

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPER LAID

DATE: 23 SEP 2025

DAY.

Wednesday

OF

TABLED
BY:

Hon. Owen Bora, MP
Deputy Leader of Majority Party

CLERK-AT
THE-TABLE:

A. Simbuko

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**A CASE STUDY ON INTEGRATED DELIVERY
OF SELECTED NON-COMMUNICABLE
DISEASES IN KENYA
(PHGF GRANT NO. TFOA5636)**

**FOR THE YEAR ENDED
30 JUNE, 2025**

MOI TEACHING AND REFERRAL HOSPITAL

An ISO 9001:2015 Certified Hospital



MOI TEACHING AND REFERRAL HOSPITAL

A CASE STUDY ON INTEGRATED DELIVERY OF SELECTED NON-COMMUNICABLE
DISEASES IN KENYA

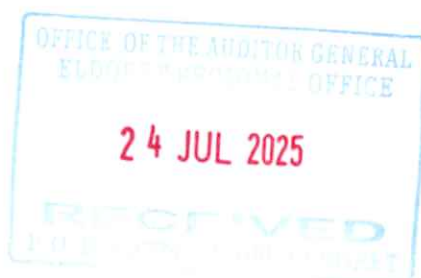
PHGF Grant No. TFOA5636

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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



***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

| Table Contents | Page |
|---|-------------|
| 1. Acronyms and Glossary of Terms | ii |
| 2. Project Information and Overall Performance | iii |
| 3. Statement of Performance against Project's Predetermined Objectives | xii |
| 4. Environmental and Sustainability reporting | xvi |
| 5. Statement of Project Management responsibilities | xxii |
| 6. Report of the Independent Auditor on Financial Statements for A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya. | xxv |
| 7. Statement of Financial Performance for the Year Ended 30th June 2025. | 1 |
| 8. Statement of Financial Position as at 30 th June 2025 | 2 |
| 9. Statement of Changes in Net Assets | 3 |
| 10. Statement of Cashflow for the year ended 30 th June 2025 | 4 |
| 11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025 | 5 |
| 12. Notes to the Financial Statements | 7 |
| 13. Annexes | 29 |

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. |
| MTRH | Moi Teaching & Referral Hospital |
| NCDs | Non-Communicable Diseases |
| MOH | Ministry of Health |
| RFPs | Revolving Fund Pharmacies |
| PIC4C | Primary-Health Integrated Care Project for Four Chronic Diseases |
| AMPATH | Academic Model Providing Access To Healthcare |
| KHIS | Kenya Health Information System |
| LEEP | Loop Electrosurgical Excision Procedure |
| RSPO | Research Sponsored Projects Office |
| ISMS | Information Security Management System |
| OHS | Occupational Health and Safety |

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya.

Objective

The key objective of the project was to implement and evaluate a pilot program for prevention and management of selected non-communicable diseases (NCDs) at the community and primary care levels complemented by cost effective referral linkages in selected Counties that can inform the national scale-up.

Address

The project headquarters offices are in Eldoret City, Uasin Gishu County, Kenya.

The address of its registered office is:

Moi Teaching & Referral Hospital,
Nandi Road
P. O. Box 3 – 30100,
ELDORET

Contacts: The following are the project contacts

P.O. Box: 3, 30100 - Eldoret

Telephone: (254) 722-201277, (254) 722 209795, 053-2033471/2/3/4

Fax: 053-2061749

E-mail: ceo@mtrh.go.ke

Website: www.mtrh.go.ke

Project information and overall performance (continued)

2.2 Project Information

| | |
|---------------------|---|
| Project Start Date: | The project start date is 28th February, 2018 |
| Project End Date: | The project end date is 31st January, 2022. |
| Project Manager: | Mr. Obed Limo |
| Project Sponsor: | World Bank |

2.3 Project Overview

| | |
|--|--|
| Line Ministry/State Department of the project | The project is under the supervision of the Ministry of Health. |
| Project number | PHGF Grant No. TFOA5636 |
| Strategic goals of the project | <p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) To implement and evaluate a pilot programme for prevention and management of selected NCDs at community and primary care levels complemented by cost effective referral linkages in two counties of Kenya. (ii) The proposed RETF (Recipient Executed Trust Fund) will support the Government of Kenya to develop and pilot models of integrated NCD care at community and primary care level in selected counties that can inform National scale up. |
| 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) Conducting a baseline and end line survey (ii) Health Education and screening (iii) Treatment/ Clinics (iv) Training and Mentorship (v) Supply Chain strengthening (vi) Health Records and Information strengthening (vii) Equipping care system (viii) Patient support groups (ix) Leadership engagement |

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

| | |
|--|--|
| <p>Other important background information of the project</p> | <p>The PIC4C project was a Ministry of Health (MOH) Project implemented by Moi Teaching and Referral Hospital through AMPATH. PIC4C Project was supported by the World Bank under the “A Case Study on Integrated Delivery of Selected Non-Communicable Diseases (NCDs) in Kenya” project.</p> <p>It was designed to address the ongoing challenges of accessing NCD care in Kenya. As such, it tapped into existing health care system and utilised MOH tools to build capacities of the site counties to offer care for the select chronic conditions. The project sites in Busia and Trans Nzoia Counties targeted primary health facilities as immediate level of care for linking patients with extensive involvement of Community Health Volunteers. At all levels of implementation, the County health management was involved.</p> <p>Led by the MOH, dissemination of the findings of the pilot was done among stakeholders in non-communicable diseases space.</p> |
| <p>Areas that the project was formed to intervene</p> | <p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> (i) Given the growing burden of NCDs in Kenya and its importance in causing premature mortality and the possibility of its prevention and control. Most NCD services were deferred to specialists at secondary and tertiary centers rather than PHC level which is usually the first point of contact. Previous projects had been limited to small pilots in counties whose implementation was very pragmatic without rigorous documentation of processes, challenges and costs. (ii) PIC4C Project focused on the following NCDs: hypertension, diabetes, breast cancer and cervical cancer. These conditions were chosen due to their high prevalence, but also the significant morbidity and mortality that can be averted through upstream intervention. |
| <p>Project duration</p> | <p>The project started on 28th February, 2018 to end 31st March, 2020. This was extended to 31st January, 2022</p> |

Project information and overall performance (continued)

2.4 Bankers

The following are the bankers for the project:

- i) Kenya Commercial Bank Limited
Moi Referral Hospital Branch
P. O. Box 5197 – 30100,
ELDORET
- ii) Central Bank of Kenya

2.5 Independent Auditor

The project is audited by the Office of the Auditor General.

