



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 FEB 2022 DAY: Thurs OF

TABLED BY:	<u>LDM</u>
CLERK-AT THE-TABLE:	<u>Lea</u>

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

**TRANSFORMING HEALTH SYSTEMS FOR
UNIVERSAL CARE (THS-UC) PROJECT
GRANT IDA CREDIT NO. 5836-KE, TFOA2561,
TFOA2792 AND CR. P152394**

**FOR THE YEAR ENDED
30 JUNE, 2021**

MINISTRY OF HEALTH



100-100-100



**TRANSFORMING HEALTH SYSTEMS FOR
UNIVERSAL CARE PROJECT
THS – UC PROJECT**

PROJECT GRANT/CREDIT NUMBER 5836-KE, TFOA2561, TFOA 2792 AND P 152394

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

CONTENTS	PAGE
1. PROJECT INFORMATION AND OVERALL PERFORMANCE	ii
2. STATEMENT OF PERFORMANCE AGAINST PROJECTS PREDETERMINED OBJECTIVES	vi
3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	vii
4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	viii
5. REPORT OF THE INDEPENDENT AUDITORS TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL CARE (THS – UC PROJECT)	x
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021	1
7. STATEMENT OF THE FINANCIAL ASSETS FOR THE YEAR ENDED 30 TH JUNE 2021.....	2
8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021.....	3
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021	4
10. SIGNIFICANT ACCOUNTING POLICIES	5
11. NOTES TO THE FINANCIAL STATEMENT.....	12
12. OTHER IMPORTANT DISCLOSURES	18
13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	19

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Transforming Health Systems for Universal Health Care.

Objective: The Transforming Health Systems for Universal Care aims to improve the utilization and quality of primary health care (PHC) services by supporting a set of evidence-based interventions, which are expected to contribute to Universal Health Care with improved equity and enhanced efficiency.

Address: The project headquarters offices are Nairobi (city), Nairobi County, Kenya.
The address of its registered office is Ministry of Health
P.O. Box 30016-00100 Nairobi.

The project is partly based at the Ministry of Health and at the Council of Governors. The project support county governments and the Ministry of Health departments.

Contacts: The following are the project contacts

Telephone: (254) -020-2717077
E-mail: ps@health.go.ke
Website: www.health.go.ke

1.2 Project Information

Project Start Date:	The project start date is 15 th September, 2016
Project End Date:	The project end date is 30 th September, 2023
Project Manager:	The project manager is Dr Isaac Kimani
Project Sponsor:	The project sponsor is Toni Kuguru

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health.
Project number	IDA -58360 (THS – UC WA 1) IDA - 58360 (THS – UC MOH – WA 1) TF - A- 2561 (GFF – WA 1) TF - A -2561 (GFF – MOH –WA 1) TF - A- 2792 (PH RD WA 1)
Strategic goals of the project	The strategic goals of the project is to improve utilization and quality of primary health care services with a focus on reproductive, maternal, new-born, child and adolescent health services.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i)Improving access to and demand for quality PHC services; (ii)Strengthening institutional capacity in selected key areas to improve utilization and quality of PHC services; and (iii)Supporting cross-country and intergovernmental collaboration in the recently devolved Kenyan health system.
Other important background information of the project	The project enhances focus on results by allocating resources to each county based on the improved coverage of essential services that are directly linked to the Project Development Objective (PDO) and other factors including equity. The project’s support to strengthen the M&E systems, including the routine HIS, will improve the quality of data for monitoring progress toward the achievement of Project Development Objective.
Current situation that the project was formed to intervene	The Transforming Health Systems for Universal Care aims to improve the utilization and quality of Primary Health Care (PHC) services by supporting a set of evidence-based interventions which are expected to contribute to Universal Health Care with improved equity and enhanced efficiency.
Project duration	The project started on 15 th September 2016 and is expected to run until 30 th September 2023.

1.4 Bankers

The following are the bankers for the current year for both the project account and designated account:

Central Bank of Kenya
P.O. Box 60000-00200
Nairobi

1.5 Auditors

Auditor- General
P.O Box 30084 – 00100
Nairobi.

1.6 Roles and Responsibilities

List of the different people who are working on the project.

Names	Title designation	Key qualification	Responsibilities
Dr. Isaac Kimani	Project Manager	MBChB	Project oversight and overall coordination of activities of the Project.
Dr Nancy Etiang	Deputy Project Manager	MBChB, MSc. Applied epidemiology	Assistant to the project Manager.
Dr Kiogora Gatimbu	Monitoring and evaluation officer	Bpharm MBA	M&E of project activities.
Caroline Ndungu	Project Accountant	Bcom, CPA(K)	Preparation of Financial reports as required from time to time e.g. IFR, Bank reconciliation, exchequer requisition, Vote book , preparation of project F/S , responding to Audit issues etc.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

1.7 Funding summary

The total cost of the project is US \$ 191.1 million, of which US \$ 150 million will be financed by IDA credit, a US \$ 40 million will be granted by the GFF TF and US \$ 1.1 million will be a grant by the PHRD TF.

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 06 2021)		Undrawn balance to date (30 06 2021)	
	Donor currency (A)	KShs (A')	Donor currency (B)	KShs (B')	Donor currency (A)-(B)	KShs (A')-(B')
(i) Grant						
TF – A 2561	40,000,000	4,120,000,000	26,233,342	2,684,722,933	13,766,658	1,435,277,067
TF – A 2792	1,100,000	113,300,000	759,496	81,427,206	340,504	31,872,793
i) Loan						
IDA - 58360	150,000,000	15,450,000,000	115,110,809	11,901,627,292	34,889,191	3,548,372,708
Total	191,100,000	19,683,300,000	142,103,647	14,667,777,431	48,996,353	5,015,522,568

1.8 Summary of Overall Project Performance:

The key beneficiaries of the project are women of reproductive age, including adolescents and children under five who utilize Primary Health Care services most. The project supports counties in ensuring that the benefits reach the people at grass root level. The projects aim to ensure that;

- Children younger than one year are fully immunized;
- Pregnant women attend at least four Anti-Natal Care(ANC) visits;
- Births are attended by skilled health personnel; and
- Women of reproductive age are using a modern FP method.

1.9 Summary of Project Compliance:

The project complied with applicable laws and regulations, and essential external financing agreements/covenants and this helped us to achieve the objectives set.

