

77

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

**TO REDUCE MORBIDITY AND MORTALITY
CAUSED BY MALARIA IN THE VARIOUS
EPIDEMIOLOGICAL ZONES BY TWO THIRDS
OF THE 2015 LEVEL BY 2020
PROGRAM-GRANT AGREEMENT-KEN-M-TNT
NO.1546**

**FOR THE YEAR ENDED
30 JUNE, 2020**

THE NATIONAL TREASURY



Project Name: To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020

Implementing Entity: The National Treasury

PROJECT GRANT/CREDIT NUMBER: KEN-M-TNT, GA 1546

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Global Fund Program,

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

Address: The project headquarters offices are Nairobi, Kenya.

The address of its registered office is:

The National Treasury
Treasury Building, 11th Floor
Harambee Avenue
P.O Box 30007-00100
Nairobi

Contacts: The following are the project contacts

Telephone: (254) 2252299
E-mail: info@treasury.go.ke
Website: www.treasury.go.ke

1.2 Project Information

Project Start Date:	The project start date is 01.01.2018
Project End Date:	The project end date is 30.06.2021
Project Manager:	The project manager is Ms Jane Wamoko
Project Sponsor:	The project sponsor is :The Global Fund

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury Ministry.
Project number	KEN-M-TNT,GA1546
Strategic goals of the project	The strategic goals of the project are as follows: (i) To have at least 80% of people living in malaria risk areas using appropriate malaria preventive interventions by 2020; (ii) To have 100% of all suspected malaria cases presenting to a health

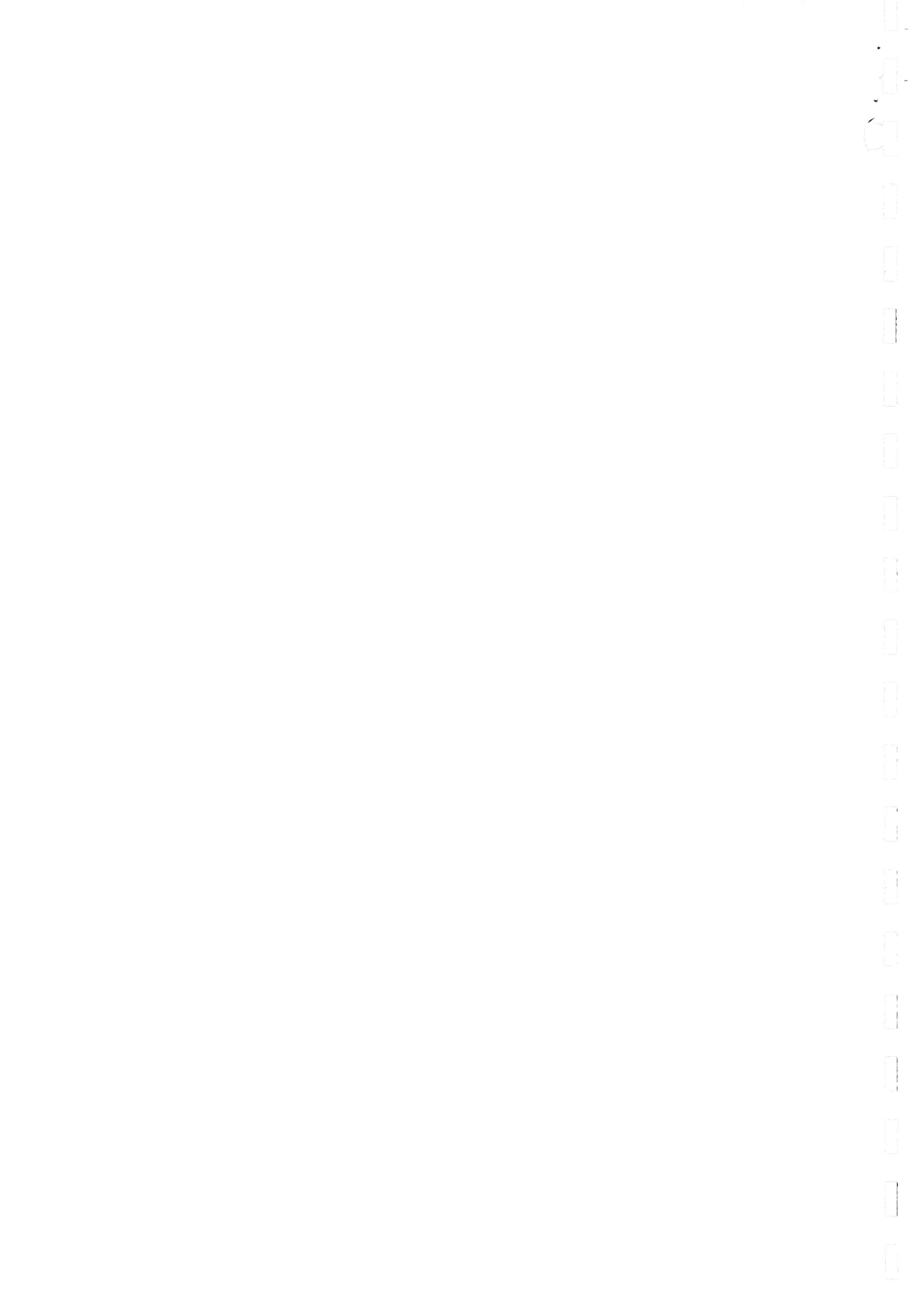


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	<p>provider managed according to the national malaria treatment guidelines by 2020; and</p> <p>(iii) To increase utilization of all malaria control interventions by target communities in Kenya to at least 80% by 2020 and sustain thereafter</p>
Achievement strategic goals of	<p>The project management aims to achieve the goals through the following means:</p> <p>(i) Use of LLINs distributed through mass campaigns and routine through maternal and child health clinics;</p> <p>(ii) Implement IRS as a component of insecticide resistance management to protect the efficacy of the LLINs;</p> <p>(iii) Scale up access to prompt and effective treatment through provision of ACTs, improve the capacity of healthcare workers, strengthen diagnostics and scale up community case management;</p> <p>(iv) Increase early ANC attendance as one of the strategies to enhance IPTp uptake, up to IPTp-3;</p> <p>(v) Strengthen county SBCC structures, while sustaining and increasing the uptake of key malaria control interventions;</p> <p>(vi) Ensure that all malaria indicators are routinely monitored, reported and evaluated in all counties through routine information systems and periodic surveys.</p>
Other important background information of the project	<p>The project started on 1st January 2018 up to 30th June 2021.</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) Malaria Prevention</p> <p>(ii) Malaria Treatment</p>



