

REPUBLIC OF KENYA



 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>REPORT 18 FEB 2026</b>	
<b>DAY.</b> Wednesday	
<b>TABLED BY: OF</b>	Deputy Leader of the Majority Party
<b>CLERK-AT THE-TABLE:</b>	Irene Nduku

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**GLOBAL FUND – TO ENSURE PROVISION OF  
QUALITY CARE AND PREVENTION SERVICES  
FOR ALL PEOPLE IN KENYA WITH TB,  
LEPROSY AND LUNG DISEASES (GRANT  
AGREEMENT NO. KEN-T-TNT-4148)**

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

**THE NATIONAL TREASURY**



**PROJECT NAME: TO ENSURE PROVISION OF QUALITY CARE AND PREVENTION SERVICES FOR ALL PEOPLE IN KENYA WITH TB, LEPROSY AND LUNG DISEASES**

**IMPLEMENTING ENTITY: THE NATIONAL TREASURY**

**PROJECT GRANT/CREDIT NUMBER: KEN-T-TNT No.4148**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE, 2025**

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

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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## 1. Acronyms and Definition 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
CT	County Treasury
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.

## **2. Project Information and Overall Performance**

### **2.1 Name and registered office**

#### **Name**

The project's official name is **To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**

#### **Objective**

The key objective of the project is to ensure provision of quality care and prevention services for TB, and lung diseases for all people in Kenya.

#### **Address**

The project headquarters offices are in Nairobi, Nairobi County, Kenya. The address of its registered office is 30007-00100, Nairobi, Kenya.

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

P.O. Box 30007-00100

Telephone: (254) (020) 2252299

E-mail: [ps@treasury.go.ke](mailto:ps@treasury.go.ke)

Website: [www.treasury.go.ke](http://www.treasury.go.ke)

**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	01/07/24
Project End Date:	30/06/27
Project Coordinator:	Mr. Feisal Mohamed Awer
Project Development Partner:	Global Fund

**2.3 Project Overview**

Line Ministry or State departments/ County Department	The National Treasury
Project number	KEN-T-TNT No.4148
Strategic goals of the project	The strategic goals of the project are as follows: (i) Reduce TB incidence rate by 80% by 2030 compared to 2015 baseline (ii) Reduce TB mortality rate by 90% by 2030 compared to 2015 baseline (iii) To achieve zero families facing catastrophic cost due to TB and chronic lung disease
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Closing the gaps along the care continuum to find and cure all people with TB (ii) Implementing differentiated responses by counties to address TB in local contexts (iii) Optimizing the implementation of TB services within UHC (iv) Preventing infection, active disease, morbidity and mortality due to TB

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	(v) Promoting and ensuring a patient centered approach that promotes quality of care
Other important background information of the project	While Kenya remains one of the 30 countries with the highest burden of tuberculosis (TB) and TB/HIV co-infections, with 124,000 estimated TB cases in 2023, the TB incidence rate has decreased by 41% since 2015, from 380 to 223 per 100,000 people in 2023. The drug-sensitive TB treatment success rate stood at 89% in 2023, and the DR-TB treatment success rate improved from 73% in 2017 to 78% in 2023 (2021 cohort). TB deaths also decreased by 60% between 2015 and 2023.8
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: (i) Provision of program medicines, diagnostic commodities, consumables and other technologies (ii) Health workers capacity building TB services delivery systems strengthening, including coordination
Project duration	Three (3) Years

## Project Information and Overall Performance (Continued)

### 2.4 Bankers

The following are the bankers for the project:

- (i) Stanbic Bank USD Account No.0100005345272
- (ii) Co-operative Bank of Kenya Account No.

### 2.5 Independent Auditor

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

### 2.6 Roles and Responsibilities

No	Names	Title designation	Key qualification	Responsibilities
1	Dr Chris Kiptoo, CBS	Principal Secretary National Treasury	PhD Finance (International Macroeconomics Finance), Master of Science (Ag. Economics), Bachelor of Science (Ag. Economics)	Accounting Officer
2	Feisal Mohamed Awer	Deputy Director, Financial Sectoral Affairs	MSc Comparative Political Economy, BSc Financial Mathematics	Global Fund Coordinator
3	Anthony Miru	Program Officer-Malaria	Bachelor's in Environmental Health	Malaria Programme Officer
4	Dr Peter Kimuu	Senior Program Officer-TB	MBCChB, MSC, DLSHTM, DQHC&DTMPH	Senior Program Officer
5	Dr Clare Obonyo	Pharmacist	MPH, B. Pharmacy, Higher Dip in MIS	Pharmacist
6	Brenda Opanga	HIV Program Officer	MA Program Planning and Management, MPH,	HIV Program Officer

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**  
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			Epidemiology and Disease Control, Bsc FND	
7	Simon Kibia	Senior Finance Officer-Malaria	BA(Econ), CPA(K)	Senior Finance Officer
8	Cornelius Muthiani	Finance Officer-TB	EXECUTIVE MBA, BCOM, CPA(K)	Finance Officer TB
9	Catherine A. Maneno	Finance Officer - HIV	MSC(FIN), BCOM (FIN), CPA(K), DIP IN ACCTS.	Finance Officer HIV
10	Fridah K. Matumo	Accountant	BA, BCOM(FIN) , CPA(K)	Accountant
11	Teresa W. Kariuki	Internal Auditor-TB	BCOM(FIN) CPA SEC4	Internal Auditor
12	Kennedy Kithuka	Principal Internal Auditor	MBA, BA(ANTHROPOLOGY), CPA FINALIST	Internal Auditor in charge
13	Michael C. Mukanzi	Principal Accountant	BCOM (FINANCE), CPA (K), CIFA	Accountant-in-charge
14	Susan Jerubet	Principal Internal Auditor	MBA (FORENSIC AUDIT & ACCOUNTING), BBM (ACCOUNTING), CPA K	Internal Audit
15	Ronald Otsola	Senior Accountant	BCOM (Finance), CPA (K)	In-charge of Examination section
16	Matayo Wangalwa	Finance Officer Malaria	MBA(FINANCE), BCOM (FINANCE), CPA(K), DIPLOMA IN BUSINESS MANAGEMENT	In-charge of Malaria Grant
17	Miriam Kundu	Assistant Director Supply Chain Management Services	BA(ECON/MATHS) ADVANCED DIP. IN SUPPLY CHAIN MANAGEMENT	Procurement officer for the PMU
18	Abdihamid Ali	Senior Accountant	B.COM (FINANCE), CPA 5	Accountant

## **2.7 Funding summary**

The Project is for a duration of three (3) years from 2024 to 2027 with an approved budget of US\$31,194,135 equivalent to Kshs.4,040,351,708.75 for the Principal Recipient only as highlighted in the table below:

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**Project information and overall performance (continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Development Partner Commitment		Amount received to date – (30 <sup>th</sup> June 2025)		Undrawn balance to date	
	Development Partner currency (USD)	Kshs	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
<b>(i) Grant</b>						
Global Fund	31,194,135	4,040,351,709	11,045,179	1,424,828,134	20,148,956	2,615,523,575
Interest earning Operations account				354,005		
Transfer from NFM 3 KES account				38,809,035		
Retention account				63,648,896		
Exchequer receivable				(35,788,678)		
<b>Total</b>	<b>31,194,135</b>	<b>4,040,351,709</b>	<b>11,045,179</b>	<b>1,491,851,390</b>	<b>20,148,956</b>	<b>2,615,523,575</b>
<b>(ii) Counterpart funds</b>						
Government of Kenya		2,817,857,143	-	148,412,402		2,669,444,741
<b>Total</b>	<b>31,194,135</b>	<b>6,858,208,851.75</b>	<b>11,045,179</b>	<b>1,640,263,792</b>	<b>20,148,956</b>	<b>5,284,968,316</b>

To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases  
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Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2025)		Cumulative amount paid to date – (30 <sup>th</sup> June 2025)		Unutilised balance to date (30 <sup>th</sup> June 2025)	
	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
Global Fund	11,045,179	1,424,828,134	11,059,035	1,426,615,466	(13,854)	(1,787,332)
Interest earning Operations account		354,005.00				354,005.00
Transfer from NFM 3 KES account		38,809,035.00				38,809,035
Retention account		63,648,896				63,648,896
Exchequer receivable		(35,788,680)				(35,788,678)
<b>(i) Counterpart funds</b>						
Government of Kenya		148,412,402		148,412,402		-
<b>Total</b>	<b>11,045,179</b>	<b>1,640,263,792</b>	<b>11,059,035</b>	<b>1,575,027,868</b>	<b>(13,854)</b>	<b>65,235,926</b>

**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

- i) *Budget performance against actual amounts for the current year and for cumulative to-date,  
=52%*
- ii) *Physical progress based on outputs and outcomes since project commencement, Performance against targets for case finding and treatment success rate was high during the year at 93% (92,503 / 99,318) and 88% (target 88%) respectively*
- iii) *Indicate the absorption rate for each year since the commencement of the project. Year 1=2024/2025 is 52%*
- iv) *List the implementation challenges and recommend the next steps.*

No.	Challenge	Mitigation
1	Procurement delays	Improve coordination and oversight of procurement processes
2	Occasional commodity stock outs and expiries	Strengthen quantification of commodities needs; and overall supply chain management
3	Delayed implementation of programmatic activities	Enhance oversight of sub-recipients

**2.9 Summary of Project Compliance:**

- i) *No systemic non-compliance issues. However, recent compliance audit identified occasional failures to conduct market surveys to guide direct procurements*
- ii) *Not possible to establish whether the items were procured at fair market price*
- iii) *Ensure the procurement entity (KEMSA) has access to most current market prices to guide evaluation of bids and safeguard economy in procurement*

### **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 government entity's performance against predetermined objectives at the end of each financial year.

