

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PARLIAMENTARY SECRETARIAT	
DATE: 07 NOV 2023	DAY: TUESDAY
TABLED BY:	KIMANI ICHUNGWAH MAJORITY LEADER
CLERK AT THE TABLE:	INZOFU MWALE

REPORT

OF

THE AUDITOR-GENERAL

ON

**GLOBAL FUND – TO REDUCE MALARIA
INCIDENCE AND DEATHS BY AT LEAST 75
PERCENT OF THE 2016 LEVELS BY 2023,
WORKING TOWARDS A MALARIA FREE
KENYA PROGRAM KEN-M-TNT, GA 2064**

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

THE NATIONAL TREASURY

1000

1000



**PROJECT NAME: TO REDUCE MALARIA INCIDENCE AND DEATHS BY AT
LEAST 75 PERCENT OF THE 2016 LEVELS BY 2023, WORKING TOWARDS A
MALARIA-FREE KENYA**

IMPLEMENTING ENTITY: THE NATIONAL TREASURY

PROJECT GRANT/CREDIT NUMBER: KEN-M-TNT NO.2064

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2023

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

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023,
working towards a malaria-free Kenya*
Annual Report and Financial Statements for the financial year ended June 30, 2023

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year
CPF	Counterpart Funding
KEMSA	Kenya Medical Supplies Authority

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **To Reduce Malaria Incidence and Deaths by at least 75 Percent of the 2016 Levels by 2023, Working Towards a Malaria-Free Kenya**

Objective

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

Address

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

Contacts: The following are the project contacts

Telephone: (254) (020) 2252299

E-mail: info@treasury.go.ke

Website: www.treasury.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	01.07.22	
Project End Date:	30.06.24	
Project Manager:	Mr. Feisal Mohamed Awer	
Project Sponsor:	Global Fund	

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury
Project number	KEN-M-TNT NO.2064
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) To protect 100% of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023, (ii) To manage 100% of malaria suspected cases according to Kenya Malaria Treatment Guidelines by 2023 (iii) To establish systems for malaria elimination in targeted counties by 2023, (iv) To increase utilization of appropriate malaria interventions in Kenya to at least 80% by 2023. (v) To strengthen malaria surveillance and use of information to improve decision making for program performance, <p>To provide leadership and management for optimal</p>

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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	implementation of malaria interventions at all levels, for the achievement of all objectives by 2023.
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Provision of long-lasting insecticides treated nets through mass campaign and routine distribution, distribution, implementation of targeted indoor residual spraying for insecticide resistance management and to protect the efficacy of the LLINs, and targeted larval source management for comprehensive and effective vector control, (ii) Prevention of malaria in pregnancy through provision of three or more doses of IPTp-SP during antenatal care, and the training of CHVs and IPTp referral. (iii) Scale-up of access to malaria diagnosis and treatment through provision of ACTs and RDTs, improvement in capacity of healthcare workers, and scale-up of community case management, (iv) Monitoring, evaluation and operational research, including epidemic preparedness and response to improve decision making for program performance (v) Establishment of structures and capacity at the national and county- levels to coordinate and drive implementation of the elimination agenda Strengthening of malaria social behaviour change structures and efforts for all malaria interventions, including for elimination.
Other important background information of the project	None

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<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> (i) Malaria casde management (ii) Project management (iii) Health Management Information Systems and M&E (iv) Specific malaria prevention interventions <p>Vector control</p>
<p>Project duration</p>	<p>Three (3) Years</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

(i) PROJECT SPECIAL BANK ACCOUNT

NCBA Bank Ltd

Account No.: 1005429982

(ii) LOCAL ACCOUNT

NCBA Bank Ltd

Harambee Branch

NAIROBI

Account No: 1005363717

2.5 Independent Auditor

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

2.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Dr Chris Kiptoo, CBS	Principal Secretary National Treasury	PhD Finance (International Macroeconomics Finance), Master of Science (Ag. Economics), Bachelor of Science (Ag. Economics)	Accounting Officer
Stephen I. Muiruri	Director, Planning	MA ECONOMETRIC, BA(Econ)	Current Coordinator
Feisal A. Mohamed	Assistant Director	MSc Comparative Political Economy, BSc Financial Mathematics	Deputy Global Fund

***To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023,
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			Coordinator
Anthony Miiru	Program Officer-Malaria	Bachelor in Environmental Health	Malaria Programme Officer
Dr. Peter Kimuu	Senior Program Officer-TB	MBChB, MSC, DLSHTM, DQHC& DTMPH	Senior Programme Officer
Dr Clare Obonyo	Pharmacist	MPH, B.Pharmacy, Higher Dip in MIS	Pharmacist
Simon Kibia	Senior Finance Officer-Malaria	BA(Econ), CPA(K)	Senior Finance Officer
Cornelius Muthiani	Finance Officer-TB	EXECUTIVE MBA, BCOM, CPA(K)	Finance Officer TB
Catherine A.Maneno	Finance Officer - HIV	MSC(FIN), BCOM (FIN), CPA(K), DIP IN ACCTS.	Finance Officer HIV
Fridah K.Matumo	Accounts Assistant	BA, CPA(K)	Accounts Assistant
Teresa W.Kariuki	Internal Auditor-TB	BCOM(FIN) CPA SEC4	Internal Auditor
Kennedy Kithuka	Principal Internal Auditor	MBA, BA(ANTHROPOLOGY), CPA FINALIST	Internal Auditor in charge
Michael C. Mukanzi	Principal Accountant	BCOM (FINANCE), CPA (K), CIFA	Accountant-in-charge
Nancy Mbogo	Principal Internal Auditor	CPA (K)	Principal Internal Auditor
Ronald Otsola	Accountant II	BCOM (FINANCE), CPA (K)	In-charge of Examination section

2.7 Funding summary

The Project is for duration of three (3) years from 2021 to 2024 with an approved budget of US\$.64,702,311 (Included in the figure is Covid-19 funds amounting to USD.884,406) equivalent to Kshs.7,973,229,924.80. The Project is being implemented by the National Treasury (Principal Recipient) and National Malaria Control Programme (NMCP) at Ministry of Health. However, we will be reporting on Principal Recipient (NT) funding only as highlighted in the table below:

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date (30 th June 2023)		Undrawn balance to date	
	Donor currency USD (A)	Kshs (A')	Donor currency Kshs (B)	Kshs (B')	Donor currency Kshs (A)-(B)	Kshs (A')-(B')
(i) Grant						
Global Fund - TNT	40,479,636.00	4,728,021,484.80	5,312,394.91	639,611,030.00	35,167,241.09	4,088,410,454.80
Cumulative Interest earned				251,663.00		
Transfer from old Grant				7,736,184.00		
Transfer from KEMSA				310.00		
(ii) Counterpart funds						
Government of Kenya		571,000,000.00		494,541,977.00		76,458,023.00
Total	40,479,636.00	5,299,021,484.80	5,312,394.91	1,142,141,164.00	35,167,241.09	4,164,868,477.80