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1.4 Bankers

The following are the bankers for the current year:

(i) PROJECT SPECIAL BANK ACCOUNT

NCBA BANK LTD

ACCOUNT NO: 1005429982

(ii) LOCAL ACCOUNT

NCBA Bank ltd

Harambee Branch

NAIROBI

Account No: 1005363717

1.5 Auditors

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

1.6 Roles and Responsibilities

The table below is a list of persons who were involved in the project including the project manager and all key stakeholders, their roles and positions:

Names	Title designation	Key qualification	Responsibilities
Dr Julius Muia EBS	Principal Secretary National Treasury	PhD,CPA(K),CPS(K)	Signing of Financial Statements
Jane W. Wamoko	National Global Fund Coordinator	MA(PUBLIC MANAGEMENT), BA,DIP IN FINANCIAL AND PROJECT MANAGEMENT	Coordinating Global Fund activities
Stephen I. Muiruri	Principal Economist	MA ECONOMETRIC, BA(Econ)	M&E, Budgeting Management
Margaret Ndubi	Program Officer	BScN, MSc Med Stat	Proposal development, M&E reporting
Anthony Miiru	Program Officer	Bachelor in Environmental Health	Proposal developmental ,M&E, Reporting
Dr Kimuu	Senior Program Officer	MBChB, MSC,DLSHTM,DQHC& DTMPH	Proposal developmental ,M&E, Reporting
Dr Clare Obonyo	Pharmacist	MPH, B.Pharmacy, Higher Dip in MIS	In charge of Procurements

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Simon Kibia	Senior Finance Officer	BA(Econ),CPA(K)	Proposal development M&E, reporting
Cornelius Muthiani	Finance Officer	EXECUTIVE MBA,BCOM,CPA(K)	Proposal development, M&E reporting
Catherine A.Maneno	Finance Officer	MSC(FIN),BCOM (FIN),CPA(K),DIP IN ACCTS.	Proposal development, M&E, reporting
Rael Rotich	Accountant In Charge	MBA(FIN),BCOM,CPA(K),PGD(PPM)	In Charge of Accounts
Fridah K.Matumo	Accounts Assistant	BA,CPA(K)	Maintaining accurate financial records
Purity Muthoni Muriuki	Chief Internal Auditor	BCOM(FIN)& CPA(K)	In charge of Internal Audit.
Teresa W.Kariuki	Internal Auditor	BCOM(FIN) CPA SEC4	Internal Audit
Kennedy Kithuka	Senior Internal Auditor	MBA,BA(ANTHROPOLOGY),CPA FINALIST	Internal Audit

1.7 Funding summary

The Project is for duration of 4 years from 2018 to 2021 with an approved budget of US\$ 74,018,369.39 equivalent to KShs **7,884,614,351** as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (dd mm 20xx)		Undrawn balance to date (dd mm 20xx)	
	Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
TNT	45,701,462	4,868,229,484	27,755,975	2,957,238,212	17,945,487	1,910,991,272
NMCP	28,316,906,	3,016,384,866	14,630,667	1,558,812,744	13,686,239	1,457,572,122
Total	74,018,369	7,884,614,351	42,386,642	4,516,050,956	31,631,727	3,368,563,395
(ii) Counterpart funds						
Government of Kenya	-	400,000,000	-	250,000,000	-	150,000,000

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1.8 Summary of Overall Project Performance:

- During the reporting period, the LLIN target was surpassed. The programme distributed 10.4 M LLINs against a target of 7.9 M LLINs. This was to adhere to the guidelines that were issued by the GF team regarding the NFM grant closure and therefore the LLINs earmarked for 2018 had to be brought forward and distributed/committed before the grant closure.
-
- Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities- 90%
-
- Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities 96%
-
- Proportion of health facilities without stock outs of key commodities 83%
-
- Number of people with uncomplicated malaria receiving ACTs as per national treatment guidelines in the public sector 67%.
-

1.9 Summary of Project Compliance:

- The project has largely complied with the Global fund requirements as per the performance framework that was set during the Grant signing.
- On average the malaria programme maintained a rating of B1
- The project has largely complied with laws and regulations



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2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the *project's 2018-2022* plan are to:

- a) To reduce malaria incidence and deaths by at least 75% of the 2016 level by 2023

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Global Fund Malaria KEN-M-TNT	1. To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023	Improved malaria case diagnosis	1. Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities	In 19/20FY, 53.5% of suspected malaria patients received a parasitological test (target – 70%)
		Improved malaria case treatment	2. Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities	In FY 19/20, 96% of confirmed malaria patients received first line anti-malarial treatment (target – 97%)



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			3. Number of people with uncomplicated malaria receiving ACTs as per national treatment guidelines in the public sector	In FY 19/20, 5,282,666 of the targeted 7,025,264 (75%) patients received ACTs as per national treatment guidelines
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3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kenya is a malaria-endemic country with about 70 percent of the population at risk of the disease. Transmission is almost exclusively due to *P. falciparum*.

The transmission pattern is heterogeneous with stable transmission in eight counties around Lake Victoria in Western Kenya and five counties in the coastal region.

However, transmission is unstable in ten counties in epidemic prone western highlands of the country and fourteen largely arid and semi-arid counties in northern and south-eastern parts of the country that are characterized by intense transmission during rainfall seasons. The central highlands of the country including Nairobi remain a low risk transmission zone.

About 30% of Kenyan population is to be found in the Lake and Coastal endemic regions, 22% in seasonal transmission areas and 20% in epidemic prone region.

The key strategies for malaria control in Kenya include improved malaria case management using Artemisinin-based combination Therapy (ACT) and management of Malaria in Pregnancy (MIP) including use of Insecticide Treated Nets (ITNs) and Intermittent Preventive Treatment (IPTp). Further, the country has adopted the Global Malaria Action Plan for a Malaria Free World with emphasis on the need for rapid scale-up of key malaria prevention interventions. The prevention interventions include widespread use of Long Lasting Insecticidal Nets (LLINs) by people at risk for malaria based on research findings that had demonstrated their effectiveness in reducing all-cause malaria mortality and morbidity in young children.

The Global Fund Malaria Project provides additional resources that prioritize facility-based treatment services, prevention efforts involving Long Lasting Insecticidal Nets (LLINs), surveillance, monitoring and evaluation.



