

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAJD

DATE: 23 JUL 2019

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DAY: TUESDAY

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL AIDS CONTROL COUNCIL

FOR THE YEAR ENDED
30 JUNE 2018

PARLIAMENT
OF KENYA
LIBRARY



NATIONAL AIDS CONTROL COUNCIL

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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KEY ENTITY INFORMATION AND MANAGEMENT

Background Information The National AIDS Control Council (NACC) was established under Section 3 of the State Corporations Act Cap 446 through the National AIDS Control Council Order, 1999 published vide Legal Notice No. 170 of 1999.) The entity is domiciled in Kenya.

Principal Activities NACC is a non-commercial organization whose mission is to: "Provide policy and a Strategic framework for mobilizing and coordinating resources for the prevention of HIV transmission and provision of care and support to the infected and affected people in Kenya".
Our Vision: "A Kenya Free of HIV infections, stigma and AIDS related deaths."
NACC mandate includes-

- HIV policy formulation and implementation
- Coordination of a multi-sectoral HIV and AIDS response in Kenya
- Implementation of a national information management system for HIV and STIs
- Undertake advocacy for HIV prevention and control
- Mobilization of technical and financial resources for the HIV response
- As an agency of National Government, the NACC is mandated to provide Technical Assistance to Counties for the HIV response.

Key Management The entity's day-to-day management is under the following key organs:

- NACC Council
- Chief Executive Officer
- Management

Fiduciary Management The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Dr. Nduku Kilonzo
2.	Deputy Director, Finance & Administration	CPA Kamuren Dennis K.
3.	Deputy Director, Policy, Monitoring and Research	Mr. John Kamigwi
4.	Deputy Director, Coordination and Support	Dr. Emmy Chesire
5	Deputy Director, HIV Investments	Ms. Regina Ombam

Fiduciary Oversight Arrangements

COUNCIL COMMITTEES

The Council through its Committees and the Secretariat has put in place systems aimed at enhancing governance, transparency and accountability. The Council has four committees. The Committees and their responsibilities are described below:

- Executive Committee,
- Finance and Administration Committee,
- Programmes Committee,
- Audit and Risk Management Committee

A detailed description of the roles functions and composition of these committees is found under the section on Corporate Governance.

Headquarters

NACC REGISTERED OFFICE

P.O. Box 61307, 9th Floor,
Landmark Plaza
Argwings Kodhek Road
Nairobi, KENYA
Telephone: (254) 20 2896 000
E-mail: communication@nacc.or.ke
Website: www.nacc.or.ke

Entity Bankers

- Citibank N.A Upper Hill Branch, P.O. Box 30711-00100, NAIROBI
- Barclays Bank of Kenya Ltd NIC Branch, P.O. Box 18060, NAIROBI
- Standard Chartered Bank Ltd Kenyatta Avenue Branch, P.O. Box 40310, NAIROBI Kenya
- CFC-Stanbic Bank Ltd Kenyatta Avenue Branch, P.O. Box 30550-00100, NAIROBI Kenya
- NIC Bank Ltd NIC House Branch, P.O. Box 44599-00100, NAIROBI Kenya
- Co-operative Bank Ltd Upper Hill Branch, P.O. Box 30415-00100, NAIROBI Kenya

Independent Auditors

Auditor General
Anniversary Towers, University Way,
P.O. Box 30084 - GOP 00100 Nairobi, Kenya

Principal Legal Adviser

The Attorney General State Law Office,
Harambee Avenue.
P.O. Box 40112 - City Square 00200
Nairobi, Kenya



- Our Vision -

A Kenya Free of HIV infections, stigma and AIDS related deaths

Our Mandate



HIV policy
formulation and
implementation



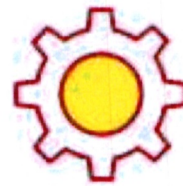
Coordination of
a multi-sectoral
HIV and AIDS
response in
Kenya



Implementation
of a national
information
management
system for HIV
and STIs



Undertake
advocacy for HIV
prevention and
control



Mobilization
of technical
and financial
resources for the
HIV response



As an agency
of National
Government,
the NACC is
mandated
to provide
Technical
Assistance to
Counties for the
HIV response.

BOARD OF DIRECTORS



Ms. Angeline Y. Siparo
Chairperson
DOB: 1968

Ms. Siparo is a Senior Technical Advisor for the Population Reference Bureau. She holds a Master's of Arts in Counselling Psychology with a focus on organizational development. Ms. Siparo brings to the organization more than 20 years' experience as a donor, implementer, and policymaker in the HIV, FP/RH, and women's rights responses. Ms. Siparo is a board member of MGSN and the budget and economic forum, Narok County. She is also a member of the GFF advocacy network in Eastern and Southern Africa. Ms. Siparo has served on the boards of Amnesty International - Kenya Chapter, the HIV and AIDS Tribunal, SONY Sugar Company and the Children's Council.

Appointed: 24th June 2016



Dr. Nduku Kilonzo
Secretary
DOB: 1974

Dr. Kilonzo is the Chief Executive Officer of the Kenya National AIDS Control Council. A Doctor of Philosophy (PhD) holder in Tropical Medicine, Gender and Health from the Liverpool School of Tropical Medicine (LSTM). Dr. Kilonzo has over 26 peer reviewed publications in high impact factor journals and book chapters in the areas of HIV prevention and control for Africa. She is a Commissioner with the Lancet - IAS Commission Health in Sub-Saharan Africa and is acknowledged in the Millennium Development Goal (MDG) 6 Report for her contributions in the HIV field.

Appointed: 5th May, 2014



Mrs. Rahab Mwikali Muiu
Member
DOB: 1956

Mrs. Rahab Muiu is the National Chairperson Maendeleo Ya Wanawake Organization (MYWO), Member of National Anti-Corruption Campaign Steering Committee Board (NACCSC), former Managing Director Samuria Kenya Limited (Family Business), member of UNDP Team of Eminent Person (TEP), Member of Kamba Council of Elders (Nzama Ya Atumia ma Ukamba). Renowned Kenyan Entrepreneur who pioneered the weaving and marketing of Kenyan handicrafts especially the 'Kiondo' abroad and has been instrumental in empowering Kenyan women through trade especially former Kitui, Kisii, Muranga Mombasa, Turkana and Machakos Districts for about three decades. She is a former Civil Servant as a Secretary trained in Kenya

Government Secretarial College and a Member of Mothers Union.
 Appointed: 1st October, 2009



Ms. Dorothy Obare Onyango
Member
DOB: 1958

Ms. Onyango is the Executive Director WOFAK and the Chairperson Programmes Committee. She holds a Bachelor of Arts degree in Development Studies and Social Work. She has worked as a Program Director, Ken Wide Media Ltd, served in the Board of NEPHAK for 4 years as the first Chairperson. A founder member of The International Community of Women Living with HIV (ICW) global and former chair of The Pan-African Positive Women's Coalition (PAPWC). She also served on the Board of National Council of Children's Services and is current Chair of Pan African Women's Coalition.

Appointed: 1st October, 2009

BOARD OF DIRECTORS



The Rev. Canon Dr. Rosemary Mbogo
Member
DOB 1960

Rev Canon Dr. Mbogo is the Provincial Secretary of the Anglican Church of Kenya and Chairperson of NCCK. She has an honorary Doctorate in Divinity from Virginia Theological Seminary in United States and holds a Master's of Arts degree in Theology and Biblical Counselling. She has wealth of experience in leadership gathered over years both at the Education Ministry and as a member of the University Councils. Her experience cuts across in all strategic areas of management and administration: planning, organizing, directing, leading and controlling – both at governance and management levels of Institutions.

Appointed: 1st October, 2009



Mr. Daniel Ochola Bolo
Member
DOB 1960

Mr. Bolo is the alternate board member to the Principal Secretary, Ministry of Interior and Coordination of National Government. He holds a Master's of Science degree in Administration and is the Deputy Secretary Ministry of Interior and Coordination of National Government, State Department of Interior and Coordination.

Appointed: October, 2009



Mrs. Alice Nabukwanga Wanyonyi Gimose
Member
DoB: 1961

Mrs. Gimose holds a degree in Public Health from Kenya Methodist University (KEMU); an Associate degree in general studies; Higher diploma in Pharmaceutical Technology and a certificates in HIV Management, Prevention and Risk Management. She is currently pursuing a Masters degree in Epidemiology and Project Management at KEMU. Mrs Gimose is also a life member of the Kenya Red Cross Society.

Appointed: October, 2015



Ms. Jacinta K Mutegi
Member
DOB: 1979

Ms. Mutegi is the alternate board member to the Chairman Kenya Conference of Catholic Bishops and the Chair, Finance and Administration Committee. She is also the National Executive Secretary of Kenya Conference of Catholic Bishops - Catholic Health Commission of Kenya. She holds a Masters of Arts degree in Project Planning and Management and an Executive Masters in Organizational Development. She has 15 years' experience in Kenya's health research and health systems management with non-government and public sector. Ms. Mutegi is a member of the Mission for Essential Drugs and Supplies (MEDS) Board.

Appointed: 1st October, 2009

BOARD OF DIRECTORS



Mrs. Joyce Mutugi
Member
DOB: 1960

Mrs. Mutugi is the current alternate board member to the Principal Secretary, Ministry of Health. She holds an MBA-strategic management. CPA (K) Senior Assistant Accountant General Ministry of Health. Experience-Accountant in various positions for over 20years.
Appointed: October 2016



Mr. Vincent Matioli
Member
DoB: 1966

Mr Matioli is the alternate board member to the Principal Secretary, State Department for Devolution, Ministry of Devolution and Planning. He holds a Master's of Arts degree in Public Administration and currently the Deputy Secretary, State Department of Devolution. He started working in the public service in 1994 as a District Officer where he worked in various Divisions in the country. In the years between 2003-2005 he worked as a programme officer in the National Campaign Against Drug and Substance Abuse (NACADA) before being redeployed to the then Ministry of State for Special Programmes where he spearheaded the development of disaster risk reduction policy and strategy draft documents. He has a span of over 20 years colour of service.