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P. O. Box 30084 - 00100
NAIROBI, KENYA

Project information and overall performance (continued)

2.6 Roles and Responsibilities

| Names | Title designation | Key qualification | Responsibilities |
|----------------------------------|---|--|---|
| Dr. Philip K. Kirwa | Chief Executive Officer, MTRH | M.Med in Obs-Gynae, (UoN), MBChB (UON), Fellow – East, Central and Southern Africa College of Obstetrics and Gynaecology (ECSACOG), Strategic Leadership Development Programme (KSG), Senior Management Course (KSG) and Certified Mediator, (MTIP). | Accounting Officer, CEO |
| Mr. Mathews Birgen | Director, Finance MTRH | MBA Finance (MU), BCOM (UON), CPA(K) | Director, Finance |
| Dr. Jemimah Kamano 0719824277 | Principal Investigator | MBChB, MMED | Overall project implementation |
| Obed Limo 0722610831 | Project Manager | Masters of science in Global Health | Overall supervision of project Activities |
| Kenneth Too 0725477354 | Data Manager | Bachelor’s degree in mathematics and statistics | In charge of data management in the project |
| Lilian Lusimbo 0728421025 | Support Group Coordinator/ Administrator | Bachelor’s Degree in Commerce, Marketing Option (CUEA) | Supervision of support Group activities and administration work |
| Siza Wanyela 0720677689 | Project Accountant | MSc, Finance & Accounting (JKUAT), BCOM (CUEA), CPA(K) | Project Accountant |

Project information and overall performance (continued)

2.7 Funding summary

The Project was for a duration of 4 years from 28th February, 2018 to 31st January, 2022 with an approved budget of US\$ 2,500,000 equivalent to Kshs. 267,389,977 using an average rate of \$1/106.956 as highlighted in the table below

Below is the funding summary:

A. Source of Funds

| Source of funds | Development Partner Commitment | | Amount received to date – (30 th June 2025) | | Undrawn balance to date | |
|------------------|--------------------------------|--------------------|--|--------------------|------------------------------|------------------|
| | Development Partner currency | Kshs | Development Partner currency | Kshs | Development Partner currency | Kshs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A')-(B') |
| (i) Grant | | | | | | |
| World Bank | \$2,500,000 | 267,389,977 | \$2,478,225 | 265,071,011 | \$21,699 | 2,318,966 |
| Total | \$2,500,000 | 267,389,977 | \$2,478,225 | 265,071,011 | \$21,699 | 2,318,966 |

B. Application of Funds

| Application of funds | Amount received to date – (30 th June 2025) | | Cumulative amount paid to date – (30 th June 2025) | | Unutilised balance to date (30 th June 2025) | |
|----------------------|--|-------------|---|-------------|---|-----------|
| | Development Partner currency | Kshs | Development Partner currency | Kshs | Development Partner currency | Kshs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A')-(B') |
| (i) Grant | | | | | | |
| World Bank | \$2,478,225 | 265,071,011 | \$2,478,225 | 265,071,011 | \$21,699 | 2,318,966 |
| | | | | | | |

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

There was no budget for this financial year.

Physical progress based on outputs, outcomes and impacts since project commencement.

The project PIC4C was engaged in active health education, community and healthcare facilities-based screening for the four conditions (hypertension, diabetes, Cervical and breast cancer) with those positively screened being linked to primary care MOH facilities for management, referral and follow up. Mentorship to MOH healthcare workers by specialists was done, consequently all the selected 73 facilities clinics empowered to run independently. Health records and information systems were strengthened and data tools distributed to all project sites with periodic data quality audits and data reviews conducted by relevant county teams. Currently all the 73(100%) facilities are able report the select NCD activities in the national Kenya Health Information system (KHIS).

To ensure reliable access to important medicines and supplies for patients, the county supply chain was supported through Revolving Fund Pharmacies (RFPs) which achieved 93% drug availability for diabetes and hypertension and basic screening commodities like glucose strips.

To reduce out of pocket expenditure NHIF advocacy was conducted where 2,483 patients were enrolled to join support groups. This has increased uptake of NHIF. To improve funding for NCDs both counties managed to ring fence healthy revenue from the facilities through passing of legislation dubbed facility improvement funds.

To improve access to services and sustainability, the project also equipped facilities with essential screening supplies and equipment. Notably equipment such as two ultrasound machines, biopsy guns, three Electrocardiograms, two Loop Electrosurgical Excision Procedure (LEEP) and three Glycated haemoglobin machines that required massive capital outlay were procured and distributed to the counties. Through consistent county engagement five (5) project staff were absorbed by the Counties to continue the NCD services also as part of honouring the MOU entered between them, MTRH and MOH. Dissemination of lessons and experiences of the pilot has been done where eight (8) publications, four (4) reports and six (6) abstracts presented in different conferences, locally and internationally. During the financial year ended June 2023, 3 abstracts, 2 additional papers, and 1 national report were published.

Project information and overall performance (continued)

Absorption rate for each year

2019/2020 – 46%

2020/2021 – 54%

2021/2022-98%

2.9 Summary of Project Compliance:

There were no cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The pilot program was intended to systematically implement an integrated NCD model through the following steps:

1. Conduct a baseline needs assessment (quantitative and qualitative)
2. Implement a pilot to address needs
3. Evaluate implementation approaches
4. Conduct a costing evaluation

The key development objectives of the project's 2018-2022 plan were all achieved by the financial year ended 30th June 2022 as per the previous report.

Progress on attainment of strategic development objectives

The key purpose of the project was to inform policy and practice both locally and internationally. In the financial year ended June 2023, the project published 2 additional papers, presented 3 abstracts in different scientific conferences and together with the MoH, published the official project report, **see attached report (Annex 4)**. Additionally, through other support, a policy dialogue was conducted and 2 policy briefs developed.