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4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the National Treasury and the *Project Coordinator* Global Fund Program are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Global Fund Program are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Global Fund Program further confirm the completeness of the accounting records maintained for the Project, which have Global Fund Program been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the National Treasury and the *Project Coordinator* for Global Fund Program on 31/12 2020 and signed by them.



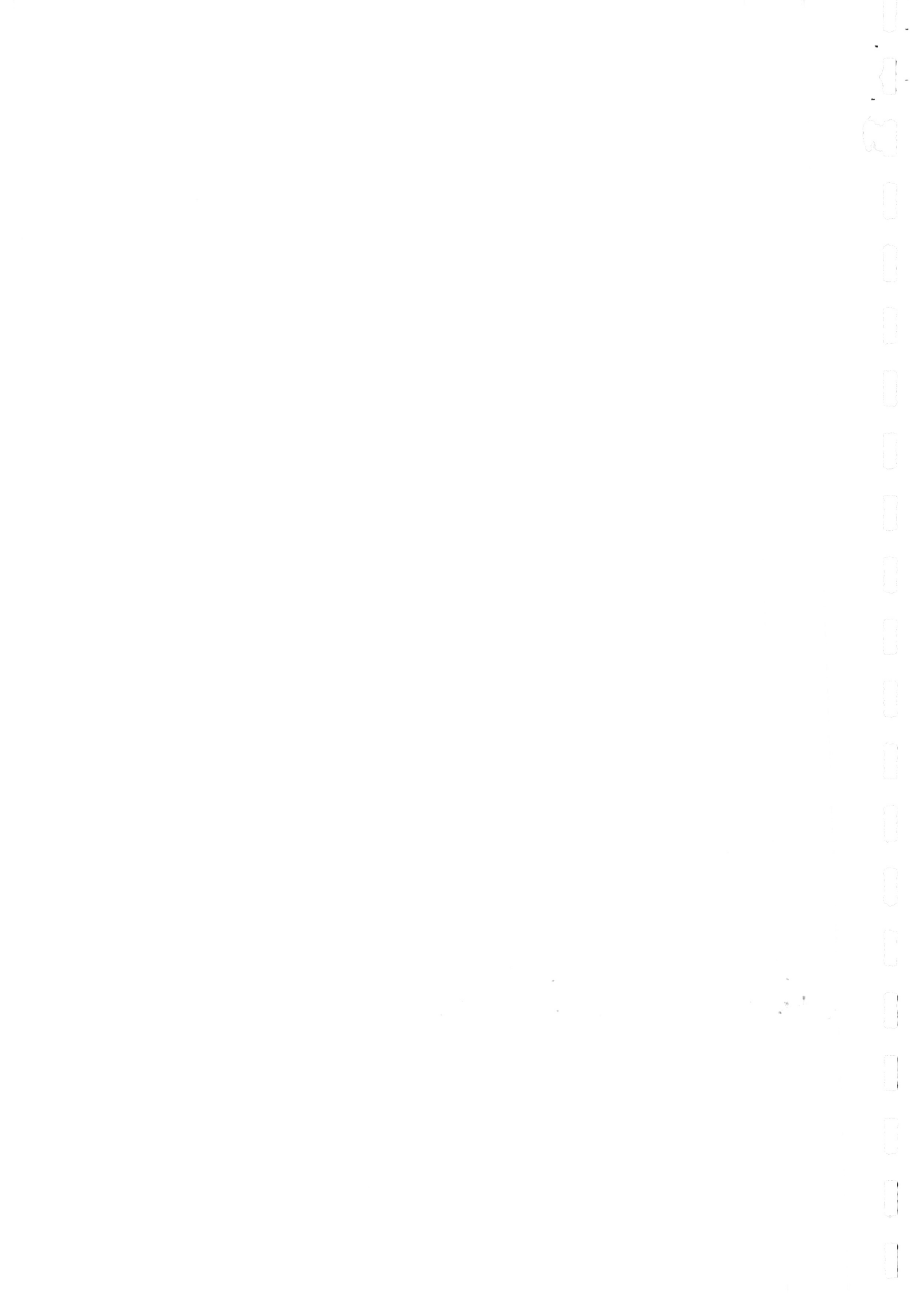
Principal Secretary
Dr. Julius Muia PhD EBS



Project Coordinator
Mr Stephen Muiruri



Project Accountant:
CPA (Mrs) Rael J.Rottich
ICPAK Member Number:14200



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5. REPORT OF THE AUDITOR GENERAL ON KEN-M-TNT,GA1546 PROJECT

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TO REDUCE MORBIDITY AND MORTALITY CAUSED BY MALARIA IN THE VARIOUS EPIDEMIOLOGICAL ZONES BY TWO THIRDS OF THE 2015 LEVEL BY 2020 PROGRAM-GRANT AGREEMENT-KEN-M-TNT NO.1546 FOR THE YEAR ENDED 30 JUNE, 2020 – THE NATIONAL TREASURY

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of To Reduce Morbidity and Mortality Caused by Malaria in the various Epidemiological Zones by Two Thirds of the 2015 Level by 2020 Program-Grant Agreement-KEN-M-TNT No.1546 set out on pages 1 to 19, which comprise the statement of financial assets as at 30 June, 2019, and statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the financial position of To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two Thirds of the 2015 Level by 2020 Program as at 30 June, 2019, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement No. 1546 between the Global Fund and the Government of Kenya dated 15 December, 2017.

Further, the special account statement presents fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects cumulative receipts from proceeds from domestic and foreign grants of Kshs.379,198,112. However, the amount differs from the

report on funding summary cumulative amount received to date of Kshs.2,957,238,212 as detailed under paragraph 1.7 resulting to an un-explained variance of Kshs.2,578,040,100.

Consequently, the accuracy and completeness of the reported receipts from proceeds from domestic and foreign grants of Kshs.379,198,112 for the year ended 30 June, 2020 could not be confirmed.

2. Non-Disclosure of Counterpart Contribution

The statement of receipts and payments did not disclose the counterpart funding from the National Treasury. Further the Government of Kenya's contribution for the financial year and cumulatively cannot be established.

Consequently, the accuracy and completeness of the reported receipts balance of Kshs.345,113,745 cannot be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two Thirds of the 2015 Level by 2020 Program Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budget Control and Performance

The statement of comparative budget and actual amounts for the year ended 30 June, 2020 reflects actual receipts of Kshs.345,113,745 against final budget receipts of Kshs.666,102,955 resulting in a shortfall of Kshs.320,989,210 or 48% of the total budget. Further, actual expenditure for the year amounted to Kshs.322,760,765 against the final budget expenditure of Kshs.666,102,955 resulting to an under absorption of Kshs.343,342,190 being 52% of the expenditure budget. Management attributed the slowdown in implementation of work plans to the COVID-19 pandemic and delays in procurement arising from late receipt of the tax exemption certificate.