2. STATEMENT OF PERFORMANCE AGAINST PROJECTS PREDETERMINED OBJECTIVES

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

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

- a) Improve the delivery, utilization, and quality of PHC services at the county level with a focus on RMNCAH. This also includes procurement of Family Planning commodities.
- b) Strengthen institutional capacity to better deliver quality PHC services
- c) Enhance cross-county and intergovernmental collaboration as well as facilitate and coordinate project implementation
- d) Contingency Emergency Response (CERC)- To fund immediate and short-term activities in the national COVID-19 Contingency Response Plan. It supports Emergency Operations Centre and procurement of health commodities to respond to Covid-19 Pandemic

Progress on attainment of Strategic development objectives

	Objective	Outcome	Indicator	Performance
1	Improve the delivery, utilization, and quality of PHC services at the county level with a focus on RMNCAH.	<p>Increased no. Of children under 1yr who had received third dose of pentavalent vaccine</p> <p>Increased number of women attending at least 4 ANC visits</p> <p>Women between the ages of 15-49 years currently using a modern FP method</p>	<p>The year's average for penta 3 coverage was 78.9%; skilled birth delivery year's coverage stood at 67.4%; the fourth antenatal care year's coverage was 48.4% and the family planning coverage stood at 44.4 %.</p>	<p>Increased immunization of children</p> <p>Continued increase in women attending ANC visits</p> <p>Increased uptake of FP commodities.</p>
2	Cross county and intergovernmental Collaboration and Project Management	<p>Mombasa County and Ministry of Education</p> <p>Embu and Kirinyaga Counties and Kenya National Blood Transfusion Service</p>	<p>Improvement of quality ASRH services with specific interest to young mothers in school and community level.</p> <p>Strengthening Blood transfusion services</p>	<p>functional youth friendly centre containers being delivered. Sensitisation of young mothers on MNH and outreaches done</p> <p>Equipment and supplies to strengthen transfusion services were purchased and delivered.</p> <p>Recruitment for blood donations commenced.</p>

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

The support makes full use of country systems delivering ‘on-budget’ support to counties and Ministry of Health. Disbursement of conditional grants is done through the Government system to National Treasury for onward disbursement through IFMIS to the health facilities in the 47 counties. These grants are given at county level according to the existing County Allocation of Revenue (CARA) formula and are allocated to facilities, based on a criteria agreed upon by the county and fully disclosed to the project team. This will improve public health service delivery as the funds will support operational and maintenance expenditure at primary health care facility level.

2. Environmental performance

During the year procurement of incinerators in the three counties (Lamu, Kajiado and Mandera) was initiated, however environmental audit is to be conducted. In addition, there is noted improved use of ESMP checklist to mitigate risks associated with renovation/rehabilitation activities in the 25 counties visited.

3. Employee welfare

The project follows the Government policies and procedures in the hiring process. The Ministry Hr department in collaboration with the COG conducts the interviews. In addition, the World Bank requirements are incorporated to ensure that the successful candidate has the necessary qualifications.

4. Community Engagements-

For the THS project, a social assessment was conducted and disclosed in 2018 and VMGPs were drafted for 28 VMGs across 23 counties. The midwifery training at KMTC focuses on students from underserved areas including VMGs. 800 students received scholarships to study in Bomet, Loitokitok, Kabarnet, Kapenguria, Kitui, Kilifi, Msambweni, Lodwar. Most of the students who graduated are employed at the counties, national facilities and some in private thus improving services in the communities where they come from

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat 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 June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat accept responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

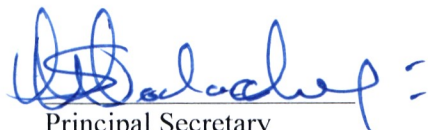
The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat are of the opinion that the Project’s financial statements give a true and fair view of the state of Project’s transactions during the financial year ended June 30, 2021 and of the Project’s financial position as at that date. The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

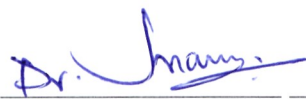
TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

Approval of the Project financial statements

The Project financial statements were approved by The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care (THS – UC Project) Secretariat on 8th December 2021 and signed by them.

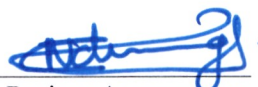


Principal Secretary
Name



Project Manager

Name: Dr. Isaac M. Kimani

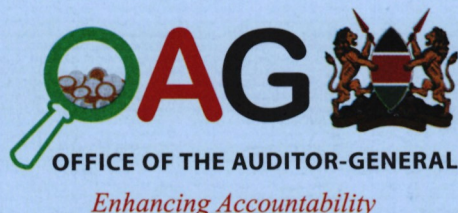


Project Accountant:

Name: Caroline W. Ndingu
ICPAK Member Number: 9040

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL CARE (THS-UC) PROJECT GRANT IDA CREDIT NO.5836-KE, TFOA2561, TFOA2792 AND CR. P152394 FOR THE YEAR ENDED 30 JUNE, 2021 – MINISTRY OF HEALTH

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, gazetted 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 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 control, 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 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit No.5836-KE, TFOA2561,

Report of the Auditor-General on Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit No.5836-KE, TFOA2561, TFOA2792 and Cr. P152394 for the year ended 30 June, 2021 – Ministry of Health

TFOA2792 and Cr. P152394 set out on pages 1 to 22, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit No.5836-KE, TFOA2561, TFOA2792 and Cr. P152394 as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement No.5836-KE, TFOA2561 and TFOA2792 dated 4 July, 2016 between International Development Association and the Republic of Kenya and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Variance of Donor Receipts

The special account statement reflects total amount withdrawn from Central Bank of Kenya Project bank account of Kshs.4,317,236,086 (equivalent to USD 39,749,221) while the actual total amount reflected in the Project statement of receipts and payments as receipts controlled by entity, payments by third parties and direct payments for the year under review is Kshs.4,648,461,098 resulting to an unexplained overstatement of donor receipts of Kshs.331,225,012.

In the circumstances, the accuracy and completeness of the donor receipts amount of Kshs.4,648,461,098 could not be confirmed for the year ended 30 June, 2021.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit No.5836-KE, TFOA2561, TFOA2792 and Cr. P152394 Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budget Performance

The statement of comparative budget and actual amounts reflects final budget of Kshs.5,327,429,185 and actual expenditure on comparable basis of Kshs.4,997,431,168 resulting to utilization variance of Kshs.329,998,017 (or 6%). Also, the receipts under

performance of Kshs.678,968,088 (or 13%) is an indication of possible weakness in meeting donor conditions and enforcement of controls.

Under the circumstances, the primary objective of improving utilization and quality of primary health care services with a focus on reproductive, maternal, newborn, child and adolescent health (RMNCAH) services may not be realized in light of the budget underperformance.