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

| Project | Objective | Outcome | Indicator | Performance |
|-----------------|---|--|--|--|
| Base line Study | To conduct baseline to explore perceived barriers and facilitators to prevention and management of NCDs | Gaps in prevention and management of NCDs were identified e.g. risk factors, knowledge of health providers, equipment etc. | Baseline and end line dissemination report, there was a significant decrease in risky behaviour in terms of consumption of salt, alcohol and cigarette smoking in the two counties, increase in knowledge on causes and risk factors amongst community members. However, the duration of implementation before endline was too short to impact prevalence of disease with increase in obesity in both counties and an increase in both hypertension (23.55 to 29.4%) and diabetes prevalence (1.7% to 3.7%) in Busia noted. The prevalence of Diabetes increased marginally (1.9 to 2.0%) and hypertension decreased (34.6 to 25.5%) while that of pre-hypertension increased in Trans-Nzoia | The county management were able to identify the gaps in the NCD space and increased uptake of contextualised interventions |

| Project | Objective | Outcome | Indicator | Performance |
|---------------------------------------|--|---|---|---|
| Implementation of the NCD pilot model | To implement breast cancer within primary care setting | Integrated diabetes education, screening, referral and management of patients. -Supply chain strengthening, Training-Health records system strengthening, -Patient support groups | -Carried out health education, referral screening, referral (DM), hypertension (HTN), Cervical & breast cancer within primary care setting | |
| | | | Screening <ul style="list-style-type: none"> Hypertension -185,265 Diabetes-93,665 Breast Cancer-20,526 Cervical Cancer-24,015 | <ul style="list-style-type: none"> HTN-110.6% DM-111.4% |
| | | | Patients in Care <ul style="list-style-type: none"> Hypertension -17,733 Diabetes-6,783 | <ul style="list-style-type: none"> BC-81% |
| | | | Training <ul style="list-style-type: none"> Diabetes and hypertension – 254 Breast and Cervical Cancer – 204 Mental health – 34 CHVs-1130 | <ul style="list-style-type: none"> 121% increase in care service points 293% increase in patients in care |
| | | | Equipping facilities for care <ul style="list-style-type: none"> 73 facilities equipped with screening supplies and equipment for the select conditions 2 Ultrasound, 3 ECG& 3 HBAlC 2, LEFP machine | <ul style="list-style-type: none"> 143% increase in screening service points 461% increase in facilities |
| | | | Health Records Strengthening <ul style="list-style-type: none"> 73 Facilities supplied and trained on MOH tools for the 4 conditions Healthcare providers trained in Health Records-197 | <ul style="list-style-type: none"> 100% reporting in KHIS |
| | | | Supply Chain strengthening <ul style="list-style-type: none"> Facility Boards and committees - 552 12 Revolving Fund Pharmacies (RFP's) and 61 mini-RFPs established | <ul style="list-style-type: none"> 92.8% DM&HTN drug availability attained |
| | | | Support Group <ul style="list-style-type: none"> 119 groups formed | <ul style="list-style-type: none"> Enrolled 2483 Patients |

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

| Project | Objective | Outcome | Indicator | Performance |
|--------------------|---|---|--|--|
| Process Evaluation | To evaluate the effectiveness of the integrated chronic care model for hypertension, diabetes, cervical and breast cancers within primary health care setting | Data collection on patient feedback reports, random test for clinicians & Community Health Promoters, client reception and vital signs, education and screening observation check list completed, meetings. | All the data sets complete, cleaned and analysed and reported Data sets stored in project drop box. | 100 % target achieved in data collection Data analysed showed improved knowledge of the conditions improved in the community Health workers attitude to the conditions significantly increased |
| Policy Shaping | To shape policy and practice towards integrated care for NCDS | Policy briefs, publications and abstract presentations | Number of publications (7) policy briefs (2) and abstracts presented (7). | 100% target met |

Key: *NCD- Non Communicable Diseases, DM- Diabetes, HTN- Hypertension, AMRS- AMPATH Medical Records System*

4. Environmental and Sustainability reporting

Moi Teaching and Referral Hospital (MTRH) is a National/International Teaching and Referral Hospital offering Outpatient, Inpatient, and Specialized healthcare services. MTRH is also the Teaching Hospital for Moi University College of Health Sciences that trains both Undergraduate Medical Students and several Masters in Medicine Specialist program. MTRH continuously works towards generating new knowledge by closely working with the Moi University College of Health Sciences and other collaborators. These research efforts have informed policy in areas such as HIV, Chronic Disease Management and Oncology. It also provides innovative approaches to delivery of quality healthcare.

PIC4C project implemented by MTRH target was education and screening for non-communicable diseases (NCDs) for early detection and intervention in Busia and Trans Nzoia Counties.

The Hospital has also adopted modern medical waste management practice that utilizes Microwave technology which is environmentally friendly and safe to the operators.

Below is a brief highlight of our activities that drive towards sustainability.

i. Sustainability strategy and profile

The PIC4C model was designed to improve access and coverage of services by tapping into existing MOH systems at the County level. To foster ownership and sustainability strong commitment and ownership at the county level and the MTRH/AMPATH team was demonstrated through constant and continuous engagement guided by the Project Advisory Committee drawn from MOH, MTRH and Moi University.

The implementation of the integration of NCD services in the primary care level was one of the priority actions identified by the government and the alignment with Government priorities helped to secure ownership at the MOH level. The involvement of national and local stakeholders including communities (including patient support groups) succeeded in implementing the NCD activities and could contribute significantly to maintain efforts and move forward to provide sustainable integration of NCD services.

The government is committed in moving the integration of NCD services in UHC agenda. Given the relatively short duration of implementation, consolidating gains will be needed through strengthened institutional capacity with the government and all stakeholders.

ii. Environmental performance

The project adopted the existing counties health facility infection prevention and control measures and healthcare waste management systems in handling, treatment and disposal of the healthcare waste generated during implementation of project activities such as use of appropriate healthcare waste segregation practices. During the break out of COVID-19 pandemic, the project put in place measures to mitigate risks related to COVID-19 including training of community healthcare promoters on GoK MoH COVID -19 protocols. During community screenings, the community health promoters were provided with face masks, sanitizers, thermo-guns, hand washing points are set up at each screening station and safety boxes provided for proper handling of medical waste.

There is need by the counties to invest in incinerators or burning chambers where appropriate so that waste generated in the facilities and disposed without being transported to far facilities for disposal.

iii. Employee welfare

AMPATH establishment has a sound Human Resource Management which is very key in effective operations for every institution. This is both supportive and protective to the people behind research. AMPATH Program while discharging its mandate takes a lot of cognizance of the contributions made by its Human Resources. Therefore, it has a framework to secure their commitment and retention by providing a conducive work environment through standardization of policies and procedures which guides and governs operations within AMPATH establishment.

AMPATH recognizes that, in addition to offering pay benefits, and a healthy working environment to employees, their emotional and social needs should also be catered for as they discharge their duties. Therefore, AMPATH management undertake social responsibility to promote welfare amongst its employees and ensures pursuance of a policies that addresses the various social and health challenges confronting employees in the workplace.