2. Pending Bills

According to Note 10.1 to the financial statements, the Project had pending accounts payables totalling Kshs.379,687 (2019: Kshs.861090) as at 30 June, 2020. During the

Report of the Auditor-General on To Reduce Morbidity and Mortality Caused by Malaria in the Various Epidemiological Zones by Two Thirds of the 2015 Level by 2020 Program-Grant Agreement-KEN-M-TNT No.1546 for the year ended 30 June, 2020 – The National Treasury

year under review, the Project Management made payments totalling Kshs.861,090 while accumulating bills totalling Kshs.379,687. Management has not explained why the bills were not settled during the year they occurred. The Project is at risk of incurring significant interest costs and penalties with their continued delay in payment.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Program's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Program or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of the accounting policies and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the program's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Program to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Program to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

05 January, 2021

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)


Reports and Financial Statements

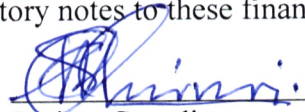
For the financial year ended June 30, 2020

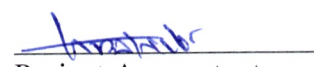
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Proceeds from domestic and foreign grants	9.3	344,602,471	-	23,802,314	-	379,198,112
Miscellaneous receipts	9.4	511,274	-	220,855	-	740,863
TOTAL RECEIPTS		345,113,745	-	24,023,169	-	379,938,975
PAYMENTS						
Compensation of employees	9.5	19,958,331	-	22,180,230	-	49,511,170
Purchase of goods and services	9.6	302,802,434	-	837,192	-	303,941,564
TOTAL PAYMENTS		322,760,765	-	23,017,422	-	353,452,734
SURPLUS/(DEFICIT)		22,352,980	-	1,005,747	-	26,486,241

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


Principal Secretary
Dr. Julius Muia PhD EBS


Project Coordinator
Mr Stephen Muiruri


Project Accountant
CPA(Mrs)Rael J.Rottich
ICPAK Member Number: 14200



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)


Reports and Financial Statements

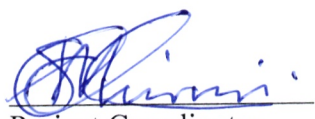
For the financial year ended June 30, 2020

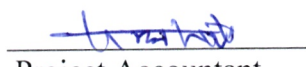
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9.7A	26,486,242	4,101,762
Cash Balances		-	-
Total Cash and Cash Equivalents		26,486,242	4,101,762
Accounts receivables – Imprest and Advances	9.7B	-	31,500
TOTAL FINANCIAL ASSETS		26,486,242	4,133,262
REPRESENTED BY			
Fund balance b/fwd	9.8	4,133,262	3,127,514
Prior year adjustments		-	-
Surplus/(Deficit) for the year		22,352,980	1,005,747
NET FINANCIAL POSITION		26,486,242	4,133,261

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31/12 2020 and signed by:


Principal Secretary
Date


Project Coordinator
Date 31/12/2020


Project Accountant
Date 31/12/2020
ICPAK Member Number: 14200

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)


Reports and Financial Statements

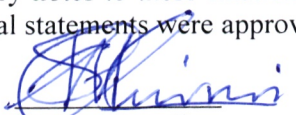
For the financial year ended June 30, 2020

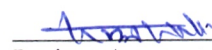
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019-2020	2018-2019
	Note	KShs	KShs
Receipts from operating activities			
Proceeds from domestic and foreign grants	9.3	344,602,471	23,802,314
Miscellaneous receipts	9.4	511,274	220,855
Payments from operating activities			
Compensation of employees	9.5	19,958,331	22,180,230
Purchase of goods and services	9.6	302,802,434	837,192
Adjustments during the year			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	9.9	-	31500
Net cash flow from operating activities		22,384,480	974,247
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		22,384,480	974,247
Cash and cash equivalent at BEGINNING of the year		4,101,761	3,127,514
Cash and cash equivalent at END of the year		26,486,241	4,101,761

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31/12/20 2020 and signed by:


Principal Secretary
Date


Project Coordinator
Date 31/12/2020


Project Accountant
Date 31/12/2020
ICPAK Member No:14200

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)


Reports and Financial Statements

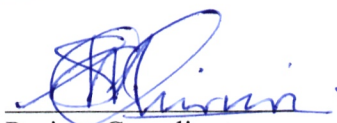
For the financial year ended June 30, 2020

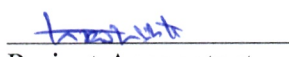
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	1,837,015,818	(1,170,912,863)	666,102,955	344,602,471	321,500,484	52%
Miscellaneous receipts				511,274	(511,274)	
Total Receipts	1,837,015,818	(1,170,912,863)	666,102,955	345,113,745	320,989,210	52%
Payments						
Compensation of employees	27,254,674	(6,596,047)	20,658,627	19,958,331	700,296	97%
Purchase of goods and services	1,809,761,144	(1,164,316,816)	645,444,328	302,802,434	342,641,894	47%
Total Payments	1,837,015,818	(1,170,912,863)	666,102,955	322,760,765	343,342,190	48%

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.


Principal Secretary
Date


Project Coordinator
Date 31/12/2020


Project Accountant
Date 31/12/2020
ICPAK Member No:14200

10. NOTES TO THE FINANCIAL STATEMENTS

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

9.1. Basis of Preparation

9.1.1. Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

9.1.2. Reporting entity

The financial statements are for the Project Malaria New Grant Global Fund under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

• 9.1.3. Reporting currency

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

9.2. Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

• Other receipts

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

b) Recognition of payments

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

• Compensation of employees

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

• Use of goods and services

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

• Interest on borrowing

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



SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- **Acquisition of fixed assets**

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

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

e) In-kind donations

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

d) Cash and cash equivalents

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

Restriction on cash

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



SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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

f) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

g) 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.



h) Pending bills

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

i) Budget

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

j) Third party payments

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

During the year there no loan disbursements were received in form of direct payments from third parties.