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, except for the matter(s) described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Specialized Materials and Services – Transfers to KEMSA

The statement of receipts and payments reflects purchase of goods and services of Kshs.567,417,122 (2020 – Kshs.715,840,584) as disclosed under Note 11.4 to the financial statements. Included under the expenditure is Kshs.283,539,315 on specialized materials and services out of which Kshs.275,875,084 were transferred to Kenya Medical Supplies Authority. The following unsatisfactory matters were noted:

1.1 Emergency Procurement of Ventilators and Masks

Included in the unpaid bills of Kshs.190,793,450 was Kshs.59,000,000 for Covid-19 ventilators and masks that were procured using retrospective direct procurement but there was no evidence of contract negotiation and award after the delivery of the Covid-19 ventilators and masks. Therefore, the supplier may have been single sourced contrary to Section 69 (2) Public Procurement and Assets Disposal Act, 2015. In addition, physical verification on 24 September, 2021 revealed that out of the twenty (20) ventilators, thirteen (13) of them valued at Kshs.33,800,000 were still at the KEMSA warehouses, seventeen (17) months after emergency procurement to mitigate the effects of Covid-19. Management has not explained failure to distribute these ventilators.

In the circumstances the undistributed, essential and high demand ventilators, value for money may not have been realized and the Project management was in breach of the law.

1.2 Cost Variance on Purchase Price of Masks

Included in transfers to KEMSA is Kshs.16,420,000 for four (4) suppliers of masks. The audit noted that specifications for the masks were same but one (1) supplied at unit price of Kshs.250 while the three (3) at unit price of Kshs.700 representing 64.3% difference. The supplies were inspected and accepted on 16 April, 2020. In addition, there was no evidence of carrying out market survey, this is contrary to the Public Procurement and Asset Disposal Regulations, 2020 section 33(3) which states that the role of the procurement function shall be to carry out market surveys to inform the placing of orders or adjudication by the relevant awarding authority.

To this extent, the price of masks from the three (3) suppliers may have been exaggerated and Management was in breach of the law.

2.0 Family Planning Commodities

The statement of receipts and payments reflects at Note 11.6 to the financial statements transfers to other government entities of Kshs.3,939,588,116. The amount represents transfers to counties. Audit verification in sampled counties revealed that funds were utilized to purchase family planning commodities including Depot Medroxyprogesterone Acetate Inj-150mg, Implant (2-ROD), intra-uterine contraceptive device (IUCD) Copper T among others. Some of these commodities were distributed to private facilities and were not inscribed "GOK and NOT FOR SALE", making it difficult to monitor. The financing agreement dated 4th July, 2016 provides implementing agencies to be Ministry of Health (MOH), the County Governments, the Country's Civil Registration Services (CRS) and Kenya Medical Training College (KMTC) and not the private facilities.

Under the circumstances implementation through private facilities is in breach of provisions of the financing agreement.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement dated 4 July, 2016, 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 Transforming Health Systems For Universal Care (THS-UC) Project Grant IDA Credit No.5836-KE, TFOA2561,TFOA2792 and Cr. P152394, 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 control, risk management and 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 financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance 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 Project's policies and procedures may deteriorate.


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

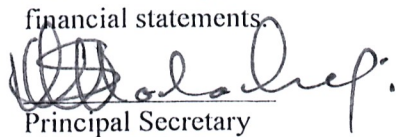
08 December, 2021

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	Not e	2020/21		2019/20		Cumulative to-date
		KShs	KShs	KShs	KShs	
		Receipts and payments controlled by the entity	Payments made by third parties & Direct payments	Receipts and payment controlled by the entity	Payments made by third parties	
RECEIPTS						
Grants from external development partners	11.1	97,345,782	484,423,997	208,967,809	365,353,072	1,249,390,460
Loan from external development partners	11.2	280,860,818	3,785,830,501	1,147,974,947	2,838,880,618	13,418,386,971
TOTAL RECEIPTS		378,206,600	4,270,254,498	1,356,942,756	3,204,233,690	14,667,777,431
PAYMENTS						
Compensation of employees	11.3	8,139,813		11,997,316		37,740,636
Purchase of goods and services	11.4	567,417,122	330,666,382	715,840,584	548,454,102	3,700,901,762
Acquisition of non-financial assets	11.5	58,417,286		22,042,652		137,859,594
Transfers to other government entities	11.6	93,202,450	3,939,588,116		2,655,779,588	10,461,408,682
TOTAL PAYMENTS		727,176,671	4,270,254,498	749,880,552	3,204,233,690	14,337,910,674
SURPLUS/(DEFICIT)		(348,970,071)		607,062,204		329,866,757

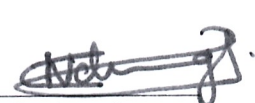
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


Principal Secretary

Name:
Date



Project Manager
Name: Dr. Isaac M. Kuumu
Date: 8/12/2021



Project Accountant
Name: Caroline W. Ndingu
Date: 8/12/2021
ICPAK Member Number: 9040

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020/21	2019/20
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11.7	328,091,857	676,903,328
Total Cash and Cash Equivalents		328,091,857	676,903,328
Accounts receivables – Imprest and Advances	11.9	1,774,900	1,933,500
TOTAL FINANCIAL ASSETS		329,866,757	678,836,828
REPRESENTED BY			
Fund balance b/fwd	11.10	678,836,828	71,774,624
Surplus/(Deficit) for the year		(348,970,071)	607,062,204
NET FINANCIAL POSITION		329,866,757	678,836,828

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 8/Dec/2021 2021 and signed by:



Principal Secretary
 Name:
 Date



Project Manager
 Name: Dr. Isaac M. Mwan
 Date 8/12/2021




Project Accountant
 Name: Caroline W. Ndingu
 Date 8/12/21
 ICPAK Member Number:9040

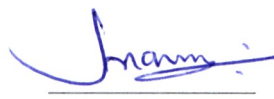
TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021


8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021

		2020/21	2019/20
	Note	KShs	KShs
Receipts for operating activities			
Proceeds from domestic and foreign grants	11.1	97,345,782	208,967,809
Payments for operating activities			
Compensation of employees	11.2	(8,139,813)	(11,997,316)
Use of goods and services	11.3	(567,417,122)	(715,840,584)
Transfers to other government entities	11.4	(93,202,450)	
Changes in Imprests & Advances		158,600	28,256,444
Net Cash flows from Operating Activities		(571,255,003)	(490,613,648)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11.5	(58,417,286)	(22,042,652)
Net cash flows from Investing Activities		(58,417,286)	(22,042,652)
CASHFLOW FROM BORROWING ACTIVITIES			
Loan from external development partners	11.2	280,860,818	1,147,974,947
Net cash flow from financing activities		280,860,818	1,147,974,947
NET INCREASE IN CASH AND CASH EQUIVALENT		(348,811,471)	635,318,648
Cash and cash equivalent at BEGINNING of the year		676,903,328	41,584,680
Cash and cash equivalent at END of the year		328,091,857	676,903,328