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

- a) Reduce TB incidence rate by 80% by 2030 compared to 2015 baseline
- b) Reduce TB mortality rate by 90% 2030 compared to 2015 baseline
- c) Zero families facing catastrophic cost due to TB and chronic lung disease
- d) Prioritize patient centric interventions across the entire care cascade, including expanding treatment sites, optimizing services through continuous quality improvement, and implementing point-of-care TB digital reporting and recording systems
- e) Adopt new technology and screening tools and increase availability and accessibility of newer, shorter regimes among all patients' groups, including children and DR TB patients
- f) Integrate TB services into existing community health programs and structures (including Primary Care Network), and advocating for the inclusion of TB preventions, screening, diagnosis, and treatment services in Universal Health Coverage (UHC).
- g) Tailor interventions to subnational epidemics through surveys and strengthen healthcare systems to improve availability and accessibility of TB services.
- h) Empower communities through community-led monitoring, advocacy and research and addressing the social determinants of TB.

#### **Progress on the attainment of strategic development objectives**

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement.

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Below, we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<i>KEN-T-TNT</i>	Reduce the TB incidence rate by 80% by 2030 compared to 2015	TB incidence	Incidence rate per 100,000	Incidence rate was 237 per 100,000 for 2022. This has reduced to 223 per 100,000 in 2023
<i>KEN-T-TNT</i>	Reduce TB deaths by 90% compared by 2030 compared to 2015	TB deaths	Death rate per 100,000	The mortality rate was 32 per 100,000 in 2022. Mortality reported in 2023 was 27 per 100,000. Improvement is attributed to early detection and treatment of TB patients
<i>KEN-T-TNT</i>	Access to TB services	TB treatment coverage	Percentage of TB patients diagnosed and treated	The performance has improved from 69.26% in 2022 to 78% in 2024. Case finding has improved through implementation of

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**  
*Annual Report and Financial Statements for the financial year ended June 30, 2025*

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				strategies to find missing people with TB.
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#### **4. Environmental and Sustainability Reporting**

Sustainability of the country's TB program is dependent on increasing domestic funding, strengthening health system capacity by training health care workers, and fostering multisectoral collaboration and accountability

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

*The changing funding landscape for global health programs has resulted in huge gaps, especially in funding available for program commodities. The strategy to address the challenge is to consider available domestic financing options in the short, medium and long term; including government budgets (national and county), social health insurance fund (SHIF), local health revenues and any other financing options. Further, there is need to shift towards primary health care integration of services to make the TB response more local, strategic and sustainable. The latter calls for innovative approaches to capacity building of health workers, leaning towards on-the-job trainings, mentorship and supportive supervision.*

*Multisectoral collaboration and accountability is within established structures and practices.*

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

*To mitigate the environmental impact of TB management in the country, the focus is on robust administrative and environmental controls to prevent transmission, including rapid diagnosis and early treatment of patients. Environmental controls involve taking advantage of natural ventilation and other mechanisms to reduce infectious particles in the air. Additionally, proper disposal of health care waste is crucial to prevent contamination of water sources and broader environment from pathogens and pollutants.*

##### **3. Employee welfare**

*Hiring, management and professional development of health workers involved in implementation of TB interventions and activities is done within the framework of the public service HR policies and regulations. This includes performance appraisals.*

##### **4. Marketplace practices-**

**a) Responsible Supply chain and supplier relations-**

*Efforts comprise of integrating current information systems for real-time tracking and forecasting, training health care workers to improve quantification and reporting skills, using TIBU for data management and supervision, and adherence to available procurement policies and procedures to ensure reliable availability of TB commodities.*

**b) Responsible ethical practices**

*Efforts comprise of ensuring participatory management practices, promoting transparent procurements, enhancing strong internal controls to reduce corruption loopholes and ensuring strong governance structures at national and county levels; all in accordance with existing legal, policy and institutional arrangements frameworks.*

**c) Regulatory impact assessment**

Efforts involve eliminating stigma, ensuring access to treatment and justice, and empowering communities, among others. Key actions include improving legal literacy, promoting human-rights based services, and implementing pro-citizen policies such as TB isolation policy that balance patient dignity with public health.

**5. Community Engagements**

*This is a GoK / public program. No CSR activities*

## 5. Statement of Project Management Responsibilities

The *Principal Secretary National Treasury* and the *Project Coordinator* 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 the financial period ended on 30<sup>th</sup> June, 2025.

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

The *Principal Secretary National Treasury* and the *Project Coordinator* 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 *Principal Secretary National Treasury* and the *Project Coordinator* are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the period ended 30<sup>th</sup> June, 2025, and of the Project's financial position as at that date. The *Principal Secretary National Treasury* and the *Project Coordinator* 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 and the adequacy of the systems of internal financial control.

The *Principal Secretary National Treasury* and the *Project Coordinator* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**  
***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Approval of the Project Financial Statements**

The Project financial statements were approved by the *Principal Secretary National Treasury* and the *Project Coordinator* on

2025 and signed by:



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



.....  
**Feisal M. Awer**  
**Project Coordinator**

# REPUBLIC OF KENYA

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HEADQUARTERS  
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## REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND – TO ENSURE PROVISION OF QUALITY CARE AND PREVENTION SERVICES FOR ALL PEOPLE IN KENYA WITH TB, LEPROSY AND LUNG DISEASES (GRANT AGREEMENT NO. KEN-T-TNT-4148) FOR THE YEAR ENDED 30 JUNE, 2025 – THE NATIONAL TREASURY

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### PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and 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 aim to address the Auditor-General's statutory roles and responsibilities 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 Global Fund-To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases (Grant Agreement No. KEN-T-TNT-4148) set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in

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*Report of the Auditor-General on Global Fund - To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases (Grant Agreement NO. KEN-T-TNT-4148) for the year ended 30 June, 2025 - The National Treasury*

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 Global Fund-To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases (Grant Agreement No.KEN-T-TNT-4148) 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 Grant Agreement No. KEN-T-TNT-4148 dated 24 June, 2024 between Global Fund and Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Global Fund-To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts Kshs.775,269,152 and Kshs.1,573,382,252 respectively, resulting in excess receipts of Kshs.798,113,100 or 103% of the budget. Similarly, actual expenditure amounted to Kshs.1,508,146,326 against final budgeted expenditure of Kshs.775,269,152 resulting in an over expenditure of Kshs.732,877,174 or 95% of the budget.

The significant excess receipts and over expenditure could be an indication of weaknesses in the budget process.

My opinion is not modified in respect of this matter.

### **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**

Management is responsible for the Other Information set out on page iii to xix 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 the Project'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 thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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**

#### **Failure to Prepare and Submit Quarterly Financial Reports**

During the year under review, Management did not prepare quarterly financial reports for the Project and submit them to the Cabinet Secretary and to the National Treasury contrary to Section 83(1) to (3) of the Public Finance Management Act, 2012 which requires that not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

In the circumstances, Management was in breach of the law.

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 THE 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, except for the effect of the matters described in the basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Weaknesses in the Management of Imprest**

As previously reported, review of supporting schedules and payment vouchers on daily subsistence and training allowances revealed that eight (8) members of staff were paid amounts totalling Kshs.49,208,052 as daily subsistence and training allowances across the three grants during the year under review.

Although Management indicated that the eight officers were not the sole recipients of the allowances and that their names were used solely for imprest accounting purposes, this system is susceptible to abuse as the secondary recipients may not be liable for imprest issued to them through other officers. Further, there is no assurance that the imprest will be paid to the intended staff by the officers receiving the imprest on their behalf.

In the circumstances, the effectiveness of management control over imprest for daily subsistence and training allowances could not be confirmed.

### **2. Unreliable Enterprise Resource Planning System**

The Global Fund Project procured an Enterprise Resource Planning (ERP) system in the financial year 2021/2022 at an undisclosed cost. However, it was noted that the accounting module was not in use to help in maintaining accounting records as well as generating management and accounting reports.

In the circumstances, the effectiveness and efficiency of the ERP system could not be confirmed.

### **3. Failure to Conduct Internal Audits**

Despite the National Treasury's Internal Audit Unit having an annual work plan that included the audit of Global Fund Projects, no audits were conducted on the Projects during the year under review. Management attributed this to inadequate capacity within the Internal Audit Unit, resulting in an excessive workload for the available staff.

In the circumstances, the lack of audit coverage on the Project represents a significant gap in internal oversight and assurance.