k) Exchange rate differences

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



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Comparative figures

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

m) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

n) Errors

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

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.3. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2020 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received direct payment*	Grants received in kind	Total amount in KShs	
						2019/20	2018/19
						KShs	KShs
Grants Received from Multilateral Donors (International Organisations)							
Global Fund	02.06.2020			42,707,232		42,707,232	-
	26.06.2020		778,942			778,942	-
	02.12.2019			1,413,984		1,413,984	-
	05.06.2020			16,715,826		16,715,826	-
	10.03.2020			19,135,346		19,135,346	-
	12.09.2019			33,268		33,268	-
	08.10.2019		42,000,000			42,000,000	-
	20.05.2020			31,381,087		31,381,087	-
	22.01.2020			6,322,029		6,322,029	-
	23.08.2019			85,449,262		85,449,262	-
	26.10.2019			972,525		972,525	-
	28.04.2020			97,692,966		97,692,966	-
Total			42,778,942	301,823,529		344,602,471	23,802,314

* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.4. MISCELLANEOUS RECEIPTS

	2019/20			2018/19	Cumulative to- date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		(from inception)
	KShs	KShs	KShs		
Q1	10,233.18	-	16,701.98	-	26,935
Q2	185,390.32	-	99,753.71	-	285,144
Q3	170,661.62	-	68,425.67	-	239,087
Q4	144,988.52	-	35,973.92	-	189,696
Sub-total	-	-	-	-	-
	<u>511,274</u>	<u>≡</u>	<u>220,855.28</u>	<u>≡</u>	<u>740,862.92</u>

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.5. COMPENSATION OF EMPLOYEES

	2019/20			2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
-					
Basic wages of temporary employees	19,958,331	-	19,958,331	19,008,505	46,221,288
Personal allowances paid as part of salary	-	-	-	3,171,725	3,289,882
Total	<u>19,958,331</u>	=	<u>19,958,331</u>	<u>22,180,230</u>	<u>49,511,170</u>

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.6. PURCHASE OF GOODS AND SERVICES

	2019/20		2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties		
	KShs	KShs	KShs	KShs
Domestic travel and subsistence	518,400	-	518,400	1,249,200
Other operating expenses Fuels and Lubricants	178,000	-	178,000	207,650
Specialised materials and services-Medical Drugs	192,132,570	-	192,132,570	192,132,570
Specialised materials and services-Male Condoms	93,040,920	-	93,040,920	93,040,920
Other operating payments-bank charges	129,135	-	129,135	222,736
Contracted Professional Services-Procurement and supply costs	16,650,039	-	16,650,039	16,650,039
Routine maintenance – vehicles and other transport equipment	153,370	-	153,370	438,449
Total	302,802,434	=	302,802,434	303,941,564

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.7. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 9.7A)	26,486,242	4,101,762
Cash equivalents (short-term deposits) (Note 9.7B)	-	31,500
Total	<u>26,486,242</u>	<u>4,133,262</u>

The project has one number of project accounts spread within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury as listed below:

9.7 A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
<u>Local Currency Accounts</u>		
NCBA Bank of Kenya [A/c No:1005363717]	26,486,242	4,101,762
Others (<i>specify</i>)	-	-
Total local currency balances	<u>26,486,242</u>	<u>4,101,762</u>
Total bank account balances	<u>26,486,242</u>	<u>4,101,762</u>

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2020 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

	2019/20	2018/19
	KShs	KShs
(i) A/C Name [A/c No:1005429982]		
Opening balance	225,603,896	207,586,461
Total amount deposited in the account	3,424,993,395	626,440,602
Total amount withdrawn (as per Statement of Receipts & Payments)	1,035,822,231	608,423,167
Closing balance (as per SDA bank account reconciliation attached)	2,614,775,059	225,603,896

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

9.7B OUTSTANDING IMPRESTS AND ADVANCES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2020	Balance 2019
Anthony Miru	31,500	30.06.20	(31,500)	-	31,500
Total	31,500	=	(31,500)	=	31,500

9.8. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	4,101,762	3,127,514
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	31,500	-
Total	4,133,262	3,127,514



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.9. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	31,500	-
Imprest issued during the year (B)	274,620	436,800
Imprest surrendered during the Year (C)	306,120	405,300
Net changes in account receivables D= A+B-C	0	31,500

To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)

Reports and Financial Statements

For the financial year ended June 30, 2020

10. OTHER IMPORTANT DISCLOSURES

10.1 OTHER PENDING PAYABLES (See Annex 2C)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities-KRA	846,490	364,887	(846,490)	364,887
Amounts due to National Government entities-NSSF	3,000	3,000	(3,000)	3,000
Amounts due to National Government entities-NHIF	11,600	11,800	(11,600)	11,800
Total	861,090	379,687	(861,090)	379,687



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020)


Reports and Financial Statements

For the financial year ended June 30, 2020

11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS


The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	None inclusion of counterpart Funds		Simon Kibia	Not Resolved	



 Principal Secretary
 21/12/2020

 Date



 Project Coordinator
 21/12/2020

 Date



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 2020
Reports and Financial Statements
For the financial year ended June 30, 2020

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	666,102,955	344,602,471	321,500,484	52%	
Miscellaneous receipts	-	511,274	(511,274)	-	
Total Receipts	666,102,955	345,113,745	320,989,210	52%	
Payments					
Compensation of employees	20,658,627	19,958,331	700,296	97%	
Purchase of goods and services	645,444,328	302,802,434	342,641,894	47%	Delays in procurement due late receipt of tax exemption certificate/Covid challenges
Total payments	661,102,955	322,760,765	343,342,190	48%	



