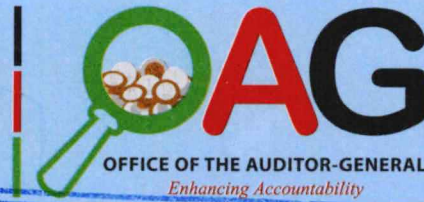


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

**REPORT**

**THE NATIONAL ASSEMBLY  
PAPERS LAID**

DATE: 05 NOV 2025

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**THE AUDITOR-GENERAL**

**ON**

**GLOBAL FUND TUBERCULOSIS  
(PROJECT NO. KEN-T-TNT-2067)**

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

**MINISTRY OF HEALTH**





**PROJECT NAME: GLOBAL FUND TUBERCULOSIS**

**IMPLEMENTING ENTITY: MINISTRY OF HEALTH/STATE DEPARTMENT OF  
PUBLIC HEALTH AND PROFESSIONAL STANDARDS – DIVISION OF NATIONAL  
TUBERCULOSIS, LEPROSY AND LUNG HEALTH – PROGRAM**

**PROJECT GRANT/CREDIT NUMBER: KEN-T-TNT-2067**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 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)**

*Global Fund Tuberculosis  
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 Global Fund Tuberculosis.

#### **Objective**

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

#### **Address**

The project headquarters offices is in Nairobi, Nairobi County, Kenya. The address of its registered office is:

Ministry of Health

P.O. Box 30016 - 00100

Afya house, Cathedral Road,

Nairobi, Kenya.

The address of its registered office is:

Division of National Tuberculosis Leprosy and Lung Health Program (DNTLH-P)

Afya Annex Building, KNH Grounds, Hospital Road

Nairobi, Kenya.

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

P.O. Box: 20781 - 00202

Telephone: (254) 773 977440

E-mail: [info@nltp.co.ke](mailto:info@nltp.co.ke)

Website: [nltp.co.ke](http://nltp.co.ke)

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

**2.2 Project Information**

Project Start Date:	01-07-2021
Project End Date:	30-06-2024
Project Coordinator:	Dr. Immaculate Kathure
Project Development Partner:	The Global Fund to Fight Aids Tuberculosis and Malaria (GFATM)

**2.3 Project Overview**

Line Ministry or State departments/ County Department	Ministry of Health /State department of Public Health and Professional Standard.
Project number	KEN-T-TNT-2067
Strategic goals of the project	The strategic goals of the project are as follows: (i) Reduce TB deaths by 90% compared to 2015 (ii) Reduce the TB incidence rate by 80% compared to 2015
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Diagnose and treat at least 597,000 people with TB by 2023. (ii) TB Preventive Therapy provided to at least 900,000 people at risk of TB by 2023
Other important background information of the project	A lower-middle income country with a population estimated at 47.5 million (2019 Census), Kenya has a devolved governance system since adoption of a new constitution in 2010 that consists of National Government and 47 County (sub-national) Governments. Under the new dispensation, health is a devolved function that is shared across the two levels. The responsibility for health service delivery is assigned to the Counties while policy, quality assurance, capacity building and management of national referral hospitals remain the national's government

	<p>responsibility.</p> <p>The TB prevalence survey undertaken in 2016 revealed that the true burden of TB in Kenya was 426 cases per 100,000 population, higher than previously estimated. According to the 2019 WHO Global TB report, an estimated 150,000 persons fell ill with TB in 2018, yet only about 95,000 were notified. Kenya had about 2,300 persons who fell ill from Drug Resistant TB (DRTB) in 2018 out of whom 465 were laboratory confirmed and 470 started on second line treatment. Between 2017 and 2018, TB incidence and mortality declined from 319/100,000 population &amp; 50/100,000 to 292/100,000 population &amp; 38/100,000 population respectively. Of concern however were the continued declining trends in TB case notification rates (all forms) and treatment success rates for RR/MDR-TB and all forms of TB. TB case notification rate (all forms) in 2019 was 181/100,000 population which was a 10.6% drop from what was reported in 2018. The program has attained TB treatment success rate (all forms) of 88% against a target of of 90%. This Grant is based on and aligned with the National Strategic Plan (NSP) for Tuberculosis, Leprosy and Lung Diseases 2019-2023, which provides a framework for guiding the strategic and technical response to the TB epidemic in Kenya that reflects a patient-centred approach to planning and evidence-based prioritization of resource allocation.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> <li>(i) TB patients (including TB/HIV co-infected patients and MDR-TB patients)</li> <li>(ii) Key populations (including prisoners, migrants, people living in informal settlements and mobile populations)</li> <li>(iii) The general population of Kenya</li> <li>(iv) Health workers</li> </ul>
<p>Project duration</p>	<p>Three Years (1st July 2021 to 30 June 2024)</p>

## **Project Information and Overall Performance (Continued)**

### **2.4 Bankers**

The following are the bankers for the project:

**(i) Project Account**

Account Name: MOH TUBERCULOSIS GRANT  
 Bank: Co-operative Bank of Kenya  
 Branch: UpperHill  
 Bank Address: P.O Box 48231-00100 Nairobi  
 Account number: 01141163732900

**(ii) Special Account**

Bank: Stanbic Bank - Nairobi  
 Account Number: A/C No. 100005345272  
 Branch: Waiyaki Way – Westland,  
 City: Nairobi

### **2.5 Independent Auditor**

The project is audited by the Office of The Auditor General

### **2.6 Roles and Responsibilities**

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Dr. Immaculate Kathure	Deputy Director of Medical Services	M. Public Health	Head National Tuberculosis Leprosy and Lung Disease Program
Perez Auma	Deputy Director Clinical Services	Clinical Medicine	Global Fund Manager
Abdullahi Omar	Pharmacist	BPharm, MPSK	Head Supply Chain and pharmacovigilance
Aiban Ronoh	GF Manager /M&E Officer	M.Sc Biostatistics	Head Monitoring and Evaluation
Silas Kamuren	Project Finance Officer	BCom, CPA(K)	Project Finance Officer
Tobias Olambo	Assistant Accountant General	B.COM, CPA(K)	Accountant in-charge

**2.7 Funding summary**

The Project is for a duration of 3 years from 2021 to 2024 with an approved grant budget of USD\$ 42,675,832, where US\$ 30,441,910 relates to funds retained at The National Treasury (Principal Recipient), US\$ 4,651,137 relates to funds for the Ministry of Health RSSH (sub recipient) and US\$ 7,582,786 relates to funds for programmatic interventions implemented by the Ministry of Health (Sub-recipient) as highlighted in the table below.