On hiring policies guiding the process and whether they take to account the gender ratio, we are guided by AMPATH Human Resource and Procedures Manual section two (2) under staff Planning, Recruitment, Selection and Placement. The document highlights our process flows which has always been administered and followed to the later and even periodically audited for compliance and some more improvements as required to the best HR practice. Our policies take in the stakeholder's engagement which appreciates our core values for the commitment to the tripartite academic mission: care, training and research coupled with mutual trust, respect and benefit.

Our policies are improved periodically to keep a breast with the changing labour market and other governing legislations. Currently we are on the progress of AMPATH Manual reviews under every department which shall be presented to the AMPATH Executive Committee in few weeks to come.

For improving skills and managing careers, AMPATH is guided by the HR Policies and Procedures Manual in section four (4) for training and governed by AMPATH scheme of service on career management.

In section ten (10) of AMPATH HR Policies and Procedures Manual, we are well guided on matters of Health, Safety and Welfare in compliance with Occupational Safety and Health Act,2007. We have an active Occupational Health and Safety Committee which oversees and ensure safety management at AMPATH as required. During the Month of October 2021, we had a combined safety audits on Quality, ISMS and OHS respectively.

Employee welfare is all about people management that is aimed at both staff and organization excellence in ensuring understanding of people's basic needs and behaviour in workplace. To get the best out of people who work with focus, transformative HR must take the practice of effective talent management to this new

arena of emerging issues that demands for better HR practice for an organization to survive.

In support of this report, all guiding policies and other necessary documentations are available and can be accessed through the Head of RSPO.

iv. Market place practices-

a) Responsible Supply chain and supplier relations-

1. Compliance:

The Moi Teaching and Referral Hospital Supply Chain processes are governed by the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Asset Disposal Regulations, 2020. This ensures that the Institution promotes competition, fairness, integrity, openness, transparency, accountability in a bid to gain and increase public confidence as is best practice.

2. Reporting:

The Institution reports to the Public Procurement Regulatory Authority who are mandated to monitor the application of the Procurement laws, rules, regulations, policies and procedures in respect of, or relating to public procurement. This is in line with the PPRA Circular No. 01/2016 of 16th December, 2016.

3. Institutional Policy and Procedures:

The Institution has Internal Standard Operating Policies and Procedures that highlights the expected timelines for Internal Processes which aims at reducing turnaround times. This improved service delivery and client satisfaction

b) Responsible ethical practices

Efforts to maintain ethical and anti- corruption practices and responsible political involvement.

1. The Institutions Corporate Service Delivery Charter which is visible to both staff and clients shares the necessary avenues to report to in case of a breach of poor

ethical behaviour. The avenues include reporting to the Hospital Management and/or the Commission on Administrative Justice.

2. Staff involved in Supply Chain Processes are required to adhere to a code of conduct that sets out values and clear guidance on expected behaviour and the breach thereof. This is in line with section 181 of the Public Procurement and Asset Disposal Act, 2015.
3. Potential Bidders are required to declare that they will not engage in corruption by sharing a sworn affidavit. Failure to this can form grounds for debarment during the bidding process. This is in line with section 52 of the Public Procurement and Asset Disposal Act, 2015.
4. Section 66 of the Public Procurement and Asset Disposal Act, 2015 which is the Legal Framework that governs the Institution clearly highlights that corrupt, coercive, obstructive, collusive, fraudulent practices and conflict of interest by either staff or potential bidders are an offence. This promotes staff personal and Institutional integrity as well as zero tolerance to corruption and corrupt practices

c) Regulatory impact assessment

We adhere to citizens and stakeholders' rights through implementation of annual citizen's service charters and customer satisfaction surveys.

v. Community Engagements

The Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya Project (PIC4C) was a Ministry of Health Project supported by World Bank piloting an integrated care for Hypertension, Diabetes, Cervical and Breast cancer at the primary care level. The project sites were Trans-Nzoia and Busia Counties with 33 and 40 health facilities respectively. The project focused on the design, execution and systematic monitoring of a pilot program for screening, early detection and treatment of the selected Four NCDs. This was done in the community and primary care levels complemented by cost effective referral linkages. The project led to the production of a model of care that is scalable and sustainable. It also ended with a full government report

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

that compiled all the tools developed and lessons learnt making it easy for other counties to access and apply these to scale up the community impact.

Lastly, one of the policy brief emanating from this work directly touched on community-based screening to allow access to early diagnosis.

5. Statement of Project Management responsibilities

The Chief Executive Officer of Moi Teaching and Referral Hospital and the Principal Investigator of The Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya 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, 2025.

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 Chief Executive Officer of Moi Teaching and Referral Hospital and the Principal Investigator of the Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer of Moi Teaching and Referral Hospital and the Principal Investigator of the Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya 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/period ended June 30, 2025, and of the Project's financial position as at that date. The Chief Executive Officer of Moi Teaching and Referral Hospital and the Principal Investigator of the Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya 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.

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

The Chief Executive Officer of Moi Teaching and Referral Hospital and the Principal Investigator of the Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya 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/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Approval of the Project Financial Statements

The Project financial statements were approved by the Chief Executive Officer of Moi Teaching and Referral Hospital and the Principal Investigator of the Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya on _____ 2025 and signed by:



Dr. Phillip K. Kirwa
CHIEF EXECUTIVE OFFICER



Dr. Jemimah Kamano
PRINCIPAL INVESTIGATOR



Mathews Birgen
ICPAK No: 3915
DIRECTOR FINANCE

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON A CASE STUDY ON INTEGRATED DELIVERY OF SELECTED NON-COMMUNICABLE DISEASES IN KENYA (PHGF GRANT NO. TFOA5636) FOR THE YEAR ENDED 30 JUNE, 2025 - MOI TEACHING AND REFERRAL HOSPITAL

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

The three parts of the report 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 ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya - Moi Teaching and Referral

Report of the Auditor-General on A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya (PHGF Grant No. TFOA5636) for the year ended 30 June, 2025 - Moi Teaching and Referral Hospital

Hospital set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya - Moi Teaching and Referral Hospital as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Financing Agreement No. PHGF Grant No.TF0A5636 dated 12 September, 2017 between the Republic of Kenya and International Bank for Reconstruction and Development/International Development Association and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya - Moi Teaching and Referral Hospital Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xxiv which comprise of Project Information and Overall Performance, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya - Moi Teaching and Referral Hospital's financial statements, my responsibility is to read the other information and in doing so, consider

whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Undrawn Project Funds

As previously reported, A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya Project was a Ministry of Health Project supported by World Bank piloting an integrated care for Hypertension, Diabetes, Cervical and Breast Cancer at the primary care level in the Counties of Trans-Nzoia and Busia. The Project was for a duration of four (4) years from 28 February, 2018 to 31 January, 2022 with an approved budget of USD.2,500,000 equivalent to Kshs.267,389,977.