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 8/12/2021 2021 and signed by:


Principal Secretary
Name
Date


Project Manager
Name: Dr. Isaac M. Karani
Date 8/12/2021

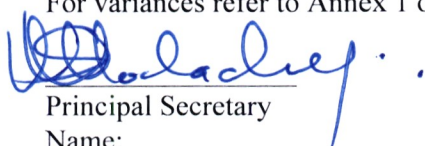

Project Accountant
Name: Caroline W. Ndingu
Date 8/12/2021
ICPAK Member No:9040

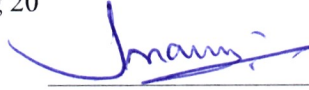
TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

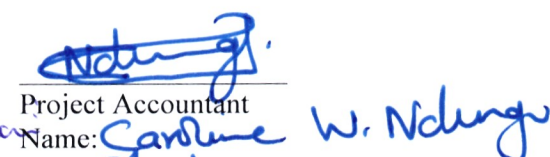
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Grants from external development partners	1,096,936,545	36,000,000	1,132,936,545	581,769,778	551,166,767	32%
Loan from external development partners	4,194,492,640		4,194,492,640	4,066,691,319	127,801,321	97%
Total Receipts	5,291,429,185	36,000,000	5,327,429,185	4,648,461,097	678,968,088	87%
Payments						
Compensation of employees	10,000,000		10,000,000	8,139,813	1,860,187	81%
Purchase of goods and services	650,000,000		650,000,000	567,417,122	82,582,878	87%
Acquisition of non-financial assets	24,832,657	36,000,000	60,832,657	58,417,286	2,415,371	96%
Transfers to Counties	4,259,596,528		4,259,596,528	4,032,790,565	226,805,963	95%
Direct payments	347,000,000		347,000,000	330,666,382	16,333,618	95%
Total Payments	5,291,429,185	36,000,000	5,327,429,185	4,997,431,168	329,998,017	94%
Surplus/deficit	-	-	-	(348,970,071)	348,970,071	

For variances refer to Annex 1 on pg 20


 Principal Secretary
 Name:
 Date


 Project Manager
 Name: Isaac M. K...
 Date: 8/12/2021


 Project Accountant
 Name: Candace W. Ndungu
 Date: 8/12/21
 ICPAK Member No:9040

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

10 SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.1.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Project. The accounting policies adopted have been consistently applied to all of the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognizes transactions and events only when cash is received or paid out by the Project.

10.1.2 Reporting entity

The financial statements are for the Transforming Health Systems project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.1.3. Reporting currency

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

10.1 Significant Accounting Policies

a) Recognition of receipts

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

- **Transfers from the Exchequer**

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

- **External Assistance**

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

Donations and grants

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

Proceeds from borrowing

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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

Undrawn external assistance

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

- **Other receipts**

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

b) Recognition of payments

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

- **Compensation of employees**

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

- **Use of goods and services**

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

- **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

• **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

e) Accounts receivable

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

f) 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' items to provide a sense of the overall net cash position of the Project at the end of the year. 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.

g) 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 under review has been included in an annex to these financial statements.

h) 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 party's column in the statement of receipts and payments.

During the year Kshs 4,270,254,498 billion being loan disbursements were received in form of direct payments from third parties.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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 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.

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

l) Errors

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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

11. NOTES TO THE FINANCIAL STATEMENTS

11.1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During 12 months to 30 June 2021 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Total amount in KShs	
					FY 20/21	FY19/20
			Kshs	Kshs		
Grants Received from organizations						
Global Financing Facility	20-Jan-21	681,077	74,489,371		74,489,371	194,021,897
						3,121,968
Direct Payment	Jan-June 2021	1,464,528		159,542,979	159,542,979	250,843,804
3 rd party-counties	Jan-June 2021	3,017,938		324,881,018	324,881,018	114,509,268
Policy & Human Resources Dvnt Fund	20-Jan-21	208,983	22,856,411		22,856,411	9,471,628
						2,352,316
Total		5,372,526	97,345,782	484,423,997	581,769,778	574,320,881

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

11.2 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from development partners in form of Loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment	Total amount in KShs	
					USD	KShs
Loans Received from Multilateral Donors (International Organisations)						
International Dvnt Association	20-Jan-21	2,567,988	280,860,818		280,860,818	129,797,402
						41,762,045
						531,550,000
						444,865,500
Direct Payment	Jan-Jun 21	1,569,125		171,123,403	171,123,403	297,610,298
3 rd party-counties	Jan-Jun 21	33,273,236		3,614,707,098	3,614,707,098	2,541,270,320
Total		37,410,349	280,860,818	3,785,830,501	4,066,691,319	3,986,855,565

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

11.3 COMPENSATION OF EMPLOYEES

	FY 2020/21			FY 2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	8,139,813		8,139,813	11,997,316	37,740,636
Total	8,139,813		8,139,813	11,997,316	37,740,636

11.4 PURCHASE OF GOODS AND SERVICES

	FY 2020/21			FY 2019/20		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Payments made by the Entity in Cash	Payments made by third parties	
	KShs	KShs	KShs	KShs		KShs
Utilities, supplies and services	4,847,643		4,847,643	79,044,776		107,141,533
Communication	3,020,997		3,020,997	5,084,994		10,833,791
Domestic travel and subsistence	120,897,649		120,897,649	109,195,934		525,357,384
Training	3,846,537		3,846,537			25,041,345
Printing services				8,338,000		8,338,000
Hospitality supplies and services	15,849,688		15,849,688	39,255,830		57,902,449
Insurance				3,654,859		4,239,434
Specialised materials and services	283,539,315		283,539,315	415,286,025		723,564,740
Other operating costs	1,200,000		1,200,000	104,400		1,304,400
Office supplies	9,564,245		9,564,245			9,564,245
Routine maintenance – vehicles	791,283		791,283	600,680		6,488,970
Consultancy services	123,859,765		123,859,765	55,275,085		229,256,685
Direct Payments		330,666,382	330,666,382		548,454,102	1,991,868,786
TOTAL	567,417,122	330,666,382	898,083,504	715,840,584	548,454,102	3,700,901,762

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

11.5 ACQUISITION OF NON-FINANCIAL ASSETS

	KShs	KShs	KShs	KShs	KShs
Purchase of motor vehicles & other transport equipment				15,082,000	57,755,071
Purchase of office furniture & general equipment	4,341,558		4,341,558	6,960,652	26,028,795
Purchase of specialised equipment	54,075,728		54,075,728		54,075,728
Total	58,417,286		58,417,286	22,042,652	137,859,594