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilised balance to date (30 th June 2023)	
	Donor currency USD (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant						
Global Fund - TNT	5,312,394.91	639,611,030.00	5,226,643.32	627,578,178.00	85,751.59	12,032,852.00
Cumulative Interest earned		251,663.00				251,663.00
Transfer from old Grant		7,736,184.00				7,736,184.00
Transfer from KEMSA		310.00				310.00
(i) Counterpart funds						
Government of Kenya		494,541,977.00		494,541,977.00		-
Total	5,312,394.91	1,142,141,1645.00	5,226,643.32	1,122,120,155.00	85,751.59	20,021,009.00

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

i) *Budget performance against actual amounts for current year and for cumulative to-date=Total Expenditure/Total Budget*100*

*Donor=478,248,036/539,061,273*100=89%*

*CPF=86,751,346/155,000,000*100=56%*

Cumulative-to-date

*Donor=627,578,178/794,273,347*100=79%*

*CPF/GoK=494,621,071/571,000,000*100=87%*

ii) *Physical progress based on outputs, outcomes, and impacts since project commencement,*

Coverage Indicators:

- *Completeness of facility reporting: Percentage of expected facility monthly reports (for the reporting period) that are actually received*
- *M&E-2b Timeliness of facility reporting: Percentage of submitted facility monthly reports (for the reporting period) that are received on time per the national guidelines*
- *SPI-1 Proportion of pregnant women attending antenatal clinics who received three or more doses of intermittent preventive treatment for malaria*
- *CM-1a^(M) Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities*
- *CM-2a^(M) Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities*
- *CM-1b^(M) Proportion of suspected malaria cases that receive a parasitological test in the community*
- *CM-2b^(M) Proportion of confirmed malaria cases that received first-line antimalarial treatment in the community*
- *Performance:*

-Three (3) indicators performing more than 100%

-Four (4) indicators performing between 90-99%

Output Indicators Performance:

- *Proportion of households with at least one insecticide-treated net for every two people and/or sprayed by IRS within the last 12 months*
- *Proportion of children under five years old who slept under an insecticide-treated net the previous night*
- *Proportion of population using an insecticide-treated net among those with access to an insecticide-treated net*
- *Overall net hanging at the household level was at 78%*
- *Coastal endemic zone had the highest (83%) net hanging for sleeping while the lowest was semi-arid, seasonal areas (63%)*
- *By residence, net hanging was slightly higher in surveyed urban areas (80%) compared to rural areas (78%)*
- *Among surveyed respondents who did not have their nets hung during the survey, nearly half (48%) reported that they will only hang the net at night or will hang it later*

Impact Indicator:

- *Malaria prevalence as reduced from 11% in 2010; 8% in 2015 to 6% in 2020*
- *Malaria test positivity rate: 29.03% against a target of 30%. This is a reverse indicator. The target was achieved. During the year, the programme successfully conducted mass net distribution in 27 counties with above 15 million LLINs issued to households*

iii) Indicate the absorption rate for each year since the commencement of the project.

Donor

FY 2021/2022 – 83%

FY 2022/2023 – 89%

Counterpart Funding (CPF)

FY 2021/2022 – 98%

FY 2022/2023 – 56%

- iv) *List the implementation challenges and recommended next steps.*
-Delayed initiation of programmatic activities associated with commencement of GoK financial year 2021/22
The delays call for implementation of catch-up plans in the new year 2023/24.

2.9 Summary of Project Compliance:

- i) *Include significant cases of non-compliance with applicable laws and regulations eg treasury circulars on project investment management, PFM Act 2012 and Kenya vision 2030 flagship projects, and essential external financing agreements/covenants,*
-There were no non-compliance cases
- ii) *Include consequences suffered on account of non-compliance or likely to be suffered.*
-Not applicable
- iii) *Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.*
-Not applicable

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

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

- a) To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023
- b) To strengthen malaria surveillance and use of the information to improve decision-making for programme performance
- c) To protect 100% of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023
- d) To increase utilization of appropriate malaria interventions in Kenya to at least 80% by 2023
- e) To establish systems for malaria elimination in targeted counties by 2023

Progress on attainment of strategic development objectives

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

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Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
KEN-M-TNT (Malaria Grant)	To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023	Malaria case management	Proportion of malaria confirmed cases that received first-line antimalarial treatment at public sector health facilities	Indicator recorded a performance of 84% against a target of 98%. Access to treatment was affected by COVID-19 pandemic (4.2 million patients against target of 5.0 million)
KEN-M-TNT (Malaria Grant)	To strengthen malaria surveillance and use of the information to improve decision-making for programme performance	Timeliness of reporting	Percentage of submitted monthly reports that are received on time per national guidelines	Performance of 93% against target of 100% was recorded.
KEN-M-TNT (Malaria Grant)	To protect 100% of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023	Use of LLINs	Proportion of households with at least one insecticide-treated net for every two people and/or sprayed by IRS within the last 12 months	40% households had access to ITN (Source: KMIS 2020). Mass LLIN distribution is planned for 2023/24FY

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4. Environmental and Sustainability reporting

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

KEN-M-TNT (Malaria grant) focus is to reduce malaria incidence and deaths by 75% of 2016 levels by 2023. The grant is based on and aligned with the Kenya Malaria Strategy 2019 – 2023, which provides a framework for guiding responses to the epidemic in Kenya, and is based on lessons learnt from past strategies.

1. Sustainability strategy and profile

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

Long term sustainability is a fundamental aspect of development and global health financing. It is essential that the country is able to scale up and sustain programs to achieve lasting impact in the fight against pandemics and to move towards eventual achievement of Universal Health Coverage. Countries that have experienced economic growth over the last decade are able to move progressively from external donor financing for health towards domestically funded systems that deliver results but must be supported to do so.

The Global Fund sustainability strategy is anchored on a well-articulated Sustainability, Transition and Co-financing Policy that outlines the high-level principles for engaging with countries for long term sustainability of Global Fund supported programs, as well as framework for ensuring successful transitions from Global Fund financing.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

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Through a statement on climate change and environmental sustainability dated 03 December 2021, the Global Fund expressed deep concern about the impact that environmental damage and climate change are having on human health and its disproportionate effect on the most vulnerable and disadvantaged communities. As a leading multilateral funder of grants for HIV, TB, malaria and COVID-19 programs and to strengthen health and community systems, Global Fund has an opportunity and responsibility to minimize impact on the environment, address the environmental and climate impact of procurement operations, and invest in and support countries to build climate - resilient and environmentally sensitive systems for health.

The statement emphasizes commitment by Global Fund to respond to multifaceted threats to human health arising from climate and environmental changes.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

The Global Fund recruitment process is designed to enable the Global Fund to select the best applicant for a job based on objective and fair criteria. While the primary criterion for selection are competence and suitability to the job requirements, there is reasonable efforts to achieve and maintain diversity and geographical balance. Recruitment is made on competitive basis except where exceptionally authorized.