**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	Kshs	Development Partner currency	Kshs	Development Partner currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
<b>(i) Grant</b>						
Global Fund TB –C19RM-COVID	\$ 4,098,263	512,282,906	\$ 3,836,120	442,281,826	\$ 262,143	70,001,080
Global Fund TB – KEN-T-TNT-2067	\$ 7,582,786	993,344,914	\$ 7,569,716	951,222,563	\$ 13,069	42,122,351
Interest Earnings				5,605,839		
<b>Total</b>	<b>\$ 11,681,049</b>	<b>1,505,627,819</b>	<b>\$ 11,405,836</b>	<b>1,399,110,228</b>	<b>\$ 275,213</b>	<b>112,123,430</b>

**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 (30th June 2025)	
	Development Partner currency	Kshs	Development Partner currency	Kshs	Development Partner currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
Global Fund TB – KEN-T-TNT-2067	\$ 11,405,836	1,399,110,228	\$ 10,979,767	1,346,548,597	\$ 426,069	52,561,631
<b>Total</b>	<b>\$ 11,405,836</b>	<b>1,399,110,228</b>	<b>\$ 10,979,767</b>	<b>1,346,548,597</b>	<b>\$ 426,069</b>	<b>52,561,631</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,*

The country signed The Global Fund TB Grant (KEN-T-NT-2067) whose implementation started on 1st July 2021. The Ministry of Health budget for the current financial period being reported is Kshs. 8,834,739 being pending bills from prior financial year and the expenditure incurred and reported of Kshs 7,941,292 being payment of the pending bills from the previous financial year represents a fund utilization rate of 90%. Cumulative budget to date is Kshs. 1,505,627,819 and cumulative expenditure of Kshs. 1,346,845,981, representing a utilization rate of 93% whereas the variance is attributed to declared savings reprogrammed and prioritised to procure Anti-TB medicines and laboratory commodities gaps during the period and the balance transferred to the next grant KEN-T-TNT-4148.

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

The country now is in a phase of accelerated decline in TB incidence and mortality where incidence has reduced by 38% compared to 2015 baseline while mortality has decline by 65%. This is a demonstration of impact achievement which The Global Fund project has significantly contributed. With this level of performance, if sustained, then the country might achieve its 2030 goal of ending TB. UHC indicators are also on upward performance with the 78% treatment coverage up from 51% in the previous period. Case fatality ration is down to 20% among the estimated incidences. The country realised an improved achievement of targets on treatment success rate which is currently at 89% against a target of 90%. Testing for HIV among TB patients remains high at 98% and the initiation of ART among TB/HIV coinfectd patients is also high at 98%. DR TB surveillance remains a challenge with rifampicin testing among previously treated patients at 73% against a target of 90%. This has hampered the case finding for DR TB patients. The program continues to strengthen efforts for testing to reverse this phenomenon.

The Global fund revised the grant rating methods and programmatically the project was rated C which was a satisfactory performance

iii) *Indicate the absorption rate for each year since the commencement of the project.*  
For the current grant that started in 1st July 2021, the fund absorption rate for the last year 2021/2022 – was 91%, 2022/2023 was 101% and the current period 2023/2024 70% respectively.

iv) *List the implementation challenges and recommend the next steps.*

**Challenges**

The project has experienced delay in approval and long procurement processes that affected the supply chain of TB treatment and diagnostic commodities in the country. Non-payment of pending bills under The National Treasury Counter Part Finance for Laboratory and TB medicines has seen suppliers declining to supply commodities to the country under other financing sources.

**Way forward.**

The future grants should address the bureaucratic processes of approval while ensuring that there is effective internal control and oversight measures. Prioritization payment for pending bills for health commodities.

**2.9 Summary of Project Compliance:**

The project complied with all applicable laws and regulations, and essential Global Fund financing agreements/covenants.

### **3. Statement of Performance against Project’s Predetermined Objectives**

#### **Introduction**

*Section 81(2)(f) /Section 164 (2)(f)* of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national/county government entity’s performance against predetermined objectives at the end of each financial year.

The key development objectives of the *Global Fund Tuberculosis Grant agreement* are to:

- a) To sustain gains in the newly devolved health system
- b) To intensify efforts to find “missing” cases
- c) To reduce TB transmission
- d) To prevent active disease and morbidity
- e) To enhance the quality of care for chronic lung disease

#### **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.

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

Project	Objective	Outcome	Indicator	Performance
Global Fund Grant-Tuberculosis Component	To accelerate reduction of TB, Leprosy and lung disease burden through provision of people centred, universally accessible, acceptable and affordable quality services in Kenya	<ol style="list-style-type: none"> <li>1. Reduction of TB incidence by 90%</li> <li>2. Reduction of TB mortality by 95%</li> <li>3. Zero households suffering from catastrophic costs by 2030</li> </ol>	<ol style="list-style-type: none"> <li>1. TB Mortality rate</li> <li>2. TB incidence rate</li> </ol>	<p>During the period under review the country achieved a mortality rate of 27 per 100,000 against a target of 32 per 100,000-Progress made in reduction of mortality due to TB down from 32 per 100000</p> <p>Achieved incidence rate of 223per 100,000 against a target of 308; the country is still missing people with TB</p>
			3. Treatment success rate (All forms of TB)	<p><b>Target=90%</b> <b>Achieved=89%</b> <b>Performance of 98%</b> <b>performance against targets</b></p>
			Number of notified cases of all forms of TB	<p><b>Targets=97203</b> <b>Achieved=80044</b> <b>Performance of 82%</b></p>

