 2022

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

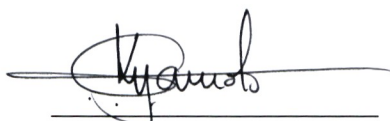
	Note	2019/2020 Ksh	2018/2019 Ksh
Revenue from non-exchange transactions			
Public contributions and donations	5	54,066,591	50,464,307
Transfers from other governments	6	<u>1,055,180,000</u>	<u>1,084,566,350</u>
		1,109,246,591	1,135,030,657
Revenue from exchange transactions			
Rendering of services	7	700,000	1,470,000
Other income	8	9,838,835	8,402,834
		<u>1,119,785,426</u>	<u>1,144,903,491</u>
Total revenue			
		1,119,785,426	1,144,903,491
Expenses			
Employee costs	9	462,749,311	462,242,825
Depreciation and amortization expense	10	14,265,244	16,170,828
Repairs and maintenance	11	8,235,694	11,761,289
Program management expense	12	342,677,561	437,569,344
General expenses *	13	141,757,667	143,563,604
Council Expenses	14	12,063,515	8,384,867
Finance costs	15	<u>2,918,662</u>	<u>3,487,388</u>
		984,667,654	1,083,180,145
Total expenses			
		984,667,654	1,083,180,145
Other gains/(losses)			
Gain on sale of assets	16	-	<u>220,700</u>
		<u>135,117,773</u>	<u>61,944,047</u>
Surplus for the period			
		135,117,773	61,944,047

* See note 29 on restatement

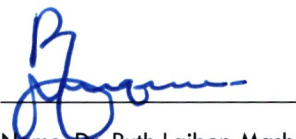
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

Assets	Note	2019/2020 Ksh	2018/2019 Ksh
Current assets			
Cash and cash equivalents	17	958,431,977	855,592,634
Inventories	18	7,660,042	9,589,177
Receivables from exchange transactions	19	56,455,669	10,009,348
Receivables from non-exchange transactions	20	29,896,134	21,455,521
		1,052,443,822	896,646,681
Non-current assets			
Property, plant and equipment	21	17,844,396	23,963,490
Capital Work in Progress	22	18,276,874	18,276,874
Total assets		1,088,565,092	938,887,045
Liabilities			
Current liabilities			
Trade and other payables	23	19,466,611	21,153,887
Provisions	24	7,200,000	3,500,000
Employee benefit obligation	25	81,644,315	69,096,764
Deffered Revenue	26	100,000,000	100,000,000
		(208,310,926)	(193,750,651)
		880,254,167	745,136,393
Funds and reserves			
Accumulated surplus		880,254,167	745,136,393
Total funds and liabilities		880,254,167	745,136,393

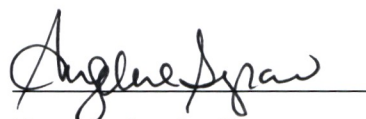
The Financial Statements were signed on behalf of the Board by:



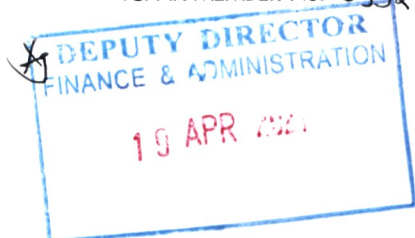
Name: Kenneth Nyamolo
Ag. DEPUTY DIRECTOR, F&A
ICPAK MEMBER No: 6532



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



Name: Ms Angeline Siparo
CHAIR, NACC BOARD



STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	ACCUMULATED SURPLUS	TOTAL
Balance as at July 1, 2018	767,726,708	767,726,708
Refund of unutilized TOWA funds	(84,064,292)	(84,064,292)
Refund UNFPA funds	(470,070)	(470,070)
Surplus for the year *	61,944,047	61,944,047
Balance as at June 30, 2019	745,136,393	745,136,393
Balance as at July 1, 2019	745,136,393	745,136,393
Surplus for the year	135,117,774	135,117,774
Balance as at June 30, 2020	880,254,166	880,254,166