Appointed: 1st October, 2009



Mr. Latiff N. Shaban
Member
DOB: 1952

Mr. Shaban is the alternate board member to the Chairman, Supreme Council of Kenya Muslims (SUPKEM). Mr. Shaban holds an Ordinary Level Certificate of Cambridge University. In addition he has undertaken various professional courses among them Advance Management and Leadership Certificate from Galilee International Management Institute, Israel; Certificate of Programme for effective directorship, Certificate in Universal Health Coverage from Bangkok and Certificate of Risk Management Training from KCA University. He also holds Certificate in Strategic Leadership and Change Management for Directors of State corporations from KSG, Certificate in Implementing Internal Auditing Standards from The Institute of Internal Auditors and Certificate in Leadership and Organizational Development from New York, U.S.A. With a vast experience in public corporations Board Management spanning over 10 years Mr. Shaban currently sits in the Boards of National Hospital Insurance Fund (NHIF) and Retirement Benefits Authority (RBA). He is also a committee member of the following committees: Beyond Zero Campaign Steering Committee, Human Resources for Health coordination Steering Committee under the Ministry of Health and Electoral Observation Group (ELOG) Steering Committee.

Appointed: 1st October, 2009



Mr. Mark Joseph Obuya
Member
DOB: 1957

Mr. Obuya is an Advocate of the High Court of Kenya; He is the Chair of the NACC, Audit & Risk Management Committee and the National President of the Federation of Kenya Employers. He holds Master of Laws Degree (LLM) from the University of Nairobi in Law, Science and Technology, majoring in Intellectual Property, Medical and Telecommunications Law. He is a seasoned legal, financial and insurance professional with over 25 years of experience in leadership with a thorough knowledge of company law, medical law, intellectual property law, corporate governance, financial markets, investments, labour laws and social security schemes.
Appointed: 8th May, 2017.

BOARD OF DIRECTORS



Mr. Walder Mukunga

Member

DOB: 1961

Mr. Mukunga is the alternate board member to the Principal Secretary, The National Treasury. He is an Administrative Officer and holds a BA degree in Administration and Economics, besides various certificates in in general management and financial management from many institutions. He has wide experience on policy, management and financial fields in both the central government and the provincial administration.

Appointed: 1st October, 2009



Mr. Alfayo Mogaka

Member

DoB: 1961

Mr. Mogaka is the alternate board member to the Principal Secretary, The National Treasury, for the Audit and Risk Management Committee only. He is a Certified Internal Auditor (CIA) and a Certified Fraud Examiner (CFE) with over 30 years' experience in the public service. He is currently serving as the Internal Auditor General and is responsible for managing the Internal Audit Function in the public service. Mr. Mogaka is also the chair of the Institute of Internal Auditors (IIA) Kenya Chapter.

Appointed: October 2009

MANAGEMENT TEAM



CEO, National AIDS Control Council
Dr. Nduku Kilonzo.
Doctor of Philosophy (PhD) holder in
Tropical Medicine, Gender and Health.

Deputy Director, Coordination
and Support.
Dr. Emmy J. Chesire.
Doctor of Philosophy in Public
Health, Master of Public Health in
Community Health and Nutrition,
Master in Education in Primary
Healthcare.

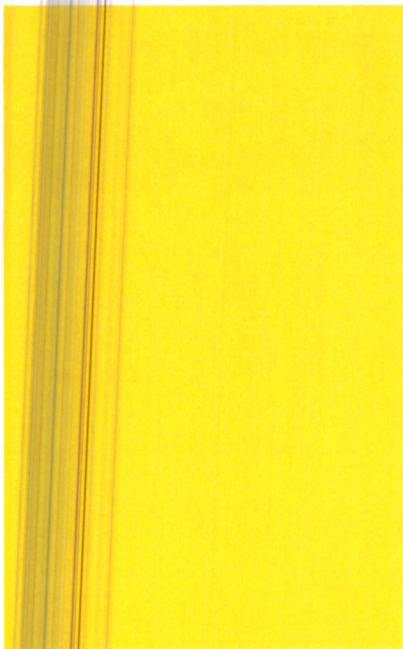
Deputy Director, Finance &
Administration.
Mr. Kamuren Dennis K.
MBA., BA, PG Dip in Corruption
Studies. Member CPA & CPS of
Kenya & ISO Lead Auditor.



Deputy Director, Policy, Monitoring
& Research.
Mr. John Kamigwi Mwangi.
Masters of Economics and
Social Studies (Health Planning
& Development), Bachelor of
Philosophy (Economics) and
Bachelor of Arts (Economics)



Deputy Director, HIV Investments.
Ms. Regina A. Ombam.
Master's degree in Public Administration,
Masters of Arts in Economics from
University of Nairobi and Bachelor of
Arts in Anthropology, University of
Nairobi.



MANAGEMENT TEAM



Head, Stakeholders' Coordination.
Dr. Bathsheba Osoro.
Doctor of Philosophy in Counseling, Master of Education in Counseling Psychology, BA Education.

Head Finance.
CPA, CPS, Kenneth O. Nyamolo.
Master of Business Administration (Finance), Bachelors of Environmental Studies (Honours), a member of the Institute of Certified Public Accountants of Kenya (ICPAK), a member of the Institute of Certified Public Secretaries of Kenya (ICPSK), currently a law student. A member of the Legislative Affairs Sub-Committee of the Public Policy & Governance at ICPAK.



Head, HR & Administration
Mr. Gregory Weere.
MA Organizational Behavior, BA Industrial Psychology (Honours), Higher Dip. in Human Resource Management and a PG Dip. in Guidance and Counseling.



Head, Performance Management
Mr. Edwin Chumo Kimutai.
Masters of Public Health and Epidemiology, Advanced management and leadership, Dip. in Environmental Health Sciences, ISO Lead Auditor



Head, Procurement
Mr. Clauder N. Musi.
Masters in Commerce, Bachelor of Commerce, Advanced Dip. in Purchasing & Supply (CIPS).

Head, Technical Support
Dr. Celestine Mugambi.
MSc Infectious Diseases, MBCHB



MANAGEMENT TEAM



Head, Legal Services.
Ms. Jane Wanjiku Githinji.
LLM, Bachelor of Laws, CPS &
Chartered Institute of Arbitrators
LSK



Head of Internal Audit.
Mr. Gabriel Nkari.
MBA Finance, Bachelor of
Commerce
(Accounting option), CPA, ICPAK &
a member of Institute of Internal
Auditors



Head, M & E Coordination
Mr. Joshua Gitonga.
Master's in Public Health and
Epidemiology, Higher Dip. in Public
Health Education and Promotion.
He is currently pursuing a PhD
program in Epidemiology at
Kenyatta University.

Ag. Head of Communication
Ms. Mercy Chiyumba
Khasiani-Omoke
Currently she is a PhD candidate,
Masters in Development
Communication, a Bachelors
of Arts in Communication and
Media Technology, Post Graduate
Diploma in Project Planning and
Management. A member of the
International Communication
Association.



Head County Support Division.
Ms. Caroline Kinoti.
Master's in Public Health &
Epidemiology, Bachelor of
Education. Currently pursuing
Doctorate in Public Health.

Ag. Head Research
Fridah Muinde
Master of Public Health Degree
from Kenyatta University and a
Bachelors Degree in Nursing (BSc
N) from the University of Nairobi.
Currently Pursuing a Doctor of
Philosophy Degree in Public Health
at the Jomo Kenyatta University of
Agriculture and Technology.



MANAGEMENT TEAM



Head, Head, Management Information Systems.
Alex Kariuki.
MA Project Planning & Management , BSc Information Technolog. He holds Professional certifications in CCNA, MCSE, ITIL, PRINCE2, MCSDT and CompTIA Project +

Head Policy and Strategy
Geoffrey Obonyo.
MA Economics, BA (Economics Major) . Currently a PhD candidate at the School of Economics



STATEMENT OF THE CHAIRPERSON



Ms. Angeline Yiamiton Siparo - Chairperson

I am delighted to present to you the 2017/2018 Annual Report. The National AIDS Control Council exists to provide Policy and Strategic Framework for mobilizing and coordinating resources for prevention of HIV transmission and provision of care and support to the infected and affected people in Kenya.

During the reporting period, the Council continued to execute its mandate of policy direction oversight for compliance, financial prudence and accountability and internal audit and risk management in line with the NACC legal notice and Government regulations. A board evaluation was undertaken by the State Corporation advisory committee attaining an overall score of 92.36%. Board member capacities were strengthened based on a training needs assessment.

NACC operations were funded by the exchequer as reflected in the National Treasury Printed Estimates with supplementary funds from grants from Development Partners. The NACC acknowledges grants from the Global Fund, the United Nations Joint Team on AIDS and various private Foundations Bill and Melinda Gates, Rockefeller and Ford Foundations. In addition to the NACC resources, the NACC contributed to increased domestic finances through increased County allocations to HIV and AIDS programmes and increased Counterpart Financing were realized. The NACC chaired the Global fund writing secretariat that guided the development of the New Funding Model 2

grant of USD 179 Billion signed by Treasury on 15/12/2017. The NACC was audited in compliance with the PFM Act 2012 and presented its report of 2016/17 to the Parliamentary Investment Committee.

During the reporting period, the NACC facilitated the formulation of the Medium Term Plan III HIV and AIDS section and the development of the progress in the HIV response was made on key outcome areas of the Kenya AIDS Strategy. There was a 36.95% reduction in new infections among adults, increased number of children on ART by 20.65% and a 25.36% increase in number of adults on ART. AIDS related deaths reduced by 21.24%. The HIV response and the NACC experienced challenges related to industrial action of health care workers and the long electioneering period, which resulted in slow down of progress and reversal of some key indicators such as in the elimination of mother to child transmission.

The NACC strengthened partnerships with the faith community who approved HIV and AIDS messages for mainstreaming in places of worship. The Communities of persons living with HIV partnered with NACC to reduce new infections and address HIV related stigma. Maisha Youth enhanced outreach to adolescents and young people through social media, face to face interactions and a vibrant show, 'Tubonge show'.

In the 2nd half year of the reporting period, the NACC focused our contributions to the President's Big 4 agenda. The Council received a briefing on the opportunities for UHC to leverage on the HIV response, and initiated an HIV coordinating mechanism toward UHC that is steered by the UHC focal point for NACC and has four (4) sub-committees. The NACC prepared a policy brief to on leveraging the HIV Response to drive Universal Health Care in Kenya that identified key policy recommendations including: providing HIV services as part of essential benefits package; harnessing HIV resources to increase the resource pools for health insurance and extending the HIV prevention model and infrastructure to the prevention of NCDs as a key strategy to reducing future treatment liabilities from NCDs thus securing the risk-pool and sustainability of UHC scheme.