#### **4. Environmental and Sustainability Reporting**

The purpose of the Division of National tuberculosis Leprosy and Lung Disease Program is to ensure provision of quality care and prevention services for all people affected by Tuberculosis. This is achieved by bringing together stakeholders involved in Tuberculosis control including development partners, Tuberculosis patients and former patients by providing a platform for participation in planning and decision making on matters related to Tuberculosis treatment and prevention in Kenya. The program is mandated to mobilize resources in order to make sure that tuberculosis diagnosis and treatment are accessible to the clients at minimum cost to reduce financial hardship to persons and families affected by the disease. The program also advocates for social support including food security for the most vulnerable including children. Currently through the support of The Global Fund, Drug Resistant Tuberculosis patients are provided with monthly stipend of Kshs 6,000, enrolled on NHIF medical cover for the duration of treatment and are provided with nutrition supplements for the severer and moderately malnourished.

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

The program launched a national strategic plan (2023/24-2027/18) which identifies gaps which are fully costed as a guide for resource mobilization. The counties adopted it by developing county TB, Leprosy and lung disease frameworks to enable counties and stakeholders mobilize resources at that level. UHC is a key pillar in achieving accessible quality health services. The program through, GOK and partners is also investing in health systems to ensure sustainability. The government continues to avail domestic resources to support TB commodity procurement including first line medicine and laboratory reagents. However, most of the program activities are still donor dependant including human resources, programmatic management of drug resistant TB, Leprosy and Latent Tuberculosis treatment (LTBI).

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

Tuberculosis legal environmental assessment: KELIN an arm of legal and human right wing, carried out Tuberculosis: assessment of the legal environment in Kenya in 2018, according to the report launched in February 2018. It is appreciated that in the area of TB prevention and control, legal and policy barriers might not be as obviously problematic to treatment and care as they are in the area of HIV. However, human rights and law issues have emerged and should be addressed through country-level reviews of laws and policies. These issues have increasingly presented barriers to access to the best standards of care for TB patients, especially the marginalized communities. The legal environment assessment entailed an evaluation of the national legal and

policy framework of TB in Kenya. It aimed at identifying and examining all important legal and human rights issues in TB affecting people. An environmental legal assessment led to the development of a TB isolation policy taking into consideration the issues of human rights raised and hence inclusion of human rights intervention in the National Strategic 2019-2023, for TB, Leprosy and Lung Health. The other environmental performance includes the funding landscape. TB Gender environment assessment: TB affects men and women differently, epidemiologically, biologically and socially. In order to eliminate TB, the TB response must address the gender-related barriers to accessing TB services and include key and vulnerable populations. The TB and HIV ender Assessment in Kenya aimed at determining gender related barriers to accessing TB services and ways of surmounting these. The assessment was carried out by KELIN and was adopted by National TB program for implementation.

### **3. Employee welfare**

The program implements the Public Service Commission policies, procedures and guideline provided. During hiring the program applies the i) Human Resource Policies and Procedures Manual for the Public Service – May 2016 and ii) Diversity Policy for Public Service - May 2016 to foster, cultivate and preserve a culture of respect for diversity by embracing and encouraging an inclusive workforce in terms of age, colour, minority and marginalized, disability, ethnicity, family or marital status, gender, language, physical and mental ability, race, religion, socio-economic status, and other characteristics that make its human resource unique. These guidelines also ensure efficient, effective and purpose driven management of human resource development in the public service for socio-economic development. Further, it provides for systematic identification and mitigation of performance gaps and creation of an environment that promotes Private Public Partnerships in training and development, innovativeness and creativity in service delivery. In addition, it provides direction in planning and implementation of capacity building programmes and mechanisms for performance improvement, while ensuring continuous and lifelong learning for public servants. The Policy presents a mechanism for structured training, competency development and assessment; knowledge and talent management; entrenchment of Values and Principles of Public Service, human resource development audit and development of a monitoring, evaluation and reporting framework for human resource development programmes. DNTLH-P is also implementing the Occupational safety and health policy guidelines for the health sector In Kenya as developed by the Ministry of Health.

**4. Marketplace practices-**

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

DNTLD-P is a division within the Ministry of Health, being a government entity, the program does not undertake any commercial activities. All the staff are duly trained and guided by the i) Code of Regulation, ii) Bribery Act 47 and framework for the implementation of values and principles in articles 10 and 232 of the constitution in the public service. All procurements for supplies, including supplier relation are guided by the Public Procurement and Disposal Act, 2015.

**b) Responsible ethical practices**

*Ethical anti- corruption practices*

The Ministry of Health State Department of Public Health and Professional Standards is governed by the Kenyan constitution 2010 and the act governing government bodies. These Acts, regulations, policies, guidelines and circulars include but is not limited to the following; i) Public Finance Management Act 2012, ii) Public Procurement and Asset Disposal Act 2015, iii) Health Act 2017, iv) Public Health Act v) Fair Administrative Action Act, 2015, vi) Public Service (Values and Principles) Act, 2015 among others.

*Responsible political involvement*

The Ministry of Health State Department of Public Health and Professional Standards is a government body and is required to be impartial and non-bipartisan on matters politics.

**c) Regulatory impact assessment**

As per the Kenya Constitution, all citizens have a right to access to affordable healthcare services. In line with this, the Ministry of Health State Department of Public Health and Professional Standards through the Division of National Tuberculosis Leprosy and Lung Health program is mandated to Provide equity of access to cost-effective, quality-assured TB, Leprosy, and Lung health services as close to the family as possible. This is archived through the following.

- a) Providing technical guidance and supervision of Tuberculosis, Leprosy and Lung Disease to counties
- b) Providing Tuberculosis, Leprosy and Lung Disease diagnostic and treatment services within the healthcare system

- c) Conducting health promotion, disease monitoring and surveillance, evaluation of control programs, and research.