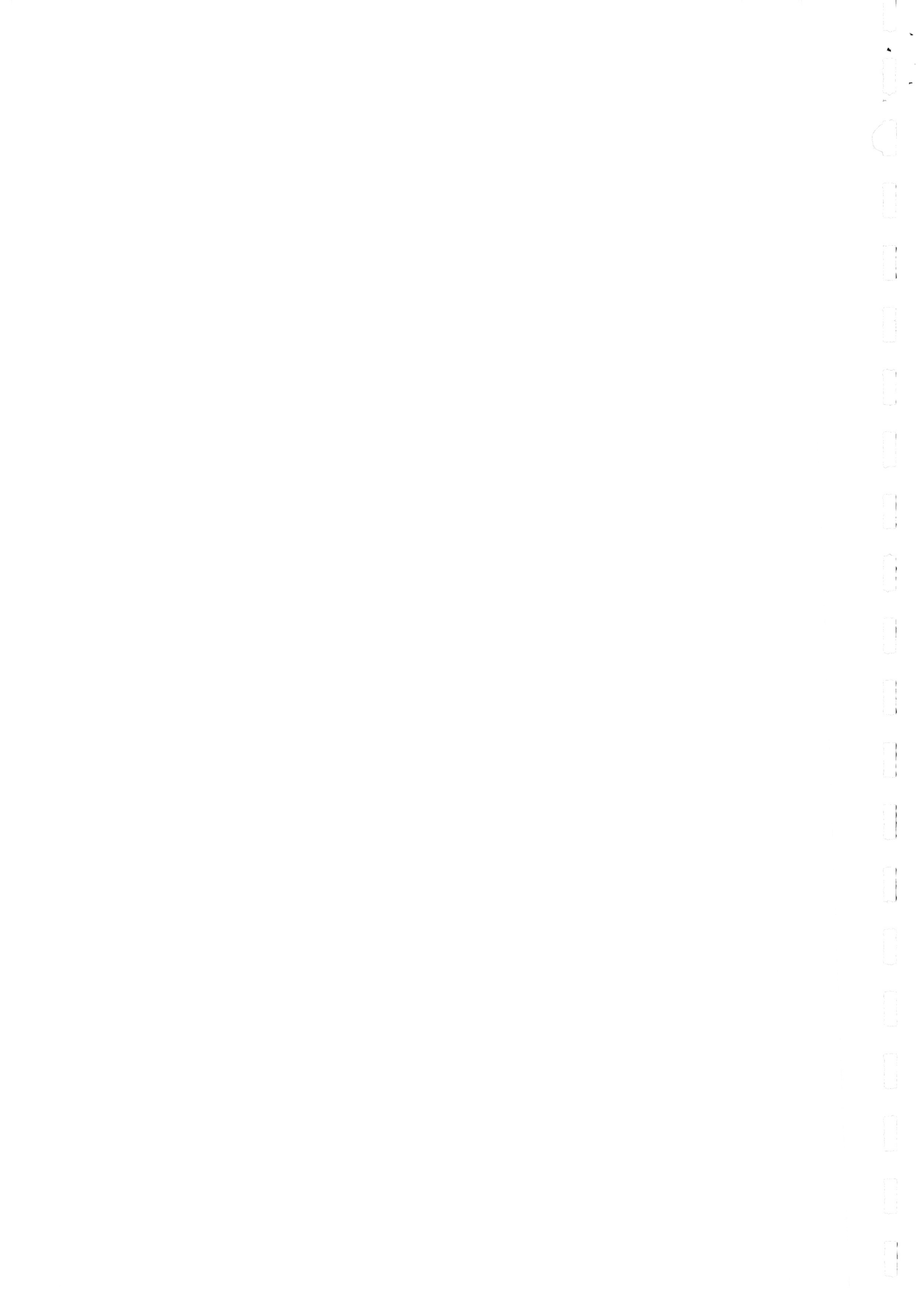
To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 20

Reports and Financial Statements

For the financial year ended June 30, 2020

ANNEX 2A - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1. KRA	Chq in transit	1,211,377	30.06.20	(846,490)	364,887	846,490	
2. NSSF	“	6,000	30.06.20	(3,000)	3,000	3,000	
3. NHIF	“	23,400	30.06.20	(11,600)	11,800	11,600	
Sub-Total		1,240,777		(861,090)	379,687	861,090	
Grand Total		1,240,777		(861,090)	379,687	861,090	



To reduce morbidity and mortality caused by malaria in the various epidemiological zones by two thirds of the 2015 level by 20
Reports and Financial Statements
For the financial year ended June 30, 2020

ANNEX 3

ANNEX 4 CONTINGENT LIABILITIES REGISTER

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1	N/A					

*There were no contingent liabilities during the period

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)



KEN-M-TNT

BANK RECONCILIATION
AS AT 30TH JUNE 2020

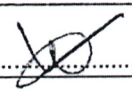
				(IN KSHS)
Balance as per Bank Statement				
Less:				26,865,929.46
1) Payments in Cash Book not Recorded in Bank Statement				
2) Receipts in Bank Statement not recorded in Cash book				379,687.00
Add:				
3) Payments in Bank Statement not yet recorded in Cash book				
4) Receipts in Cash book not recorded in Bank Statement				
				-
Balance as per Cash book				26,486,242.46
Balance as per Cash book (Actual)				26,486,242.46
Difference				-

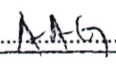
I certify that I have verified the Bank Balance in Cash book with Bank Statement and that the above Reconciliation is Correct.

SIGNATURE

DESIGNATION

DATE





21/07/20

PAYMENTS IN CASHBOOK NOT YET IN BANK STATEMENT (UNPRESENTED CHEQUES)

DATE	ITEM	CHQ NO.	AMOUNT
24.06.20	P.A.Y.E	000135	364,887.00
26.05.20	NSSF	000136	3,000.00
26.05.20	NHIF	000138	11,800.00
26.05.20			379,687.00

PAYMENTS IN BANK STATEMENT NOT YET IN CASH BOOK

DATE	PAYEE	REF	AMOUNT

RECEIPTS IN BANK STATEMENT NOT YET IN CASH BOOK

DATE	PAYEE	CHQ NO/REF	AMOUNT

RECEIPTS IN CASHBOOK NOT YET IN BANK STATEMENT





STATEMENT OF ACCOUNT

Branch HARAMBEE BRANCH
 Account 1005363717
 Account Currency KES
 Account Type CURRENT AC - INSTITUTIONAL BANKING
 Stmt No. 0001

STATEMENT PERIOD 01 Jun 2020 TO 30 Jun 2020

MALARIA GRANT NO KEN M TNT GA
 PO BOX 30007
 TREASURY BLDG
 Nairobi
 0100

Opening Balance 27,943,376.45
 Total Credits 823,784.31
 Total Debits -1,901,231.30
 Actual Balance 26,865,929.46