The Board congratulates, the NACC CEO was selected as the representative of the Global Fund Board Strategy Committee for Eastern and Southern Africa, complementing the appointment of the Deputy Director of HIV investments to the Global Fund Technical Review panel that makes recommendations for Country grants to the Board for approval. The NACC will continue to strengthen Kenya's global profile and visibility while continuing to report against Kenya's international obligations.

In the coming year, the Council will focus on the results outlined in the performance contracting period. The NACC is cognizant of increased health threats in non-communicable diseases and noted that HIV underpins many of these emerging health challenges which are HIV co-morbidities and will leverage our partnerships to facilitate acceleration of HIV and NCDs prevention as part of the cost-containment strategy in delivering UHC.

Our investments in adolescents and young people will be enhanced. In particular, we will work with the HIV and AIDS Tribunal to strengthen access to justice for those of face HIV related discrimination. Our multi-sectoral mandate will focus on the sectors of education during its reforms and infrastructure. We will continue to build strong networks and partnerships with our stakeholders and the larger society as we strive towards a HIV-free society in Kenya.

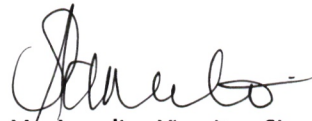
STATEMENT OF THE CHAIRPERSON

At the institutional level, our review of the NACC strategic plan will inform areas of risk mitigation and institutional strengthening. Further attention will be paid to the increasing threat of cyber-risk with increased automated to increase enhance efficiencies in Governance, Compliance Management and strengthened registry processes.

I am proud of what we have achieved as a Council, yet I'm certain that we shall still grow and expand ourselves going forward, even as we step up our efforts towards a HIV-free society. I take this opportunity to acknowledge H.E. the President for inclusion of UHC in the Big Four Agenda. I wish to thank the Ministry of Health, the county governments, and all our partners in the HIV response.

I am grateful to the NACC Board, Secretariat and staff for the great input, dedication constantly displayed and for the consistency in putting in the work required to make the Council mandate achievable in an effective and efficient manner, and in ensuring that our strategies, goals, and plans are translated to action and visible results.

Thank You.



Ms. Angeline Yiamiton Siparo
Chairperson



REPORT OF THE CHIEF EXECUTIVE OFFICER



Dr. Nduku Kilonzo - Chief Executive Officer

I am honored to share the performance report for the Financial Year 2017/2018. The NACC was guided by her Strategic Plan, performance contract and feedback from stakeholder satisfaction assessments. This report first outlines the overview of the performance of Kenya as per the AIDS Strategic Framework, with further discussion in the management analysis. This is followed by a review of key investments and performance as per NACC mandate, the performance contract and the institutional review.

An overview of the Performance of Kenya as per the AIDS Strategic Framework

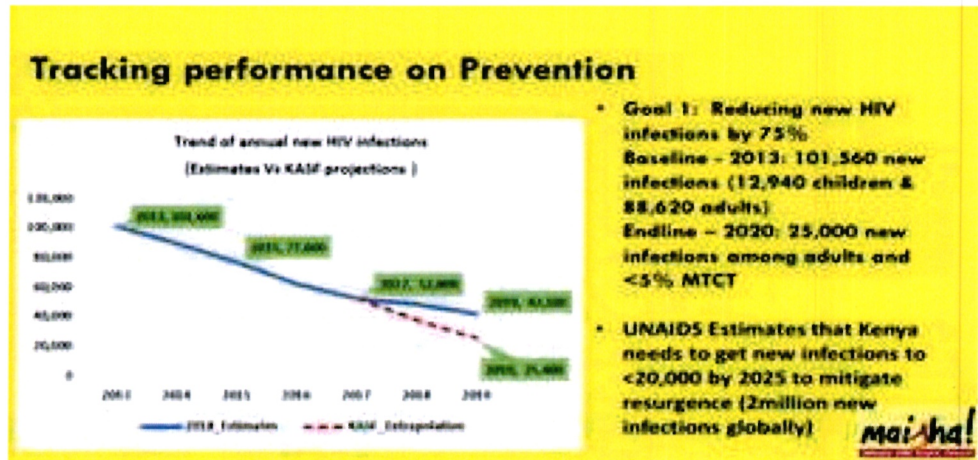
Through different stakeholders, partners and investments from the Government and development partners, the country recorded progress in various key outcome and process indicators as outlined in the KASF:

- A reduction of 20% of new infections
- An increased in number of children on ART by 20.65% and adults on ART by 25.36%,
- A decrease in number of AIDS related deaths to by 21.24%.
- An increase in the rate of mother to child transmission to 11.5%.
- 52 NGO reported in the HIPORs an expenditure of KES 19.3Billion in the year 2016/17.
- Number of on-going HIV related research studies was 317.
- County proposal for resource allocation in their MTEF for HIV was KES3.8billion.
- 100% Counties celebrated their World AIDS Day on December 1st 2017.
- 33 Counties constituted and held their County HIV committees and met.

20%
Reduction
of new HIV
infections



REPORT OF THE CHIEF EXECUTIVE OFFICER



Key Notes:

- Despite the progress in prevention, it is observed that Kenya's trajectory is not on track to reach a 75% reduction in new infections by 2020, which still presents challenges with future treatment cost liabilities
- With the industrial action of health care workers and the long electioneering period, the performance of mother to child transmission rates suffered and increase by 3 percentage points.
- Performance on coverage of HIV treatment improved with partner investments in systems strengthening in viral load testing and scale up of test and treat options.

Key investments and performance in line with NACC's mandate:

HIV Policies and Guidelines: The NACC was appointed the Chair of the HIV and AIDS thematic committee of the Medium Term Plan III development process. A review that included public participation was done in regional meetings that involved all the 47 counties resulting in a sector report that was accepted and signed by the Cabinet Secretary that prioritizes: investments in HIV prevention with a focus on Kenya's validation for eMTCT, a public private partnership approach to in-country production of HIV commodities and aggressive scale up of anti-retroviral therapy.

Key Policy Outputs Included: facilitation to the development of the Strategic Framework for the Engagement of the First Lady in Promotion of Healthy lives and well-being of Women, Children and Adolescents 2018-2022; development of the MTPIII HIV and AIDS sector plan that was approved by the Cabinet Secretary, Ministry of Health. To strengthen coordination of the response NACC supported the development and dissemination of the faith sector handbook for key messages and the strategic plan of the International Community of Women living with HIV –Kenya Chapter (ICW-K)

HIV Prevention, Advocacy and Communication: In line with the Global HIV Prevention Roadmap, prevention 2020, the NACC facilitated a national stocktaking meeting, facilitated County preventions assessments and prevention target setting. A national technical assistance plan will be used in filing needs for prevention programming to get to 75% reduction of new infections as per target.

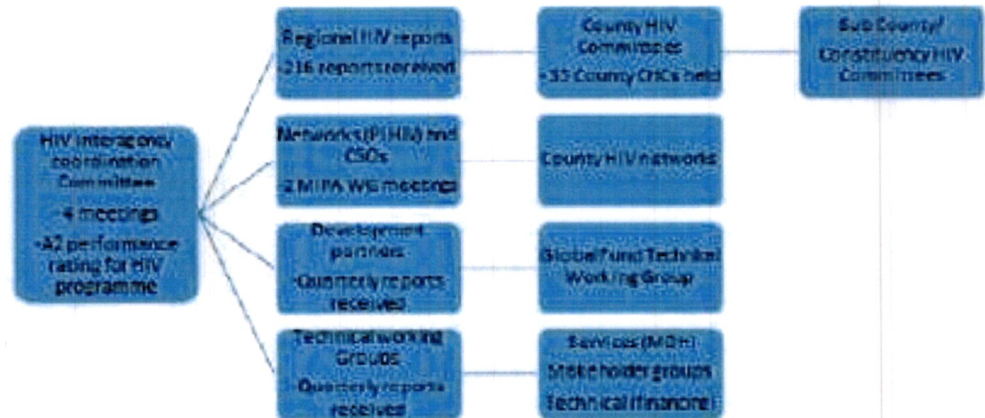
Investments in HIV advocacy through mass media campaigns focused on reduction of stigma and discrimination of People Living with HIV, and a reflection of young people's



REPORT OF THE CHIEF EXECUTIVE OFFICER

risks, vulnerabilities and opportunities. There was a 110% increase in social media presence in the year, driven by Maisha Youth, a young peoples movement.

Coordination: in line with the KASF coordination architecture, whose functionality is the responsibility of NACC, the committees performed as noted below with the overall coordination through the HIV Interagency coordination committee (HIC-ICC). The HIV-ICC continued to track performance of the Kenya Global Fund programme, rated A2 and received reports from the Presidents Emergency Plan for AIDS Relief (PEPFAR).



Coordination of the Public Sector HIV Response: MAISHA Certification System: NACC is lead agency on the PC indicator for Prevention of HIV Infections through supporting implementation and tracking performance, the Maisha Certification system. 65% of the 363 Ministries, Departments and Development Agencies of Government reported in the financial year.

Of 2,883 Community Based Organizations (CBOs) that were active, 41% reported through the Community AIDS Program Reporting (CAPR) from 44 Counties and 283 subcounties.

Resource mobilization for the HIV response: In the reporting period, the NACC chaired the Global Fund proposal writing Secretariat and made financial investments into the process resulting in Kenya’s award of an in-budget grant of USD 179 Million that was signed between the Global Fund and the National Treasury on December 15, 2017. In order to harness existing domestic resources for better results in the HIV response, the NACC carried out an assessments of HIV resources budget size and utilization within infrastructure projects in Kenya, developed a policy brief on the same and is developing guidelines for use by the sector.

Preparedness for UHC: In response to our contribution to UHC, the NACC developed a policy brief on how best to leverage the HIV response to promote UHC and further instituted mechanisms through working groups to fast-track critical areas of action. Three policy recommendations by NACC included:

- Ensuring that HIV services are part of the essential health benefits
- Leveraging existing resources for anti-retroviral therapy to increase risk pools to cover persons living with HIV and
- Supporting cost-containment measures by leveraging the HIV prevention infrastructure and expertise for prevention of non-communicable diseases (NCDs)

Urgent investments were made in developing a model for estimation of NCDs among persons living with HIV and in general population in collaboration with the Division of



REPORT OF THE CHIEF EXECUTIVE OFFICER

NCDs and Imperial College London. This will guide prevention interventions in order to contain costs related to health care.