### **4. Lack of an Asset Register**

During the year under review, Management did not maintain an asset register as required by Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, existence of adequate controls over non-current assets could not be confirmed.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Conclusion

As required by Grant Agreement No. KEN-T-TNT-4148, I report, based on my audit, that:

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

### Basis for Conclusion

The Grant Agreement No. KEN-T-TNT-4148 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to Project's compliance with laws and regulations. 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 the 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 governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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

comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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 the 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**

**18 November, 2025**


**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**

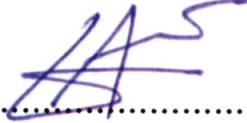
**Annual Report and Financial Statements for the financial year ended June 30, 2025**


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

	Notes	2024/2025 FY
		Kshs
<b>Revenue</b>		
GoK Counterpart Funding	6	81,530,860
Revenue Transfers	6	1,424,828,135
Miscellaneous receipts (Interest income)	7	354,005
<b>Total revenue</b>		<b>1,506,713,000</b>
<b>Expenses</b>		
Employee costs	8	8,238,747
Use of goods and services (Donor and GoK)	9	149,444,797
Transfer to other Government Entities (RSSH & TB Exchequers)	10	1,338,709,260
Other Capital Grants and Transfers	11	36,238,637
<b>Total expenses</b>		<b>1,532,631,441</b>
<b>Surplus/ (deficit)</b>		<b>(25,918,441)</b>

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

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

  
 .....  
**Feisal M. Awer**  
**Project Coordinator**

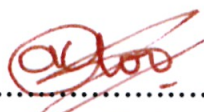
  
 .....  
**Michael C. Mukanzi**  
**Project Accountant**  
**ICPAK Member No:17538**

To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases  
*Annual Report and Financial Statements for the financial year ended June 30, 2025*

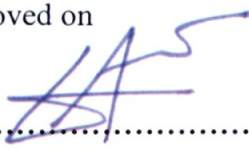
8. Statement of Financial Position as at 30<sup>th</sup> June 2025

	Note	2024/2025 FY Kshs
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash equivalents	12	65,235,926
Receivables	13	35,788,680
<b>Total Current Assets</b>		<b>101,024,606</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment (Tablets)	14	6,440,000
<b>Total Non- Current Assets</b>		<b>6,440,000</b>
<b>Total Assets (a)</b>		<b>107,464,606</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	15	30,925,116
Third Party Deposits	16	63,648,896
<b>Total Current Liabilities</b>		<b>94,574,012</b>
<b>Total Liabilities (b)</b>		<b>94,574,012</b>
<b>Net Assets (a-b)</b>		<b>12,890,594</b>
Represented By:		
Accumulated Surplus		12,890,594
<b>Total Net Assets</b>		<b>12,890,594</b>

The financial statements were approved on



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



.....  
**Feisal M. Awer**  
**Project Coordinator**

2025 and signed by:



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

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**  
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

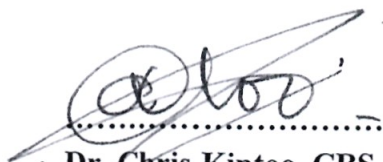
**9. Statement of Changes in Net Assets**

Description	Accumulated Surplus
	KShs
As at 1st July 2024	-
Transfer from NFM 3 Balances	38,809,035
Transfer from NFM 3 Assets	-
Transfer from NFM 3 Liabilities	(66,881,542)
Transfer from NFM 3 Receivables	66,881,542
Surplus/(Deficit) for the year	(25,918,441)
<b>As at 30th June 2025</b>	<b>12,890,594</b>

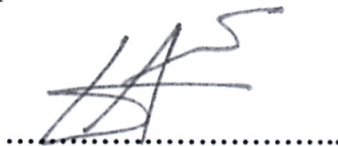
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on

2025 and signed by:



Dr. Chris Kiptoo, CBS  
Principal Secretary



Feisal M. Awer  
Project Coordinator



Michael C. Mukanzi  
Project Accountant  
ICPAK Member No.17538

To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases  
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10. Statement of Cashflow for the year ended 30<sup>th</sup> June 2025

Description	Note	2024/2025 FY
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
GOK Counterpart Funding	6	81,530,860
Revenue Transfers	17(b)	1,389,039,455
Miscellaneous Revenue (KES A/c)	7	354,005
<b>Total receipts</b>		<b>1,470,924,320</b>
<b>Payments</b>		
Employee costs	8	8,238,747
Use of goods and services	17 (c)	118,519,681
Transfer to Other Government Entities (RSSH & TB)	10	1,338,709,260
Other Capital Grants and Transfers	11	36,238,637
<b>Total payments</b>		<b>1,501,706,325</b>
<b>Net cash flows from operating activities</b>	17(a)	<b>(30,782,005)</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE	14	(6,440,000)
<b>Net Cash flows from investing activities</b>		<b>(6,440,000)</b>
<b>Cash flows from financing activities</b>		
Receipts of cash from NFM 3	17 (d)	102,457,931
<b>Net Cash flows from financing activities</b>		<b>102,457,931</b>
Net increase/Decrease in cash and cash equivalents		65,235,926
<b>Cash and cash equivalent at 1st July 2024</b>		<b>-</b>
<b>Cash and cash equivalent at end June 2025</b>	<b>12</b>	<b>65,235,926</b>

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**  
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**11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> 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 %
<b>Revenue</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
GoK Funding	232,000,000	(50,000,000)	182,000,000	81,530,860	100,469,140	45
Revenue Transfers	1,695,250,001	(1,101,980,849)	593,269,152	1,389,039,456	(795,770,304)	234
Miscellaneous Revenue (KES A/c)				354,005	(354,005)	-
Transfer from NFM 3				38,809,035	(38,809,035)	
Retention from NFM 3				63,648,896	(63,648,896)	
<b>Total Revenue</b>	<b>1,927,250,001</b>	<b>(1,151,980,849)</b>	<b>775,269,152</b>	<b>1,573,382,252</b>	<b>(798,113,100)</b>	
<b>Payments</b>						
Employee costs	10,421,000	(1,900,000)	8,521,000	8,238,747	282,253	97
Use of goods and services	1,509,322,876	(1,215,273,144)	294,049,732	118,519,681	175,530,051	40
Transfers to other Government entities	265,506,125	100,192,295	365,698,420	1,338,709,261	(973,010,841)	366
Other Capital Grants and Transfers	142,000,000	(35,000,000)	107,000,000	42,678,637	64,321,363	23
<b>Total Payments</b>	<b>1,927,250,001</b>	<b>(1,151,980,849)</b>	<b>775,269,152</b>	<b>1,508,146,326</b>	<b>(732,877,174)</b>	
<b>Surplus or Deficit</b>	-	-	-	<b>65,235,926</b>	<b>(65,235,926)</b>	

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***Annual Report and Financial Statements for the financial year ended June 30, 2025***

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**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	65,235,926
1	Opening Balance	
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	65,235,926

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

**12. Notes to the Financial Statements**

**1. General Information**

Global Fund Unit is established at the National Treasury by and derives its authority and accountability from PFM Act, 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is payment for medical commodities procured by KEMSA.

**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).

**Guiding note during the transition period:**

*The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1<sup>st</sup>/ 2<sup>nd</sup>/ 3<sup>rd</sup>/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. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).*

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

**3. Adoption of New and Revised Standards**

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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><b>No impact</b></p>
IPSAS 44: Non- Current	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p>

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

<b>Standard</b>	<b>Effective date and impact:</b>
Assets Held for Sale and Discontinued Operations	<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 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>No impact</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> 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>No impact</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1<sup>st</sup> 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"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases  
Annual Reports and Financial Statements for the year ended June 30, 2025.**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b>No impact</b></p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b>No impact</b></p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b>No impact</b></p>

***iii) Early adoption of standards***

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early.*

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**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 2024/2025 was approved by Parliament. 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 recorded additional appropriations of *Nil* on the FY 2024/2025 budget following the Council/ Board's approval. 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 6 under section *eleven (II)* of these 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

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**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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.

**Notes to the financial statements**

**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.

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**Notes to the financial statements**

**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 Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity 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 de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases**

**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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**Notes to the financial statements**

**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.

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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.

**Notes to the financial statements**

**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* creates and maintains reserves in terms of specific requirements.

**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.

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**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 or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Foreign currency transactions**

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

**m) 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.

**n) 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.

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**Notes to the financial statements**

**o) 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.

**p) Cash and cash equivalents**

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

**q) Subsequent events**

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

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**Notes to the financial statements**

**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

**Useful lives and residual values**

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

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

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**Notes to the financial statements**

**6. Revenue Transfers**

Description	2024/2025 FY
	KShs
<b>Unconditional Transfers</b>	
GoK Counter Part funding	81,530,860
Global Fund Disbursements	1,424,828,135
Transfer from NFM 3	38,809,035
<b>Total Unconditional Transfers</b>	<b>1,545,168,030</b>

The funding is for procurement of medical drugs, non-pharmaceuticals and Laboratory Materials, Supplies and small Equipment, payment of salaries contractual staff and facilitation of normal office operations.