## **5. Community Engagements**

The role of communities and community-based organizations in TB work is limited and even if they played a role, it is mainly limited to a few tasks in service delivery. Lessons learnt from other public health responses, highlight the importance of community engagement and participation in all aspects of communication, advocacy, planning, implementation and monitoring of programs. In line with the call for paradigm shift articulated in the Global Plan for ending TB 2016- 2020, the Stop TB Partnership, Kenya started a work stream that focuses on communities and the related issues of rights and gender. Involvement of former TB patients and those affected has been very visible during national events like the world TB day planning meetings and implementations which has been most of time been on voluntary basis. Community health volunteers (CHVs) continues to provide essential services on contact tracing, tracing those who interrupt treatment and public health education at the community level particularly during this era of COVID 19 pandemic. During the Global Fund grant application, the TB champions among other community-based actors played a key in grant application process. Noted here are the valuable man hours given by this group of community players. In this regard, the contribution of this community actors is part of their contribution to the society as part of CSR.

## **5. Statement of Project Management Responsibilities**

The *Principal Secretary* for the *Ministry* of Health/State Department of Public Health and Professional Standards 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 year ended on June 30, 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* for the *Ministry* of Health/State Department of Public Health and Professional Standards 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* for the *Ministry* of Health/State Department of Public Health and Professional Standards 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 financial year ended June 30, 2025, and of the Project's financial position as at that date.

The *Principal Secretary* for the *Ministry* of Health/State Department of Public Health and Professional Standards 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* for the *Ministry* of Health/State Department of Public Health and Professional Standards and the *Project Coordinator* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants

**Global Fund Tuberculosis**

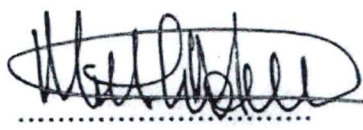
**Annual Report and Financial Statements for the financial year ended June 30, 2025**

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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.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the *Principal Secretary* for the *Ministry of Health/State Department of Public Health and Professional Standards* and the *Project Coordinator* on \_\_\_ 01-October \_\_\_ 2025 and signed by:



Mary M. Muriuki, CBS  
*Principal Secretary*



Dr. Immaculate Kathure  
Project Coordinator



Tobias Olambo  
Project Accountant  
ICPAK Member No:14253

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND TUBERCULOSIS (PROJECT NO. KEN-T-TNT-2067) FOR THE YEAR ENDED 30 JUNE, 2025 - MINISTRY OF HEALTH

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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 Tuberculosis (Project No. KEN-T-TNT-2067)-Ministry of Health set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of

Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Global Fund Tuberculosis (Project No. KENT-T-TNT-2067) 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 Grant Agreement Number 2067 and Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the of Global Fund Tuberculosis Grant No. KENT-T-TNT-2067 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.

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

### **Emphasis of Matter**

#### **Undrawn Balance**

Review of source of funds under project information and overall performance page viii of the financial statements revealed that the project had an approved budget of Kshs.1,505,627,819 being funding for the period of three (3) years to 30 June, 2024. However, as at 30 June, 2025 and the end of the project, only Kshs.1,399,110,228 was drawn which includes Kshs.951,222,563 relating to current grant number KEN-T-TNT-2067 and Kshs.442,281,826 relating to grant number C19RM COVID leaving an undrawn balance of Kshs.112,123,430.

In the circumstances, the Project may not have achieved its planned objectives.

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**

The Management is responsible for the Other Information set out on page ii to xviii which comprise of Project Information and overall Performance, Statement of

Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and the 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.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### **Conclusion**

As required by the Global Fund, 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 Global Fund requires that I report on the legal or regulatory requirements, or on performance information, disclosed. These matters require expressing a separate opinion as to the 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 the Management and those Charged with Governance**

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

The 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 for 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**

**16 October, 2025**

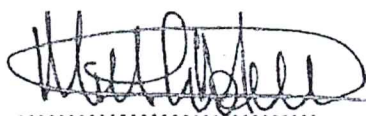
*Global Fund Tuberculosis  
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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

	Notes	FY 2024/2025
		Kshs
<b>Revenue</b>		
Revenue Transfers	-	-
Miscellaneous Revenue	6	255,115
<b>Total revenue</b>		<b>255,115</b>
<b>Expenses</b>		
Employee costs	-	-
Use of goods and services	7*	41,327
Other Transfers/Subsidies/Grants	8	52,264,247
<b>Total expenses</b>		<b>52,305,574</b>
<b>Other gains/(losses)</b>		
Gain/Loss on sale of assets	-	-
Gain/Loss on foreign exchange transactions	-	-
Impairment loss	-	-
<b>Surplus/ (deficit)</b>		<b>(52,050,459)</b>

*Disclosure note: The total expenditure for the FY 2024/25 is Kshs 41,327 with payment of liabilities of Kshs.7,899,965*

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



Mary M. Muriuki, CBS  
Principal Secretary



Dr. Immaculate Kathure  
Project Coordinator

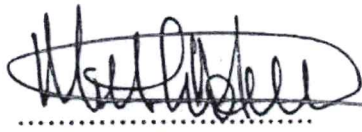


Tobias Olambo  
Project Accountant  
ICPAK Member No:14253

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

	Note	FY 2024/2025	1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	9	-	59,950,424
Receivables	-	-	-
Prepayment	10	-	329,539
<b>Total Current Assets</b>		-	<b>60,279,964</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	-	1,546,552
<b>Total Non- Current Assets</b>		-	<b>1,546,552</b>
<b>Total Assets (a)</b>		-	<b>61,826,515</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	12	-	7,899,965
<b>Total Current Liabilities</b>		-	<b>7,899,965</b>
<b>Total Liabilities (b)</b>		-	<b>7,899,965</b>
<b>Net Assets (a-b)</b>		-	<b>53,926,550</b>
<b>Represented By:</b>			
Reserves		-	-
Accumulated Surplus		-	53,926,550
<b>Total Net Assets</b>		-	<b>53,926,550</b>