Technical assistance to Counties:

The NACC supported counties in the integration of HIV into their CDPs, based on their County AIDS Strategic Plans.

NACC's global engagements and profiling of Kenya: The NACC's responsibility includes reporting on Kenya's global obligations as relates HIV and AIDS. A report for the SDGs national voluntary reporting 2018 included Kenya's progress in the HIV response

Kenya's contribution to the HIV response was acknowledged globally with Kenya being selected to host the first global HIV prevention coalition meeting of 25 member states with representation in the global prevention working group. Following nomination by the Ministry of Health, the CEO of the NACC was appointed as the Eastern and Southern Africa representative to the Global Fund Board's Strategy Committee. The Deputy Director for HIV investments, continued in her independent capacity as a member of the Technical Review Panel of the Global Fund.

In 2017, the Chairmanship of the Great Lakes Initiative on AIDS was passed to Kenya, with the NACC being the Chair of the Executive Committee. A review of GLIA strategy, resource mobilization framework and was initiated for presentation to the Council of Ministers meeting in 2018.

Delivering on the Performance Contract 2017/2018

The 14th Cycle 2017/18 Performance Contract for the National AIDS Control Council was negotiated between the Board and the Performance Delivery. The NACC internal evaluation resulted in a calculated score of 3.0 and therefore a rating of GOOD. The indicators and criteria were implemented as follows;

A: Financial Stewardship & Discipline

Utilization of allocated resources-94%

Appropriation in AID-56% attainment

Pending bills-Nil

Service Delivery: The provisions NACC has a Customer Service Charter were implemented as required and NACC scored 96% in public complaints resolution.

B. Core Mandate: The NACC executed its core mandate by implementing the two Vision 2030 flagships that internal evaluation rated at $\leq 100\%$.

C. Presidential Directives, Circulars & Executive Order: the NACC complied with all applicable circulars, directives and executive orders.

D: Access to Government Procurement Opportunities (AGPO): The NACC awarded tenders worth KES: 81.7 M to youth women and People Living with Disabilities (PWD) exceeding the target by 10%

E: Promotion of Local Content (Buy Kenya Build Kenya): The NACC was expected to procure a minimum of 40% from fully owned Kenya enterprises attained 148% of this target.

REPORT OF THE CHIEF EXECUTIVE OFFICER

F: Cross Cutting Issues: NACC attained an average implementation rate of 99% on all crosscutting issues.

Cross - cutting	Performance (%)
Asset Management- Review according to the guidelines	90%
Youth Internships/Industrial Attachments/Apprenticeships –	115%
Competence Development	100%
Disability Mainstreaming	100%
Prevention of HIV/AIDS Infections- review	100%
Safety and Security Measures	89%
Corruption Eradication	100%

NACC Institutional Strengthening



The Council acquired ISO 9001:2015 through surveillance and internal audit demonstrating NACC's commitment to quality in service delivery

Financial Performance Overview: During the year under review, the NACC revenue amounted to Ksh 937.7 Million with 73% being Government allocation for operations and programme management. Total expenditure for the same period amounted to Ksh 1.1 Billion resulting in an operating deficit of Ksh 252 Million. This deficit is partly attributable to non-release of funds that was financed by the previous year's accumulated surplus, thus allowing NACC to maintain an overall positive cash position.

ISO Certification: The Council acquired ISO 9001:2015 being 1 year before the KEBS transition deadline and was and was maintained through surveillance and internal audit demonstrating NACC's commitment to quality in service delivery.

Automation: To strengthen capacity of NACC delivery of a single M & E system for the national response, and analytics capacity for expansion of the situation room, the NACC deployed an upgrade data centre infrastructure with improved cyber-risk mitigation and dedicated backup system.

Human Resource: NACC undertook 100% appraisals and experienced 7% staff turnover. Ksh 12.7 Million was invested in staff competence with 86 staff being trained in line with needs assessment from the FY 2016/17.

Internal Audit: 42 audits on systems, regions, programmes were finalized and reports presented for deliberation to the Audit Committee.

Looking Forward

The NACC is committed to facilitate the delivery of Universal Health Coverage. We shall leverage the HIV response infrastructure to facilitate accelerate action towards service uptake and HIV and NCDs prevention as the most essential cost containment strategy in relation of the cost of health. The Maisha Certification system will be reviewed to include wellness. We will re-engineer our investments in HIV prevention focusing on building political will for accelerated investments in prevention of mother to child transmission of HIV, facilitating the development and monitoring of their HIV business plans. Accelerating HIV prevention will include strengthening 100% condom use as a cost effective and long-term solution to prevention of HIV and of unintended pregnancies. We will strengthen the Kenya HIV and Health analytics platform, the situation room, to ensure it provides routine analytics on key indicators for County Health Departments for routine decision making.

REPORT OF THE CHIEF EXECUTIVE OFFICER

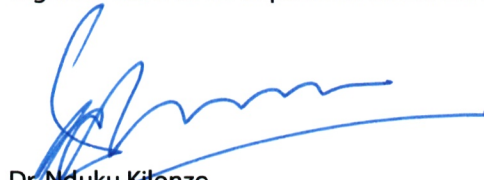
This also requires us to finalize for implementation the data privacy guidelines that will be aligned to the data act.

For the NACC to promote optimization of available resources, we will develop a costing framework that includes a harmonized guideline to unit costs for Kenya that partners utilize and a system for routine financial data collection. We will further facilitate implementation of guidelines and standards for HIV resources in the infrastructure. Resources to supplement exchequer funds will continue being mobilized.

Partnerships remain the foundation of Kenya's vibrant HIV response and are at the core of NACCs strategy. We thank, and will continue our meaningful engagement and coordination with networks of persons living with HIV, civil society partners, the faith communities, development and implementing partners and the private sector. Our direct involvement with the Government's Big 4 Agenda mainly Universal Health Coverage (UHC), means that we will need to take stock of progress through review of our Strategic plan.

Appreciation

We are extremely grateful to the NACC family - the Board and Secretariat, our partners, stakeholders and the government for according us the opportunity to serve and work together even as we implement the NACC and HIV response agenda.



Dr. Nduku Kilonzo
Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

Statement of Compliance

The NACC Board is committed to the highest standards of Corporate Governance. The NACC has committed to and continues to adhere to the provisions of Mwongozo, the Code of Governance for State Corporations.

Process of Appointment of Directors

The Board is composed of sixteen members as provided under the National AIDS Control Council Order 1999 published vide Legal Notice No. 170 of 1999 pursuant to Section 3 of the State Corporations Act. The membership consists of a Chairperson appointed by the President, three independent members appointed by the Cabinet Secretary Health, eight members drawn from Constituencies key to the HIV response and four other members representing the Ministries of Health, Interior and Co-ordination of Government, Devolution and Planning and the National Treasury. The NACC is in the process of reviewing the Legal Notice in order to comply with Mwongozo, on appointment, size, composition and removal of Directors.

Role and Functions of the Board

The Board provides strategic direction to the organization and determines the organization's mission, vision, purpose and core values. The Board also approves significant policies of the organization, approves the organization structure and budget.

The Board Charter

The Board has developed and adopted a Board Charter. The Charter defines the role, responsibilities and functions of the Board.

Board Induction, Training and Evaluation

The Board ensures members are inducted and their skills and knowledge continually developed to enhance effectiveness. Upon appointment to the Board, new members are inducted to provide them with an orientation of the organization, strategic plans, financial status, compliance programs and the code of conduct and ethics. During the year under review the members underwent a five days effective directorship training following a competence needs assessment which identified missing gaps. The Board also undertook an annual evaluation for FY 2016/17 to gauge its performance and attained a corporate score of 92.36%. The evaluation was facilitated by the State Corporations Advisory Committee (SCAC).

Board Remuneration

The Board's remuneration is as per the policies developed by the Government from time to time. The members are paid a taxable sitting allowance as well as travel and accommodation allowances while on duty. Members are also provided with a medical cover. The Chairperson is paid honorarium and airtime allowance as applicable.

Conflict of Interest

The NACC has in place a conflict of interest policy. Board Members and staff are required to act honestly at all times and must not place themselves in a situation where their personal interests conflict with those of the organization. Board Members must declare any real or potential interest at each meeting. Interests declared are registered in the conflict of interest register.

CORPORATE GOVERNANCE STATEMENT

Ethics and Conduct

The NACC has in place a Code of Conduct and Ethics which has been signed by the Board Members and Staff. The Code of Conduct is intended to establish standards of integrity and ethical conduct in the NACC.

Audit Compliance and Risk Management

The NACC has an Audit and Risk Management Committee which oversees the internal and external audit functions. The Board ensures that an independent, competent and qualified external auditor conducts an annual audit of the NACC to provide an objective assurance as to whether the financial statements fairly represent the financial performance of the NACC.

The Board has an established Internal Audit function. The Audit and Risk Committee receives from the internal audit function a written assessment of the effectiveness of internal controls and risk management. The Committee has also approved both the Committee Charter and the Internal Audit Charter.