The Global Fund prohibits all forms of harassment, including sexual harassment and bullying. Sexual exploitation and any acts of sexual abuse or sexual assault are prohibited. A Code of Conduct applicable to all Global Fund employees regardless of the type or duration of contract is available. Through observance of this Code of Conduct, employees contribute to the kind of organizational culture the Global Fund expects internally, as well as its grant recipients, reflecting integrity, accountability, dignity and respect.

As outcomes, employees (1) earn and maintain the public trust necessary for the Global Fund to accomplish its mission, (2) uphold the fiduciary responsibilities of the Global Fund employees and those of the institution as a whole, and (3) create a positive, productive and motivating work environment.

4. Market place practices-

a) Responsible Supply chain and supplier relations-

Global Fund grants are implemented in conformity with Global Fund policies and regulations. The policies and practices governing procurements ensures that awards are transparent and on a competitive basis, bidding process is clear to all prospective bidders, and contracts awarded only to contractors that possess the ability to successfully perform the contracts. The grant recipient, representatives and agents are expected to desist from any practice that is in violation of Code of Conduct for recipients or the Code of Conduct for suppliers in relation to such procurements. Further, recipient is required to maintain clear documentation of procurement processes.

b) Responsible ethical practices

The Global Fund collectively refers to corrupt practices, fraudulent practices, coercive practices, collusive practices, abusive practices, obstructive practices, retaliation, money laundering, and financing of terrorism as “prohibited practices”. The Fund’s mission and four principles of transparency, partnership, performance-based financing, and country ownership set the strategic direction for the Fund’s approach to fraud and corruption prevention, detection and response. In this context, the Fund takes a zero-tolerance approach towards prohibited practices

c) Regulatory impact assessment

Ethical conduct is a hallmark of the Global Fund and applies to all those involved in its operations and governance. All actors abide by the organization’s core ethical values (duty of care, accountability, integrity, dignity and respect) as reflected in the Code of

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Conduct for Governance Officials. The Code of Conduct is applicable when exercising governance and oversight duties over Global Fund programs and activities.

5. Community Engagements

Corporate Social Responsibilities principals are not applicable for grant funds. Where possible, the Global Fund aims to open new opportunities to support community-based organizations. This goal includes allowing implementers of the Global Fund grants to fund small, unregistered organizations or collectives that serve key populations and other marginalized groups.

Global Fund grants are activity based applied towards prioritized interventions to fight AIDS, TB and Malaria.

5. Statement of Project Management responsibilities

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for **Global Fund Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

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

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

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for **Global Fund Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The *Principal Secretary* for the National Treasury and the *Project Coordinator* for **Global Fund Project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

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

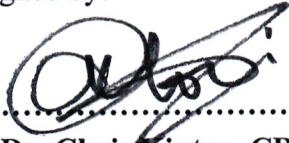
To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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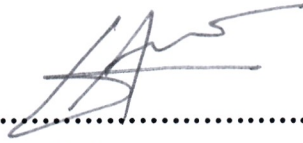
during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

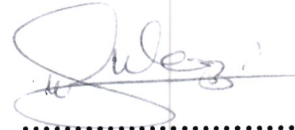
The Project financial statements were approved by the *Principal Secretary* for the National Treasury and the *Project Coordinator* for **Global Fund Project** on 30th September, 2023 and signed by:



.....
Dr. Chris Kiptoo, CBS
Principal Secretary



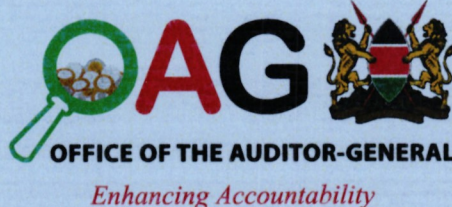
.....
Feisal M. Awer
Project Coordinator



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Michael C. Mukanzi
Project Accountant
ICPAK Member No:17538

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND – TO REDUCE MALARIA INCIDENCE AND DEATHS BY AT LEAST 75 PERCENT OF THE 2016 LEVELS BY 2023, WORKING TOWARDS A MALARIA FREE KENYA PROGRAM KEN-M-TNT, GA 2064 FOR YEAR ENDED 30 JUNE, 2023 – THE NATIONAL TREASURY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

Report of the Auditor-General on Global Fund – To Reduce Malaria Incidence and Deaths by at least 75 Percent of the 2016 levels by 2023, working towards a Malaria-Free Kenya Program for the year ended 30 June, 2023 – The National Treasury

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Global Fund – To Reduce Malaria Incidence and Deaths by at least 75 percent of the 2016 levels by 2023, working towards a Malaria-Free Kenya Program – set out on pages 1 to 24, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Global Fund – To Reduce Malaria Incidence and Deaths by at least 75 percent of the 2016 levels by 2023, working towards a Malaria-Free Kenya Program as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Grant Agreement No. KEN-M-TNT-2064 dated 14 June, 2021 between Global Fund and the Republic of Kenya.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Global Fund – To Reduce Malaria Incidence and Deaths by at least 75 percent of the 2016 levels by 2023, working towards a Malaria-Free Kenya Program in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

1. Pending Bills

Annex 4a to the financial statements discloses pending bills totalling to Kshs.53,030,140. Although Management has attributed the non-payment of the bills to challenges in exchequer release, failure to settle bills during the year in which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year. Further, pending bills could expose the project to the risk of incurring unnecessary interest and penalties in case of litigation.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.694,061,273 against the actual receipts of Kshs.582,768,644 resulting to an under-collection of Kshs.111,292,629 or 16% of the budget. Similarly, the statement reflects budgeted expenditure of Kshs.694,061,273 against actual expenditure of Kshs.564,920,288 resulting to an under-expenditure of Kshs.129,140,985 or 19% of the budget.

The underfunding and underperformance affected the planned project's activities and may have impacted negatively on service delivery to the public.

3. Unresolved Prior Year Matter

As previously reported, the statement of receipts and payments reflects cumulative amount of Kshs.494,541,977 with respect to transfer from Government entities (counterpart funding). The amount relates to the Government Counterpart funds drawn from the ledger as expenditure incurred by The National Treasury on behalf of the Project. However, supporting expenditure returns and schedule for expenditure amounting to Kshs.112,952,484 were not provided for audit.