**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 Acc Surplus fund	Total transfers (Current FY)
	Kshs	Kshs	Kshs	Kshs
GoK Funding (KEMSA)	6,299,936			6,299,935
GoK Funding (Medical drugs)	99,433,830			99,433,830
GoK Funding (Training allowance)	36,238,637			36,238,637
GoK Funding (PPE)	6,440,000			6,440,000
<b>Sub-total</b>	<b>148,412,402</b>			<b>148,412,402</b>
GoK Payables FY 2024/2025	(66,881,542)			(66,881,542)
<b>Net</b>	<b>81,530,860</b>			<b>81,530,860</b>
Global Fund (Facility registers)	2,233,295			2,233,295
Global Fund (Medical drugs)	1,146,540			1,146,540
Global Fund (Laboratory supplies)	33,546,005			33,546,005
Global Fund (Proc. & W/housing)	13,404,354			13,404,354
Global Fund (Distribution)	4,863,563			4,863,563
Global Fund (PPE)	314,541,510			314,541,510
Transfers to TB & RSSH	1,024,167,751			1,024,167,751
Global Fund Payables (2024/25)	30,925,117			30,925,117
<i>Balance Transfer from NFM 3</i>			38,809,035	38,809,035
<b>Subtotal</b>	<b>1,424,828,135</b>		<b>38,809,035</b>	<b>1,463,637,170</b>
<b>Total</b>	<b>1,545,168,030</b>		<b>38,809,035</b>	<b>1,545,168,030</b>

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Notes to the Financial Statements (Continued)

7. Miscellaneous revenue

Description	FY 2024/25
	Kshs
Interest Income KES A/c No.01141199190800 – Q1	121,848
Interest Income KES A/c No.01141199190800 – Q2	111,953
Interest Income KES A/c No.01141199190800 – Q3	80,464
Interest Income KES A/c No.01141199190800 – Q4	39,740
<b>Total</b>	<b>354,005</b>

8. Employees Costs

Description	FY 2024/25
	Kshs
Basic wages of temporary employees	8,087,598
Performance incentive	151,149
<b>Total</b>	<b>8,238,747</b>

9. Use of Goods and Services

Description	FY 2024/25
	Kshs
Bank charges	29,450
Domestic travel and subsistence	21,972,360
Foreign travel and subsistence	2,584,962
Fuel and lubricants	189,170
Stationery, Printing, advertising, and information supplies	3,087,066
Hospitality supplies and services	3,707,550
Specialized materials and services (See Annex 4)	93,707,338
Other operating payments (KEMSA payments and Bank charges) (See Annex 5)	24,166,901
<b>Total</b>	<b>149,444,797</b>

10. Transfer to Other Government Entities

Description	FY 2024/25
	Kshs
RSSH Program (MoH) Exchequer	639,948,552
TB Program (MoH) Exchequer	384,219,199
Motor vehicles (Double cabins)	278,522,000
Heavy duty printers	36,019,509

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Description	FY 2024/25
	Kshs
<b>Total</b>	<b>1,338,709,260</b>

*Note: These are funds transferred from National Treasury to the above two Global Fund Programs through State Department for Public Health and Professional Standards. The PPE transfers are for assets not in PMU custody and therefore we have transferred them to the Ministry.*

**11. Other Capital Grants and Transfers**

Description	FY 2024/25
	Kshs
Training allowance	18,645,637
Tuition fee	17,593,000
<b>Total</b>	<b>36,238,637</b>

*These are payments made under GoK counterpart funding. The item for these trainings is provided under Other capital grants and transfers as indicated. The other items under GoK are specifically for medical commodities.*

**12. Cash and Cash Equivalents**

Description	2024/2025 FY	1 <sup>st</sup> July
	Kshs	Kshs
Cash in Bank (Kenya Shilling Account)	128,726	-
M-Pesa Balance	1,458,305	
Retention A/c	63,648,896	
<b>Total Cash and Cash Equivalents</b>	<b>65,235,927</b>	<b>-</b>

**Project Bank Accounts**

Details	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Foreign Currency Accounts</b>		
Stanbic Bank [A/c No.0100005345272]	116,980,822	-
<b>Total Foreign Currency balances</b>	<b>116,980,822</b>	<b>≡</b>
<b>Local Currency Accounts</b>		
Co-operative Bank of Kenya [A/c No.01141199190800]	128,725	-
M-Pesa Balance	1,458,305	-
Co-operative Bank of Kenya Retention [A/c No.01141747082200]	63,648,896	-
<b>Total local currency balances</b>	<b>65,235,926</b>	<b>≡</b>
<b>Total bank account balances</b>	<b>182,216,748</b>	<b>≡</b>

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*Stanbic Bank balance of KSh.116,980,822 is the Special Account balance of USD.905,184.01 converted at CBK exchange rate of 129.2343 as at 30th June, 2025. The balance adopted in our financial statements as Cash and Cash Equivalents is only for local bank account.*

**13. Receivables**

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
Other Receivables (Delayed Exchequer transfer PMU)	35,788,680	-
<b>Total Receivables</b>	<b>35,788,680</b>	

*This is exchequer processed in June 2025 but received in July 2025*

**Ageing analysis for Receivables**

Description	2024/2025 FY		1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	35,788,680	100%	35,788,680	100%
Between 1- 2 years	-		-	
Between 2-3 years	-	%		%
Over 3 years	-		-	
<b>Total (a+b)</b>	<b>35,788,680</b>	<b>100%</b>	<b>35,788,680</b>	<b>100%</b>

*This is exchequer processed in June 2025 but received in July 2025*

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Notes to the Financial Statements (Continued)

14. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Other Assets (Supply of Laboratory Equipment and Software)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	X%	X%	X%	X%		
As At 1July 2024 (opening balances)	-	-	-	-	-	-
Additions	-	-	6,440,000	-	-	6,440,000
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	6,440,000	-	-	6,440,000
<b>Depreciation And Impairment</b>						
As at 1July 2025						
Depreciation charge for the year						
Impairment loss						
Transfers/ Adjustments						
As At 30 <sup>th</sup> June 2025						
<b>Net Book Values</b>						
As at 1 <sup>st</sup> July 2024	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	6,440,000	-	-	6,440,000

\*the programme provides for no depreciation in the year of purchase and full year depreciation on the year of disposal

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Notes to the financial statements

**15. Trade and Other Payables**

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
Kenya Medical Supplies Authority (Donor)	1,087,546.70	-
Crown Healthcare (Donor)	75,500.00	-
Kenya Medical Supplies Authority (Donor)	3,775.00	-
Wright Press Limited (Donor)	19,535,267.00	-
Kenya Medical Supplies Authority (Donor)	987,350.05	-
Hain Life science East Africa Ltd (Donor)	6,851,738.05	-
Kenya Medical Supplies Authority (Donor)	318,223.95	-
Kenya Medical Supplies Authority (Donor)	2,065,715.90	-
Trade payables	-	66,881,542
<b>Total trade and other payables</b>	<b>30,925,116.65</b>	<b>66,881,542</b>

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	30,925,116.65	100%	66,881,542	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>30,925,116.65</b>	<b>100%</b>	<b>66,881,542</b>	

These are payments that came late for payment and NFM3 payments that did not meet the 31<sup>st</sup> March, 2025. We have used CBK EURO and USD exchange rates of 151.65 and 129.2343 respectively as at 31.06.2025.

**16. Third-Party Deposits**

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
Contractor's Retention	63,648,896.00	-
<b>Total deposits</b>	<b>63,648,896.00</b>	<b>-</b>

Ageing analysis: (Refundable deposits)	2024/2025 FY	% of the Total	Comparative FY	% of the Total
Over 3 years	63,648,896	100%	63,648,896	100%
<b>Total</b>	<b>63,648,896</b>	<b>100%</b>	<b>63,648,896</b>	<b>100%</b>

These are funds retained from the Contractor who was building KEMSA warehouse.

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Notes to the Financial Statements (Continued)

17. (a) Cash Generated from Operations

Description	2024/2025 FY
	Kshs
<b>Surplus for the year</b>	<b>(25,918,441)</b>
<b>Adjusted for:</b>	
Depreciation	
Non-cash grants on PPE received	
Impairment	
Gains and losses on disposal of assets	
<b>Working capital adjustments</b>	
Changes in inventory	
Changes in receivables	(35,788,680)
Changes in deferred income	
Changes in payables	30,925,116
Changes in payments received in advance	
<b>Net cash flow from operating activities</b>	<b>(30,782,005)</b>

17. (b) Revenue Transfer Cash flows

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
Revenue Transfers as per Statement of Financial Performance	1,424,828,135	-
Less: Closing Other Receivables (Delayed Exchequer transfer PMU) – Note 13	(35,788,680)	-
<b>Revenue Transfer Cash flows</b>	<b>1,389,039,455</b>	<b>-</b>

17. (c) Use of Goods and Services Cash flows

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
Use of Goods and Services as per Statement of Financial Performance	149,444,797	-
Less: Closing Total trade and other payables – Note 15	(30,925,116)	-
<b>Use of Goods and Services Cash flows</b>	<b>118,519,681</b>	<b>-</b>

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**17. (d) Transfers from TB NFM 3**

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
Cash Received from NFM 3 for Operations	38,809,035	-
Cash received from the Deposits Account	63,648,896	-
<b>Transfers from TB NFM 3 Cash flows</b>	<b>102,457,931</b>	<b>-</b>

**18. Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items 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 voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

Description	2024/2025 FY	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>(i) A/C Name [A/c No.0100005345272]</b>		
Opening balance	11,419,816.27	-
Total amount deposited in the account	4,546,264.65	-
Total amount withdrawn	<u>15,060,896.91</u>	=
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>905,184.01</u></b>	<b>=</b>

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

**19. 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.

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**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.