Board Attendance

During the period, the terms of two of the Members had lapsed and no new appointments were made despite follow up. The Board held 10 meetings which were attended as follows:-

NO	BOARD MEMBERS	DESIGNATION	ORGANIZATION	Jul 14, 2017	Sep 28, 2017	Nov 27, 2018 SPECIAL	Dec 15, 2017	Feb 2, 2018	Mar 9, 2018 SPECIAL	Mar 29, 2018	May 22, 2018 SPECIAL	Jun 6, 2018 SPECIAL	June 28, 2018
1	Ms. Angeline Yiamiton Siparo	Chairperson	National AIDS Control Council	√	-	√	√	√	√	√	√	√	√
2	Dr. Nduku Kilonzo	CEO/ SECRETARY	National AIDS Control Council	√	√	√	√	√	√	√		√	√
3	Mrs. Joyce Gikui Mutungi Alternate Member to	The Principal Secretary	Ministry of Health	-	√	√	√	√	√	-	√	-	-
4	Mr. Vincent Matioli Alternate Member to	The Principal Secretary	Ministry of Devolution and Planning	-	-	√	-	√	-	√	-	-	√
5	Mr. Daniel O. Bolo Alternate Member to	The Principal Secretary	Ministry of Interior and Coordination of National Government	√	-	-	-	√	-	-	√	√	√
6	Mr. Walder Mukunga Alternate Member to	The Principal Secretary	The National Treasury	√	√	-	√	√	√	√	-	-	√
7	Rev. Canon, Dr. Rosemary Mbogo Member	Chairperson	National Council of Churches of Kenya	√	-	√	-	-	√	√	√	√	√

CORPORATE GOVERNANCE STATEMENT

NO	BOARD MEMBERS	DESIGNATION	ORGANIZATION	Jul 14, 2017	Sep 28, 2017	Nov 27, 2018 SPECIAL	Dec 15, 2017	Feb 2, 2018	Mar 9, 2018 SPECIAL	Mar 29, 2018	May 22, 2018 SPECIAL	Jun 6, 2018 SPECIAL	June 28, 2018
8	Ms. Jacinta Mutegei Alternate Member to	The Chairman	Kenya Conference of Catholic Bishops	√	√	√	√	-	√	√	√	√	√
9	Mr. Lattiff N. Shaban Alternate Member to	The Chairman	Supreme Council of Kenya Muslims	√	√	√	-	√	√	-	√	-	√
10	Ms. Dorothy Onyango Member	Executive Director	Women Fighting AIDS in Kenya	√	√	√	-	√	-	√	√	√	-
11	Mrs. Rahab Mwikali Muiui, HSC Member	National Chairperson	Maendeleo ya Wanawake Organization	√	√	√	√	√			√	√	
	Mrs Elizabeth Mayieka Alternate member to	National Chairperson	Maendeleo ya Wanawake Organization						√	√			√
12	Mr. Mark Joseph Obuya Member	National President	Federation of Kenya Employers	√	√	√	√	-	√	-	-	√	√
13	Mrs. Alice Nabukwanga Wanyonyi Gimose Member	Nominated Member	Nominated Member	√	√	√	√	√	√	√	√	√	√
14	Dr. Robert Mwadime Ngolo Member	Nominated Member	Nominated Member	√	√	-	-	-	-	-	-	-	-

Committees of the Board

The Council has four standing committees which meet regularly as set out in their terms of reference. These are:

1. Audit and Risk Management Committee
2. Finance and Administration Committee
3. Programmes Committee
4. Executive Committee

Audit and Risk Management Committee

The Audit and Risk Committee is Chaired by Mr. Mark Joseph Obuya, the National President, Federation of Kenya Employers. The Committee receives from the Internal Audit function a written assessment of the system of internal controls and risk management. The Committee Held five (5) meetings which were attended as follows:-



CORPORATE GOVERNANCE STATEMENT

NO	BOARD MEMBER	DESIGNATION	Organization	Sept 8, 2017	Sept 26, 2017 SPECIAL	Nov 23, 2017	Mar 13, 2018	Jun 8, 2018
1.	Mr. Mark Joseph Obuya Member	National President	Federation of Kenya Employers	√	√	√	√	√
2.	Alfayo Mogaka Alternate member representing Kenya National Audit Office	The Principal Secretary	The National Treasury	√	√	√	√	√
3.	Mrs. Joyce Gikui Mutungi Alternate member to	Ministry of Health	Member	-	-	-	-	-
4.	Mr. Daniel O. Bolo Alternate Member to	The Principal Secretary	Ministry of Interior and Coordination of National Government	-	-	√	-	√
5.	Rev. Canon Rosemary Mbogo Member	Chairperson	National Council of Churches of Kenya	√	√	√	√	√
6.	Mr. Lattiff N. Shaban Alternate Member to	The Chairman	Supreme Council of Kenya Muslims	√	√	√	√	-
7.	Mrs. Rahab Mwikali Muiui, HSC Member	National Chairperson	Maendeleo ya Wanawake Organization	-				
8.	Elizabeth Mayieka Alternate Member to the	National Chairperson	Maendeleo ya Wanawake		√	√	√	√

Finance and Administration Committee

The Committee is chaired by Ms. Jacinta Mutegi, the alternate to the Chairperson, Kenya Conference of Catholic Bishops. The Committee ensures effective financial and personnel oversight of the NACC. The Committee held six meetings which were attended as follows;

NO	BOARD MEMBERS	DESIGNATION	ORGANIZATION	Sep 5, 2017	Nov 6, 2017	Feb 15, 2018	May 3, 2018 SPECIAL	May 21, 2018 SPECIAL	May 29, 2018
1.	Ms. Jacinta Mutegi Alternate Member to	The Chairman	Kenya Conference of Catholic Bishops	√	√	√	√	√	√
2.	Dr. Nduku Kilonzo	CEO	National AIDS Control Council		√	√	√		
3.	Mrs. Joyce Gikui Mutungi Alternate Member to	The Principal Secretary	Ministry of Health	√	-	√	-	√	√
4.	Mr. Daniel O. Bolo Alternate Member to	The Principal Secretary	Ministry of Interior and Coordination of National Government	-	√	√	√	√	√
5.	Mr. Walder Mukunga Alternate Member to	The Principal Secretary	The National Treasury	√	√	√	√	-	-
6.	Dr. Robert Mwadime Ngolo Member	Nominated Member	Nominated Member	-	-	-	-	-	-

CORPORATE GOVERNANCE STATEMENT

Programmes Committee

The Committee is chaired by Ms. Dorothy Onyango, the Executive Director, Women Fighting AIDS in Kenya. The Committee is responsible for policies and programmes that support HIV response in the Country. The Committee held five (5) meetings that were attended as follows:

NO.	BOARD MEMBERS	DESIGNATION	ORGANIZATION	Aug 31, 2017	Nov 9, 2017	Feb 22, 2018	Mar 19, 2018	May 15, 2018
1.	Ms. Dorothy Onyango Member	Executive Director	Women Fighting AIDS in Kenya	√	√	√	√	-
2.	Dr. Nduku Kilonzo	CEO	National AIDS Control Council	√	√		√	
3.	Mrs. Joyce Gikui Mutungi Alternate Member to	The Principal Secretary	Ministry of Health	√	-	√	-	-
4.	Mr. Lattiff N. Shaban Alternate Member to	The Chairman	Supreme Council of Kenya Muslims	-	√	-	√	√
5.	Mrs. Rahab Mwikali Muiu, HSC Member	National Chairperson	Maendeleo ya Wanawake Organization	√	√	-		√
6.	Elizabeth Mayieka Alternate Member to	National Chairperson	Maendeleo ya Wanawake organization				√	
7.	Mrs. Alice Nabukwanga Wanyonyi Gimose Member	Nominated Member	Nominated Member	√	√	-	√	√

Executive Committee

The Committee is chaired by Ms. Angeline Siparo, who is the Chairperson of the Board. The Committee deals with emerging and urgent issues that require Council decision. The Committee held one meeting which was attended as follows:

NO	BOARD MEMBERS	DESIGNATION	ORGANIZATION	June 28, 2018 SPECIAL
1	Ms. Angeline Yiamiton Siparo	Chairperson	National AIDS Control Council	√
2	Dr. Nduku Kilonzo	CEO	National AIDS Control Council	√
3	Mrs. Joyce Gikui Mutungi Alternate Member to	The Principal Secretary	Ministry of Health	-
4	Ms. Jacinta Mutegi Alternate Member to	The Chairman	Kenya Conference of Catholic Bishops	√
5	Ms. Dorothy Onyango Member	Executive Director	Women Fighting AIDS in Kenya	-
6	Mr. Mark Joseph Obuya Member	National President	Federation of Kenya Employers	√

CORPORATE GOVERNANCE STATEMENT

Remittance of Statutory Deductions

The Council remitted all the statutory deductions to Kenya Revenue Authority, National Hospital Insurance Fund, National Social Security Fund, Higher Education Loans Board and other statutory bodies within the stipulated timelines attaining a 100% compliance rate and received the requisite certificates.

Procurement Obligations

The NACC policy on procurement is guided by the principles of economy, efficiency, value for money, transparency and fairness and participation of the enterprises owned by women, youth and persons with disabilities and other disadvantaged groups. The NACC complied with the Public Procurement and Asset Disposal Act, 2015 that requires at least 30% of procurements to be awarded to Special Groups.

Top Procurements in 2017/2018

The top highest value procurements were reported on a quarterly basis to the National AIDS Control Council Board and contracts published the on the NACC website, NACC notice boards and the Government IFMIS system for public information. The overall ten top value procurements for 2017/2018 are as indicated below;

No	Purchase Order/ Contract	Date	Bidder	Remarks	Document Total in Kshs
1	Contract		Coretech Systems and Solutions Limited	Supply, Installation and Commissioning of Enterprise Resource Planning Application	24,646,140.00
2	Contract		Kenya Television Network (KTN)	Launch and Airing of interactive TV Program	12,296,000.00
3	2882	5/29/2018	Utalii Hotel	Staff Team Building workshop 2018	5,685,000.00
4	1553	10/6/2017	Royal Media Services Limited	Airing of Mass Media Messages on TV.	5,220,000.00
5	Contract		Villa Care Management Ltd	Consultancy for project transaction services for the acquisition of the office premises	3,950,500.00
6	3586	5/11/2018	Kenya School Of Monetary Studies	National AYP Stock Taking Meeting	3,601,800.00
7	1722	10/5/2017	Nation Media Group	Global Fund Mass Media Airing of Messages on TV	3,000,000.00
8	1742	12/18/2017	Mass-Com Kenya Limited	Design, Printing and mounting of billboards in 10 counties.	3,000,000.00
9	3653	6/25/2018	Slyma East Africa	Printing of Kenya AIDS Strategic Framework	2,598,750.00
10	1576	11/13/2017	The Great Rift Valley Lodge & Golf Resort	Conferencing during County First Ladies Sensitization Forum	2,577,600.00

MANAGEMENT DISCUSSION AND ANALYSIS

1. Performance of Kenya as per the AIDS Strategic Framework

The National AIDS Control Council coordinates the multi-sectoral HIV response through stakeholder engagement, resource mobilization and alignment, prioritization of high impact interventions as well as monitoring and evaluation of programmes.