Disclosure note: Additional supplementary workings has been annexed on the pre-closure financial position Annex 4  
 The financial statements were approved on 01-October 2025 and signed by:



Mary M. Muriuki, CBS  
 Principal Secretary



Dr. Immaculate Kathure  
 Project Coordinator



Tobias Olambo  
 Project Accountant  
 ICPAK Member No:14253

**Global Fund Tuberculosis**

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

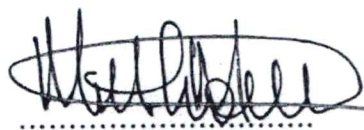
**9. Statement of Changes in Net Assets**

Description	Accumulated Surplus
	Kshs
<b>As at 30<sup>th</sup> June 2024 (Cash Basis)</b>	<b>60,279,964</b>
Adjustments:	
Asset Recognition	1,546,552
Liabilities recognition	(7,899,965)
<b>As at 1<sup>st</sup> July 2024</b>	<b>53,926,550</b>
Surplus/(Deficit) for the year	(52,050,459)
<b>As at 31<sup>st</sup> December 2024</b>	<b>1,876,091</b>
<b>Less</b>	
<b>Other Transfers/Subsidies/Grants</b>	
Transfer in kind (Fuel Prepayment) to KEN-T-TNT-4148	(329,540)
Transfer in kind (Fixed Assets) to KEN-T-TNT-4148	(1,546,552)
	<b>(1,876,091)</b>
<b>As at 30<sup>th</sup> June 2025</b>	<b>-</b>

Disclosure note: The project closed out on 31<sup>st</sup> December 2024 and thereafter the assets were transferred to GF TB Grant KEN-T-TNT -4148.

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

The financial statements were approved on \_\_\_01-October\_\_\_ 2025 and signed by:



Mary M. Muriuki, CBS  
Principal Secretary



Dr. Immaculate Kathure  
Project Coordinator



Tobias Olambo  
Project Accountant  
ICPAK Member No:14253

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

<b>Description</b>	<b>Note</b>	<b>FY 2024/2025</b>
		<b>Kshs</b>
<b>Cashflow from operating activities</b>		
<b>Receipts</b>		
Revenue Transfers		-
Miscellaneous Revenue	6	255,115
<b>Total receipts</b>		-
<b>Payments</b>		
Employee costs		-
Use of goods and services	*7	7,941,292
Other Transfers/Subsidies/Grants	*8	52,264,247
Certified Works		-
<b>Total payments</b>		<b>60,205,539</b>
<b>Net cash flow from operating activities</b>	13	<b>(59,950,424)</b>
<b>Cashflow from investing activities</b>		
Acquisition of non-financial assets		-
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
<b>Net cash flows from investing activities</b>		-
<b>Cash flow from financing activities</b>		
<i>Specify the activity</i>		-
<b>Net cash flow from financing activities</b>		-
Net increase/Decrease in cash and cash equivalents		(59,950,424)
<b>Cash and cash equivalent at 1<sup>st</sup> July 2024</b>	<b>9</b>	<b>(59,950,424)</b>
<b>Cash and cash equivalent at end June 2025</b>	<b>9</b>	<b>-</b>

*Disclosure note: i) Note 8- Other Transfers/Subsidies/Grants refers to the cash balance transferred to GF TB Grant KEN-T-TNT 4148 after the Clouser of the project. ii) Note7- Under Use of goods and services, the total expenditure for the FY 2024/25 is Kshs 41,327 with payment of liabilities of Kshs. 7,899,965thus total payment of Kshs 7,941,292*

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Budget Carry Overs from previous periods</b>						
<b>Receipts</b>						
Revenue Transfers	-	59,950,424	59,950,424	59,950,424	-	100%
Miscellaneous Revenue	-	255,115	255,115	255,115	-	100%
<b>Total Revenue</b>	-	<b>60,205,539</b>	<b>60,205,539</b>	<b>60,205,539</b>	-	<b>100%</b>
<b>Payments</b>						
Employee costs	-	-	-	-	-	-
Use of goods and services	-	7,941,292	7,941,292	7,941,292	-	100%
Other Transfers/Subsidies/Grants	-	52,264,247	52,264,247	52,264,247	-	100%
<b>Total Payments</b>	-	<b>60,205,539</b>	<b>60,205,539</b>	<b>60,205,539</b>	-	<b>100%</b>
<b>Surplus</b>	-	-	-	-	-	

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	-
1	Timing Difference	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

**12. Notes to the Financial Statements**

**1. General Information**

The Division of National Tuberculosis and Other Lung Disease is a unit under the Ministry of Health State Department of Public Health and Professional Standards established by and derives its authority and accountability from Public Health Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to undertake Tuberculosis Control in Kenya.

**2. Statement of Compliance and Basis of Preparation**

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

These financial statements were authorized for issue by the accounting officer on State Department of Public Health and Professional Standards on 29 August 2025.

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

### 3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><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>IMPACT</b></p> <p>The changes in the revised standards resulted in recognition of Trade payables from the previous reporting period. An adjustment in the net assets has been provided affecting the Accumulated surplus from previous years.</p>
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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><b>IMPACT</b></p> <p><i>This has impacted the financial reporting for the current period, where the previously expensed assets have been recognised through an adjustment in the statement of financial position at the beginning of the period.</i></p>

#### ii) *Early adoption of standards*

The entity adopted the accrual basis of accounting for current assets and current liabilities, adjustments have been made to the accumulated surplus to recognize the fixed assets and current liabilities thus affecting the opening balances.

**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 a reduction in the appropriations of **214,138,317** on the FY 2024/2025 budget following parliament'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 5 under section **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 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**

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

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### **d) 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.