11.6 TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2021, we transferred funds to reporting government entities as shown below:

	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
K.M.T.C	49,440,000		49,440,000		566,967,150
Civil Registration Services Dept	43,762,450		43,762,450		43,762,450
Transfers to County Government		3,939,588,116	3,939,588,116	2,655,779,588	9,804,952,667
Kisumu County					20,159,586
Mombasa county					11,823,500
Embu County					13,743,329
Total	<u>93,202,450</u>	3,939,588,116	4,032,790,566	2,655,779,588	<u>10,461,408,682</u>

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

11.7 CASH AND CASH EQUIVALENTS

	2020/21 KShs	2019/20 KShs
Bank accounts (Note 8.8A)	328,091,857	676,903,328
TOTAL	<u>328,091,857</u>	<u>676,903,328</u>

The project has one project account maintained within the Ministry of Health and two foreign currency designated accounts managed by the National Treasury as listed below:

11.8 Bank Accounts

Project Bank Accounts

	2020/21	2019/20
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000308621]	6,513,156.17	4,312,432.65
Central Bank of Kenya [A/c No 1000308637]	3,251,761.08	3,458,047.24
Total Foreign Currency balances(USD)	<u>9,764,917.25</u>	<u>7,770,479.89</u>
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000313878.....]	328,091,857	676,903,328
Total local currency balances(KSHS)	328,091,857	676,903,328

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.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

Special Deposit Accounts Movement Schedule

	2020/21 USD	2019/20 USD
(i) A/C Name [A/c No 1000308637]		
Opening balance	3,458,047.24	3,220,824.56
Total amount deposited in the account	3,251,761.08	13,086,622.38
Total amount withdrawn (as per Statement of Receipts & Payments)	3,458,047.24	12,849,399.70
Closing balance (as per SDA bank account reconciliation attached)	<u>3,251,761.08</u>	<u>3,458,047.24</u>
(ii) A/c Name [A/c No 1000308621.....]		
Opening balance (as per the SDA reconciliation)	4,312,432.65	111,230.49
Total amount deposited in the account	38,491,897.35	31,148,193.73
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>36,291,173.83</u>	<u>26,946,991.57</u>
Closing balance (as per SDA bank account reconciliation attached)	6,513,156.17	4,312,432.65

11.9 OUTSTANDING IMPRESTS AND ADVANCES

DATE issued	PAYEE/Officers Name	Warrant no.	Due Date of Surrender	2020/21 AMOUNT(Kshs)	2019/20 AMOUNT(Kshs)
20/Jun/17	Gaudecia Mokaya	2856904	30/6/2017	1,774,900.00	1,774,900.00
					26,800.00
					16,800.00
					16,800.00
					42,000.00
					25,200.00
					31,000.00
	TOTAL			1,774,900.00	1,933,500.00

11.10 FUND BALANCE BROUGHT FORWARD

	2020/21 KShs	2019/20 KShs
Balance B/F	678,836,828	71,774,624
Surplus/Deficit	(348,970,071)	607,062,204
Balance c/d	329,866,757	678,836,828

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

12 OTHER IMPORTANT DISCLOSURE

12.1 PENDING BILLS

S/no	Name Supplier	Item description	Amount
1	Kenya Safari Lodges and Hotels-Mombasa Beach	Provision of Conference facility	620,000.00
2	Hotel Waterbuck	Provision of conference facility	489,900.00
3	Ibis Nyeri Limited	Provision of conference facility	69,000.00
4	Movenpick Caterers	Provision of catering package	23,250.00
5	Country view Hotel Ltd	Provision of conference facility	1,097,200.00
6	Eleon Inn Ltd	Provision of conference facility	49,500.00
7	Spicers (Eastern Africa) Limited	Provision of Service and repair of printing machine	114,000.00
8	Jumuia Conference and Beach Resort	Provision of conference package	295,000.00
9	Mr. Patrick Kituta	Consultancy service to undertake environmental and social impact assessment(ESIA)study	1,408,248.00
10	Mr. Crispine Ouma Nddeda	Consultancy to undertake formative assessment to scale-up implementation of Kangaroo Mother care in Kenya	1,440,000.00
11	Simba Corporation Ltd	Provision of major repair and Service for Vehicle Reg No. GK B 635 S	167,555
12	Silver Africa	Provision of return air tickets	228,120
13	Silver Africa	Provision of return air tickets	16,500
14	Silver Africa	Provision of return air tickets	551,686
15	Silver Africa	Provision of return air tickets	28,810
16	Silver Africa	Provision of return air tickets	28,810
17	Angelica Medical Services	Family Planning Commodities	29,297,631
	Total		35,925,210

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

13 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

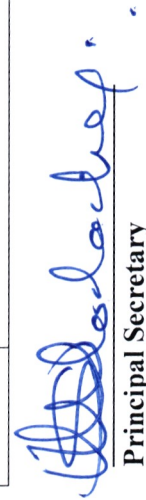
1	Outstanding Imprest an advances of Kshs 1,933,500	The outstanding imprests and advances for the previous year were surrendered except for Kshs 1,774,900 issued to Gaudecia Mokaya who is deceased .A letter has been written for recoveries to be made from her pension.	In progress	
2	Pending Bills	The pending bills amounting to Kshs 63,070,639 relates to lab equipment's bought on behalf of Lamu and Marsabit county which had not been fully delivered.Inaddition,there were some consultants who had not been defined in IFMIS and some catering service providers whose invoices were delivered towards the closure of the year.The pending bills have now been paid.	Resolved	
3	Purchase of goods and services	An amount of Kshs 304,160,118 was paid to KEMSA for the procurement of Covid related commodities which were procured using the direct procurement. This is because these were specialized commodities and were in high demand throughout the world and they were not readily available.	In Progress	
4	Budget control and Performance	The Budget was reviewed downwards since one of the supplier of Family Planning commodities was debarred by the World bank and it was not possible to source for a new supplier in good time.	Resolved	

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

Reports and Financial Statements

For the financial year ended June 30, 2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolve / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
5	Comingling of Funds	Due to the on-going challenges of transition between Nairobi County and Nairobi Metropolitan services, all transactions in the Special Purpose account have been stopped by the National Treasury until the stalemate is resolved.		In progress	
6	Irregular Procurement of Conference facilities in Kiambu County	The funds have been refunded in full.		Resolved	
7	Transfers to other Government Entities	Confirmation from the counties have been received and documents provided during the year under review.		Resolved	
8	Lack of Audit Committee Reports	The audit committee was not operational as the chairman of the committee had resigned but during the year under review, a new chairman has been appointed.		Resolved	