DATE	Value Date	Transaction Details	Cheque #	Debit	Credit	Balance
01-Jun-20		BALANCE B/F				27,943,376.45
02-Jun-20	02-Jun-20	Jambopay Payments - GLOBAL FUND PROGRAM NATIONAL TREASU		-11,800.00		27,931,576.45
02-Jun-20	02-Jun-20	Charges - Eslip Pay-2020200001283089		-240.00		27,931,336.45
02-Jun-20	02-Jun-20	Cheque Debit - 129 Eslip Pay-2020200001283089	129	-364,887.00		27,566,449.45
16-Jun-20	16-Jun-20	Payment Cheque Number	132	-30,900.00		27,535,549.45
16-Jun-20	16-Jun-20	Cheque Debit - 133	133	-145,950.00		27,389,599.45
16-Jun-20	16-Jun-20	Charges - PRINCIPAL RECIPIENT GLOBAL FUND		-240.00		27,389,359.45
16-Jun-20	16-Jun-20	Charges - TRANSFER PRINCIPAL RECIPIENT GLOBAL		-600.00		27,388,759.45
25-Jun-20	25-Jun-20	Charges - SALARY TRANSFER MALARIA GRANT NO		-3,840.00		27,384,919.45
25-Jun-20	25-Jun-20	Cheque Debit - 000134 SALARY TRANSFER	000134	-1,324,048.00		26,060,871.45
26-Jun-20	26-Jun-20	Account Transfer Cr - MALARIA GR PRINCIPAL RECIPIENT GLOBA 561	561		778,942.32	26,839,813.77
29-Jun-20	29-Jun-20	Inward Cheque - 000121	000121	-3,000.00		26,836,813.77
29-Jun-20	29-Jun-20	Inward Cheque - 000130	000130	-3,000.00		26,833,813.77
29-Jun-20	29-Jun-20	Inward Cheque - 000116	000116	-3,000.00		26,830,813.77
29-Jun-20	29-Jun-20	Inward Cheque - 000127	000127	-3,000.00		26,827,813.77
30-Jun-20	01-Jul-20	Credit Interest			44,841.99	26,872,655.76
30-Jun-20	01-Jul-20	Tax Amount Due		-6,726.30		26,865,929.46
30-Jun-20		BALANCE C/F				26,865,929.46

Dear customer, in the interest of maintaining the health and safety of our customers during the COVID-19 pandemic, we urge you to reduce cash transactions and enjoy fast, easy, convenient and safe transaction options through our online banking platform, mobile banking and cards. StayHomeStaySafe. For any queries please contact our customer service +254202884444 or 0711056444 or 0732156444



LEN-M-TNT GA ISSUE

Allocation	Voucher No.	Cheque No.	Sh.	cts.	Sh.	cts.	Sh.	cts.
2220101	457	00132					3090000	
2210302	458	00133	13650000					
	10							
	3628830	00133	9450000				14595000	
2110201	0481	00134					132404800	
2110201	0481	00135					36488700	
2110201	0481	00136					3000000	
		00137					-	
2110201	0481	00138					11800000	
2220101	0483	00139			9450000			
							1164630	
TOTALS					94500000		189223130	
					9450000			
							2648624246	
					9450000		2837847376	

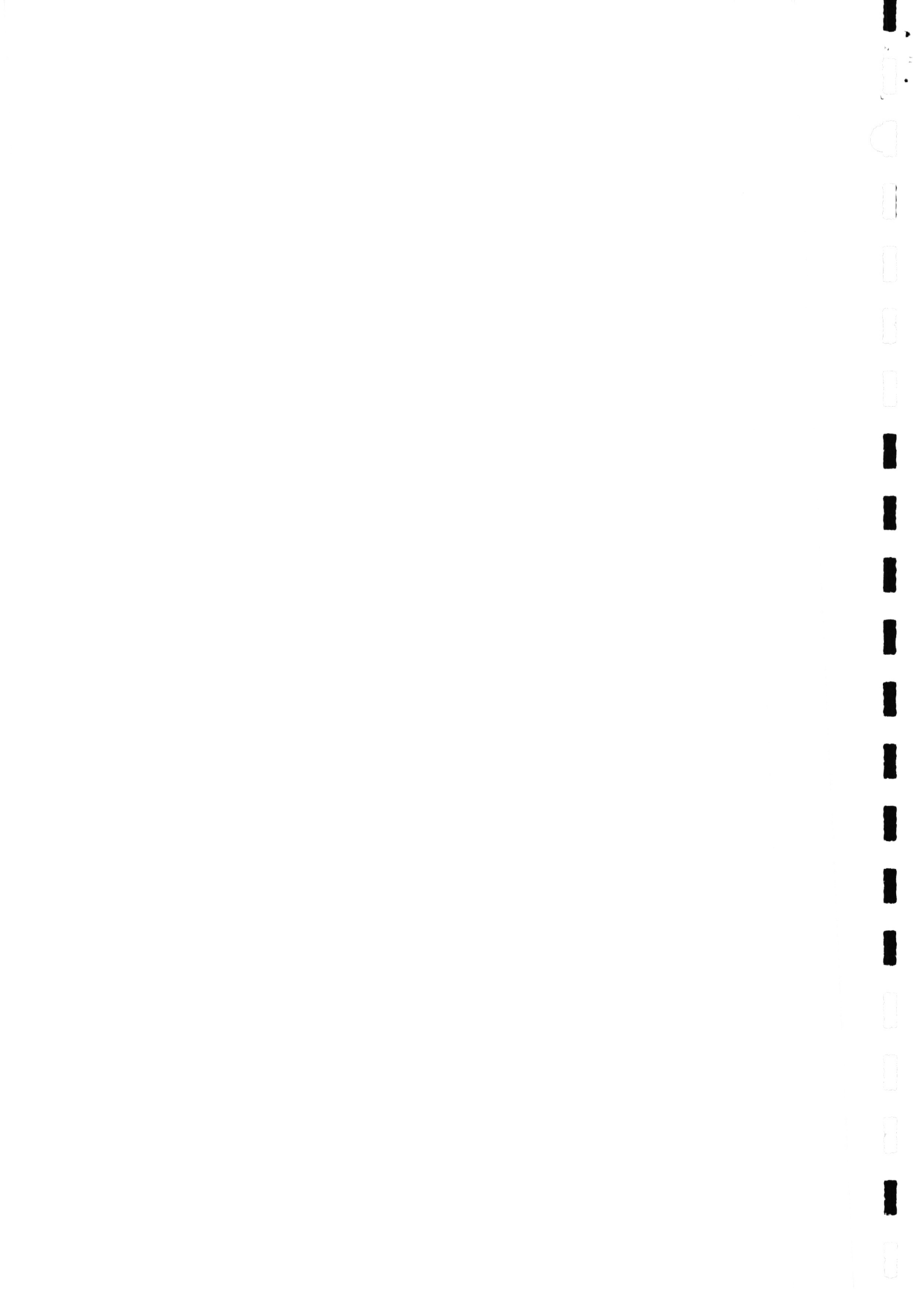
BOARD OF SURVEY

~~2/1/20~~

~~30/6/2020~~

30/6/2020

~~30/6/2020~~



2

GLOBAL FUND MALARIA GRANT NO KEN-M-TNT GA 1546
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2020