* See note 29 on restatement

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019/2020 Ksh.	2018/2019 Ksh.
Cash flows from operating activities			
Receipts			
Public contributions and donations	5	54,066,591	50,464,307
Government grants and subsidies	6	1,055,180,000	1,084,566,350
Rendering of services	7	700,000	1,470,000
Total Receipts		1,109,946,591	1,136,500,657
Payments			
Compensation of employees	9	(462,749,311)	(462,242,825)
Goods and services	11-14	(504,734,436)	(596,322,121)
Finance cost	15	(2,918,662)	(3,487,388)
Total Payments		(970,402,410)	(1,062,052,334)
Decrease in non-current receivables	19-20	(54,886,934)	50,427,726
Increase in payables	23-25	14,560,275	(18,058,005)
Increase in inventories	18	1,929,136	(206,587)
Net cash flows from operating activities		101,146,658	106,611,458
Cash flows from investing activities			
Interest income	8	9,838,835	8,402,834
Purchase of property, plant, equipment	21	(8,146,150)	(9,504,359)
Proceeds from sale of property, plant and Equipment	16	-	220,700
Net cash flows used in investing activities		1,692,685	(880,825)
Financing activities			
Refund-unutilized TOWA funds	28	-	(84,534,362)
Net increase/(decrease) in cash and cash equivalents		102,839,342	21,196,271
Cash and cash equivalents at 1 JULY	17	855,592,633	834,396,362
Cash and cash equivalents at 30 JUNE		958,431,975	855,592,633

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Performance difference(%)
	2019/2020	Ksh	2019/2020	Ksh	2019/2020	Ksh	2019/2020	Ksh	2019/2020	Ksh	
Revenue											
Public contributions and donations	55,000,000				55,000,000	54,066,591	933,409		2%		
Government grants and subsidies	905,180,000				905,180,000	905,180,000	-		0%		
Grants from development partners	150,000,000				150,000,000	150,000,000	-		0%		
Finance Income					-	9,838,835	(9,838,835)		0%		
Rendering of service					-	700,000	(700,000)		0%		
Total income	1,110,180,000				1,055,180,000	1,119,785,426	(9,605,426)		-5%		
Expenses											
Compensation of employees	465,900,000				465,900,000	462,749,311	3,150,689		1%		
Finance cost	2,500,000				2,500,000	2,918,662	(418,662)		-17%		
Rent paid	72,000,000				70,000,000	65,264,053	4,735,947		7%		
Other payments (program and admin costs)	514,780,000				516,780,000	439,470,383	77,309,617		15%		
Total expenditure	1,055,180,000				1,055,180,000	970,402,410	84,777,590		8%		
Surplus for the period						149,383,016	(149,383,016)				
Adjustment for depreciation											
						(14,265,244)					
Surplus as per statement of financial performance							135,117,772				

Explanation for variance

1) Employee Compensation 18%

The NACC had expected to fill up all the approved positions during the financial year. However not all the vacant positions were filled leading to 18% underspending in this vote.

2) Other payments (program and admin costs)-Performance different (15%)

The NACC's planned activities for the period March to June 2020 were greatly affected by the government directive on Covid 19 resulting in 15% underspending in this vote.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019. The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. This standard has no impact on NACC's financial reporting.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>This standard has no impact on NACC's financial reporting.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>This standard has no impact on NACC's financial reporting</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

Standard		Effective date and impact:
		<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other IPSAS	Improvements to	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments

iii. Early adoption of standards

The NACC did not early – adopt any new or amended standards in year 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Grants from National Government

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized as deferred revenue in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Interest income

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

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The NACC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Statement of Comparison of Budget and Actual of these financial statements.

c) Taxes

Current income tax

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying

amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

Nature of Asset	Rate
Motor Vehicles	25%
Computers	33.3%
Office Equipment	20%
Furniture and Fitting	12.50%

Leases

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

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Financial liabilities

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit. The NACC determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized at fair value.

f) 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.