**20.Events after the Reporting Period**

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

**21.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.

**22.Currency**

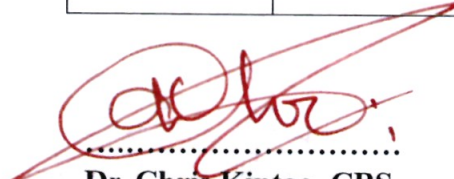
The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

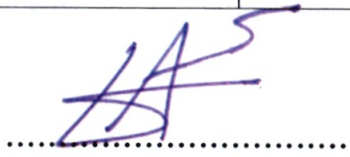
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**13. Annexes**

**Annex 1: Prior Year Auditor-General's Recommendations**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
N/A	N/A	N/A	N/A	N/A

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

  
 .....  
**Feisal M. Awer**  
**Project Coordinator**

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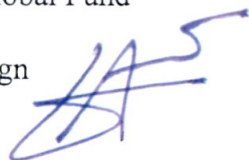
Annex 2: Reconciliation of inter-entity transfers

Project Name:				
Break down of transfers from the National Treasury				
<b>a.</b>	<b>Government Counterpart funding</b>			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
				2024/2025
		<b>Total</b>		
<b>B.</b>	<b>Direct payments (Donor)</b>			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			402,447,714.85	2024/2025
		<b>Total</b>	<b>402,447,714.85</b>	
<b>C.</b>	<b>Others</b>			
		Bank Statement Date		Indicate the FY to which the amounts relate
	Payments under Donor	N/A		
		<b>Total</b>		
		<b>Total A+B+C)</b>	<b>402,447,714.85</b>	

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

Project Coordinator  
Global Fund

Sign



Head Disbursement Unit  
National Treasury

Sign



To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB, Leprosy and Lung Diseases  
 Annual Report and Financial Statements for the financial year ended 30th June, 2025

Annex 2a: Reconciliation of inter-entity transfers

Project Name:				
Break down of transfers from the National Treasury				
<b>a.</b>	<b>Government Counterpart funding</b>			
		Bank Statement Date	Amount (KShs)	
	Payments under GoK Counterpart funding		148,412,402.00	2024/2025
			-	
		<b>Total</b>	<b>148,412,402.00</b>	
<b>B.</b>	<b>Direct payments</b>			
		Bank Statement Date	Amount (KShs)	
		<b>Total</b>	<b>-</b>	
<b>C.</b>	<b>Others</b>			
		Bank Statement Date	Amount (KShs)	
		N/A		
		<b>Total</b>	<b>-</b>	
		<b>Total A+B+C)</b>	<b>148,412,402.00</b>	

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

Project Coordinator  
Global Fund

Sign



Head Accounting Unit  
National Treasury

Sign



To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB,  
 Leprosy and Lung Diseases  
*Annual Report and Financial Statements for the financial year ended 30th June, 2025*

**Annex 3: Fixed Asset Register**

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
Motor vehicles	-	-	-	-	-
ICT Equipment	-	6,440,000	-	-	6,440,000
<b>Total</b>	-	6,440,000	-	-	6,440,000

**Annex 4: Analysis of Specialized Materials and Services**

Date	Payee	Donor Currency (USD)	Equivalent KShs.
24.06.25	Crystal Supplies EA Limited	34,354.06	4,507,012.20
24.06.25	Kobian Kenya Ltd	8,740.10	1,146,540.00
27.06.25	F & S Scientific Ltd	221,365.00	29,038,992.75
	<b>Sub-total</b>	<b>264,459.16</b>	<b>34,692,544.95</b>
	Crown Healthcare (Payable)	-	75,500.00
	Wright Press Limited (Payable)	-	19,535,267.00
	Hain Lifescience East Africa Ltd (Payable)	-	6,851,738.05
	<b>Sub-total</b>		<b>26,462,505.05</b>
	<b>Total Donor</b>		<b>61,155,050.00</b>
	<b>GoK Counterpart Funding Payments</b>		
30.10.24	Reddys Pharma Ltd	-	64,072,766.70
19.06.25	Qeseven Ltd	-	11,740,737.80
23.06.25	Coyaba Enterprises	-	9,058,500.00
23.06.25	Pharmachoice Pharmaceuticals Ltd	-	14,561,825.40
	<b>Total GoK Counterpart</b>	-	<b>99,433,829.90</b>
	Payables 2023/2024 (Fully paid)	-	(66,881,542)
	<b>Net Total</b>	<b>264,459.16</b>	<b>93,707,338</b>

**To Ensure Provision of Quality Care and Prevention Services for all People in Kenya with TB,  
Leprosy and Lung Diseases**

*Annual Report and Financial Statements for the financial year ended 30th June, 2025*

**Annex 5: Analysis of Other Operating Payments**

<b>Quarters</b>	<b>Payee</b>	<b>Donor Currency (USD)</b>	<b>Equivalent KShs.</b>
25.03.25	Kenya Medical Supplies Authority (Donor)	43,965.59	5,570,440.00
24.06.25	Kenya Medical Supplies Authority (Donor)	437.01	57,327.00
24.06.25	Kenya Medical Supplies Authority (Donor)	1,717.70	225,350.20
24.06.25	Kenya Medical Supplies Authority (Donor)	748.00	98,132.35
24.06.25	Kenya Medical Supplies Authority (Donor)	12,955.50	1,699,670.90
24.06.25	Kenya Medical Supplies Authority (Donor)	12,232.48	1,604,815.75
24.06.25	Kenya Medical Supplies Authority (Donor)	7,526.23	987,388.70
24.06.25	Kenya Medical Supplies Authority (Donor)	12,925.59	1,695,746.90
24.06.25	Kenya Medical Supplies Authority (Donor)	103.16	13,532.40
27.06.25	Kenya Medical Supplies Authority (Donor)	11,068.25	1,451,949.60
	Kenya Medical Supplies Authority (Payable)	-	1,087,546.70
	Kenya Medical Supplies Authority (Payable)	-	3,775.00
	Kenya Medical Supplies Authority (Payable)	-	987,350.05
	Kenya Medical Supplies Authority (Payable)	-	318,223.95
	Kenya Medical Supplies Authority (Payable)	-	2,065,715.90
	<b>Total</b>	<b>103,679.51</b>	<b>17,866,965.40</b>
	Kenya Medical Supplies Authority (GoK)	-	844,585.90
	Kenya Medical Supplies Authority (GoK)	-	525,393.00
	Kenya Medical Supplies Authority (GoK)	-	646,294.75
	Kenya Medical Supplies Authority (GoK)	-	4,283,661.90
	<b>Total</b>	<b>-</b>	<b>6,299,935.55</b>
	<b>Grand Total</b>	<b>103,679.51</b>	<b>24,166,900.95</b>

**Annex 6: Other Support Documents**

- i. Bank Reconciliations statements as at 30<sup>th</sup> June 2025
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. Trial Balance as at 30th June 2025

THE NATIONAL TREASURY  
GLOBAL FUND PROGRAM  
TB GRANT NO. KEN-T-TNT(GC7)

Annex2: Financial Statements cash basis and  
commitments reconciliation

Gant Number KEN-T-TNT

Accounting Methodology Cash

Grant's Currency USD

Implementation Period 01/07/2024

Start Date

Implementation Period End Date 30/06/2027

Period of Financial Reporting Beginning Date: 01/07/2024 End Date: 30/06/2025

Cumulative Period of Financial Reporting Beginning Date: 01/07/2024 End Date: 30/06/2025

Financial Statements (all figures are in USS unless otherwise stated)

	Current Period				Cumulative Period			Previous year			
	Budget	Actual	Variance	Commitments	Budget	Actual	Variance	Notes	Budget	Actual	Variance
Sources of Grant funds											
Opening cash balance		-				-					
Receipts from Global fund	8,130,739	2,012,247	6,118,492		8,130,739	2,012,247	6,118,492	5-I & II			
Direct Disbursements		9,759,384	(9,759,384)			9,759,384	(9,759,384)				
Insurance Proceeds from damaged goods		0	-			0	-				
Interest		74,992	(74,992)			74,992	(74,992)	5-III			
Receipts from NFM3		1,696,936	(1,696,936)			1,696,936	(1,696,936)	5-IV			
Total sources of Grant Funds	8,130,739	13,543,559	(5,412,820)		8,130,739	13,543,559	(5,412,820)				

Uses of Grant Funds							
1.0 Human Resources (HR)	117,901	69,012	48,889	-	117,901	69,012	48,889
2.0 Travel related costs (TRC)	67,209	246,304	(179,095)	6,703	67,209	246,304	(179,095)
3.0 External Professional services	-	-	-	-	-	-	-
4.0 Health Products (HPPP)	3,224,462	3,731,765	(507,304)	-	3,224,462	3,731,765	(507,304)
5.0 Health Products (HPNP)	2,032,069	91,496	1,940,573	-	2,032,069	91,496	1,940,573
6.0 Health Products (HPE)	872,248	1,668,000	(795,752)	-	872,248	1,668,000	(795,752)
7.0 Procurement and Supply-Chain	1,221,149	256,355	964,794	9,801	1,221,149	256,355	964,794
8.0 Infrastructure (INF)	-	-	-	-	-	-	-
9.0 Non - health equipment (NHP)	541,968	-	(541,968)	-	541,968	-	(541,968)
10.0 Communication Material	53,733	415,558	(361,825)	196,031	53,733	415,558	(361,825)
11.0 Program Administration	-	-	-	-	-	-	-
12.0 Living support (LSCTP)	-	-	-	-	-	-	-
13.0 Payment for Results	-	-	-	-	-	-	-
<b>Total uses of Grant Funds</b>	<b>8,130,739</b>	<b>6,478,490</b>	<b>1,652,249</b>		<b>8,130,739</b>	<b>6,478,490</b>	<b>1,652,249</b>
<b>Total commitments at 30.06.2025</b>				<b>212,535</b>			
Transfers to SRs		6,527,625				6,527,625	
Bank charges		221				221	
Net exchange gain/loss		114				114	
<b>Net sources (uses) of Grant Funds</b>		<b>537,338</b>			<b>537,338</b>		

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8



## Notes to the financial statements

All amounts are in United States Dollars (US\$).