In the circumstances, the eligibility and accuracy of the cumulative counterpart funding of Kshs.494,541,977 could not be confirmed.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement dated 14 June, 2021 I report based on my audit, that:

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to 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 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 October, 2023

7. Statement of Receipts and Payments for the year ended 30th June 2023.

Note	Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	2022/2023		2021/2022		Cumulative to-date (From inception)
					Kshs.	Kshs.	Kshs.	Kshs.	
Receipts									
Transfer from Government entities (CPF)	1	86,672,252				86,672,252	407,869,725		494,541,977
Transfer from Government entities (KEMSA)	1						310	310	310
Proceeds from domestic and foreign grants	2	495,945,360				495,945,360	143,665,670		639,611,030
Miscellaneous receipts (Interest)	3	151,031				151,031	100,632		251,663
Transfer from NFM 2							7,736,184		7,736,184
Total receipts		582,768,643				582,768,643	559,372,521		1,142,141,164
Payments									
Compensation to employees	4	19,840,882				19,840,882	19,817,112		39,657,994
Purchase of goods and services	5	542,502,049				542,502,049	537,244,190		1,079,746,239
Routine Maintenance – Motor vehicle	6						138,565		138,565
Social security benefits	7	2,577,357				2,577,357			2,577,357
Total payments		564,920,192				564,920,192	557,199,867		1,122,120,155

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

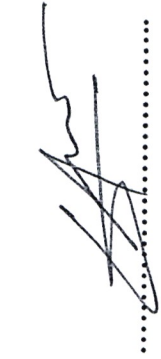
Note	Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	Cumulative to-date (From inception)
	17,848,355	-	2,172,654	-	20,021,009
Surplus/ (deficit)	17,848,355	-	2,172,654	-	20,021,009

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

Note: Comparative figure under Counterpart funding payments FY 2021/2022 of Kshs.407,869,725 was added to Kshs.129,374,465 to total to Kshs.537,244,190. This was combined so as not to leave the figure hanging without corresponding figure for FY under review.


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Dr. Chris Kiptoo, CBS
Principal Secretary


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Feisal M. Awer
Project Coordinator



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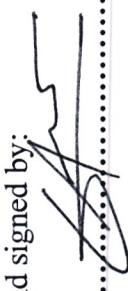
Michael Cedric Mukanzi
Project Accountant
ICPAK Member No:17538

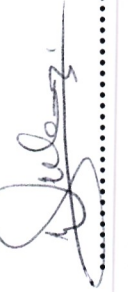
8. Statement of Financial Assets as at 30th June 2023

Description	Note	2022/2023 FY		2021/2022 FY	
		Kshs		Kshs	
Financial Assets					
Cash and Cash equivalents					
Bank Balances	9.A	20,021,009	2,172,654	2,172,654	2,172,654
Total Cash and Cash equivalents		20,021,009	2,172,654	2,172,654	2,172,654
Total Financial Assets		20,021,009	2,172,654	2,172,654	2,172,654
Financial Liabilities					
Net Assets		20,021,009	2,172,654	2,172,654	2,172,654
Represented By					
Fund Balance B/fwd.	8	2,172,654			
Surplus/(Deficit) for the Year		17,848,355	2,172,654	2,172,654	2,172,654
Net Financial Position		20,021,009	2,172,654	2,172,654	2,172,654

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September, 2023 and signed by:


Dr. Chris Kiptoo, CBS
 Principal Secretary


Feisal M. Awer
 Project Coordinator


Michael C. Mukanzi
 Project Accountant
 ICPAK Member No:17538


To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023


9. Statement of Cashflow for the year ended 30th June 2023


Description	Notes	2022/2023 FY Kshs	2021/2022 FY Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	86,672,252	407,869,725
Miscellaneous receipts (Transfer from KEMSA)	1	-	310
Proceeds from domestic and foreign grants	2	495,945,360	143,665,670
Miscellaneous receipts (Interest)	3	151,031	100,632
Transfer from NFM 2		-	7,736,184
Total receipts		582,768,643	559,372,521
Payments			
Compensation of employees	4	19,840,882	19,817,112
Purchase of goods and services	5	542,502,049	537,244,190
Routine maintenance – Motor vehicle	6	-	138,565
Social security benefits	7	2,577,357	
Total Payments		564,920,288	557,199,867
Net receipts/(payments)		17,848,355	2,172,654
Net cash flow from operating activities		17,848,355	2,172,654
Cash and cash equivalent at beginning of the year	9	2,172,654	2,172,654
Cash and cash equivalent at end of the year	9	20,021,009	2,172,654

***To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023***

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th September, 2023 and signed by:


.....
Dr. Chris Kiptoo, CBS
Principal Secretary


.....
Feisal M. Awer
Project Coordinator


.....
Michael C. Mukanzi
Project Accountant
ICPAK Member No:17538

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

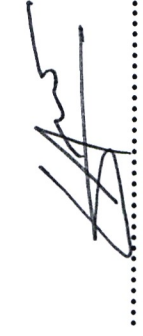
10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utiliza- tion f=d/c %
Receipts						
Transfer from Government entities	416,000,000	(261,000,000)	155,000,000	86,672,252	68,327,748	56
Proceeds from domestic and foreign grants	990,043,429	(450,982,156)	539,061,273	495,945,361	43,115,912	92
Miscellaneous receipts (Interest earning)				151,031	(151,031)	
Total Receipts	1,406,043,429	(711,982,156)	694,061,273	582,768,644	111,292,629	84
Payments						
Compensation to employees	25,071,387	(4,245,475)	20,825,912	19,840,882	985,030	95
Purchase of goods and services	1,377,242,500	(704,420,041)	672,822,459	542,502,049	130,320,410	88
Social security benefits				2,577,357	(2,577,357)	
Maintenance expenses – Motor vehicles	3,729,542	(3,316,640)	412,902	-	412,902	
Total Payments	1,406,043,429	(711,982,156)	694,061,273	564,920,288	129,140,985	81
Surplus or Deficit				17,848,356	(17,848,356)	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.


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Chris Kiptoo, CBS

Principal Secretary


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Feisal M. Awer

Project Coordinator


.....
Michael C. Mukanzi

Project Accountant
ICPAK Member No:17538

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Reporting currency

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

d) Recognition of receipts

Global Fund Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

Global Fund Project does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of *Global Fund Project* 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.

l) Pending bills

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

m) Budget

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

Significant Accounting Policies (Continued)

n) Third party payments

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

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note xx of these financial statements*.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2022/2023 FY	2021/2022 FY	Cumulative to- date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through National Treasury</i>			
Counterpart funds Quarter	86,672,252.00	407,869,725.00	494,541,977.00
Total (See Annex 3)	86,672,252.00	407,869,725.00	494,541,977.00
<i>Other transfers from government entities</i>			
Agency (KEMSA)		310.10	310.10
Total		310.10	310.10
Total	<u>86,672,252.00</u>	<u>407,870,035.10</u>	<u>494,542,287.10</u>

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya Annual Report and Financial Statements for the financial year ended June 30, 2023

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	Date received	2022/2023				2021/2022		Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)								
Global Fund - Exchequer			40,825,238				40,825,238.00	40,825,238.00
Global Fund	Q 1	3,470,919.51	422,899,887.94				422,899,887.94	422,899,887.94
Global Fund - Ultralab	Q 2	149,252.23	18,342,890.31				18,342,890.31	18,342,890.31
Global Fund	Q 3	104,382.58	13,877,344.17				13,877,344.17	13,877,344.17
Global Fund	Q 4	-	-				-	-
Global Fund							143,665,670.69	143,665,670.69

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Name of Donor	2022/2023 FY						2021/2022 FY	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)								
Total		3,724,554.32	495,945,360.41			495,945,360.41		639,611,031.11

Notes to the Financial Statements (Continued)

3. Miscellaneous receipts

Description	2022/2023 FY		2021/2022 FY		Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	Total receipts Kshs	Total receipts Kshs	
Other receipts not classified elsewhere (Applied Interest)					
Q 1	46,500.10		46,500.10		46,500.10
Q 2	19,626.85		19,626.85		19,626.85
Q 3	36,256.75		36,256.75		36,256.75
Q 4	48,646.95		48,646.95		48,646.95
Total	151,030.65		151,030.65	100,631.50	251,662.15

This is interest earned per month from Project operations bank account at NCBA Bank.