The country has made progress with regards to implementation of the KASF for the reporting period as summarized below;

KASF Strategic Directions	Indicators	Comparison between 2016 and 2017
Reducing New HIV Infections	Adults: 20% reduction	2016: 56,051 2017: 44,789
	Youth: 32% reduction	2016: 26,051 2017: 17,667
	Children: -31% (Increased)	2016: 6,091 2017: 7,978
	Condoms uptake: 14.3 Condoms per man per year against the target of 40 condoms in the year 2020	
Improving Health outcomes and wellness of all PLHIV	HIV intergration in the ongoing curriculum reform initiative with KICD	
	No of people on ART: 10% increase	2016: 1,018,905 2017: 1,121,900
Using a Human rights approach to facilitate access to services for PLHIV, Key populations and other priority groups in all sectors	AIDS Related Deaths: 22% reduction	2016: 36,041 2017: 28,214
	Strengthening integration of Health and Community Systems	
Strengthen Research and information to inform KASF goals	HIPORS reporting rates: 2015/16 = 44 (10%) NGOs reported; expended KES 14.3 billion 2016/17 = 50 (12%) NGO's reported; expended KES 19.3 billion	
	Ongoing operationalization of the Maisha Maarifa Research hub which is an online repository of studies on HIV, Sexual reproductive Health and comorbidities for evidence based decision making at all levels. -Studies uploaded: 27% increase -No of counties reached through dissemination=10 totalling to 39 counties reached (83% Reach) NACC contributed to KENPHIA protocol development, represented in the National Executive Steering Committee, Data Advisory Committee (DAC), contributed in community mobilization and field supervision/monitoring.	2016: 1,120 2017: 1,422 2016: 29 2017: 39
Promote utilization of Strategic Information for Research and M&E to enhance programming	One country Level Integrated M&E system (Situation room) In line with the government Big Data initiative, the NACC provided 25 counties with situation room infrastructure to support data management and use bringing to a total of 47 counties with situation room infrastructure. Indicators and reports in Situation Room were revised and expanded to include RMNCH indicators.	
Increase domestic financing for a sustainable response	Supported twenty seven counties (27) counties to develop HIV Budget proposals for integration in to the County MTEF process and a policy brief to guide the alternative funding for HIV from Infrastructural projects was developed and engagements on the same are progressing. county budget proposals were estimated at KES. 3.81 billion in 2018/19 to KES. 4.1 billion in 2020/21	
Promoting accountable leadership for delivery of KASF results by all sectors and actors	KASF MTR has been undertaken with at least 35 counties being supported to review their progress up to date in HIV prevention and control. CHC committees in 33 counties have been supported to hold quarterly meetings	

MANAGEMENT DISCUSSION AND ANALYSIS

Performance of the Kenyan HIV Response

Kenya has made significant progress in HIV response as depicted in the key indicators below:

Indicator	2016 Estimates	2017 Estimates	Draft 2018 Estimates	% Change 2018-2017
HIV Prevalence	5.9%	5.4%	4.9%	-10%
Total PLHIV	1,517,705	1,587,844	1,493,382	-6%
Adults PLHIV	1,419,536	1,466,193	1,388,169	-5%
Children PLHIV	98,169	121,651	105,213	-14%
Youth LHIV	268,586	247,792	184,719	-25%
Total new HIV Infections	77,648	62,141	52,767	-15%
Adult New HIV Infections	71,034	56,051	44,789	-20%
Youth New HIV Infections	35,776	26,051	17,667	-32%
Children New HIV Infections	6,613	6,091	7,978	31%
PMTCT coverage	75%	81%	77%	-5%
MTCT Rates	8.3%	8.2%	11.5%	40%
Deaths	35,822	36,041	28,214	-22%

Source: Draft Kenya HIV 2018 Estimates

There was a significant decline in the number of new HIV infections with the youth recording at least 32% decline between the years 2016 and 2017. However, there was a 31% increase in the number of new HIV infections among children during the same period. MTCT rate increased significantly by 40%. A tactical change in strategy is needed to reverse this trend. AIDS Related Deaths declined by 22%.

2. HIV Policy & Guidelines:

a) **The Strategic Framework for the Engagement of the First Lady in Promotion of Healthy lives and well-being of Women, Children and Adolescents 2018-2022:** The NACC facilitated the development of A Strategic Framework for the Engagement of the First Lady in the Promotion of Healthy Lives and Well-Being of Women, Children and Adolescents (2018 - 2022) that was launched by The First Lady of the Republic of Kenya, Her Excellency Margaret Kenyatta on 8th March, 2018. The strategic framework aims to promote health and wellbeing leveraging on H.E. the First Lady's power and authority. The NACC is expected to continue supporting the implementation of the strategy through Beyond Zero.

MANAGEMENT DISCUSSION AND ANALYSIS

b) Development of the MTP III for the Health Sector: NACC facilitated development of the Sector Plan on HIV and AIDS and the Chapter on HIV and AIDS for the MTP III with priority projects aligned to the Big Four Agenda for implementation during the period 2018-2022.

c) The Kenya AIDS Strategic Framework (KASF) Mid Term Review (MTR): The Kenya AIDS Strategic Framework 2014/15-2018/19 (KASF) is the key policy document that guides the HIV response within the country. The KASF has clear targets and objectives to be achieved by 2019 and it also recognizes the devolved nature of the health function in the country. NACC spearheaded the Mid - Term Review (MTR) of the KASF at National and Counties and across different sectors. The findings and recommendations will inform the HIV programming for the remaining period of the KASF implementation and the review of the KASF addendum for the period 2019-2020.

d) International Community of Women Living with HIV-Kenya Chapter- Strategic Plan 2018-2020: The NACC supported the International Community of Women living with HIV – Kenya Chapter (ICW-K) in developing and launching its Strategic Plan. It will provide a strategic guide for the secretariat in prioritizing interventions, coordinate and monitor implementation as well as to provide structured interventions targeting women and young girls who remain vulnerable to infections due to social economic factors.

3. Coordination of HIV Response

National AIDS Control Council is mandated to coordinate the HIV response in the country (at both National and County levels).

a) Public Sector Coordination: Ministries, Departments and Agencies (MDAs) and County Governments at all levels are required to mainstream HIV and AIDS into their core functions to contribute towards preventing new infections, improving quality of life and mitigating the impact of HIV and AIDS among their staff and customers. NACC supported the public sector institutions to mainstream HIV and AIDS through development of work place policies, training and sensitization on HIV and AIDS.

In the FY 2017/2018, the NACC put in place enabling environment for Public Sector Synergies in HIV Response under the budget line of GoD Kshs, 2,000,000/- “Facilitating MDAs Maisha PC Indicators implementation and reporting”. This was done through the revision of the public sector workplace policy (2017) for customisation by all Government ministries, departments and agencies (MDAs). The NACC supported 154 MDAs to development, approve and implement their workplace policies on HIV and AIDS. In addition, the workplace policies ensured the provision of work place benefits such as medical insurance that does not discriminate against people living with HIV.

The NACC also supported the establishment / reconstitution and operationalization of ACUs in 154 MDAs through inclusion the Government performance contract under Maisha I. Resources are required for the implementation of the planned HIV programmes.

b) Faith Sector Coordination: The NACC continues to strengthen partnerships with all stakeholders in the response to HIV and AIDS in Kenya. According to Kenya Demographic Health Survey (2014), over 97% of the Kenya population was reported to ascribe to religious affiliation. Moreover, there is a growing recognition of an organized progressive inter-faith religious voice in the spheres of governance and development issues in Kenya.

MANAGEMENT DISCUSSION AND ANALYSIS

The Faith HIV messages aligned to the Faith sector action plan were developed by religious leaders and theologians based on the Bible and Quran in March 2017. The HIV faith messages provides a basis of HIV integration in sermons and the theological training curricular. The Key HIV messages handbook was to facilitate the NACC to achieve the objectives of the (KASF) 2014/15-2018/19 on effective coordination of the HIV response and stigma reduction by 50%.

4. HIV Prevention Review

a) Prevention Stock Taking and target Setting: To accelerate HIV prevention in Kenya, the NACC organized the National HIV Prevention Stocktaking meeting in October 2017. The meeting reviewed and adopted Country and County HIV Prevention targets, National and County level HIV Prevention reporting modalities and County HIV Prevention Technical Assistance plans. It also made recommendations for the Global Prevention Coalition 2020 roadmap. A similar meeting for the Adolescents and Young People (AYP) was held in May 2018. Key outputs from the meeting included a comprehensive review of Kenya’s HIV response for AYP under the Fast Track Plan, consensus on targets for the AYP response and a minimum package for HIV prevention endorsed for implementation.

b) Adolescents and Young People Review:

Adolescent and Young people stock taking meeting: The National AIDS Control Council in partnership with Adolescent Working group and counties held the National Adolescent stock taking meeting where each county developed and presented AYP posters and



vulnerability wheels in the the gallery walk. The meeting presented young people at the centre of the response with a panel session and showcasing in the exhibitions

MANAGEMENT DISCUSSION AND ANALYSIS

Review of the Kenya Fast Track Plan: The National Multi-sectoral AYP working group reviewed progress for the young people HIV response to ensure that a revised strategic approach is exhaustively addressed within the next generation of the Kenya Fast Track plan. The team proposed interventions for the three program areas of the Fast Track plan; Reducing new HIV infections, Reducing AIDS related deaths and Reducing stigma and discrimination.

The team also reviewed the minimum service package for adolescents and young people after input from counties during the National Adolescent stocktaking meeting. Indicators to track AYP response were also reviewed.

c) Condom Hot Spot Mapping: NACC commissioned a National survey during the reporting period to identify key Hotspots (locations with high incidents of risk sex) in the Counties. To effectively reach key populations there is need to develop customized HIV prevention, care and treatment programs. One of the structural components of HIV prevention among Key populations is ensuring 100% condom use. A total of 17,854 hot spots were identified. Going forward, these hot spots will form the epicenter of condom distribution in order to reach out to Key Population (KP).

d) Collaboration with Huduma Center & Kenya National Library Services (KNLS):

- **Collaboration with Huduma Centers**
The NACC has partnered with Huduma Centers to scale up HIV services to the public. The partnership resulted in sensitization of staff at Huduma Centers across the country on HIV and AIDS, installation of condom dispensers in 25 counties, distribution of condoms and provision of HTS (HIV Testing Services).
- **Collaboration with KNLS**
The NACC identifies opportunities within sectors that can be used to reach populations aimed at increase uptake of HIV services. During the reporting year, NACC leveraged on the strength of libraries across the country by giving TV screens together with HIV information targeting AYPs who frequent KNLS libraries. During the first phase of the exercise, 9 TV screens were distributed in KNLS branches that served the following counties; Kiambu, Meru, Kitui, Makueni, Mombasa, Kilifi,



MANAGEMENT DISCUSSION AND ANALYSIS

Kisumu, Homabay, Migori, Kisii and Nyamira.

e) Investments for Collaboration with the Education Sector:

Teachers Training Capacity Development Initiative

In its effort to address HIV infections among the youth and also ensuring that rights of children living with HIV are protected, the NACC partnered with Teachers Service Commission (TSC) to undertake capacity building of Beacon Teachers. Beacon Teachers are Child protection champions identified by TSC in 2014. The teachers were equipped with knowledge on child rights and protection. The Teachers have proactively cascaded the human rights messages at school and community level to prevent and manage child rights abuses.