Review of records and funding summary as at 30 June, 2025 revealed development partner commitment of USD.2,500,000 (approximately Kshs.267,389,977) and amount received by project as at 30 June, 2025 was USD.2,478,301 equivalent to Kshs.265,071,011 leaving a balance of USD.21,699 equivalent to Kshs.2,318,966 as undrawn by the project.

Review of correspondences indicate that World Bank, through its Project team leader, Kenya Country Office wrote an unreferenced letter to the Management of the Project on 18 January, 2024 acknowledging the closure of the project. In the letter, the Bank also requested the Project Management to report on whether the balance of Kshs.2,318,966 was disbursed. It remains unclear whether the Project Management reverted back to the Bank on the status of the undisbursed balance. In addition, it is not clear whether the Project is officially closed.

In the circumstances, the undrawn balance of USD.21,699 equivalent to Kshs.2,318,966 may have hindered the Project's ability to discharge its obligations.

2. Non-Compliance with the Public Sector Accounting Standards Board Approved Reporting Template

Review of prior year financial statements revealed pending payables balance of Kshs.2,318,966 which have not been disclosed in the statement of financial position opening balance as required by the Public Sector Accounting Standard Board (PSASB) reporting template for June, 2025. The balance relate to unpaid monthly salaries for the project staff for a period of six (6) months from August, 2021 to February, 2022. As at the time of conducting the audit in September, 2024, the bills had been pending for over twenty six (26) months contrary to Section 18(2) of the Employment Act, 2007 which states that : Subject to Sub-Section (1), wages or salaries shall be deemed to be due - (a) in the case of a casual employee, at the end of the day; (b) in the case of an employee employed for a period of more than a day but not exceeding one month, at the end of that period, (c) in the case of an employee employed for a period exceeding one month, at the end of each month or part thereof; (d) in the case of an employee employed for an indefinite period or on a journey, at the expiration of each month or of such period, whichever date is the earlier, and on the completion of the journey, respectively.

Further, the project management risks making nugatory payments arising from legal suits from employees for non-payment of their legally earned salaries and wages. In addition, non-payment or delayed payment of staff salaries and wages may damage the reputation of the Hospital and erode public trust in the Hospital.

In the circumstances, the Project Management was in breach of the PSASB guidelines.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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 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.

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 (Accrual Basis) and for maintaining effective internal controls 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 its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

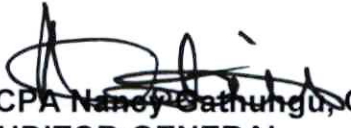
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 September, 2025


7. Statement of Financial Performance for the Year Ended 30th June 2025.


| | Notes | 2024-2025 |
|--|-------|-----------|
| | | Kshs |
| Revenue | | |
| Revenue Transfers | 6 | - |
| Miscellaneous Revenue | 7 | - |
| Total revenue | | - |
| | | |
| Expenses | | |
| Employee costs | 8 | - |
| Use of goods and services | 9 | - |
| Depreciation and amortization expense | 10 | - |
| Transfer to other Government Entities | 11 | - |
| Other Transfers/Subsidies/Grants | 12 | - |
| Certified Works | 13 | - |
| Total expenses | | - |
| Other gains/(losses) | | |
| Gain/Loss on sale of assets | 14 | - |
| Gain/Loss on foreign exchange transactions | 15 | - |
| Impairment loss | 16 | - |
| Surplus/ (deficit) | | - |

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


 Dr. Phillip K. Kirwa
CHIEF EXECUTIVE OFFICER




 Dr. Jemimah Kamano
PRINCIPAL INVESTIGATOR


 Mathews Birgen
ICPAK No: 3915
DIRECTOR, FINANCE

8. Statement of Financial Position as at 30th June 2025

| | Note | 2024-2025 | 1 st July 2024 |
|----------------------------------|------|-----------|---------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 17 | - | - |
| Receivables | 18 | - | - |
| Inventories | 19 | - | - |
| Prepayment | 20 | - | - |
| Total Current Assets | | - | - |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 21 | - | - |
| Intangible Assets | 22 | - | - |
| Total Non- Current Assets | | - | - |
| Total Assets (a) | | - | - |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 23 | - | - |
| Third Party Deposits | 24 | - | - |
| Deferred Income | 25 | - | - |
| Total Current Liabilities | | - | - |
| Total Liabilities (b) | | - | - |
| Net Assets (a-b) | | - | - |
| Represented By: | | | |
| Accumulated Surplus | | - | - |
| Total Net Assets | | - | - |

The financial statements were approved on 24th July 2025 and signed by:




Dr. Phillip K. Kirwa
CHIEF EXECUTIVE OFFICER



Dr. Jemimah Kamano
PRINCIPAL INVESTIGATOR




Mathews Birgen
ICPAK No: 3915
DIRECTOR, FINANCE

9. Statement of Changes in Net Assets

| Description | Accumulated Surplus |
|---|---------------------|
| | Kshs |
| As at 30th June 2024 (Cash Basis) | - |
| Adjustments: | |
| Asset Recognition | - |
| Liabilities recognition | - |
| As at 1st July 2024 | - |
| Surplus/(Deficit) for the year | - |
| As at 30th June 2025 | - |

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

The financial statements were approved on 24th July 2025 and signed by:



Dr. Phillip K. Kirwa
CHIEF EXECUTIVE OFFICER




Dr. Jemimah Kamano
PRINCIPAL INVESTIGATOR



Mathews Birgen
ICPAK No: 3915
DIRECTOR, FINANCE

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

| Description | Note | 2024-2025 |
|---|-----------|-----------|
| | | Kshs |
| Cashflow from operating activities | | |
| Receipts | | |
| Revenue Transfers | | - |
| Miscellaneous Revenue | | - |
| Total receipts | | - |
| Payments | | |
| Employee costs | | - |
| Use of goods and services | | - |
| Transfer to other Government Entities | | - |
| Other Transfers/Subsidies/Grants | | - |
| Certified Works | | - |
| Total payments | | - |
| Net cash flow from operating activities | 26 | - |
| Cashflow from investing activities | | |
| Acquisition of non-financial assets | | (-) |
| Proceeds from sale of Assets | | - |
| Acquisition of Intangible assets | | (-) |
| Net cash flows from investing activities | | - |
| Cash flow from financing activities | | |
| <i>Specify the activity</i> | | - |
| Net cash flow from financing activities | | - |
| Net increase/Decrease in cash and cash equivalents | | - |
| Cash and cash equivalent at 1st July 2024 | 17 | - |
| Cash and cash equivalent at end June 2025 | 17 | - |