### Note 1: Basis of accounting

The Annual Financial Report is prepared on a cash receipts and disbursements basis.

### Note 2: Disbursements/Receipts

Receipts comprise amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [July 1, 2024, to June 30, 2025] to the Principal Recipient and to third parties.

Receipts from Global Fund were in United States Dollars.

### Note 3:

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

### Note 4:

Transactions in KES are translated to US dollars at 3 months weighted average exchange rate for each quarter. For the purpose of this report, balances denominated in KES have been translated to US dollar based on the CBK exchange rate as at 30<sup>th</sup> June, 2025.

### Note 5-I: Receipts from Global Fund

Start Date			01/07/2024		01/07/2025
End Date			30/06/2025		30/06/2025
Period			Current period	Prior period	Cumulative
Description	Date	Amount (USD)	Amount (USD)	Amount (USD)	Amount
Disbursement 1	26.07.2024	2,012,247	2,012,247	-	2,012,247
<b>Total</b>		<b>2,012,247</b>	<b>2,012,247</b>	<b>-</b>	<b>2,012,247</b>

Note 5-II: Direct Disbursements to third Parties by Global Fund

Start Date			01/07/2024		01/07/2024
End Date			30/06/2025		30/06/2025
Period			Current period	Prior period	Cumulative
Description	Period	Amount (USD)	Amount (USD)	Amount (USD)	Amount (USD)
3 <sup>rd</sup> Party Disbursement 1	July-Sept 2024	6,727,592.04	6,727,592.04		6,727,592.04
3 <sup>rd</sup> Party Disbursement 2	July-Sept 2024	640,577.57	640,577.57		640,577.57
3 <sup>rd</sup> Party Disbursement 3	Oct-Dec2024	170,326.29	170,326.29		170,326.29
3 <sup>rd</sup> Party Disbursement 4	Oct-Dec2024	443,118.74	443,118.74		443,118.74
3 <sup>rd</sup> Party Disbursement 5	April-Jun 2025	1,768,539.80	1,768,539.80		1,768,539.80
3 <sup>rd</sup> Party Disbursement 6	April-Jun 2025	25,080.00	25,080.00		25,080.00
Refund to GF	April-Jun 2025	(15,850.65)	(15,850.65)		(15,850.65)
<b>Total</b>		<b>9,759,383.79</b>	<b>9,759,383.79</b>	-	<b>9,759,383.79</b>

Note 5-III: Bank Interest

Start Date			01/07/2024	01/07/2023	01/07/2024
End Date			30/06/2025	30/06/2025	30/06/2025
Period			Current period	Prior period	Cumulative
Description	Period	Amount (USD)	Amount (USD)	Amount (USD)	Amount (USD)
Interest from bank	July - Sept 2025	26,633.10	26,633.10	-	26,633.10
Interest from bank	Oct - Dec 2025	24,746.92	24,746.92	-	24,746.92
Interest from bank	Jan-Mar 2025	16,157.30	16,157.30	-	16,157.30
	Apr - Jun 2025	7,454.67	7,454.67	-	7,454.67
	<b>Total</b>	<b>74,991.99</b>	<b>74,991.99</b>	-	<b>74,991.99</b>

**Note 5-IV: Funds transferred from previous grant (NFM3) to current grant (GC7)**

Start Date			01/07/2024	01/07/2022	01/
End Date			30/06/2025	30/06/2023	30/
Period			Current period	Prior period	Cun
Description	Period	Amount (USD)	Amount (USD)	Amount (USD)	Am
Transfers from NFM 3	Apr-Jun 2022	1,696,936	1,696,936	-	
<b>Total</b>		<b>1,696,936</b>	<b>1,696,936</b>	<b>-</b>	

**Note 6: Human Resources**

This represents salaries and gratuities for the principal recipient.

**Note 7: Travel Related Costs**

This represents M&E and oversight costs for the principal Recipient.

**Note 8: Cash balances**

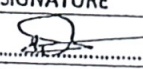
Item Description	Amount (USD)
PR Special Inshore Account	(3,596,069.38)
PR interest	46,594.72
PR Local (KES) Account	26,147.17
MPesa (KES) Account	11,284.19
Uncleared cheques	(259,808.82)
Cash in Transit	276,926.00
Third Party Open advances	4,032,264.15
Advances	0
Cash in Hand	0
Un-explained Difference	0
<b>Net sources of Grant Funds</b>	<b>537,338.05</b>

**Note 9: Supplemental schedule of commitments at 30.06.2024**

<b>Details</b>	<b>Amount (USD)</b>
Commitments at 01.07.2024	0
Paid in current year	0
Outstanding from previous year	0
Commitments 2025	212,535.47
<b>Total commitments at 30.06.2025</b>	<b>212,535.47</b>

**Note 10: Principal Recipient advances**

There were no advances as of 30<sup>th</sup> June 2025.

TB NFM 4 GRANT			
CO-OPERATIVE BANK A/C No.01141199190800			
BANK RECONCILIATION AS AT 30TH JUNE,2025			
Balance as per Bank Statement			(IN KSHS)
Less:			3,379,1
1)	Payments In Cash Book not Recorded In Bank Statement		
2)	Recelpts In Bank Statement not recorded In Cash book		3,250,4
Add:			3,250,4
3)	Payments In Bank Statement not yet recorded In Cash book		
4)	Recelpts In Cash book not recorded In Bank Statement		
Balance as per Cash book			128,7
Balance as per Cash book (Actual)			128,7
Difference			
I certify that I have verified the Bank Balance In Cash book with Bank Statement and that the above Reconciliation Is Correct.			
SIGNATURE		DESIGNATION	DATE
		KAG	07-07-25
PAYMENTS IN CASHBOOK NOT YET IN BANK STATEMENT (UNPRESENTED CHEQUES)			
DATE	ITEM	CHQ NO.	AMOUNT
20.06.2025	commisloner of domestic taxes-P.A.Y.E	455	179,572.00
20.06.2025	commisloner of domestic taxes-H.L	456	20,564.00
20.06.2025	S.H.I.F	457	18,850.00
20.06.2025	N.S.S.F	458	8,640.00
30.06.2025	Kenya School of Government	459	413,112.00
30.06.2025	ACK Guest House	460	1,267,241.00
30.06.2025	National Media Group	461	169,025.90
30.06.2025	RTS Travel Limited	462	158,800.00
30.06.2025	Westwood Hotel	463	494,602.15
30.06.2025	The Standard Group Plc	464	374,000.00
30.06.2025	The Star Publicatlons Limited	465	146,000.00
			3,250,407.05
DATE	PAYEE	REF	AMOUNT
08.06.2022	Comm. Of Dom. Taxes-overpayment	Chq167	20.00
TOTAL			20.00
RECEIPTS IN BANK STATEMENT NOT YET IN CASH BOOK			
DATE	PAYEE	CHQ NO/REF	AMOUNT
TOTAL			
RECEIPTS IN CASHBOOK NOT YET IN BANK STATEMENT			
DATE	PAYEE	CHQ NO/REF	AMOUNT
TOTAL			

TB MPESA RECONCILIATION			
AS AT 30TH JUNE , 2025			
Opening balance			(IN KSHS)
Add:			6,596,262.00
1)	Receipts in MMF account		3,201,630.00
Less:			3,201,630.00
3)	Payments in utility(transfer from MMF account)		8,339,587.00
	Balance as per Mpesa Statement (MMF ) as at 30.06.2025	1,457,870.00	1,458,305.00
	Balance as per Mpesa Statement (Utility ) as at 30.06.2025	435.00	
	Balance as per Cash book (Actual)		1,458,305.00
	Difference		
I certify that I have verified the Bank Balance in Cash book with Bank Statement and that the above Reconciliation is Correct.			
	SIGNATURE	DESIGNATION	DATE
Prepared By:		Accountant	07-07-2025
Approved By:		AAG	07-07-25
MPESA RECEIPTS			
DATE	DESCRIPTION	IW/PV NO.	AMOUNT
13.06.2025	Ronald Otsola	1473	11,430.00
18.06.2025	Ian Macharia	5716908	3,190,200.00
			3,201,630.00
			8,403,260.00
MPESA PAYMENTS			
DATE	PAYEE	PV/IW	AMOUNT
02.06.2025	Kennedy Kithuka	1484	924,000.00
04.06.2025	reversal of wrong deposit-double deposit		4,149,600.00
18.06.2025	Matayo Wangalwa	1463	7,100.00
24.06.2025	Ian Macharia	1476	3,028,000.00
24.06.2025	Cornellus Muthiani	1451	171,500.00
30.06.2025	cornellus Muthiani-transport(Nehemiah Odera )	1474	1,500.00
30.06.2025	Kennedy Kithuka	1465	5,000.00
30.06.2025	Ian Macharia	1477	54,000.00
30.05.2025	Mpesa charges		887.00
			8,339,587.00

Date: 08/07/2025

Report of the Board of Survey on the Cash and Bank Balances of... GLOBAL FUND -TB GRANT.  
..... as at the close of business on 30/06/2025

The Board consisting of - (Names and official titles)

CHAIRMAN: ROSE OTIENO.....