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. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) Provisions

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

h) Contingent liabilities

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

i) Contingent assets

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

j) Nature and purpose of reserves

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

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Related parties

The NACC 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 Entity, or vice versa. Members

of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

o) Cash and cash equivalents

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

p) Comparative figures

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

q) Subsequent events

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

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the NACC'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 NACC based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the NACC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

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

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

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 25 - 27. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

	2019/2020	2018/2019
	Ksh	Ksh
5 Public contributions and donations		
This consisted of financial support to NACC during the year.		
Bill and Melinda Gates	-	16,350,390
Georgetown University	35,520,928	15,248,614
Imperial College of Science	3,820,559	-
UNDP /UNFPA/UNICEF/UNOP/WHO	4,126,235	5,104,072
Barclays	-	1,500,000
World AIDS Campaign International	-	2,884,387
Rockefeller Foundation	4,714,963	-
Avenir Health care Inc	5,535,318	8,937,689
Other miscellaneous donations and support	348,590	439,155
	54,066,591	50,464,307
6 Transfers from government-appropriations and grants		
GOK-Recurrent	832,000,000	650,670,562
GOK-Development	73,180,000	66,440,000
Global Fund Grants	150,000,000	367,455,788
	1,055,180,000	1,084,566,350
7 Rendering of service		
This represents receipts for provision of services.		
Maisha conference proceeds	-	1,370,000
Maisha certification	700,000	100,000
	700,000	1,470,000

	2019/2020	2018/2019
8 Other Income	Ksh	Ksh
This represents interest earned from bank deposits during the period.		
Interest earned	9,838,835	8,402,834
9 Employee costs		
Basic Salary	221,063,251	204,272,942
House Allowance	62,283,550	60,534,039
Remuneration Allowances	32,265,536	31,170,156
Staff Gratuity	62,888,671	74,757,472
Staff Medical Insurance	38,090,270	45,442,288
Other Allowances	6,990,348	7,618,163
Non-Practicing allowance	480,000	480,000
Acting/Special duty Allowance	318,156	892,828
Leave allowance	3,393,327	3,096,802
Employer NSSF Contribution	346,200	364,800
CACC responsibility allowances	34,309,000	33,323,333
Casual wages	321,000	290,000
	<u>462,749,311</u>	<u>462,242,825</u>
10 Depreciation and amortization expense		
Motor Vehicles Depreciation	-	-
Computer equipment depreciation	4,671,685	6,323,780
Office Equipment Depreciation	4,965,880	4,013,161
Furniture & Fittings Depreciation	4,627,679	5,833,887
	<u>14,265,244</u>	<u>16,170,828</u>
11 Repairs and maintenance		
Repairs and Maintenance General	1,651,414	5,101,587
Motor Vehicles Repairs & Maintenance	5,868,055	5,807,075
Office Equipment & Furniture Repairs	716,225	852,626
	<u>8,235,694</u>	<u>11,761,289</u>
12 Program management expenses		
These were expenses incurred by NACC in executing its mandate.		
Travel expense	214,283,714	303,592,056
Design printing and publishing	3,106,872	16,646,786
Hire charges	50,168,418	55,901,612
Advertising	49,458,811	18,651,980
Conferences and Workshops	4,150,920	22,711,008
Consulting fees	21,508,826	20,065,902
	<u>342,677,561</u>	<u>437,569,344</u>

	2019/2020	2018/2019
	Ksh	Ksh
13 The following are included in general expenses:		
Audit fees	3,700,000	4,059,400
Consumables	8,823,481	8,797,630
Utilities	3,527,077	2,742,980
Fuel and oil	5,621,107	7,556,022
Insurance	6,764,921	179,301
Legal expenses	-	641,938
Licenses and permits	4,950,483	2,287,237
Postage	528,244	503,400
Stationery	14,626,577	22,601,722
Rent *	65,264,053	59,518,729
Security costs	1,397,669	1,395,400
Telecommunication	17,876,050	13,887,368
Training	4,947,136	11,379,168
Membership and subscriptions	693,246	710,031
Other General expenses	3,037,623	7,303,279
	<u>141,757,667</u>	<u>143,563,604</u>
14 Board Expenses		
Sitting Allowance	8,302,600	4,720,000
Travel allowance	-	173,600
Meal Allowance	202,000	96,000
Per Diem Allow	1,601,600	1,583,400
Air Time	84,000	84,000
Chair Honoraria	960,000	960,000
Medical insurance	913,315	767,867
	12,063,515	8,384,867
15 Finance Costs		
These were charges levied by banks to NACC during the year.		
Bank charges	2,918,662	3,487,388
16 Gain on sale of assets		
During the year under review, NACC disposed obsolete and unused items that had been fully depreciated.		
Proceeds from sale	-	220,700
Less Cost of items disposed	-	(813,449)
Add Accumulated depreciation	-	813,449
	-	220,700