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

4. Compensation to Employees

Description	2022/2023 FY		2021/2022 FY		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
-					
Basic wages of temporary employees			19,817,112	19,817,112	19,817,112
Basic wages of temporary employees – Q 1	4,954,278		4,954,278	4,954,278	4,954,278
Basic wages of temporary employees – Q 2	4,954,278		4,954,278	4,954,278	4,954,278
Basic wages of temporary employees – Q 3	4,963,078		4,963,078	4,963,078	4,963,078
Basic wages of temporary employees – Q 4	4,967,478		4,967,478	4,967,478	4,967,478
NSSF Penalties Feb, March and April	1,770		1,770	1,770	1,770
Total	19,840,882		19,840,882	19,817,112	39,657,994

Notes to the Financial Statements (Continued)

5. Purchase of Goods and Services

Description	2022/2023 FY		2021/2022 FY		Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic travel and subsistence	630,000.00		630,000.00	641,900.00	1,271,900.00
Printing, advertising, and information supplies	6,000.00		6,000.00		6,000.00
Hospitality supplies and services	-		-	34,051.70	34,051.70
Specialized materials and services (See Annex 7)	494,043,163.42		494,043,163.42	530,204,540.72	1,024,247,704.14
Fuel, oil and lubricants				23,000.00	23,000.00
Other operating payments – Bank charges	73,674.30		73,674.30	65,678.90	139,353.20
Contracted professional services (See Annex 8)	47,749,211.25		47,749,211.25	6,275,018.72	54,024,229.97
Total	542,502,048.97		542,502,048.97	537,244,190.04	1,079,746,239.01

Notes to the Financial Statements (Continued)

6. Routine Maintenance-Motor vehicle

Description	2022/2023 FY		2021/2022 FY		Cumulative to-date
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total Payments Kshs	Total Payments Kshs	
Maintenance of motor vehicle				138,565	138,565
Total				138,565	138,565

7. Social Security Benefits

Description	2022/2023 FY		2021/2022 FY		Cumulative to-date
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total Payments Kshs	Total Payments Kshs	
Government pension and retirement benefits	2,577,357.35	-	2,577,357.35		2,577,357.35
Total	2,577,357.35	-	2,577,357.35		2,577,357.35

Notes to the Financial Statements (Continued)

8. Fund Balance Brought Forward

Description	2022/2023 FY		2021/2022 FY	
	Kshs		Kshs	
Bank accounts		2,172,654		-
Total		2,172,654		-

9. Cash And Cash equivalents

Description	Insert Current FY		Insert Comparative FY	
	USD/Kshs		USD/Kshs	
NCBA Bank [A/c No.1583580368] (USD)		2,806,855.85		3,512,669.94
Total		2,806,855.85		3,512,669.94
NCBA Bank [A/c No.1005363717] (KSH)		20,021,009.45		2,172,653.95
Total		20,021,009.45		2,172,653.95

Global Fund Project has one (1) number of project accounts spread within the project implementation area and one (1) number of foreign currency designated accounts managed by the National Treasury as listed below:

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**9. A Bank Accounts
Project Bank Accounts**

Details	2022/2023 FY USD/Kshs	2021/2022 FY USD/Kshs
<u>Foreign Currency Accounts</u>		
NCBA Bank [A/c No.1583580368]	2,806,855.85	3,512,669.94
Total Foreign Currency balances	<u>2,806,855.85</u>	<u>3,512,669.94</u>
<u>Local Currency Accounts</u>		
NCBA Bank [A/c No.1005363717]	20,021,009.45	2,172,653.95
Total local currency balances	<u>20,021,009.45</u>	<u>2,172,653.95</u>
Total bank account balances		

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

Description	2022/2023 FY	2021/2022 FY
	USD	USD
(i) Malaria Grant [A/c No.1583580368]		
Opening balance	3,512,669.74	2,766,022.18
Total amount deposited in the account	8,286,080.11	14,072,866.35
Total amount withdrawn (as per Statement of Receipts & Payments)	8,991,894.00	13,326,218.79
Closing balance (as per SDA bank account reconciliation attached)	<u>2,806,855.85</u>	<u>3,512,669.74</u>

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



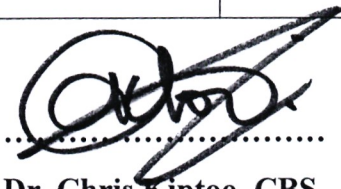
To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

Annual Report and Financial Statements for the financial year ended June 30, 2023

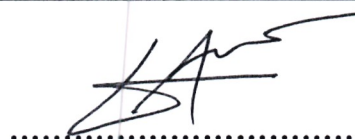
13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
118	Unsupported counterpart funding balances	We are doing a reconciliation to support the balances and avail payment vouchers to auditors for review	Not Resolved	By December, 2023
119	Budgetary control and performance	Prolonged KEMSA procurement process which takes between six (6) months to eight (8) months to complete. This led to some contracts not being procured on time thus leading to low absorption.	Not Resolved	By October, 2023



Dr. Chris Kiptoo, CBS
Principal Secretary



Feisal M. Awer
Project Coordinator

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*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities (CPF)	155,000,000	86,672,156	68,327,844	56	There was exchequer issue challenges thus we could not meet the target of our collections which is over 90%
Proceeds from domestic and foreign grants	539,061,273	495,945,360	43,115,912	92	N/A
Miscellaneous receipts (Interest earning)	-	151,031	(151,031)		
Total Receipts	694,061,273	582,768,548	111,292,725	84	There was exchequer issue challenges thus we could not meet the target of our collections which is over 90%
Payments					
Compensation to employees	20,825,912	19,840,882	985,030	95	N/A
Purchase of goods and services	672,822,459	542,501,953	130,320,506	88	-Prolonged procurement of contracts that takes up to eight

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Social security benefits	-	2,577,357	(2,577,357)		(8) months made it impossible for some contracts to be procured in the financial year. -The project's budget was reduced downwards making it possible to procure contracts with available budget. This led to under-absorption.
Maintenance expenses – Motor vehicles	412,902	-	412,902	0	
Total payments	694,061,273	564,920,192	129,141,081	81	
Surplus/(Deficit)		17,848,355	(17,848,356)		