Further, the NACC supported capacity building of KENEPOTE, a network for teachers living positively with HIV on; Comprehensive HIV and AIDS knowledge, institutional and regulatory framework and HIV and AIDS program management as guided by the existing policies and guidelines. KENEPOTE was founded in 2003 by teachers who needed a platform to address their work place issues in regards to HIV and to provide psychosocial support to each other. 329 KENEPOTE teachers and 216 BEACON teachers have been capacitated in this reporting financial year.

f) Mass Media Campaign- 2BONGE TV Show

The NACC undertook a mass media campaign with support from Global Fund to sensitize the public on the need to end stigma and discrimination of PLHIV which is one of the strategic directions and the pillars of the Kenya AIDS Strategic Framework (KASF). The messages on TV intended to reduce the levels of stigma and discrimination, scale up HIV treatment, create demand for various HIV services such as HTC, condom use and nutrition among AYP. Over 78% people were reached through the campaign. In addition, 2BONGE Programme reached 8 million online viewers.

5. One Monitoring & Evaluation System for HIV Surveillance

a) HIV & Health Analytics Platforms - Situation Room: In line with the government Big Data initiative, the NACC provided 25 counties with situation room infrastructure to support data management and use bringing to a total of 47 counties with situation room infrastructure. Indicators and reports in Situation Room were revised and expanded to include RMNCH indicators.

b) Maisha Maarifa Hub: The Maisha Maarifa Research hub is an online repository for HIV, Sexual Reproductive Health (SRH) and Co-morbidities studies and researches which seeks to enhance access to Research and information to all key stakeholders to inform policy formulation and programming. The dissemination has been going on at the counties to create awareness on its existence and promote its utilization at the county level. Seven webinars were held where more than 200 stakeholders participated. There was a 27% increase in the number of studies which have been uploaded. Briefs on new research knowledge have been developed for dissemination through the hub.

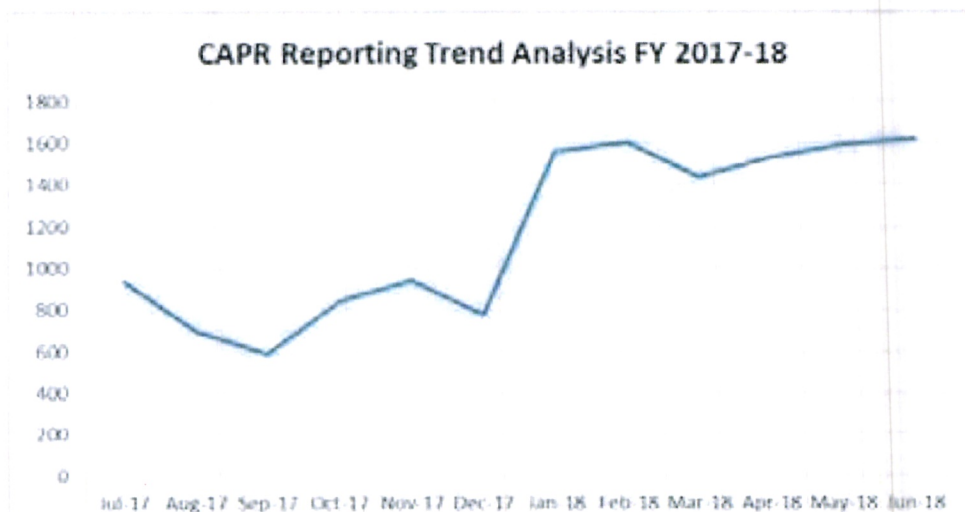
c) Community AIDS Program Reporting (CARP):

Strengthening Information and Knowledge Management Systems

The NACC undertook key activities to promote utilization of strategic information for research, and monitoring and evaluation (M&E) of implementers to enhance HIV programming across the sectors. These included re-engineering of the HIV Situation Room, Maisha Certification training, data quality assurance for the Ministries, Departments

MANAGEMENT DISCUSSION AND ANALYSIS

and Agencies and provision of technical assistance to the community on CAPR System. In the reporting year, a total of 125 institutions attained Maisha certification. MAISHA certification is being implemented at two levels where level 1 is mainstreaming HIV and AIDS at workplace targeting staff and their families and MAISHA Level 2 targeting stakeholders of the stated institutions.



6. Mobilising Resources for HIV Response

The NACC mobilized and received additional resources from partners totaling to Ksh.56 million. This is a decrease of 1% compared to Ksh 57 million in FY2016/17.

a) Kenya Global Fund Grant for HIV, TB and Malaria: The grant confirmation was made and entered into by the Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Global Fund") and the National Treasury of the Republic of Kenya (the "Principal Recipient") on behalf of the Republic of Kenya (the "Grantee"). The total amount is USD 179 million to be implemented from January 1, 2018 – June 30, 2021.

b) Private sector involvement in HIV Financing through Social Impact Bonds: The NACC is exploring alternative financing models for HIV programming. In 2017/8, NACC held a Social Impact Bonds (SIBs) Symposium to understand the feasibility of adoption of the SIBs which are pay for performance models geared towards checking efficiency and effectiveness in HIV programming presented as per the figure below:

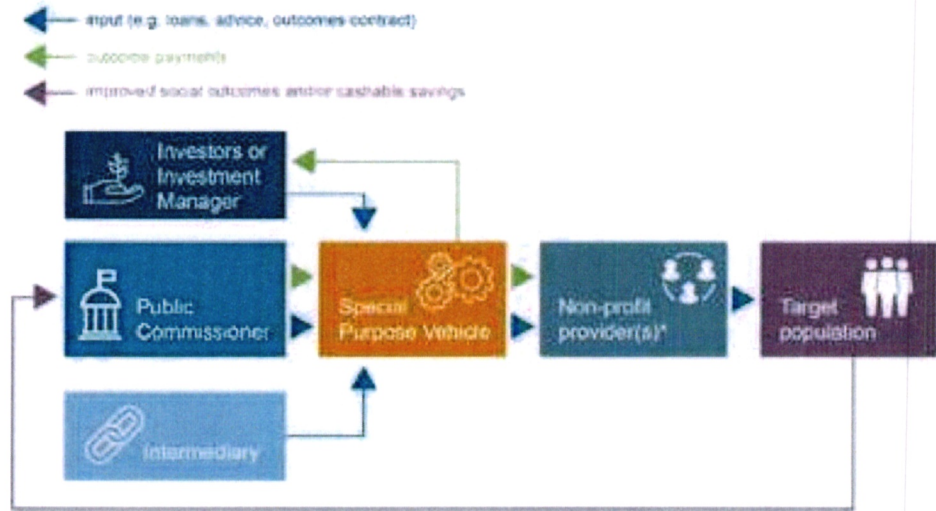
Key areas that were proposed for SIB modelling for piloting included:

- Health Facility Expansion and Operation Enhancement SIB plan
- Establishment of a HIV Prevention Framework under the Social Impact Bonds
- Social Impact Bonds on EMTCT Programming
- Social Impact Bonds and Drug Manufacturing
- Condom Production process for the East and Central Africa under Social Impact Bonds

MANAGEMENT DISCUSSION AND ANALYSIS

c) Public Private Partnership:

Increasing Domestic Resource Mobilization (DRM) from County Perspective: Kenya transitioned from Low Income Country (LIC) to Low Medium Income Country (LMIC), which could negatively affect development partners' support to Kenya in the long run thus impacting HIV and AIDs Programming. Mitigation against the reducing donor support is a framework for increasing DRM, which NACC implemented through support to all the 47 Counties to develop HIV budget proposals to feed into the County MTEF Budgeting process. The outcome from the County MTEF process are presented below:



* Prime provider and subcontracted providers

MANAGEMENT DISCUSSION AND ANALYSIS

No. of Counties	Year 1: 2018/19 (KES)	Year 2: 2019/20 (KES)	Year 3: 2020/21 (KES)	Estimated GF budget (\$Millions)
Phase 1 =16 counties	848,080,000	923,070,000	996,915,600	12.785
Phase II-29 counties	2,902,198,409	2,937,617,535	3,152,983,923	26.254
Estimated in remaining 2	100,000	110,000	121,000	Nil
Total	3,777,698,409	3,860,797,535	4,150,020,523	39.029

7. Technical Assistance to Counties

a) County HIV Committees: Forty six Counties have established County HIV committees with 44 committees meeting at least once during the 2017/ 18 financial year. NACC provided financial, technical and secretariat support to the committees. As a result results matrixes for 35 County AIDS Strategic Plans (CASPs) were reviewed, the Kenya AIDS Strategic Framework (KASF) validated by these committees during the Medium Term Review. The committees also endorsed HIV programming (condom distribution and information dissemination) in 53 Huduma Centres and HIV Testing Services in 2 Huduma Centres. The committees also planned and mobilized resources for World AIDS Day which was commemorated in the 47 Counties.

b) County Integrated Development Plans: The National AIDS Control Council through the Division of Policy and Strategy and Department of HIV Investments supported the County Governments in the review of the 2nd Generation County Integrated Development Plans (CIDPs). The final review meeting was supported by United Nations Development Program (UNDP) in collaboration with Council of Governors (COG) where county governments presented their CIDPs to a team of experts who provided technical assistance in the following areas; programmes, outcome indicators, mainstreaming of cross cutting issues as well as monitoring and evaluation framework for the CIDPs. The meeting took place from 19th -25th March 2018. A total of 32 CIDPs were reviewed and have prioritized HIV in their plans.

c) MTEF Training & Results: HIV financing in Kenya is donor driven and the financing landscape is changing to the detriment of the country. The Kenya AIDS Spending Assessment (KNASA 2017) shows that the national and county governments contribute 29% of all the money spent on the HIV and AIDS response in the country and it is in this context that the country needs to explore innovative and sustainable financing options within the existing fiscal space. In this reporting year, NACC assisted all the 47 counties to develop HIV MTEF budget proposals to feed into county MTEF budgetary process to ensure county allocation for HIV response as the country targets to increase domestic financing for HIV response to 50%. In the current reporting year, the actual allocation in the 47 counties is approximately Kshs. 211 million.