	2019/2020 Ksh	2018/2019 Ksh
17 Cash and cash equivalents		
ABSA Bank -Recurrent vote account	167,115,091	287,028,272
Citibank -Development vote account	205,707,583	110,329,915
Stanchart -UNDP project account	2,473,376	2,485,616
NCBA Bank -UNFPA Operating project account	107,917	106,776
NCBA Bank -Global Fund project account	32,334	21,329,381
Citibank -TOWA Project Account	123,145,524	120,557,245
Coop Bank - IRAPP Project Account	1,210,920	1,210,920
NCBA GLOBA FUND-KN-H-TNT-1547	258,560,723	265,032,797
NCBA Bank- Gratuity Fund Account	48,326,864	47,511,712
Cash in transit *	150,000,000	-
	956,680,332	855,592,634
* This was cash that was released from MOH on June 30 but reflected in NACCs bank a/c on July 2 nd		
18 Inventories		
Office consumables	7,660,042	9,589,177
19 Receivables from exchange transactions		
Deposits	10,009,348	10,009,348
Prepayments	46,446,321	-
	56,455,669	10,009,348
20 Receivables from non-exchange transactions		
F.O Advance	18,109,140	11,478,399
Advances to DTC	19,595,338	19,613,358
Advance to FMA	53,088,338	53,088,338
Direct advances to implementers	2,952,759	2,868,409
Advances to CACCs	4,825,375	6,326,844
Advances - World AIDS Day	2,161,700	2,161,700
ACU Advances	3,697,926	3,697,926
Staff Imprest Advances	5,081,218	2,420,600
Other advances	1,944,434	1,360,040
Less Impairment	(81,560,092)	(81,560,092)
	29,896,134	21,455,521

21 Property, plant and equipment

	Motor Vehicles	Computers	Office Equipment	Furniture & fittings	Total
Cost	Ksh	Ksh	Ksh	Ksh	Ksh
At 30 June 2018	274,540,108	138,784,048	83,962,864	86,487,449	583,774,469
Additions		5,608,875	1,982,948	1,912,536	9,504,359
Disposals		(611,049)	(92,400)	(110,000)	(813,449)
At 30 June 2019	274,540,108	143,781,874	85,853,412	88,289,985	592,465,379
Additions		1,842,451	5,347,999	955,700	8,146,150
Adjustment	(2,139,750)	-	-	-	(2,139,750)
At 30 June 2020	272,400,358	145,624,325	91,201,411	89,245,685	598,471,779
Depreciation					
At 30 June 2018	274,540,108	132,142,007	76,432,386	70,030,008	553,144,509
Depreciation	-	6,323,780	4,013,161	5,833,887	16,170,828
Disposals	-	(611,049)	(92,400)	(110,000)	(813,449)
Transfer/adjustments	-	-	-	-	-
At 30 June 2019	274,540,108	137,854,738	80,353,148	75,753,895	568,501,888
Depreciation	-	4,671,685	4,965,880	4,627,679	14,265,244
Adjustment	(2,139,750)	-	-	-	(2,139,750)
Transfer/adjustment	-	-	-	-	-
At 30 June 2020	272,400,358	142,526,423	85,319,028	80,381,574	580,627,383
Net book values					
At 30 June 2020	-	3,097,901	5,882,384	8,864,111	17,844,396
At 30 June 2019	-	5,927,136	5,500,265	12,536,090	23,963,490

The adjustment of Ksh 2,139,750 in motor vehicles relates to 3 motor cycles that were reported as stolen and motor vehicle that had been disposed in prior year but whose value had not removed from the register.