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 3: Reconciliation of inter-entity transfers

Project Name: Global Fund					
Break down of transfers from the National Treasury					
a. Government Counterpart funding		Bank Statement Date	Amount (Kshs)		Indicate the FY to which the amounts relate
Counterpart funding		N/A	86,672,252.00		2022/2023
	Total		86,672,252.00		
B. Direct payments					
Global Fund		Bank Statement Date	Amount (Kshs)		Indicate the FY to which the amounts relate
			N/A		
	Total				
C. Others					
Payments done through special Account		Bank Statement Date	Amount (Kshs)		Indicate the FY to which the amounts relate
Exchequer releases		N/A	455,120,122.41		2022/2023
Exchequer releases		07-07-2022	10,075,059.00		2022/2023
Exchequer releases		31-01-2023	14,549,272.25		2022/2023
		08-06-2023	16,200,907.00		2022/2023
	Total		495,945,360.66		
	Total (A+B+C)		582,617,612.66		

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

Project Coordinator
Global Fund Unit

Head of Accounting Unit
National Treasury




Sign-----

Sign-----

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Supply of goods						
1. Sai Pharmaceuticals Ltd				303,788.52		Combined two (2) invoices. The invoices are in USD.
2. Highridge Pharmaceuticals Ltd				21,800.00		The invoice is in USD
3. Tridem Pharma Kenya Ltd				21,602.16		The invoice is in USD
4. KEMSA				21,287.77		The invoice is in USD
5. Healthlearn Media Resources				8,665.00		The invoice is in USD
Total				377,143.45		

Annex 5: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

There was no expenditure related or relevant to Climate.

Annex 6: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

There was no expenditure on Disaster Management.

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

Annual Report and Financial Statements for the financial year ended June 30, 2023

Annex 7: Analysis of Specialized Materials and Services

Date	Payee	Donor Currency (USD)	Amount (KShs.)
22.09.2022	Macleods Pharmaceuticals - Donor	554,538.00	67,431,820.80
22.09.2022	IPCA Laboratories Limited - Donor	1,755,165.51	213,428,126.02
07.09.2022	Ultralab E.A. Limited - Donor	1,105,920.00	135,276,134.40
	Total	3,415,623.51	416,136,081.22
03.10.2022	Benchtop Automation Limited - CPF	-	14,474,250.00
05.10.2022	Africa Biosystems Limited - CPF	-	26,797,583.40
13.10.2022	Clinocare Health Limited - CPF	-	4,523,034.00
21.11.2022	Biodesk Africa Limited - CPF	162,478.00	20,016,114.80
15.12.2022	Research World Partnership - CPF	-	12,000,000.00
24.12.2022	Surgipath Services E.A. Ltd - CPF	-	96,100.00
	Total	162,478.00	77,907,082.20
	Grand Total	3,578,101.51	494,043,163.42

Annex 8: Analysis of Contracted Professional Services - Donor

Quarters	Payee	Amount (USD)	Amount (Kshs)
Q 1	KEMSA	55,296.00	6,763,806.72
Q 2	KEMSA	149,252.23	18,342,890.31
Q 3	KEMSA	104,382.58	13,877,344.17
	Total	308,930.81	38,984,041.20
	Counterpart Funding		
Q 2	KEMSA	-	3,357,676.15
Q 3	KEMSA	-	1,073,562.35
Q 4	KEMSA	-	4,333,931.55
	Total	-	8,765,170.05
	Grand Total	308,930.81	47,749,211.25

Annex 9: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2023
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. GOK IFMIS comparison Trial Balance (*Where applicable*)

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Annex 2: Financial Statements cash basis and commitments reconciliation template

30TH JUNE 2023

THE NATIONAL TREASURY, GLOBAL FUND PROGRAM

THE NATIONAL TREASURY
GLOBAL FUND PROGRAM
MALARIA GRANT NO. KEN-M-TNT

Financial Statements cash basis and commitments reconciliation template

Guiding note

The Financial statements included in Figure 1 here below, represent an illustrative financial statement which the Principal Recipients are expected to provide to their auditors for the Special Purpose Grant Financial Statements audit.

Mandatory statements

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

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

Other notes

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

8.0 Infrastructure (INF)	0	-	0	0	0	0	0	0	0
9.0 Non-health equipment (NHP)	7,080	-	7,080	14,159	1,210	12,949		1,209.76	5,870
10.0 Communication Material	0	-	0	0	0	0			0
11.0 Program Administration	0	-	0	0	0	0			0
12.0 Living support (LSTP)	0	-	0	0	0	0			0
13.0 Payment for Results	0	-	0	0	0	0			0
Total uses of Grant Funds	5,389,271	3,907,909	1,481,361	8,713,123	5,287,128	3,425,995		1,379,218	1,944,634
Total commitments at 30.06.2023									
Transfers to SR		5,031,054.30			10,135,972.44			5,104,918.14	
Net exchange gain/loss		15,280.83			18,793.61			3,512.78	
Bank Charges		5,290.85			5,774.71			483.86	
Net grant cash balance		5,525,216			5,525,216			4,286,000	

Notes to the financial statements

All amounts are in US\$

Note 1: Basis of accounting

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

Note 2: Disbursements/Receipts

Receipts comprises amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [July 1, 2022 to June 30, 2023] to the Principal Recipient and to third parties. Receipts from Global Fund were in United States Dollars.

Note 3:

Expenditure represents amounts disbursed and costs incurred denominated in United States dollars (US\$).

Note 4:

Transactions in KES are translated to US dollars at the 3 months weighted average exchange rate for each quarter. For the purpose of this report, balances denominated in KES have been translated to US dollars based on the CBK exchange rate as at 30.06.2023.

Note 5: Receipts from Global Fund

Start Date			7/1/2022		7/1/2021
End Date			6/30/2023		6/30/2023
Period			Current period US\$	Prior period US\$	Cumulative US\$
Description	Date	Amount			
Disbursement 1	8/16/2021	4,208,135.25		4208135.25	4,208,135.25
Disbursement 2	11/30/2021	1,627,941.65		1,627,941.65	1,627,941.65
Disbursement 3	3/7/2022	3,586,409.40		3,586,409.40	3,586,409.40
Disbursement 4	11/1/2022	3,367,907.56	3,367,907.56		
Disbursement 5	11/1/2022	244,771.86	244,771.86		
Disbursement 6	12/1/2022	1,085,095.19	1,085,095.19		
Disbursement 7	12/1/2022	94,368.42	94,368.42		
Disbursement 8	4/4/2023	379,603.32	379,603.32		
Disbursement 9	4/4/2023	387,867.01	387,867.01		
Disbursement 10	5/9/2023	2,726,466.75	2,726,466.75		
Disbursement 11	6/29/2023	1,856,294.64	1,856,294.64		
Total		19,564,861.05	10,142,374.75	9,422,486.30	9,422,486.30