Principal Secretary


Project Manager


Dr. Isaac M. Mutahi

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Grants from external development partners	1,132,936,545	581,769,778	551,166,767	32%	The project utilized the unspent balances in the previous financial year
Loan from external development partners	4,194,492,640	4,066,691,319	127,801,321	97%	
Total Receipts	5,327,429,185	4,648,461,097	678,968,088	87%	
Payments					
Compensation of employees	10,000,000	8,139,813	1,860,187	81%	One of the co-ordinators was employed within the financial year
Purchase of goods and services	650,000,000	567,417,122	82,582,878	87%	The project utilized the unspent balances in the previous financial year .
Acquisition of non-financial assets	60,832,657	58,417,286	2,415,371	96%	
Transfers to Counties	4,259,596,528	4,032,790,565	226,805,963	95%	The difference is due to exchange loss as the loan was in US Dollars.
Direct payments	347,000,000	330,666,382	16,333,618	95%	Payments were made for the goods supplied.
Total Payments	5,327,429,185	4,997,431,168	329,998,017	94%	
Surplus/Deficit	-	(348,970,071)	348,970,071		

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2020 (a)	Purchases/Additions in the Year (KShs) 2021 (b)	Disposals in the Year (KShs) 2019 (c)	Closing Cost (KShs) 2021 (d) = (a) + (b) - (c)
Transport equipment	57,755,071			57,755,071
Office equipment, furniture and fittings	21,687,237	4,341,558		26,028,795
Purchase of specialised equipment		54,075,728		54,075,728
Total	<u>79,442,308</u>	58,417,286		<u>137,859,594</u>

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2021

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities (i)
- ii. Bank Reconciliations (ii)
- iii. Special Deposit Account statement(s) (iiia) and (iiib)

**TRANSFORMING HEALTH SYSTEMS
TRIAL BALANCE FOR THE YEAR ENDED 30TH JUNE 2021**

	DEBIT	CREDIT
BALANCES B/DOWN BANK		676,903,328
IMPREST		1,933,500
EXCHEQUER RECEIVED		378,206,600
COMPESATION OF EMPLOYEES	8,139,813	
Utilities, supplies and services	15,611,888	
Domestic travel and subsistence	120,897,649	
Training expenses	3,846,537	
Hospitality supplies and services	15,849,688	
communication	3,020,997	
Routine maintenance – vehicles and other transport eq	791,283	
Consultancy services: – Technical and professional se	123,859,765	
specialized materials	283,539,315	
Purchase of office furniture & general equipment	4,341,558	
purchase of specialized materials	54,075,728	
Transfers to government entities	93,202,450	
	727,176,671	1,057,043,428
Balance c/down :Bank	328,091,857	
:imprest	1,774,900	
	1,055,268,528	1,055,268,528

REPUBLIC OF KENYA							
MINISTRY OF HEALTH							
THIS							
BANK RECONCILIATION AS AT 30TH JUNE, 2021							
		Sh.	cts.	Sh.	cts.	Sh.	cts.
Balance as per Bank Statement				413,365,826.55			
Less							
1. Payments in cash book not yet recorded in Bank statement (unpresented Cheques)							
2. Receipts in Bank statement not yet recorded in Cash book.....				85,748,983.88			
Add							
3. Payments in Bank statement not yet recorded in Cash book.....							
4 Receipt in cash book not yet recorded in Bank statement				105,300.00			
Bank balance as per cash book				369,713.10			
Balance as per Bank Statement				328,091,856.67			
I certify that I have verified Bank balance in the cash book with the above reconciliation is correct.							

PAYMENTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT

PAYMENTS IN BANK STATEMENT NOT RECORDED IN CASHBOOK

DATE	TO WHOM PAID	DESCRIPTION OF PAYMENT	VOUCHER NUMBER	CASH	BANK	DATE	TO WHOM PAID	DESCRIPTION OF PAYMENT	BANK
30/06/2021	ScienceScope Limited	Payment	01215		23,939,090.75				
30/06/2021	Debra Limited	Payment	01214		17,261,826.95	10/06/2021	Wycliff Nyakundi		42,300.00
30/06/2021	ScienceScope Limited	Payment	01212		8,861,634.75	10/06/2021	Anne Ng'ang'a		63,000.00
30/06/2021	Cepeco Engineering LTD	Payment-CERC	01176		2,949,936.75				
30/06/2021	Countyview Hotel Ltd	Payment	01228		2,809,117.25				
30/06/2021	Allaken General Merchants	Payment	01213		2,633,793.10				
30/06/2021	Integrated Supplies And Consultancy	Payment-CERC	01177		1,563,568.95				
30/06/2021	Nifri Solutions	Payment	01221		1,258,574.75				
30/06/2021	Investure East Africa Ltd	Payment-CERC	01240		1,085,782.20				
30/06/2021	Perismal Agencies	Payment-CERC	01204		889,396.55		TOTAL		105,300.00
30/06/2021	Denpali Investments	Payment	01219		882,025.15				
30/06/2021	Kepra Electro World Services Ltd	Payment-CERC	01189		835,848.00				
30/06/2021	Epitome Technology	Payment	01188		814,485.80				
30/06/2021	Onmarc Digital Solutions	Payment-CERC	01202		687,537.95				
30/06/2021	HillCourt Resort And SPA LTD	Payment	01187		614,224.15				
30/06/2021	Citadel Men Outfitters	Payment-CERC	01207		591,620.70				
30/06/2021	Winstar Hotel Ltd	Payment	01179		577,862.05				
30/06/2021	Lake Naivasha Crescent Camp LTD	Payment	01192		574,913.80				
30/06/2021	Dianamat General Merchants	Payment	01241		550,344.85				
30/06/2021	Alnah Suppliers	Payment	01171		525,382.75				
30/06/2021	Mosaq Company	Payment	01234		497,275.85				
30/06/2021	Eton Holdings Ltd	Payment	01205		492,951.70				
30/06/2021	UltraLab E.A Limited	Payment	01198		447,042.15				
30/06/2021	Safari Ice Limited	Payment	01225		444,206.90				
30/06/2021	Rainers General Supplies	Payment	01232		433,887.95				
30/06/2021	HillCourt Resort And SPA LTD	Payment	01216		429,956.90				
30/06/2021	ScienceScope Limited	Payment-VAT	01215		419,984.05				
30/06/2021	Investure East Africa Ltd	Payment-CERC	01199		414,724.15				
30/06/2021	Eagle Palace Hotel	Payment	01200		407,550.00				
30/06/2021	Nutty Printers And General Suppliers	Payment	01233		380,818.95				
30/06/2021	Medswitch Limited	Payment-CERC	01206		380,470.10				
30/06/2021	Sunset Hotel Ltd	Payment	01162		348,879.30				
30/06/2021	Upscale Solutions Ltd	Payment	01209		314,482.75				
30/06/2021	Glojan Enterprises	Payment	01233		305,146.55				
30/06/2021	Debra Limited	Payment-VAT	01214		302,839.05				
30/06/2021	Countyview Hotel Ltd	Payment	01164		302,689.65				
30/06/2021	Countyview Hotel Ltd	Payment	01236		284,705.15				
30/06/2021	The Kyaka Hotel	Payment	01168		283,034.50				
30/06/2021	Trackim General Supplies	Payment	01174		277,629.30				
30/06/2021	67 Airport Hotel	Payment	01229		274,189.65				
30/06/2021	Amised Enterprises Limited	Payment	01201		270,258.60				
30/06/2021	Gelian Investment Ltd	Payment	01165		261,413.80				
30/06/2021	Sharosen Enterprises	Payment	01231		259,448.30				
30/06/2021	Eton Holdings Ltd	Payment	01180		258,111.70				
30/06/2021	Eagle Palace Hotel	Payment	01220		256,500.00				
30/06/2021	Golf Hotel Nakamega	Payment	01175		247,163.80				
30/06/2021	Midland Hotel	Payment	01203		245,296.55				
30/06/2021	The Kyaka Hotel	Payment	01190		224,068.95				
30/06/2021	Hotel WaterBuck LTD	Payment	01226		221,120.70				
30/06/2021	Attic Tours And Travels Ltd	Payment	01184		213,100.00				
30/06/2021	Fix It Investments	Payment	01194		211,863.10				
30/06/2021	Black Walton Inn	Payment	01172		210,212.05				
30/06/2021	Raigways Tyres and Automart	Payment	01235		207,853.45				
30/06/2021	Orivan Agencies	Payment	01222		197,436.20				
30/06/2021	Toyota Kenya Limited	Payment	01208		196,154.70				
30/06/2021	Peter Kanyari	Payment	01245		180,000.00				
30/06/2021	Monican Investments	Payment	01196		165,643.95				
30/06/2021	ScienceScope Limited	Payment-VAT	01212		155,467.25				
30/06/2021	Frimaq General Supplies	Payment	01242		155,087.15				
30/06/2021	Flight Center Travel Ltd	Payment	01191		152,000.00				
24/06/2021	Primate tours	Payment	01155		150,525.00				
30/06/2021	Safaricom Limited	Payment	01210		149,997.00				
30/06/2021	The Takeout Place	Payment	01217		147,060.00				
30/06/2021	Ibis Nyeri Ltd	Payment	01238		141,517.25				
30/06/2021	Tea Tot Hotel	Payment	01243		140,042.10				