### **e) Nature and purpose of reserves**

The *Entity* creates and maintains reserves in terms of specific requirements. These funds are subsequently utilised in the next periods within the project timeline and transferred to the next project cycle upon clouser.

### **f) 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.

### **g) 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.

### **h) 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.

### **i) 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.

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

**Notes to the financial statements**

**6. Miscellaneous revenue**

<b>Description</b>	<b>FY 2024/25</b>
	<b>Kshs</b>
Interest Income	255,115
<b>Total</b>	<b>255,115</b>

**7. Use of Goods and Services**

<b>Description</b>	<b>FY 2024/25</b>	<b>1<sup>st</sup> July 2024 Liabilities</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		-
Bank charges	41,327	-
Communication, supplies and services		-
Domestic travel and subsistence		176,980
Foreign travel and subsistence		-
Stationery, Printing, advertising, and information supplies		2,435,657
Office rent		-
Training payments		1,784,620
Hospitality supplies and services		1,045,932
Insurance costs		-
Specialized materials and services		-
Other operating payments(specify)		511,000
Routine maintenance – vehicles and other transport equipment		1,945,776
Routine maintenance- other assets		-
<b>Total</b>	<b>41,327</b>	<b>7,899,965</b>

**8. Other Transfers/Subsidies/Grants**

<b>Description</b>	<b>FY 2024/2025</b>
	<b>Kshs</b>
Global Fund TB Grant KEN-T-TNT-4148	52,264,247
<b>Total</b>	<b>52,264,247</b>

**9. Cash and Cash Equivalent**

<b>Description</b>	<b>FY 2024/2025</b>	<b>1<sup>st</sup> July</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash in Bank	-	59,950,424
Prepayment Fuel	-	-
<b>Total Cash and Cash Equivalent</b>	<b>-</b>	<b>59,950,424</b>

**Annual Reports and Financial Statements for the year ended June 30, 2025****Notes to the financial statements****Project Bank Accounts**

<b>Details</b>	<b>FY 2024/2025</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Local Currency Accounts</b>		
Co-operative Bank of Kenya [A/c No. 01141163732900]	-	59,950,424
Others MPESA – KEN-T-TNT -NLTP - [467926]	-	-
Total local currency balances	-	<u>59,950,424</u>
<b>Total bank account balances</b>	-	<u><b>59,950,424</b></u>

**10. Prepayments**

<b>Description</b>	<b>FY 2024/2025</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Kenya PLC	-	329,539
<b>Total inventories</b>	-	<b>329,539</b>

**11. Property, Plant and Equipment**

<b>Cost</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Depreciation rate</b>	12.50%	
<b>As At 1July 2024 (opening balances)</b>	<b>1,546,552</b>	<b>1,546,552</b>
Additions	-	-
Disposals	-	-
Transfers/Adjustments – KEN-T-TNT-4148	(1,546,552 )	(1,546,552 )
<b>As at 30<sup>th</sup> June 2025</b>	<b>-</b>	<b>-</b>
<b>Depreciation And Impairment</b>		
<b>As at 1July 2025</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	-	-
Impairment loss	-	-
Transfers/ Adjustments	-	-
<b>As At 30<sup>th</sup> June 2025</b>	<b>-</b>	<b>-</b>
<b>Net Book Values</b>		
<b>As at 1<sup>st</sup> July 2024</b>	<b>1,546,552</b>	<b>1,546,552</b>
<b>As at 30<sup>th</sup> June 2025</b>	<b>-</b>	<b>-</b>

*Global Fund Tuberculosis*

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

**12. Trade and Other Payables**

Description	FY 2024/2025		1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	-		7,899,965	
<b>Total trade and other payables</b>	-		<b>7,899,965</b>	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-%	7,899,965	100%
<b>Total (tie to above total)</b>	-		<b>7,899,965</b>	

*This relates to pending payments on expenditure incurred in the previous reporting period adjusted under the transition to accrual provisions.*

**13. Cash Generated from Operations**

Description	I FY 2024/2025
	Kshs
<b>Surplus/Deficit for the year</b>	<b>(52,050,459)</b>
<b>Adjusted for:</b>	
Transfer of assets	-
<b>Working capital adjustments</b>	
Decrease in payables	(7,899,965)
<b>Net cash flow from operating activities</b>	<b>(59,950,424)</b>

**Global Fund Tuberculosis**

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

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**14. 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**

<b>Description</b>	<b>FY 2024/2025</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>(i) A/C Name [A/c No.....]</b>		
Opening balance	1,479,174,542	1,455,808,248
Total amount deposited in the account	589,804,261	1,187,833,809
Total amount withdrawn	(1,951,679,728)	(1,164,467,515)
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>117,299,075</u></b>	<b><u>1,479,174,542</u></b>

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

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**15. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

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

**16. Events after the Reporting Period**

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

**17. Ultimate And Holding Entity**

The *Entity* is a division under the Ministry of Health, State Department of Public Health and Professional Standards. Its ultimate parent is the Government of Kenya.

**18. Currency**

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

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Report of The Auditor General on Global Fund Tuberculosis Grant Credit. No KEN-T-TNT-2067 for The Year Ended 30 June 2024</p>	<p>The statement of receipts and payments reflects training expenses amount of Kshs.110,237,974 as disclosed in Note 4 to the financial statements. However, review of the payment vouchers amounting to Kshs.56,677,070 revealed unsupported transport costs amounting to Kshs.2,817,000</p>	<p>The management acknowledges the draft audit report on the unsupported transport cost of Kshs 2,817,000.</p> <p>The Management has made has obtained the necessary supporting receipts for transport and submits the same for verification.</p> <p>The National Treasury (Principal Recipient) together with the Ministry of health</p>	<p>Not Resolved</p>	