Note 6: Human Resources

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

Note 7: Cash balances

Item Description	Amount US\$
PR Special Inshore Account	4,663,253.62
PR interest	719,704.14
PR Local Account (KES)	142,258.30
Net sources of Grant Funds	5,525,216.06

Note 8: Commitments at 01.07.2023

	-
Paid in current year 2023	1,874,791.62
Outstanding from previous year 30.06.2022	1,874,791.62
Commitments 30.06.2023	-
Total commitments at	-

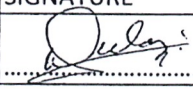
Note 9: Sub-recipient advances

	NMCP
Unliquidated advances (prior year)	-11,526
Add advances from PR (current year)	5,031,054
Transfers from NFM2	
Less SR justified advances	5,007,901
	23,153
	=====

Note 10: Expenditure reconciliation between IES and PUDR

	Year 2
AFR expenses	3,907,909
Reconciling items (to be explained in the note)	0.00
IES's expenditures	3,907,909.47 =====

	Cumulative
AFR expenses	5,287,127.62
Reconciling items (to be explained in the note)	0
IES's expenditures	5,287,127.62 =====

KEN-M-TNT					
BANK RECONCILLIATION					
AS AT 30TH JUNE 2023					
					(IN KSHS)
Balance as per Bank Statement					20,026,841.70
Less:					
1)	Payments in Cash Book not Recorded in Bank Statement				11,800.00
2)	Receipts in Bank Statement not recorded in Cash book				9,926.15
					21,726.15
Add:					
3)	Payments in Bank Statement not yet recorded in Cash book				15,893.90
4)	Receipts in Cash book not recorded in Bank Statement				
Balance as per Cash book					20,021,009.45
Balance as per Cash book (Actual)					20,021,009.45
Difference					-
I certify that I have verified the Bank Balance in Cash book with Bank Statement and that the above Reconciliation is Correct.					
SIGNATURE		DESIGNATION		DATE	
		PAC		10/07/23	
PAYMENTS IN CASHBOOK NOT YET IN BANK STATEMENT (UNPRESENTED CHEQUES)					
DATE	ITEM	CHQ NO.	AMOUNT		
30.06.2023	NSSF	000482	11,800.00		
			11,800.00		
PAYMENTS IN BANK STATEMENT NOT YET IN CASH BOOK					
DATE	PAYEE	REF	AMOUNT		
14.12.2020	debit by bank		5,498.05		
14.12.2020	debit by bank		4,236.70		
31.05.2021	debit by bank		1,396.40		
30.06.2021	debit by bank		4,762.75		
			15,893.90		
RECEIPTS IN BANK STATEMENT NOT YET IN CASH BOOK					
DATE	PAYEE	CHQ NO/REF	AMOUNT		
14.12.2020	credit by bank		5,496.50		
30.06.2022	Credit interest		4,429.65		
			9,926.15		
RECEIPTS IN CASHBOOK NOT YET IN BANK STATEMENT					
DATE	PAYEE	CHQ NO/REF	AMOUNT		

10
11
12

REPUBLIC OF KENYA

F.O.51

Date:

Report of the Board of Survey on the Cash and Bank Balances of MALARIA NFM3
..... as at the close of business on

The Board consisting of - (Names and official titles)

CHAIRMAN: TERESA SIMBA
MEMBER: WHITNEY JEBET
MEMBER: BENJAMIN MULEY

Assembled at the office of CASH

At (Time) on the 2:00PM (time) on the 06/07/2023

And the following cash was produced: -

Notes Sh. Nil
Silver Sh. Nil N/A
Copper Sh. Nil
Cheques (as per details on reverse) Sh. Nil
It was observed that cheques amounting to Sh. Nil Cts Nil

Had been on hand for more than 14 days prior to the date of the survey.

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

The Cash Book reflected the following balances as at the close of business on the 30/06/2023

Cash on hand Sh. N/A

Bank Balance Sh. 20021009.45

TOTAL 20021009.45

The bank certificate of Balance showed a sum of Kshs. 20,026,841.00 Cts (Sh Cts)

Standing to the credit of the account on

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation

Statement (F.O. 30) attached.

Date 06/07/2023

Chairman [Signature]
Members of the Board [Signature]
GPK (L)



August 03, 2023

PRINCIPAL RECIPIENT GLOBAL FUND
TREASURY BUILDING
P.O. BOX 30007-00100
NAIROBI, KENYA.



Dear Sir/Madam,

RE: CERTIFICATE OF BALANCES FOR PRINCIPAL RECIPIENT GLOBAL FUND

We refer to your correspondence requesting us to furnish you with information regarding certificate of balances for the period FY: 2022/2023

In response we wish to confirm the account and its respective balance with us, as at close of business on **30th June 2023** to have been as follows:

Account Number	Account Name	Curr	Closing Balance as at 30th June 2023
1937110111	PRINCIPAL RECIPIENT GLOBAL FUND	KES	4,034,761.24 CR
1937110127	MALARIA GRANT NO KEN M TNT GA 1546	KES	20,026,841.70 CR

We trust that this meets your requirements.

Yours faithfully,

Authorized signatory
Emily Mugaa

Authorized signatory
Elizabeth Murago

NCBA Centre
Mara and Ragati Road, Upper Hill
P. O. Box 44599-00100, Nairobi, Kenya
Tel: +254 20 2884444
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Email: contact@ncbagroup.com



MALARIA GRANT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2023
PART B
KEN-M-TNT 2064
Bank Account No.1583580368 Held with NCBA

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by Global Fund			
	TNT		7,547,837.52	
	NMCP		10,135,972.44	17,683,809.96
	Less			
2	Total amount justified to Global Fund			15,218,270.57
3	Outstanding amount advanced to Designated Account			2,465,539.39
	Represented by:			
4	Ending Designated Account Balance at 30.06.2023			2,806,855.85
5	Amount claimed but not credited at 30.06.2023			-
6	Amount withdrawn and not claimed as at 30.06.2023			(341,316.46)
7	Service charges (if not included in 5 & 6 above)			-
	Less			
8	Interest earning (if included in Designated Account)			-
9	Total advance to Designated Account year ended 30.06.2023			2,465,539.39

Discrepancy between total appearing on lines 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by Global Fund and provide reasons for not claiming the expenditures

Signature
 AUTHORIZED REPRESENTATIVE
 RESOURCES MOBILIZATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 28-08-2023

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SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2023
Account No.	1583580368
Depository Bank	NIC BANK NAIROBI
Address	NIC HOUSE BRANCH, MASABA RD, NAIROBI.
Related Loan	MALARIA GRANT KEN-M-TNT GA1546-MAIN
Credit Agreement	NO. 4568-KE
Currency	USD

Account Activity

Beginning balance of 1ST July, 2022 as per C.B.K. Ledger Account	3,512,669.74

Add:

Total Amount deposited by ADB <i>GLOBAL FUND</i>	8,286,080.11
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Total Interest earnings if deposited in account	-----
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Total amount refunded to cover ineligible expenditure	-----
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Deduct:

Total amount withdrawn	8,991,894.00
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Total service charges if not included above in amount withdrawn	-----
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Ending balance on 30th June, 2023	2,806,855.85

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE

24-07-2023

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE

28-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

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Run Date: 28/07/2023 Run Time: 11:04:50
 CENTRAL BANK OF KENYA
 BANK KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000375086

ACCOUNT TITLE : MALARIA GRANT KEN-M-TNT GA1546-MAIN
 30/06/2023

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT	BALANCE
	OPENING BAL :			-3,512,669.74		
1	16/09/2022	FT22258869S8	PA129511	0.00	55,296.00	-3457373.74
2	16/09/2022	FT22258JMM63	PA129510	0.00	1,105,920.00	-2351453.74
3	30/09/2022	FT222720H2JT	PA 129523	0.00	554,538.00	-1796915.74
4	30/09/2022	FT222726S7CT	PA 129524	0.00	27,726.90	-1769188.84
5	30/09/2022	FT22272XL4NW	PA 129530	0.00	1,755,165.51	-14023.33
6	04/11/2022	FT22307KT29D	PA129804	0.00	8,488.17	-5535.16
7	04/11/2022	FT22307SNBTH	PA129803	0.00	4,080.83	-1454.33
8	07/11/2022	FT22311VBXT3	FUNDING	-3,367,907.56	0.00	-3369361.89
9	07/11/2022	FT22311Z76QZ	FUNDING	-244,771.86	0.00	-3614133.75
10	10/11/2022	FT22313TK6D4	PA129805	0.00	3,245.29	-3610888.46
11	10/11/2022	FT22313ZQS63	PA129806	0.00	5,235.99	-3605652.47
12	29/11/2022	FT223324T56N	PA129535	0.00	87,758.28	-3517894.19
13	29/11/2022	FT22332RTTNV	PA129817	0.00	3,131,054.30	-386839.89
14	06/12/2022	FT2234007BJL	FUNDING	-94,368.42	0.00	-481208.31
15	06/12/2022	FT22340J3DWJ	FUNDING	-1,085,095.19	0.00	-1566303.5
16	29/12/2022	FT223624G55K	PA129821	0.00	12,716.77	-1553586.73
17	29/12/2022	FT22362RLHXH	PA129842	0.00	118,142.69	-1435444.04
18	28/03/2023	FT230865XXC9	PA129888	0.00	10,819.22	-1424624.82
19	28/03/2023	FT230865ZYV5	PA131362	0.00	2,451.09	-1422173.73
20	28/03/2023	FT230868RZXD	PA129897	0.00	11,444.91	-1410728.82
21	28/03/2023	FT23086GT2XS	PA129889	0.00	14,189.71	-1396539.11
22	28/03/2023	FT23086T903B	PA131361	0.00	6,561.63	-1389977.48
23	28/03/2023	FT23086W87HH	PA129890	0.00	10,324.64	-1379652.84
24	28/03/2023	FT23086ZG748	PA129891	0.00	10,034.57	-1369618.27
25	03/04/2023	FT23093MX8M9	PA 131394	0.00	21,435.51	-1348182.76
26	03/04/2023	FT23093P8VK7	PA 131386	0.00	14,788.44	-1333394.32
27	05/04/2023	FT230944DFTH	PA131396	0.00	1,200,000.00	-133394.32
28	12/04/2023	FT2310290Y19	FUNDING	-379,603.32	0.00	-512997.64
29	12/04/2023	FT23102WJHQ	FUNDING	-387,867.01	0.00	-900864.65
30	17/05/2023	FT2313750CL1	FUNDING	-2,726,466.75	0.00	-3627331.4
31	17/05/2023	FT23137BFMJG	PA131408	0.00	118,142.69	-3509188.71
32	17/05/2023	FT23137ZDZ7F	PA131409	0.00	700,000.00	-2809188.71
33	09/06/2023	FT231594G1H8	PA131418	0.00	2,332.86	-2806855.85
CLOSING BALANCE :						-2806855.85

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM [More Options](#) [Find](#)
[Clear Selection](#)

Account equals 1000375086
Statement From equals 20220701
Statement To equals 20230630

TAM.E.STMT.OF.ACCT.EPRM

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NOSTRO RECONCILIATION STATEMENTS

Manual Input of NR Statement 1000375086 20230703 S.663.1

Transaction Ref Number (Tag20) 20230630-663
 Account Identification (Tag25) 1000375086
 Account Currency USD
 Opening Bal Indicator (Tag60a) C
 Opening Bal Date (Tag60a) 29 JUN 2023
 Opening Bal Amount (Tag60a) 2,806,855.85
 Closing Bal Indicator (Tag62a) C
 Closing Bal Date (Tag62a) 30 JUN 2023
 Closing Bal Amount (Tag62a) 2,806,855.85

Statement Complete, Y

Value Date (Tag61a) 1 01 JUL 2023

Entry Date (Tag61a) 1 30 JUN 2023

Debit/Credit Mark (Tag61a) 1 C

Funds Code (Tag 61a) 1 D

Amount (Tag61a) 1 4,583.66

Trans Type ID code (Tag61a) 1 NCRA

Acct Owner Ref (Tag61a) 1 NONREF

Acct Inst Ref (Tag61a) 1 1583580368

Supplementary Info (Tag61a) 1 Credit from Arrangement

Value Date (Tag61a) 2 01 APR 2022

Entry Date (Tag61a) 2 30 JUN 2023

Debit/Credit Mark (Tag61a) 2 D

Funds Code (Tag 61a) 2 D

Amount (Tag61a) 2 4,583.66

Trans Type ID code (Tag61a) 2 NINT

Acct Owner Ref (Tag61a) 2 NONREF

Acct Inst Ref (Tag61a) 2 1583580368

Supplementary Info (Tag61a) 2 Interest Repayment

SWIFT Tag 1 64

SWIFT Tag content 1 1 C230630USD2806855.85

Statement Complete, Y

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MALARIA TRIAL BALANCE FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

	DR(KSHS)	CR(KSHS)
Balance B/F	-	2,172,653.95
Contractual employees	19,840,882.00	
Travel costs	28,000.00	
Accommodation	602,000.00	
Medical drugs	358,767,029.02	
Medical drugs - CPF	77,907,082.20	
Laboratory Materials, Supplies and Small Equipment	135,276,134.40	
General Office Supplies	6,000.00	
Contracted Professional services	38,984,041.20	
Contracted Professional services - CPF	8,765,170.05	
Bank charges	73,674.30	
Interest earning	-	151,030.65
Gratuity	2,577,357.15	
Transfer from Dollar A/C (Exchequer)	-	40,825,238.30
Proceeds from domestic and foreign grants	-	533,027,204.62
GoK Counterpart Funding		86,672,252.25
Balance C/D	20,021,009.45	
TOTAL	662,848,379.77	662,848,379.77

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