30/06/2021	Flight Center Travel Ltd	Payment	01195		
30/06/2021	Asher Solutions	Payment	01170		132,200.00
30/06/2021	Stansco Agencies	Payment	01181		127,709.50
30/06/2021	Timothy Kerungo	Payment	01246		125,793.10
15/06/2021	PAYE-Salary June 2021	Payment	01098		120,000.00
30/06/2021	Primate tours	Payment	01185		115,141.75
30/06/2021	Safari Ice Limited	Payment	01244		103,600.00
30/06/2021	Primate tours	Payment	01183		102,206.90
30/06/2021	Greenbay Travel Limited	Payment	01169		100,440.00
30/06/2021	Shushan Palace Hotels	Payment	01211		89,400.00
30/06/2021	Patmut General Supplier	Payment	01173		81,850.00
30/06/2021	Isaac Kimani	Payment	01224		73,706.90
30/06/2021	Nancy Etiang'	Payment	01218		66,336.20
30/06/2021	Kiogora Gatimbu	Payment	01218		63,000.00
30/06/2021	Debra Kenyanya	Payment	01218		63,000.00
30/06/2021	Boniface Kimuyu	Payment	01218		63,000.00
30/06/2021	Grace Mainye	Payment	01218		63,000.00
30/06/2021	Catherine Ndiso	Payment	01218		63,000.00
30/06/2021	Amised Enterprises Limited	Payment	01239		63,000.00
30/06/2021	Lydia Mumbi Wanyoike	Payment	01218		54,051.70
30/06/2021	Cepco Engineering LTD	CERC VAT	01176		53,400.00
30/06/2021	The Takeout Place	Payment	01178		51,753.00
30/06/2021	Margaret Gitau	Payment	01218		50,616.00
30/06/2021	Tobias Outi Abonyo	Payment	01218		50,400.00
30/06/2021	Paul Kiproop Bartilol	Payment	01218		50,400.00
30/06/2021	Michael Deche Nyale	Payment	01218		50,400.00
30/06/2021	Caroline Ndung'u	Payment	01218		50,400.00
30/06/2021	Cyrus Muriithi	Payment	01218		50,400.00
30/06/2021	Maureen Khaniri	Payment	01218		50,400.00
30/06/2021	Benson Murimi	Payment	01218		50,400.00
30/06/2021	Francisca Tabu	Payment	01218		50,400.00
30/06/2021	Dorcas Mwanu	Payment	01218		50,400.00
30/06/2021	Timothy Muchiri Ruku	Payment	01218		50,400.00
30/06/2021	Joseph Ajowi	Payment	01218		50,400.00
30/06/2021	Grace Ndegwa	Payment	01218		50,400.00
30/06/2021	Eunice Chesire	Payment	01218		50,400.00
30/06/2021	Beatrice Rotich	Payment	01218		50,400.00
30/06/2021	Henry Nyakundi	Payment	01218		50,400.00
30/06/2021	Countyview Hotel Ltd	Payment-VAT	01228		50,400.00
30/06/2021	Allaken General Merchants	Payment-VAT	01213		49,282.75
30/06/2021	Flight Center Travel Ltd	Payment	01197		46,206.90
30/06/2021	Elphas Okwako Akulima	Payment	01218		36,200.00
30/06/2021	Yabesh Nyakundi	Payment	01218		29,400.00
30/06/2021	Integrated Supplies And Consultancy	Payment-CERC VAT	01177		27,431.05
30/06/2021	Flight Center Travel Ltd	Payment	01186		27,400.00
30/06/2021	African Eagle restaurant	Payment	01230		25,060.35
30/06/2021	Nifri Solutions	Payment-VAT	01221		22,080.25
30/06/2021	Investure East Africa Ltd	Payment-CERC VAT	01240		19,048.80
30/06/2021	Attic Tours And Travels Ltd	Payment	01167		17,800.00
30/06/2021	MovenPick Caterers Limited	Payment	01182		15,655.35
30/06/2021	Perisnal Agencies	Payment-CERC VAT	01204		15,603.45
30/06/2021	Kepra Electro World Services Ltd	Payment-CERC VAT	01189		14,664.00
30/06/2021	Epitome Technology	Payment-VAT	01188		14,289.20
30/06/2021	Denpah Investments	Payment-VAT	01219		12,474.15
30/06/2021	Onmare Digital Solutions	Payment-CERC VAT	01202		12,062.05
30/06/2021	HillCourt Resort And SPA LTD	Payment-VAT	01187		10,775.85
30/06/2021	Citadel Men Outfitters	Payment-CERC VAT	01207		10,379.30
30/06/2021	Winstar Hotel Ltd	Payment-VAT	01179		10,137.95
30/06/2021	Lake Naivasha Crescent Camp LTD	Payment-VAT	01192		10,086.20
30/06/2021	Dianamut General Merchants	Payment-VAT	01241		9,655.50
30/06/2021	Almah Suppliers	Payment-VAT	01171		9,217.25
30/06/2021	Mosq Companyy	Payment-VAT	01234		8,724.15
30/06/2021	Eton Holdings Ltd	Payment VAT	01205		8,648.30
30/06/2021	Nancy Etiang'	Payment	01237		7,897.93
30/06/2021	UltraLab E.A Limited	Payment-VAT	01198		7,842.85
30/06/2021	Safari Ice Limited	Payment-VAT	01225		7,793.10
30/06/2021	Rainners General Supplies	Payment-VAT	01232		7,612.05
30/06/2021	HillCourt Resort And SPA LTD	Payment-VAT	01216		7,543.10
30/06/2021	Investure East Africa Ltd	Payment-CERC VAT	01199		7,275.85
30/06/2021	Eagle Palace Hotel	Payment-VAT	01200		7,150.00
30/06/2021	Nutty Printers And General Suppliers	Payment-VAT	01233		6,681.05
30/06/2021	Medswitch Limited	Payment-CERC VAT	01206		6,674.90
30/06/2021	Sunset Hotel Ltd	Payment-VAT	01163		6,120.70
30/06/2021	Upscale Solutions Ltd	Payment-VAT	01209		5,517.25
30/06/2021	Glojan Enterprises	Payment-Vat	01223		5,353.45
30/06/2021	Countyview Hotel Ltd	Payment-VAT	01164		5,310.35
30/06/2021	Countyview Hotel Ltd	Payment-VAT	01236		4,994.85
30/06/2021	The Kyaka Hotel	Payment-VAT	01168		4,965.50
30/06/2021	Trackim General Supplies	Payment-VAT	01174		4,870.70
30/06/2021	67 Airport Hotel	Payment-VAT	01229		4,810.35
06/05/2021	Kyaka Hotel	VAT	01017		4,800.00
30/06/2021	Amised Enterprises Limited	Payment-VAT	01201		4,741.40
30/06/2021	Gelian Investment Ltd	Payment	01166		4,586.20
30/06/2021	Sharosen Enterprises	Payment-VAT	01231		4,551.70
30/06/2021	Eton Holdings Ltd	Payment-VAT	01180		4,528.30
30/06/2021	Eagle Palace Hotel	Payment-VAT	01220		4,500.00
30/06/2021	Golf Hotel Kakamega	Payment-VAT	01175		4,336.20