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

| Receipts/Payments Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Budget Carry Overs from previous periods | - | - | - | - | - | - |
| Receipts | | | | | | |
| Revenue Transfers | - | - | - | - | - | - |
| Miscellaneous Revenue | - | - | - | - | - | - |
| Total Revenue | - | - | - | - | - | - |
| Payments | | | | | | |
| Employee costs | - | - | - | - | - | - |
| Use of goods and services | - | - | - | - | - | - |
| Transfer to other Government Entities | - | - | - | - | - | - |
| Other Transfers/Subsidies/Grants | - | - | - | - | - | - |
| Certified Works | - | - | - | - | - | - |
| Total Payments | - | - | - | - | - | - |
| Surplus | - | - | - | - | - | - |

Budget Reconciliation

| | Description of Particulars | Amount in Kshs |
|---|---|----------------|
| | Actual Surplus Amounts as per the statement of Budget | - |
| 1 | Reason for differences | - |
| 2 | Reason for differences | - |
| 3 | Reason for differences | - |
| 4 | Reason for differences | - |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | - |

[Faint, illegible text, possibly a stamp or signature]

12. Notes to the Financial Statements

1. General Information

Moi Teaching and Referral Hospital is established by and derives its authority and accountability from Legal Notice Number 78 of 12th June, 1998 under State Corporations Act, Cap 446 Laws of Kenya; updated/ amended through Legal Notice Number 56 of 18th April, 2002 and Legal Notice Number 40 of 1st March, 2021. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is a teaching and research hospital.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS) and the entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st/ 2nd/ 3rd/year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

These financial statements were authorized for issue by the accounting officer on



3. Adoption of New and Revised Standards

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

| Standard | Effective date and impact: |
|--|--|
| IPSAS 43 | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |
| IPSAS 44: Non-Current Assets Held for Sale and | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets</p> |

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

| Standard | Effective date and impact: |
|--|---|
| Discontinued Operations | <p>to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |
| IPSAS 45- Property Plant and Equipment | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |
| IPSAS 46 Measurement | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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

| Standard | Effective date and impact: |
|--|---|
| IPSAS 47- Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |
| IPSAS 48- Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |
| IPSAS 49- Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The standard has no impact on the financial statements of "A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya."</i></p> |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The standard has no impact on the financial statements of "A Case Study on</i></p> |

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

| Standard | Effective date and impact: |
|----------|---|
| | <i>Integrated Delivery of Selected Non-Communicable Diseases In Kenya.”</i> |

iii) Early adoption of standards

A Case Study on Integrated Delivery of Selected Non-Communicable Diseases In Kenya did not early – adopt any new or amended standards in the financial year since its period of performance ended on 31st January 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2018/2019 was approved by the World Bank and the Cabinet Secretary on *12th September 2017*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record any additional appropriations. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 under section **Budget reconciliation** of these financial statements.

Notes to the financial statements

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and

equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.

- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the A Case Study on Integrated Delivery of Selected Non Communicable Diseases in Kenya's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity

Notes to the financial statements

and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is

Notes to the financial statements

de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except

for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

h) Inventories

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

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

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

Notes to the financial statements

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

Inventories (Continued)

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

i) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *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.

Contingent assets

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

j) Nature and purpose of reserves

The *Entity* does not create and maintain reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments

Notes to the financial statements

or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

m) Foreign currency transactions

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

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

The *Entity* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Notes to the financial statements

p) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) 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

Notes to the financial statements

balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

r) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The *Entity* based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the *Entity*. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. No Additional disclosure of these estimates of provisions is included in the financial statements.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Revenue Transfers

| Description | 2024/25 |
|--|---------|
| | KShs |
| Unconditional Transfers | |
| GoK Counter Part funding | - |
| Transfers from Development partners | - |
| <i>Other unconditional transfers (Specify)</i> | - |
| Total Unconditional Transfers (a) | - |
| | |
| Conditional Transfers | |
| Transfers from Development partners 1 | - |
| Transfers from Development partner 2 | - |
| <i>Other conditional transfers (specify)</i> | - |
| Total Conditional Transfers (b) | - |
| Total Transfers for the Year (a + b) | - |

(Explain the purpose of funding)

Notes to the financial statements

a) Details to Revenue Transfers

| Name of The Entity Transferring | Amount recognized to Statement of Financial performance | Amount deferred under deferred income. | Amount moved to Capital fund | Total transfers (2024-2025) |
|---------------------------------|---|--|------------------------------|-----------------------------|
| | Kshs | Kshs | Kshs | Kshs |
| GOK Funding | - | - | - | - |
| Development Partner 1 | - | - | - | - |
| Development Partner 2 | - | - | - | - |
| Subtotal | - | - | - | - |
| Deferred Income realized | - | - | - | - |
| Transfers in Kind | - | - | - | - |
| Total | - | - | - | - |

7. Miscellaneous revenue

| Description | FY 2024/25 |
|-------------------------|------------|
| | Kshs |
| Interest Income | - |
| <i>Others (specify)</i> | - |
| Total | - |

8. Employees Costs

| Description | FY 2024/25 |
|---|------------|
| | Kshs |
| Basic salaries of permanent employees | - |
| Basic wages of temporary employees | - |
| Personal allowances paid as part of salary | - |
| Personal allowances paid as reimbursements | - |
| Personal allowances provided in kind | - |
| Pension and other social security contributions | - |
| Compulsory national social security schemes | - |
| Compulsory national health insurance schemes | - |
| Other specify* | - |
| Total | - |

Notes to the financial statements

9. Use of Goods and Services

| De scription | FY 2024/25 |
|--|------------|
| c | Kshs |
| Utilities, supplies and services | - |
| Bank charges | |
| Communication, supplies and services | - |
| Domestic travel and subsistence | - |
| Foreign travel and subsistence | - |
| Fuel and lubricants | - |
| General office supplies | - |
| Stationery, Printing, advertising, and information supplies | - |
| Office rent | - |
| Training payments | - |
| Hospitality supplies and services | - |
| Insurance costs | - |
| Specialized materials and services | - |
| Other operating payments(specify) | - |
| Routine maintenance – vehicles and other transport equipment | - |
| Routine maintenance- other assets | - |
| Total | - |