*Global Fund Tuberculosis*

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

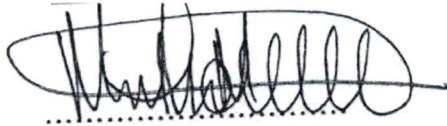
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		developed draft transport allowance matrix guidelines to guide the country in payment of transport to participants attending activities in the country awaiting approval.		
Report of The Auditor General on Global Fund Tuberculosis Grant Credit. No KEN-T-TNT-2067 for The Year Ended 30 June 2024	Review of source of funds under project information and overall performance in page ix of the financial statements revealed that the project had an approved budget of Kshs.1,505,627,819 being funding for the period of three (3) years from 1 July, 2021 to 30 June, 2024. However, as at 30 June, 2024 being the end of the project, only Kshs.1,398,855,114 was drawn resulting to undrawn balance of	1. It is true Kshs 112,123,430 was not disbursed to the country from the approved 3year grant budget this was as a result in fluctuation if exchange rates from the actual disbursement received resulting in the amounts reported being less. 2. It is true there was an under	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.112,123,430 which was not explained. Further, out of the received amount of Kshs.1,398,855,114 the cumulative expenditure was Kshs.1,338,607,305 for the three-year period resulting to an unexplained underutilization of Kshs.60,247,809 as at 30 June, 2024.</p> <p>In addition, the grant budget for the period under review was Kshs.562,125,746 out of which Kshs.395,545,163 or 70% was utilized resulting to an under absorption of the approved budget by Kshs.166,580,583 or 30%</p>	<p>expenditure of Kshs 60,247,809 from the approved 3year grant budget this was as a result in fluctuation if exchange rates used during the reporting period and efficiency savings realized during grant implementation.</p> <p>3. The budget estimates provision was computed using the then prevailing exchange rate of Kshs 160/USD1 thus the actual reported expenditure rates varied between Kshs 131 to 141 for the 4quarters reported resulting in the under</p>		

*Global Fund Tuberculosis*

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		expenditure of Kshs 166,580,583.		



Mary M. Muriuki, CBS  
*Principal Secretary*



Dr. Immaculate Kathure  
Project Coordinator



**Annex 2: Reconciliation of inter-entity transfers**

Project Name:		Global Fund Tuberculosis		
Break down of transfers from the State Department of Public Health and Professional Standards				
<b>a. Government Counterpart funding</b>				
	Bank Statement Date	Amount (Kshs)		Indicate the FY to which the amounts relate
			-	
			-	
	<b>Total</b>		-	
<b>B. Direct payments</b>				
	Bank Statement Date	Amount (Kshs)		Indicate the FY to which the amounts relate
			-	
	<b>Total</b>		-	
<b>C. Others</b>				
	Bank Statement Date	Amount (Kshs)		Indicate the FY to which the amounts relate
			-	
			-	
	<b>Total</b>		-	
	<b>Total (A+B+C)</b>		-	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department  
Project Coordinator  
Division of National Tuberculosis and Other Lung Health Program

Head of Accounting Unit  
State Department of Public Health and Professional Standards

Sign.....

Sign.....

**Annex 3: Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) Previous Year</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs) Current Year</b>
Office equipment, furniture and fittings	1,546,552	-	-	(1,546,552)	-
<b>Total</b>	<b>1,546,552</b>	<b>-</b>	<b>-</b>	<b>(1,546,552)</b>	<b>-</b>

**Annex 5: Other Support Documents**

- i. Special Deposit Account(s) reconciliation statement(s)

TB NFM 3 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

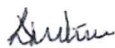
	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by Global Fund		31,282,954.42
	TNT-PR	17,541,270.45	
	MOH-DLTL	10,024,722.35	
	HSSD	3,716,961.62	
	Less		
2	Total amount justified to Global Fund		31,282,954.42
3	<b>Outstanding amount advanced to Designated Account</b>		<b>(0.00)</b>
	<b>Represented by:</b>		
4	Ending Designated Account Balance at 30.06.2025		-
5	Amount claimed but not credited at 30.06.2025		-
6	Amount withdrawn and not claimed as at 30.06.2025		(0.00)
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	<b>Total advance to Designated Account year ended 30.06.2025</b>		<b>(0.00)</b>

Descripancy between total appearing on lines 3 and 9

-

Notes:

- 1 The Grant cycle has come to an end and any closing balances transferred to the next cycle



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
<b>Add:</b>	
Total Amount deposited by <i>Global Fund</i> World Bank	4,546,264.65
Total Interest earnings if deposited in account	.
Total amount refunded to cover ineligible expenditure	.
<b>Deduct:</b>	
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**

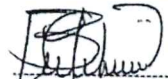
SIGNATURE: \_\_\_\_\_

DATE \_\_\_\_\_

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE: \_\_\_\_\_

DATE \_\_\_\_\_

  
 \_\_\_\_\_  
 4/07/2025  
 \_\_\_\_\_  
 \_\_\_\_\_  
 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.

Run Date: 24/07/2025  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O.BOX 60000-0200  
 NAIROBI