30/06/2021	Midland Hotel	Payment-VAT	01203		4,303.45
30/06/2021	The Kyaka Hotel	Payment-VAT	01190		3,931.05
30/06/2021	Hotel WaterBuck LTD	Payment-VAT	01226		3,879.30
30/06/2021	Fix It Investments	Payment-VAT	01194		3,716.90
30/06/2021	Izaak Walton Inn	Payment-VAT	01172		3,687.95
30/06/2021	Rajgwys Tyres and Automart	Payment-VAT	01235		3,646.55
30/06/2021	Orivan Agencies	Payment-VAT	01222		3,463.80
30/06/2021	Tovota Kenya Limited	Payment-VAT	01208		3,441.30
30/06/2021	Monican Investments	Payment-VAT	01196		2,906.05
30/06/2021	Frimaq General Supplies	Payment-VAT	01242		2,720.85
30/06/2021	The Takeout Place	Payment-VAT	01217		2,580.00
30/06/2021	Ibis Nyeri Ltd	Payment-VAT	01238		2,482.75
30/06/2021	Tea Tot Hotel	Payment-VAT	01243		2,456.90
30/06/2021	Asher Solutions	Payment-Vat	01170		2,240.50
30/06/2021	Stansco Agencies	Payment-Vat	01181		2,206.90
30/06/2021	Safari Ice Limited	Payment-VAT	01244		1,793.10
30/06/2021	Shushan Palace Hotels	Payment-VAT	01173		1,793.10
30/06/2021	Patmut General Supplier	Payment-VAT	01224		1,163.80
30/06/2021	Amised Enterprises Limited	Payment-VAT	01239		948.30
30/06/2021	The Takeout Place	Payment-VAT	01178		888.00
30/06/2021	African Eagle restaurant	Payment-VAT	01230		439.65
30/06/2021	MovenPick Caterers Limited	Payment-VAT	01182		274.65
	TOTALS				85,748,983.88

RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT

DATE	TO WHOM PAID	DESCRIPTION OF PAYMENT	VOUCHER NUMBER	CASH	BANK
29/06/2021	Susan Kariuki	Unspent Imprest			5,000.00
29/06/2021	Michael Nyale	Unspent Imprest			16,800.00
29/06/2021	Michael Nyale	Unspent Imprest			21,000.00
29/06/2021	Stansco Agencies	Bounced Payment			125,793.10
30/06/2021	Anne Ng'andu	Refund-Wrong payment			63,000.00
30/06/2021	Cyrus Mureithi	Unspent Imprest			138,120.00
	TOTALS				369,713.10

Prepared by
DORCAS MUKANU
Reviewed by
Caroline Mwangi
Approved By
Angelina Kabaca

Signature [Signature] Designation
Signature [Signature] Designation
Signature [Signature] Designation

Date 05/07/2021
Date 06/07/20
Date 06/07/20

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2021 ✓
Account No.	1000308621
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	TRANSFOR. H. SYTEMS-GR A TFOA2561 ✓
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2020 ✓ as per C.B.K. Ledger Account	4,312,432.65 ✓
Add:	
Total Amount deposited by World Bank	38,491,897.35 ✓
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	36,291,173.83 ✓
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2021 ✓	6,513,156.17 ✓

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE

22.07.2021

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE

30.07.2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2021, have been reconciled and a copy of the supporting Reconciliation Statement is attached.