10. Depreciation and Amortization expense

| Description | FY 2024/25 |
|-------------------------------|------------|
| | Kshs |
| Property, Plant and Equipment | - |
| Intangible Assets | - |
| Total | - |

11. Transfer to Other Government Entities

| Description | FY 2024/25 |
|----------------|------------|
| | Kshs |
| Ministry ABC | - |
| Project XYZ | - |
| Department xxx | - |
| County xxx | - |
| Total | - |

Notes to the financial statements

12. Other Transfers/Subsidies/Grants

| Description | FY 2024/25 |
|---|------------|
| | Kshs |
| Transfers to Non-Government Organizations | - |
| Subsidies | - |
| <i>Others Specify</i> | - |
| Total | - |

13. Certified Works

| Description | FY 2024/25 |
|-----------------------|------------|
| | Kshs |
| Road Works | - |
| Water Works | - |
| Energy Infrastructure | - |
| <i>Others Specify</i> | - |
| Total | - |

14. Gain/Loss on Sale of Assets

| Description | FY 2024/25 |
|--|------------|
| | Kshs |
| Property, plant and equipment | - |
| Intangible assets | - |
| Other assets not capitalised | - |
| Total gain/loss on sale of assets | -/(-) |

Provide brief explanation on gains on sale of fixed assets)

15. Gain/Loss on foreign exchange transactions

| Description | FY 2024/25 |
|---------------------------------------|------------|
| | Kshs |
| Gain on foreign exchange transactions | - |
| Loss on foreign exchange transactions | (-) |
| Total Gain/Loss | - |

16. Impairment Loss

| Description | FY 2024/25 |
|-------------------------------|------------|
| | Kshs |
| Property, Plant and Equipment | - |
| Intangible Assets | - |
| <i>Others specify</i> | - |
| Total Impairment Loss | - |

Notes to the financial statements

17. Cash and Cash Equivalents

| Description | 2024/25 | 1 st July |
|--|---------|----------------------|
| | Kshs | Kshs |
| Cash in Bank | - | - |
| Cash on hand | - | - |
| <i>Others (Specify)</i> | - | - |
| Total Cash and Cash Equivalents | - | - |

18. Receivables

| Description | 2024/25 | 1 st July 2024 |
|------------------------------------|---------|---------------------------|
| | Kshs | Kshs |
| Counter Part Funding | - | - |
| Contractor's Advance payments | - | - |
| <i>Other Receivables (specify)</i> | - | - |
| Total Receivables | - | - |

(Provide brief explanation on current receivables)

Ageing analysis for Receivables

| Description | 2024/25 | | 1 st July 2024 | |
|--------------------|------------|----------------|---------------------------|----------------|
| | Current FY | % of the total | Comparative FY | % of the total |
| Less than 1 year | - | % | - | % |
| Between 1- 2 years | - | % | - | % |
| Between 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total (a+b) | - | % | - | % |

19. Inventories

| Description | Insert Current FY | 1 st July 2024 |
|-------------------------------------|-------------------|---------------------------|
| | Kshs | Kshs |
| Consumable stores | - | - |
| Construction stores | - | - |
| <i>Others consumables (specify)</i> | - | - |
| Less: allowance for impairment | (-) | (-) |
| Total inventories | - | - |

(Provide brief explanation on inventories)

Notes to the financial statements

20. Prepayments

| Description | 2024/25 | 1 st July 2024 |
|--------------------------|---------|---------------------------|
| | Kshs | Kshs |
| Insurance | - | - |
| Rent | - | - |
| <i>Others specify</i> | - | - |
| Total inventories | - | - |

21. Property, Plant and Equipment

| Cost | Motor vehicles | Furniture and fittings | ICT Equipment | Other Assets (specify) | Capital Work in progress | Total |
|---|----------------|------------------------|---------------|------------------------|--------------------------|-------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Depreciation rate | 30% | 10% | 40% | % | | |
| As At 1 July 2024 (opening balances) | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - |
| Disposals | (-) | - | - | (-) | (-) | (-) |
| Transfers/Adjustments | (-) | - | (-) | (-) | - | (-) |
| As at 30th June 2025 | - | - | - | - | - | - |
| Depreciation And Impairment | | | | | | |
| As at 1 July 2025 | (-) | (-) | (-) | (-) | | (-) |
| Depreciation charge for the year | (-) | (-) | (-) | (-) | | (-) |
| Impairment loss | (-) | (-) | (-) | (-) | | (-) |
| Transfers/ Adjustments | (-) | - | (-) | (-) | | (-) |
| As At 30th June 2025 | - | - | - | (-) | | - |
| Net Book Values | | | | | | |
| As at 1st July 2024 | - | - | - | - | - | - |
| As at 30th June 2025 | - | - | - | - | - | - |

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

22. Intangible Assets

| Description | 1 st July 2024 |
|--------------------------------------|---------------------------|
| | Kshs |
| Cost | |
| As at 1 st July 2024 | - |
| Additions | - |
| | |
| As At 30 th June 2025 | - |
| | |
| Amortization and impairment | |
| As at 1 st July 2024 | - |
| Amortization | - |
| Impairment loss | - |
| As At 30 th June 2025 | - |
| | |
| NBV as at 1 st July 2024 | - |
| NBV as at 30 th June 2025 | - |

23. Trade and Other Payables

| Description | 2024/25 | | 1 st July 2024 | |
|--|----------------|-----------------------|---------------------------|-----------------------|
| | Kshs | | Kshs | |
| Trade payables | - | | - | |
| Employee payables | - | | - | |
| <i>Other payables (specify)</i> | - | | - | |
| Total trade and other payables | - | | - | |
| | | | | |
| Ageing analysis: (Trade and other payables) | 2024/25 | % of the Total | 2023/24 | % of the Total |
| Under one year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total (tie to above total) | - | | - | |

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Notes to the financial statements

24. Third-Party Deposits

| Description | 2024/25 | | 1 st July 2024 | |
|--|---------|----------------|---------------------------|----------------|
| | Kshs | | Kshs | |
| Contractor's Retention | - | | - | |
| Gratuity | - | | - | |
| <i>Other deposits (specify)</i> | - | | - | |
| Total deposits | - | | - | |
| | | | | |
| Ageing analysis: (Refundable deposits) | 2024/25 | % of the Total | 2023/24 | % of the Total |
| Under one year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total | - | | - | |

(Provide brief explanation)