	2019/2020	2018/2019
	Ksh	Ksh
22 Capital Work In Progress		
Opening Balance	18,276,874	18,276,874
Additions during the year	-	-
	18,276,874	18,276,874
23 Trade and other payables from exchange transactions		
Payable to suppliers of goods and services	18,144,951	8,803,635
Other payables	3,281,987	7,393,268
-	21,426,939	16,196,904

		2019/2020	2018/2019
		Ksh	Ksh
24	Provisions		
	Audit fees		
	Opening balance	3,500,000	2,940,600
	Payments during the year	-	(3,500,000)
	Provision for the year	<u>3,700,000</u>	<u>4,059,400</u>
	Closing balance	<u>7,200,000</u>	<u>3,500,000</u>
25	Employee benefit obligation		
	Staff gratuity		
	Opening balance	69,096,764	68,187,139
	Payments during the year	(50,341,120)	(73,847,848)
	Provision for the year	<u>62,888,671</u>	<u>74,757,472</u>
	Closing balance	<u>81,644,315</u>	<u>69,096,764</u>
26	Deferred revenue		
	This refers to funds disbursed for capital a project that had not been utilized		
	Opening balance	100,000,000	100,000,000
	Addition during the year	-	-
	Transferred during the year	-	-
		<u>100,000,000</u>	<u>100,000,000</u>
27	Provision for doubtful debts		
	The outstanding advances listed below were considered doubtful		
	First World AIDS Day Commemoration Advance	2,161,700	2,161,700
	ACU Advances	3,697,926	3,697,926
	District Technical Committees	19,613,358	19,613,358
	Advances to former employees	2,216,487	2,216,487
	Community Based Organizations	782,283	782,283
	TOWA PSI Advances	<u>53,088,338</u>	<u>53,088,338</u>
		<u>81,560,092</u>	<u>81,560,092</u>

28 Funds from GLOBAL FUND	2019/2020	2018/2019
Fund Balance at the beginning of the Year	284,275,785	76,099,573
Receipts from GF during the year	150,000,000	367,455,788
Interest earned on deposits	<u>6,429,644</u>	<u>4,258,904</u>
	440,705,429	447,814,265
Payments made during the year	(181,287,652)	(163,538,480)
	<u>259,417,777</u>	<u>284,275,785</u>
Fund balance at the end of the year	259,417,777	284,275,785
Represented by Cash at bank	260,344,703	286,362,178
Add outstanding advances	3,006,086	299,050
Less payables	<u>(2,181,366)</u>	<u>(2,385,443)</u>
	261,169,423	284,275,785
Fund balance at the end of the year	259,417,777	284,275,785
Represented by Cash at bank	258,593,057	286,362,178
Add outstanding advances	3,006,086	299,050
Less payables	<u>(2,181,366)</u>	<u>(2,385,443)</u>
	259,417,777	284,275,785
29 Operating Lease obligation		
Within one year	59,301,920	57,053,982
After 1 year but not later than 5 years	245,936,884	285,269,910
Total Commitments	306,984,644	342,323,892

The NACC has a 6-year term lease for office premises from March 1, 2019. The lease stipulates that rent is payable on quarterly in advance in US Dollars. An exchange rate of Ksh 107 to USD (100 for 2018/19) has been used for the five-year projection.

30 Related party disclosures

	2019/2020	2018/2019
a) Rendering of services		
Maisha Certification	700,000	100,000
b) Government Transfers through parent ministry	1,055,180,000	1,084,566,350
c) Management remuneration		
Board emoluments	12,063,515	8,384,867
Compensation to the CEO	8,793,332	8,566,652
Compensation to key management	97,863,546	105,214,723
	118,720,393	122,166,242

31. Financial Risk Management

The NACC activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The corporation's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks.

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

i) Credit risk

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total Amount Kshs	Fully Performing Kshs	Past Due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	56,455,669	56,455,669	-	-
Receivables from non-exchange transactions	111,456,226	29,896,134	-	81,560,092
Bank balances	958,431,978	958,431,978	-	-
Total	1,126,343,873	1,044,783,781	-	81,560,092
At 30 June 2019				
Receivables from exchange transactions	10,009,348	10,009,348	-	-
Receivables from non-exchange transactions	103,015,613	21,455,521	-	81,560,092
Bank balances	855,592,634	834,396,362	-	-
Total	968,617,595	865,861,231	-	81,560,092