STATEMENT OF ACCOUNT  
 ACCOUNT NUMBER : 1000475067

PAGE NO : 1

STATEMENT PERIOD: From 01/07/2024 To 30/06/2025  
 ACCOUNT TITLE : TH GRANT KEN-TINT GA 1546-MAIN

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT	DEBIT	CREDIT BALANCE
			OPENING BAL:				
1	05/07/2024	FT241875ZNA4:1	PA132791	-2,767.77	0.00		11417045.5
2	05/07/2024	FT241876ZS40:1	PA132790	-649.61	0.00		11416395.89
3	05/07/2024	FT241877Z07B:1	PA132757	-31,511.81	0.00		11384887.08
4	01/08/2024	FT2414DX188:1	PA132756	-5,748.03	0.00		11379139.05
5	07/08/2024	FT242008Z38:1	PROJECT FUNDING	0.00	2,012,247.00		13391386.05
6	07/08/2024	FT242208NANZ:1	PROJECT FUNDING	0.00	5,814.42		13397200.47
7	08/08/2024	FT242212K6NV:1	REVFT242208NANZ	-5,814.42	0.00		13391386.05
8	23/08/2024	FT24230609P9:1	PA131344	-1,400,000.00	0.00		11991386.05
9	23/08/2024	FT24230609P9:1	PA131346	-375,092.38	0.00		11616293.67
10	23/08/2024	FT24230610XTPP:1	PA131345	-232,903.68	0.00		11383389.99
11	08/10/2024	FT242824TX9Q:1	PA136375	-178,661.61	0.00		11204728.38
12	08/10/2024	FT242824TX9Q:1	PA136374	-60,011.31	0.00		11144717.07
13	13/11/2024	FT24318785PB:1	PA136654	-16,616.72	0.00		11128100.35
14	13/11/2024	FT24318785PB:1	PA136658	-12,611.70	0.00		11115488.65
15	31/12/2024	FT243665718S:1	PA136738	-9,677.60	0.00		11049984.24
16	31/12/2024	FT243665718S:1	PA136738	-55,826.81	0.00		11008767.13
17	31/12/2024	FT243667P9D0:1	PA136737	-12,568.23	0.00		11008767.13
18	31/12/2024	FT243667P9D0:1	PA136740	-28,648.88	0.00		11008767.13
19	31/12/2024	FT243667P9D0:1	PA136741	-3.85	0.00		11008763.28
20	31/12/2024	FT243667P9D0:1	PA136743	-6,743.30	0.00		11002019.98
21	31/12/2024	FT243667P9D0:1	PA136743	-16,800.96	0.00		10985219.02
22	21/01/2025	FT2502112XNMP:1	PA136741	-4,091.37	0.00		10981127.65
23	21/01/2025	FT2502112XNMP:1	PA136742	-1,883.56	0.00		10979244.09
24	21/01/2025	FT2502112XNMP:1	PA136777	-90,000.00	0.00		10884744.09
25	21/01/2025	FT2502112XNMP:1	PA136778	-4,500.00	0.00		10880244.09
26	23/01/2025	FT25023PK3LG:1	PA136778	-3,378.33	0.00		10856411.02
27	23/01/2025	FT25023PK3LG:1	PA136780	-16,391.65	0.00		10692479.37
28	03/02/2025	FT25032ZD84F:1	PA136787	-3,342,199.20	0.00		10360260.17
29	03/02/2025	FT25032ZD84F:1	PA136792	-9,969.39	0.00		10196330.78
30	03/02/2025	FT250344WVC0N:1	PA136791	-199,287.77	0.00		9996943.01
31	03/02/2025	FT250344WVC0N:1	PA136826	-1,921,457.55	0.00		8075485.46
32	03/02/2025	FT250344WVC0N:1	PA136826	-38,862.50	0.00		8046622.96
33	03/02/2025	FT250344WVC0N:1	PA136790	-1,398,171.06	0.00		6648451.9
34	03/02/2025	FT250344WVC0N:1	PA138806	-16,710.96	0.00		6631740.94
35	10/02/2025	FT25041Z004P:1	PA136788	-21,326.66	0.00		6610414.28
36	10/02/2025	FT25041Z004P:1	PA136842	-7,172.26	0.00		6603242.02
37	10/02/2025	FT25041Z004P:1	PA136841	-12,007.93	0.00		6591234.09
38	10/02/2025	FT25041Z004P:1	PA136839	-20,038.82	0.00		6571192.27
39	10/02/2025	FT25041Z004P:1	PA136837	-30,759.80	0.00		6540435.47
40	10/02/2025	FT25041Z004P:1	PA136834	-17,250.34	0.00		6523185.13
41	10/02/2025	FT25041Z004P:1	PA136835	-20,753.00	0.00		6502432.13
42	10/02/2025	FT25041Z004P:1	PA136840	-13,192.02	0.00		6489240.11
43	10/02/2025	FT25041Z004P:1	PA136838	-10,546.48	0.00		6478693.63
44	28/02/2025	FT2505949NPF:1	PA138512	-212.40	0.00		6478481.23
45	28/02/2025	FT2505949NPF:1	PA138519	-386,100.00	0.00		6092281.23
46	28/02/2025	FT2505949NPF:1	PA138520	-19,305.00	0.00		6072976.23
47	28/02/2025	FT2505949NPF:1	PA138507	-849.18	0.00		6070133.33
48	28/02/2025	FT2505949NPF:1	PA138515	-1,413.72	0.00		6053729.64
49	28/02/2025	FT2505949NPF:1	PA138506	-6,349.00	0.00		5993316.08
50	28/02/2025	FT2505949NPF:1	PA138518	-54,064.56	0.00		5926614.47
51	28/02/2025	FT2505949NPF:1	PA138522	-15.61	0.00		5795663.47
52	28/02/2025	FT2505949NPF:1	PA138513	-76,686.00	0.00		5722954.8
53	28/02/2025	FT2505949NPF:1	PA138514	-126,980.00	0.00		5319261.37
54	28/02/2025	FT2505949NPF:1	PA138516	-22,679.07	0.00		5311376.27
55	07/03/2025	FT25066211Q5:1	PA138530	-453,593.43	0.00		4741987.77
56	07/03/2025	FT25066211Q5:1	PA138529	-7,985.10	0.00		4735688.22
57	02/04/2025	FT250920K3ZK:1	PA136794	-569,378.50	0.00		4731323.39
58	02/04/2025	FT250920K3ZK:1	PA136789	-6,309.55	0.00		486198.69
59	02/04/2025	FT250920K3ZK:1	PA138505	-4,364.83	0.00		4359876.48
60	02/04/2025	FT250920K3ZK:1	PA138504	-245,124.70	0.00		4359876.48
61	02/04/2025	FT250920K3ZK:1	PA136783	-126,191.03	0.00		4359876.48
62	02/04/2025	FT250920K3ZK:1	PA138504	-131.18	0.00		4359876.48
63	02/04/2025	FT250920K3ZK:1	PA138503	-776.09	0.00		4359876.48
64	02/04/2025	FT250920K3ZK:1	PA138521		0.00		4359876.48