MEMBER: . BENJAMIN MULEI.....

MEMBER : WHITNEY JEBET.....

Assembled at the office of GLOBAL FUND UNIT

At (Time) on the 11.05 A.M. (time) on the 08/07/2025

And the following cash was produced: -

Notes ..... Sh. .... NIL.....

Silver ..... Sh. .... NIL.....

Copper ..... Sh. .... NIL.....

Cheques (as per details on reverse) ..... Sh ..... NIL.....

It was observed that cheques amounting to Sh ..... NIL.....

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

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

The Cash Book reflected the following balances as at the close of business on the 30/06/2025

Cash on hand ..... Sh 1,458,305.00

Bank Balance ..... Sh: 128,724.63

Sh.....

The bank certificate of Balance showed a sum of Kshs. 3,379,111.68

Standing to the credit of the account on .....30/06/2025

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date .....08/07/2025

ROSE OTIENO  
BENJAMIN MULEI  
WHITNEY JEBET

Chairman

*RA [Signature]*

*[Signature]*

Members of the Board  
OGPK (L)

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of cheque	Date Received	Amount



# CO-OPERATIVE BANK

We are you

The Co-operative Bank of Kenya Limited  
Parliament Road Branch  
P.O. Box 5772-00200 Nairobi  
Tel: 2210657, 2228605  
Mobile: 0722 202977, 0734 600702  
Fax: 2251838  
Nairobi  
Email: parliamentrd@co-opbank.co.ke

22<sup>nd</sup> July 2025

The National Treasury and Economic Planning

P.O. Box 30007-00100

Nairobi, Kenya

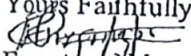
Dear Sir/Madam

REF: CERTIFICATE OF BALANCE

We enclose herein Certificate of Balances and accounts information as requested by  
as of 30/06/2025.

## CURRENT ACCOUNTS

Account Name	Account number	Balance as of 30 <sup>th</sup> June 2025
Principal Receipt Global Fund HIV	01141199190700	57,278,317.83
Principal Receipt Global Fund TB	01141199190800	3,379,111.68

Yours Faithfully,  
  
Eyrasters Ndonga

Parliament Road Branch

Directors: John Murugu (Chairman), Dr. Gideon Muriuki (Group Managing Director & CEO), M. Malonza (Vice Chairman), J. Sitienei, B. Simiyu, W. Ongoro, R. Kimanthi, Weda Welton (Mrs), Alice Mwolole (Mrs), Margaret Karangatha (Mrs), L. Karissa, G. Mburia, D. M. Muriuki.



Safaricom Ltd  
 PO Box 66827 – 00800  
 Westlands, Nairobi.  
 Kenya.

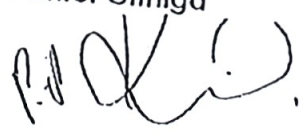
AUGUST 15<sup>TH</sup> 2025

Your Ref:

MPESA ACCOUNT BALANCE FOR ACCOUNT NO.  
 999615 HIV KEN-H-TNT, TB-KEN-T-TNT- 999628 AND MALARIA -  
 KEN- T- TNT 999655 AS AT 30TH JUNE 2025.

Please find below M-PESA balances (in KSH) held for the below organization(s) as of 30<sup>th</sup> June 2025.

Organization	Utility Account	Working Account	Charges Paid Account	Organization Settlement Account
999615 - HIV-KEN-H-TNT	364.00	404,971.00	0.00	0.00
999628 - TB-KEN-T-TNT	435.00	1,457,870.00	0.00	0.00
999655 - MALARIA-KEN-M-TNT	789.00	102,810.00	0.00	0.00

Daniel Githiga  
  
 Manager – M-PESA Accounting

When we come together, great things happen.



# CO-OPERATIVE BANK

We are you

The Co-operative Bank of Kenya Limited

Parliament Road Branch

P.O.Box 5772-00200 Nairobi

Mobile: 0701 826 957, 0701 154 187

Nairobi

Email: parliamentrd@co-opbank.co.ke

30/10/2025

To Whom it may concern,

Dear Sir/Madam,

**RE: CERTIFICATE OF BALANCE ACCOUNT NUMBER 01141747082200**

**PRINCIPAL RECIPIENT GLOBAL FUND GRANTS RETENTION**

The above subject refers.

We enclose herein Certificate of Balances and accounts information as requested as of 30/06/2025

## CURRENT ACCOUNT

Account Name	Account number	Account Balance as of 30 <sup>th</sup> June 2025
PRINCIPAL RECIPIENT GLOBAL FUND GRANTS RETENTION	01141747082200	63,648,896.20 Cr

Per Pro, THE CO-OPERATIVE BANK OF KENYA LTD.  
PARLIAMENT ROAD BRANCH, NAIROBI

REGARDS,

ALICE MARINGA

BRANCH MANAGER

CO-OPERATIVE BANK OF KENYA LTD

PARLIAMENT ROAD BRANCH

TB NFM 4 GRANT KEN-T-TNT-GA1548  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30TH JUNE 2025  
 PART B

Bank Account No.0100005345272 Held with Stanbic Bank

	NOTES	AMOUNT USD	AMOUNT USD
1 Amount advanced by Global Fund			
TNT-PR			9,633,137.32
MOH-DLTD		1,705,512.65	
HSSD		2,973,263.44	
Less		4,954,361.23	
2 Total amount justified to Global Fund			
3 Outstanding amount advanced to Designated Account			-
			9,633,137.32
Represented by:			
4 Ending Designated Account Balance at 30.06.2025			905,184.01
5 Amount claimed but not credited at 30.06.2025			-
6 Amount withdrawn and not claimed as at 30.06.2025			8,727,953.31
7 Service charges (if not included in 5 & 6 above)			-
Less			-
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2025			9,633,137.32

Discrepancy between total appearing on lines 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Amount in line 6 is eligible for financing. The expenses have not been claimed yet as they are being reviewed by auditors (LFA and internal audit) before replenishment

*A. Mutitu*  
 AUTHORIZED REPRESENTATIVE  
 RESOURCES MOBILIZATION DEPARTMENT  
 THE NATIONAL TREASURY

DATE: 05-08-2025

# SPECIAL ACCOUNT STATEMENT

For period ending 30th JUNE, 2025  
Account No. 1000375067  
Depository Bank CENTRAL BANK OF KENYA.  
Address CENTRAL BANK OF KENYA.  
Related Loan TB GRANT KEN-T-TNT GA 1548-MAIN  
Credit Agreement  
Currency USD

## Part A - Account Activity

Beginning balance of 1st July, 2024  
as per C.B.K. Ledger Account 11,419,816.27

Add:

Total Amount deposited by ~~World Bank~~ *Global Fund* 4,546,264.65

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible  
expenditure

Deduct:

Total amount withdrawn 15,060,896.91

Total service charges if not included above in  
amount withdrawn

Ending balance on 30th June, 2025 905,184.01

AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA

SIGNATURE: *[Signature]*

DATE

*14/07/2025*

AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY

SIGNATURE: *[Signature]*

DATE

*05-08-2025*

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2025 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