The NACC has exposure to credit risk, which is the risk that funds advanced to offices at county and sub-county levels will not be fully accounted for when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables. Management reviews the accountability status of each office, taking into account its financial position, past experience and other factors. The amounts presented in the statement of financial position are net of provisions for doubtful receivables, estimated by the corporation's management based on prior experience and their assessment of the current economic environment. The board of directors sets the corporation's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Management of credit risks arising from bank deposits is managed by ensuring that the organizations bank deposits are held in Tier 1 bank accounts while credit risk arising from cash and cash equivalents and trade and other receivables are managed in line with the corporations credit policies as laid down by the board so as to ensure effective oversight and reduction of credit risk.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the NACC Board who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The NACC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The institution derives the majority of its income from the government (81.5% for the financial year 2019/2020). Thus, risks faced by the central government's revenue raising abilities directly impact the NACC. In a bid to cushion Kenyans against adverse economic and financial effects from the pandemic, the government introduced the Tax Laws (Amendment) Act, 2020 that reduced the government's revenue. Though the government later sought to reduce the income gap through the Finance Act, 2020, it remains to be seen what effect this will have on the government's revenue raising abilities and NACC's future revenue from non-exchange transactions.

iii) Market risk

The NACC Board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the NACC's expenses.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The NACC's Finance Division is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee)

and for the day to day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are converted at the time of payment is done using the prevailing spot exchange rate.

The main foreign currency risk faced by the organization is in regard to the payment of lease obligations for the corporations Head Office occupancy (further details can be found in the lease obligations footnote). These payments are made in US dollars and an adverse effect in US dollars would mean higher lease rentals. The COVID-A9 situation has weakened the Shilling against the Dollar, with the Central Bank data showing that as from March 2020 to June 2020, the Kenya shilling depreciated on an average 5.3% to the US Dollar making the rent payments in Kenya Shillings appreciate by the same percentage rate. A further weakening of the shilling would make future lease obligations more expensive.

As at the end of the reporting period, the NACC did not have foreign currency denominated monetary assets and monetary liabilities to recognize.

b) Interest rate risk

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

Management of interest rate risk.

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

The onset of the COVID -19 pandemic has seen banking institutions report lower profitability in comparison to prior year's profitability. This is driven by the higher loan defaults and hence higher loan loss provisioning of financial assets as required by accounting standards.

The Central Bank of Kenya website shows a decline of commercial banks' weighted average interest rates (%) on deposits starting from April 2020 (the first COVID case was reported in Kenya in March 2020) and it is not unreasonable to assume that banks may try to reduce the rates payable on deposits as they try to mitigate against the undesirable effects of COVID - 19 on their bottom line.

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

	No. Case Number	Parties	2019/20	2018/19
1	CMCC NO 61 OF 2013	Huzzan Printers and Stationery Limited VS NACC	5,000,000	5,000,000
2	CMCC NO. 1184 OF 2015	Patrick Mbiyu Kagiri vs NACC	3,000,000	3,000,000
3	Petition no. 50 of 2017	Willis Ochar vs NACC	2,000,000	2,000,000
	Total		10,000,000	10,000,000

Appendix 1 Inter –Entity transfers

National AIDS Control Council

Break down of Transfers from the Ministry of Health

FY 2019/2020

a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
		06/08/2019	208,000,000	2019/2020
		29/11/2019	208,000,000	2019/2020
		04/02/2020	208,000,000	2019/2020
		25/06/2020	58,000,000	2019/2020
		02/07/2020	150,000,000	2019/2020
		Total	832,000,000	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
		02/03/2020	73,180,000	2019/2020
		Total	73,180,000	
c.	Donor Receipts	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
	Global Fund	30/01/2020	150,000,000	2019/2020
		Total	150,000,000	

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

Head Finance
NACC

Head of Accounting Unit
Ministry of Health


 Name: CPA, CS, KEW NYAMULLO
 Sign: *[Signature]*
 Date: 27/8/2020

Name: CPA Samson M. Ongalo
 Sign: *[Signature]* 27082020

MINISTRY OF HEALTH
 Deputy Accountant General
 27 AUG 2020
 RECEIVED
 P. O. Box 30016 - 00100, NAIROBI