Credit No.: KEN-M-TNT GA 1546

Bank Account No.: 1005429982 Held With NIC BANK LTD

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by Global Fund		42,386,642.88
	TNT -PR	27,755,975.57	
	MOH-DLTLD	14,630,667.31	
	Less:		
2	Total amount accounted for		13,033,418.38
3	Outstanding amount advanced to Special Account		29,353,224.50
	Represented by:		
4	Ending Special account Balance as as 30 June 2020		24,546,715.62
5	Amounts claimed but not credited as at 30th June 2020		
6	Amounts withdrawn and not accounted for to GF		4,806,508.88
	TNT -PR	(159,031.78)	
	MOH-DLTLD	4,965,540.66	
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		29,353,224.50

Discrepancy between total appearing on line 3 and 9

-

Antice

AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 18.08.2020

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2020
Account No.	1005429982
Depository Bank	NIC BANK NAIROBI
Address	NIC HOUSE BRANCH, MASABA RD, NAIROBI.
Related Loan	MALARIA GRANT KEN-M-TNT GA1546-MAIN
Credit Agreement	NO. 4568-KE
Currency	USD

Account Activity

Beginning balance of 1ST July, 2019 as per C.B.K. Ledger Account	2,205,353.33
<hr/>	
Add:	
Total Amount deposited by ADB WORLD GLOBAL FUND	32,152,799.74
Total Interest earnings if deposited in account	<hr/>
Total amount refunded to cover ineligible expenditure	<hr/>
Deduct:	
Total amount withdrawn	(9,811,437.45)
Total service charges if not included above in amount withdrawn	<hr/>
Ending balance on 30th June,2020	<hr/> 24,546,715.62 <hr/>

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

10.8.2020

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

18.08.2020

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 42 of 42

Run Date: 11/08/2020 Run Time: 09:34:58
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000375086

ACCOUNT TITLE : MALARIA GRANT KEN-M-TNT GA1546-MAIN
 30/06/2020

STATEMENT PERIOD: From 01/07/2019 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :				-2,205,353.33		
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	30/08/2019	FT19240N3WDZ	PA122692	0.00	787,500.00	-1417853.33
2	30/08/2019	FT19240TIP1L	PA122693	0.00	39,375.00	-1378478.33
3	16/09/2019	FT19256P291J	PA 123151	0.00	320.88	-1378157.45
4	23/10/2019	FT192952KLVY	PA123270	0.00	1,000,000.00	-378157.45
5	23/10/2019	FT1929550P2T	PA123261	0.00	391.90	-377765.55
6	23/10/2019	FT1929593Y1Y	PA123260	0.00	704.41	-377061.14
7	23/10/2019	FT192959CF7M	PA123259	0.00	1,522.75	-375538.39
8	23/10/2019	FT19295PKMSH	PA123262	0.00	545.80	-374992.59
9	24/10/2019	FT1929668D4H	PA123284	0.00	897.80	-374094.79
10	24/10/2019	FT19296DJRCV	PA123283	0.00	2,678.28	-371416.51
11	24/10/2019	FT19296HZNPW	PA123281	0.00	1,719.48	-369697.03
12	24/10/2019	FT19296RVCWV	PA123282	0.00	934.40	-368762.63
13	27/11/2019	FT193312B37M	MALARIA GR FUND	-5,935,504.05	0.00	-6304266.68
14	03/12/2019	FT19336C5BCJ	PA 123330	0.00	1,134.49	-6303132.19
15	03/12/2019	FT19336GM0PD	PA 123332	0.00	750.88	-6302381.31
16	03/12/2019	FT19336NWM96	PA 123342	0.00	711.82	-6301669.49
17	03/12/2019	FT19336P4QVZ	PA 123323	0.00	2,684.36	-6298985.13
18	03/12/2019	FT19336XCKLY	PA 123326	0.00	835.36	-6298149.77
19	03/12/2019	FT19336Z8P8V	PA 123338	0.00	7,433.49	-6290716.28
20	18/12/2019	FT193522B0KY	NTRF FUND	-21,206,393.11	0.00	-27497109.39
21	23/01/2020	FT200222QX2P	PA123451	0.00	2,900.00	-27494209.39
22	23/01/2020	FT200229V3SJ	PA123350	0.00	58,000.00	-27436209.39
23	23/01/2020	FT20022TMIN7	PA123452	0.00	3,373,241.33	-24062968.06
24	12/03/2020	FT20070QMM6T	PA123476	0.00	8,800.00	-24054168.06
25	12/03/2020	FT20070TFHKK	PA123475	0.00	176,000.00	-23878168.06
26	25/03/2020	FT20085M2Y7W	MALARIA GR FUND	-5,009,674.58	0.00	-28887842.64
27	04/05/2020	FT2011J2DQH	PA124556	0.00	43,400.00	-2884442.64
28	04/05/2020	FT2012IKYZW2	PA124555	0.00	868,000.00	-27976442.64
29	14/05/2020	FT20135IRL1Q	FUNDING	-1,228.00	0.00	-27977670.64
30	22/05/2020	FT20142DP25W	PA 124573	0.00	130,500.00	-27847170.64
31	22/05/2020	FT20142XH00V	PA 124575	0.00	147,000.00	-27700170.64
32	22/05/2020	FT201434QFYP	PA 124576	0.00	7,350.00	-27692820.64
33	22/05/2020	FT20143PHCSS	PA 124574	0.00	6,525.00	-27686295.64
34	27/05/2020	FT20148DQ0D3	PA124592	0.00	2,573,511.00	-25112784.64
35	04/06/2020	FT20155GQ4JH	PA 124853	0.00	19,182.02	-25093602.62
36	04/06/2020	FT20155X20DC	PA 124852	0.00	383,640.40	-24709962.22
37	08/06/2020	FT201570MZJJ	PA124858	0.00	146,997.55	-24562964.67
38	08/06/2020	FT20157LL9XC	PA124859	0.00	7,349.88	-24555614.79
39	30/06/2020	FT201819FZS7	PA 124873	0.00	2,431.01	-24553183.78
40	30/06/2020	FT20181G9SPW	PA 124874	0.00	1,373.25	-24551810.53
41	30/06/2020	FT20181HWS08	PA 124872	0.00	1,170.53	-24550640
42	30/06/2020	FT20181QKTZ7	PA 124871	0.00	3,924.38	-24546715.62

CLOSING BALANCE : -24546715.62

END OF ACCOUNT STATEMENT

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

Account 1000375086

Statement From 20190701

Statement To 20200630

TAM.E.STMT.OF.ACCT.EPRM