STATEMENT PERIOD: From 01/07/2024

ACCOUNT NUMBER : 1000375067

ACCOUNT TITLE : TB GRANT KEN-TNT GA 1548-MAIN  
 30/06/2025

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT	BAL
			OPENING BAL :			11,419,816.27
1	05.07.2024	FT241875JZN4:1	PA132791			
2	05.07.2024	FT241878Z540:1	PA132790	-2,767.77	0.00	
3	05.07.2024	FT241872307B:1	PA132757	-649.61	0.00	
4	01.08.2024	FT24214DX18R:1	PA132756	-31,511.81	0.00	
5	07.08.2024	FT242200B238:1	PROJECT FUNDING	-5,748.03	0.00	
6	07.08.2024	FT242204NWMZ:1	PROJECT FUNDING	0.00	2,012,247.00	
7	08.08.2024	FT242212KXIV:1	REVFT242204NWMZ	0.00	5,814.42	
8	23.08.2024	FT242366PP79:1	PA131344	-5,814.42	0.00	
9	23.08.2024	FT242366DFSH:1	PA131346	-1,400,000.00	0.00	
10	23.08.2024	FT242366HNTFP:1	PA131345	-375,092.38	0.00	
11	08.10.2024	FT242824TX9Q:1	PA136375	-232,903.68	0.00	
12	08.10.2024	FT242824MXHT0:1	PA136374	-178,661.61	0.00	
13	13.11.2024	FT24318785PB:1	PA136654	-60,011.31	0.00	
14	13.11.2024	FT24318785PB:1	PA136658	-16,616.72	0.00	
15	31.12.2024	FT243665738S:1	PA136738	-12,611.70	0.00	
16	31.12.2024	FT243665QP5Y:1	PA136736	-9,677.60	0.00	
17	31.12.2024	FT243666TPJDH:1	PA136737	-55,826.81	0.00	
18	31.12.2024	FT243666TPVTE:1	PA136740	-12,568.23	0.00	
19	31.12.2024	FT243666W7VJ:1	PA136751	-28,648.88	0.00	
20	31.12.2024	FT243666WVSL0:1	PA136743	-3.85	0.00	
21	31.12.2024	FT243666WTFB8:1	PA136739	-6,743.30	0.00	
22	21.01.2025	FT2502112NNIP:1	PA136741	-16,800.96	0.00	
23	21.01.2025	FT2502159412:1	PA136742	-1,091.37	0.00	
24	21.01.2025	FT250219HBYW:1	PA136777	-1,893.56	0.00	
25	21.01.2025	FT2502154666:1	PA136778	-90,000.00	0.00	
26	23.01.2025	FT25023PK3LG:1	PA136779	-4,500.00	0.00	
27	23.01.2025	FT25023ZDB5F:1	PA136780	-327,833.07	0.00	
28	03.02.2025	FT250341RGG8:1	PA136787	-16,391.65	0.00	
29	03.02.2025	FT2503425XNW:1	PA136792	-334,219.20	0.00	
30	03.02.2025	FT250349WC0N:1	PA136791	-9,969.39	0.00	
31	03.02.2025	FT250341JB8X:1	PA136826	-199,387.77	0.00	
32	03.02.2025	FT25034NDY41:1	PA136790	-1,921,457.55	0.00	
33	03.02.2025	FT25034NUN2D:1	PA136806	-28,862.50	0.00	
34	03.02.2025	FT25034Z904P:1	PA136788	-1,398,171.06	0.00	
35	10.02.2025	FT2504152PQ4:1	PA136842	-16,710.96	0.00	
36	10.02.2025	FT250415JZZ9:1	PA136841	-21,326.66	0.00	
37	10.02.2025	FT250417XIB94:1	PA136839	-7,172.26	0.00	
38	10.02.2025	FT250419XNFY:1	PA136837	-12,007.93	0.00	
39	10.02.2025	FT25041HBM2G:1	PA136834	-20,038.82	0.00	
40	10.02.2025	FT250417BNJ:1	PA136835	-30,759.80	0.00	
41	10.02.2025	FT25041ZK7B2:1	PA136840	-17,250.34	0.00	
42	10.02.2025	FT25041ZRRNG:1	PA136838	-20,753.00	0.00	
43	10.02.2025	FT25041ZRRNQ:1	PA136832	-13,192.02	0.00	
44	28.02.2025	FT250590VZH9:1	PA138512	-10,546.48	0.00	
45	28.02.2025	FT250593R7YP:1	PA138519	-312.40	0.00	
46	28.02.2025	FT2505949NPF:1	PA138520	-386,100.00	0.00	
47	28.02.2025	FT2505986BS7:1	PA138507	-19,305.00	0.00	
48	28.02.2025	FT25059H0PGH:1	PA138515	-849.18	0.00	
49	28.02.2025	FT25059H6R8S:1	PA138506	-1,413.72	0.00	
50	28.02.2025	FT25059HILTSZ:1	PA138518	-16,983.69	0.00	
51	28.02.2025	FT25059MJHPC:1	PA138522	-6,349.00	0.00	
52	28.02.2025	FT25059QV8KS:1	PA138513	-54,064.56	0.00	
53	28.02.2025	FT25059RQ3FE:1	PA138514	-15.61	0.00	
54	28.02.2025	FT25059VX8B4:1	PA138516	-70,686.00	0.00	
55	07.03.2025	FT25066211QS:1	PA138530	-126,980.00	0.00	
56	07.03.2025	FT25066W3VIS:1	PA138529	-22,679.67	0.00	
57	02.04.2025	FT250920K2ZZ:1	PA136794	-453,593.43	0.00	
58	02.04.2025	FT250921C9X8:1	PA136789	-7,985.10	0.00	
59	02.04.2025	FT250921HUCSS:1	PA138508	-569,378.50	0.00	
60	02.04.2025	FT250927FLS0:1	PA136745	-6,309.55	0.00	
61	02.04.2025	FT250928D9VN:1	PA136783	-4,364.43	0.00	
62	02.04.2025	FT250928BCL1W:1	PA138504	-245,124.70	0.00	
63	02.04.2025	FT250921DM19:1	PA138503	-126,191.03	0.00	
64	02.04.2025	FT25092NL28Q:1	PA138521	-131.18	0.00	
				-776.09	0.00	

67	02-04-2025	FT25092TX2F2:1	PA138502	-2,623.52	0.00	4315134.8
68	02-04-2025	FT25092VP1B6:1	PA136793	-159,702.05	0.00	4312511
69	02-04-2025	FT25092N2FXB:1	PA136784	-12,256.23	0.00	4152809
70	02-04-2025	FT25092YAMVZR:1	PA138532	-2,198,279.40	0.00	4140553
71	11-04-2025	FT25101CZ8F4:1	PA136831	-1,602.84	0.00	1942273
72	11-04-2025	FT25101DK1JC:1	PA136695	-217,725.83	0.00	1940670
73	14-04-2025	FT25104TD4JK:1	TB GRANT	0.00	2,267,039.53	1322944.9
74	25-04-2025	FT251154987H:1	PA138536	-75,361.22	0.00	3989984.46
75	14-05-2025	FT251342KFDZ:1	PA138545	-1,400,000.00	0.00	3914623.24
76	10-06-2025	FT2516167KHB:1	PA138548	-276,926.00	0.00	2514623.24
77	16-06-2025	FT25167GSRQW:1	TB GRANT	0.00	266,978.12	2237697.24
78	20-06-2025	FT25171183V7:1	PA138538	-20,512.01	0.00	2504675.36
79	20-06-2025	FT25171ZH8W1:1	PA138537	-22,449.78	0.00	2484163.35
80	26-06-2025	FT25177GHDYD:1	PA138575	-1,200,000.00	0.00	2461713.37
81	27-06-2025	FT251784SLYZ:1	PA138582	-259,110.00	0.00	1261713.37
82	27-06-2025	FT25178CKLXN:1	PA138576	-34,354.06	0.00	1002603.57
83	27-06-2025	FT25178D3KKN:1	PA138581	-748.00	0.00	968249.51
84	27-06-2025	FT25178F7H8L:1	PA138583	-12,955.50	0.00	967501.51
85	27-06-2025	FT25178PWKGAI:1	PA138580	-14,960.00	0.00	954546.01
86	27-06-2025	FT25178X73MN:1	PA138584	-12,232.48	0.00	939586.01
87	27-06-2025	FT25178YT64N:1	PA138577	-1,717.70	0.00	927353.53
88	27-06-2025	FT25178ZRV1V:1	PA138586	-12,925.59	0.00	925635.83
				-7,526.23	0.00	912710.24
						905184.01

END OF ACCOUNT STATEMENT

CLOSING BALANCE : 905184.01

Favourites

TABLE STATEMENT OF ACCOUNTS

Account equals  1000375067

Statement From equals  20240701

Statement To equals  20250630

TABLE STATEMENT OF ACCOUNTS

More Options  
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Find

TB NFM 4 TRIAL BALANCE FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025		
	DR (KSHS)	CR (KSHS)
Rev Reserves Balance B/F M-PESA		396,434
Rev Reserves Balance B/F Bank		38,412,601
Bal b/f NFM 3 PPE		101,511,129
Disbursements from Donor		1,188,912,513
Disbursements from Donor		235,915,622
Exchequer receivable	35,788,680	
Contractual employees	8,087,598	
Top-up allowance	151,149	
Transfer to RSSH Program as Exchequer	639,948,552	
Transfer to TB Program as Exchequer	384,219,199	
Travel costs	249,860	
Accommodation (Donor)	21,722,500	
Foreign travel	2,059,074	
Accommodation foreign travel	525,888	
Publishing and printing	2,233,295	
Advertising	853,771	
Hospitality and services	3,707,550	
Training allowance (GoK CPF)	18,645,637	
Tuition fee (GoK CPF)	17,593,000	
Retention Payable		63,648,896
Payables (Pending bills)		30,925,117
Supply of Medical drugs (Donor)	27,609,045	
Supply of Medical drugs (GoK CPF)	32,552,288	
Laboratory Materials, Supplies and Small Equipment	33,546,005	
Fuel oil and lubricants	189,170	
Contracted Professional services (AIA)	17,866,966	
Contracted Professional services (GoK CPF)	6,299,936	
Bank charges	29,450	
Interest earning		354,005
Transfers Purchase of motor vehicles	278,522,000	
Transfers Supply of heavy duty printer	2,026,092	
Transfers Supply of Specialized Plant	33,993,418	
Transfers Purchase of Tablets (GoK CPF)	6,440,000	
Specialized Equipments	101,511,129	
GoK Counterpart Funding		81,530,860
Balance C/D Deposit Bank	63,648,896	
Balance C/D M-PESA	1,458,305	
Bank Balance C/D (KES Account)	128,725	
<b>TOTAL</b>	<b>1,741,607,177</b>	<b>1,741,607,177</b>