25. Deferred Income

| Description | 2024/25 | | 1 st July 2024 | |
|------------------------------|---------|--|---------------------------|--|
| | Kshs | | Kshs | |
| Development partner 1 | - | | - | |
| Development partner 2 | - | | - | |
| <i>Others specify</i> | - | | - | |
| Total Deferred Income | - | | - | |

(Provide brief explanation)

Deferred Income Movement Schedule

| | Development Partner 1 | Development Partner 2 | Others specify | Total |
|---|-----------------------|-----------------------|----------------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| Balance as at 1 st July 2024 | - | - | - | - |
| Additions | - | - | - | - |
| Transfers To Performance Statement as Revenue | (-) | (-) | (-) | (-) |
| Balance as at 30 th June 2025 | - | - | - | - |

Notes to the financial statements

26. Cash Generated from Operations

| Description | 2024/25 |
|--|---------|
| | Kshs |
| Surplus/Deficit for the year | - |
| Adjusted for: | |
| Depreciation | - |
| Non-cash grants received | (-) |
| Impairment | - |
| Gains and losses on disposal of assets | -(-) |
| Working capital adjustments | |
| Increase in inventory | (-) |
| Increase in receivables | (-) |
| Increase in deferred income | - |
| Increase in payables | - |
| Increase in payments received in advance | - |
| Net cash flow from operating activities | - |

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

27. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2025 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.

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

Notes to the financial statements

Special Deposit Accounts Movement Schedule

| Description | 2024/25 | 1 st July 2024 |
|--|------------------------|---------------------------|
| | Kshs | Kshs |
| (i) A/C Name [A/c No 1000354518] | | |
| Opening balance | \$21,699 | \$21,699 |
| Total amount deposited in the account | - | - |
| Total amount withdrawn (as per Statement of Receipts & Payments) | = | - |
| Closing balance (as per SDA bank account reconciliation attached) | <u>\$21,699</u> | <u>\$21,699</u> |
| (ii) A/c Name [A/c No.....] | | |
| Opening balance (as per the SDA reconciliation) | - | - |
| Total amount deposited in the account | - | - |
| Total amount withdrawn (as per Statement of Receipts & Payments) | = | = |
| Closing balance (as per SDA bank account reconciliation attached) | = | = |

The Special Deposit Account reconciliation statement has been attached as *Annex 4* to support this closing balance.

28. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

***A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025***

Notes to the financial statements

Other related parties include:

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

| Description | 2024/25 |
|--|---------|
| | Kshs |
| Transactions with related parties | |
| a) Sales to related parties | |
| Sales of electricity to govt agencies | - |
| Rent income from govt. Agencies | - |
| Others (specify) e.g. interest and bank charges | - |
| Total | - |
| B) purchases from related parties | |
| Purchases of electricity from KPLC | - |
| Purchase of water from govt service providers | - |
| Rent expenses paid to govt agencies | - |
| Others (specify) | - |
| Total | - |
| b) Grants /transfers from the government | |
| Grants from national govt | - |
| Grants from county government | - |
| Donations in kind | - |
| Total | - |
| c) Expenses incurred on behalf of related party | |
| Payments of salaries and wages for xxx employees | - |
| Payments for goods and services for xxx | - |
| Total | - |
| d) Key management compensation | |
| Directors' emoluments | - |
| Compensation to key management | - |
| Total | - |

Notes to the financial statements

29. Events after the Reporting Period

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

30. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

13. Annexes

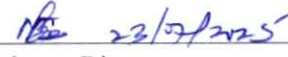
Annex 1: Prior Year Auditor-General’s Recommendations

| 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) |
|--|-----------------------------------|---|-----------------------------------|--|
| 1. | Undisbursed Project Grants | As evidenced by the letter (REF: ELD/MTRH/FIN/3/3/VOL.IV/2017), previous attempts have been made through the Ministry of Health to The National Treasury & Economic Planning to have the funds released. Additionally, we are persistently pursuing the release of the outstanding sum through the Ministry of Health by having it included in the next supplementary budget. | Unresolved | |
| 2. | Pending Staff Payables | The pending staff bill is as a result of the undisbursed funds; however, this will be paid once we receive the funds from The National Treasury and Economic Planning. | Unresolved | |


 Dr. Philip K. Kirwa
CHIEF EXECUTIVE OFFICER

MOI TEACHING AND REFERRAL HOSPITAL
CEO
APPROVED
24 JUL 2025
 SIGN:.....
 P. O. Box 3-30100, ELDORET


 Dr. Jemimah Kamano
PRINCIPAL INVESTIGATOR


 Mathews Birgen
ICPAK No: 3915
DIRECTOR FINANCE

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Annex 2: Reconciliation of inter-entity transfers

| Project Name: | | | | |
|---|---------------------------------------|----------------------|---------------|---|
| Break down of transfers from the State Department of .. | | | | |
| a. | Government Counterpart funding | | | |
| | | Bank Statement Date | Amount (Kshs) | Indicate the FY to which the amounts relate |
| | | | - | |
| | | | - | |
| | | Total | - | |
| B. | Direct payments | | | |
| | | Bank Statement Date | Amount (Kshs) | Indicate the FY to which the amounts relate |
| | | | - | |
| | | Total | - | |
| C. | Others | | | |
| | | Bank Statement Date | Amount (Kshs) | Indicate the FY to which the amounts relate |
| | | | - | |
| | | Total | - | |
| | | Total (A+B+C) | - | |

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

Project Coordinator
entity

Sign -----

Head of Accounting Unit
Ministry

Sign-----

*A Case Study on Integrated Delivery of Selected Non-Communicable Diseases in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Annex 3: Fixed Assets Register

The project ended on 30th January 2022. Assets procured were disposed and transferred to Busia and Trans Nzoia Counties.

| Asset class | Historical Cost b/f (Kshs) Previous Year | Additions during the year (Kshs) | Disposals during the year (Kshs) | Transfers in/(out) during the year | Historical Cost c/f (Kshs) Current Year |
|--|---|---|---|---|--|
| Land | | | | | |
| Buildings and structures | | | | | |
| Transport equipment | | | | | |
| Office equipment, furniture and fittings | | | | | |
| ICT Equipment | | | | | |
| Machinery and Equipment | | | | | |
| Biological assets | | | | | |
| Infrastructure Assets- Roads, Rails | | | | | |
| Heritage and cultural assets | | | | | |
| Intangible assets | | | | | |
| Work in Progress | | | | | |
| Total | | | | | |

Annex 4: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2025
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)