8. Delivery on Universal Health Coverage

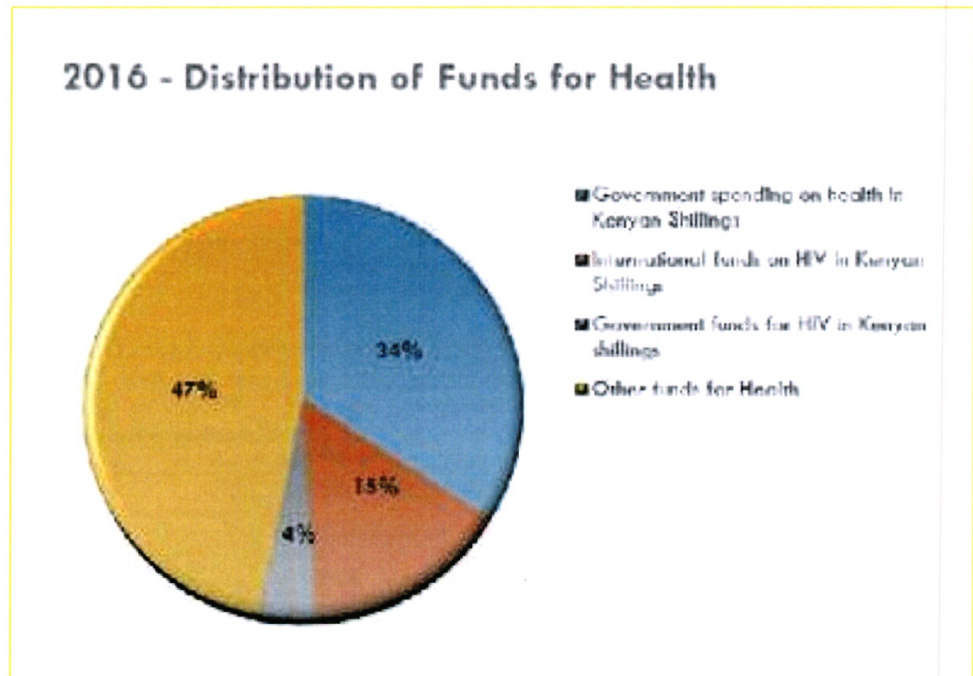
The Presidents Big 4 agenda including UHC has a micro economic effect especially to the HIV and AIDS constituent which was included in the CIDP II and MTP III as a cross-cutting agenda. The causality between HIV and other co-morbidities including NCDs need to be addressed from the UHC financing perspective.

a) Policy Brief and Advisory to Ministry of Health

A policy brief on leveraging the HIV response to drive Universal Health Care in Kenya: His Excellency, the President of the Republic of Kenya identified affordable health care for all as one of the pillars of his Big4 agenda. The Kenya HIV response has lessons, experiences, expertise, resources and infrastructure that can be utilized to accelerate attainment of

MANAGEMENT DISCUSSION AND ANALYSIS

UHC targets. In this reporting year, the NACC developed a policy brief on Leveraging the HIV response to drive Universal Health Care in Kenya, proposing HIV interventions into essential benefits package for UHC and providing a mechanism for channelling HIV treatment related funds to increase resource pool of health insurance.



The NACC postulates that the HIV response an integral part of the UHC agenda. First an incremental pathway for inclusion of HIV into the essential benefits package is critical in order to promote the universal health coverage goals, sustainability of Kenya’s HIV response that is currently heavily donor dependent and second, to protect the insurance risk pools from the growing NCDs epidemic.

Achieving Universal Health Coverage by Leveraging the Infrastructure Sector to Reduce New HIV Infections and Enhance Domestic Financing for Health

The NACC developed a policy brief on Achieving Universal Health Coverage by Leveraging the Infrastructure Sector to Reduce New HIV Infections and Enhance Domestic Financing for Health that could bring substantial increase in budget allocations for HIV and health mitigation within infrastructure projects in Kenya as prevention of new HIV infections is high value for money in the long-term.

The policy focus on how Kenya must examine its drivers of new infections and address those, and at the same time identify sustainable financing options for HIV prevention and control. This is central to Kenya’s Vision 2030 and a key target of Kenya’s 2nd Medium Term Plan (MTP) & African Union Agenda 2063.

b) Actural Analysis

Development of the Actuarial analysis on the integration of HIV Treatment in the NHIF benefit package. The actuarial analysis for HIV treatment was based on the UNAIDS 2020 target of zero new infections in the country. The analysis assumed an 8% new

MANAGEMENT DISCUSSION AND ANALYSIS

infection between 2017 and 2020; after which the PLHIVs will be on treatment until 2060 depending on the adherence levels. The study reported that as at 2017, the country required at least KES. 85 billion for HIV treatment if all 1.5 million PLHIV are on treatment, a cost reducing to KES. 40 billion in 2060.

Estimated Cost of HIV treatment 2017-2060

FINANCIAL PROJECTIONS

Year	2017	2018	2019	2020	2025	2030	2035	2040	2050	2060
ALL PLWHIV: TOTAL PRICE (KES'Billions) – Values represent present value discounted at assumed investment rate of return										
ART Only	47.1	47.5	47.5	47.2	44.7	43.4	42.8	42.6	43.3	44.8
Traditional Outpatient	19.6	19.8	19.8	19.6	18.6	18.1	17.8	17.8	18	18.7
Traditional Inpatient	19.6	19.8	19.8	19.6	18.6	18.1	17.8	17.8	18	18.7
All: Insurance Premium	86.3	87	87	86.5	82	79.6	78.4	78.1	79.3	82.2

***Scenario adopted (assumed 8% new infection between 2017 and 2020)



MANAGEMENT DISCUSSION AND ANALYSIS

c) HIV and NCDs

Owing to unprecedented effort to increase access to HIV treatment, the life expectancy of people living with HIV (PLHIV) is increasing. Consequently, as the life expectancy of PLHIV increases, there is a growing risk of vulnerability to non-infectious diseases. The NACC in collaboration with the Division of NCDs at the Ministry of Health and Imperial College London (UK), are carrying out a study to generate the first insight on how to plan for the future health and well-being of the HIV positive population in Kenya in the face of growing vulnerability to NCD. This is an issue that is high on the Kenya national health agenda.

The study will adapt an existing mathematical model of non-communicable diseases (NCDs) in the HIV-positive population for Kenya, using the existing wealth of national data, including hospital records, pilot studies, routine HIV program data, Kenya HIV Estimates, National Population-based surveys and published research from various clinical groups in the country. The model will incorporate NCDs including diabetes, cervical cancer, cardiovascular disease (CVD) and depression. The model will be used to develop innovative translational analyses that will inform policy development guiding the NCD Services integration into HIV platforms in Kenya. Additionally, the model has been proposed to provide NCDs estimates for general population to inform UHC delivery. Therefore, the study will address an important unmet need in Kenya, and the hope is that the study will bring together key stakeholders and players for future work on evidence-based policy studies in the field of NCD and HIV in Kenya.

9. Commemorating World AIDS Day

World AIDS Day (WAD) is commemorated each year on the 1st of December and is an opportunity for the country to unite in the fight against HIV, show support for people living with HIV and remember those who have lost their lives to HIV related complications. 2017 WAD was commemorated on Friday December 1, 2017 in all 47 counties. The national event was held at the University of Nairobi's Chancellor's Court.

In Kenya, the theme for WAD 2017 was 'Step up for HIV Prevention: Youth Na Plan' with emphasis on access to HIV Prevention Services. The theme aimed at raising awareness on prevention of HIV and mobilizing young people to take action through various prevention approaches including condom promotion, Voluntary Medical Male Circumcision (VMMC), pre-exposure prophylaxis (PrEP), harm reduction, HIV treatment and HIV testing. The localized theme ran alongside the global theme of "Right to Health."

20,000

Males and females accessed HIV services before and on the 2017 World AIDS Day.

NACC coordinated various sectors both at National and County levels to commemorate World AIDS Day. During the event, HTS services, TB, Blood sugar and Cancer screening as well as self-testing services were offered across the Country. At national level, a total of 798 people received HTS services (479 males and 319 females), with an impressive 80% (644) being 15-24 years of age. 60 people (50 males and 10 females) were screened for TB while 77 (53 males and 24 females) were screened for blood sugar. In addition, self-testing services were offered; 10 demos were conducted with 50 kits distributed. PrEP services too were provided to 24 clients with zero positivity.

At county level, over 20,000 males and females accessed HIV services before and on the WAD.

Subsequent to the World AIDS Day, the NACC held a successful International Condom Day in February 2018. This day is set aside to promote the use of condoms as a means of preventing unwanted pregnancies and Sexually Transmitted Diseases (STDs). During this

MANAGEMENT DISCUSSION AND ANALYSIS

year's celebration, a total of 1,590,640 male condoms and 4,320 female condoms were distributed; 2,708 people were counselled and tested for HIV and referral offered for those who tested positive. Another over 5,000 were sensitized on correct and consistent condom use. In the same month, a total of 275,910 male condoms were distributed nationally through Huduma Centers. These saw to an improvement in uptake of HIV prevention services in that period.

In Kenya, the theme for World AIDS Day 2017 was 'Step up for HIV Prevention: Youth Na Plan' with emphasis on access to HIV Prevention Services.



CORPORATE SUSTAINABILITY

Sustainability is a critical component for the NACC to ensure continuity in the discharge of her mandate without compromising on environment and the future. The NACC has put in place various mechanisms towards ensuring sustainability.

Staff Recruitment and Retention

NACC is an equal opportunity employer and does NOT discriminate any applicant on the basis of their HIV status, ethnic background, sex, religion, disability, or marital status yet attentive to gender, regional and ethnic balance.

The NACC's commitment to people is ingrained in the HR policy. Employees are the most important resource to the Council. Through their commitment, passion and determination, the NACC has achieved its objectives.

Staff Competence Development

During the FY 2017/18 all staff were appraised and skill requirements identified in line with their appraisals results.

In addition to the training needs that were captured from the appraisal, all staff registered with the various professional bodies were sponsored to participate in activities geared towards acquiring proper certification and subsequently achieved the required Continuous Professional Development (CPD) points. A total of Eighty Nine (89) out of 147 staff were trained during the reporting period.

Staff Benefits and Welfare

The NACC has outsourced a comprehensive medical cover for Board members, employees and their dependants. The cover has incorporated an Employee Assistance Programme (EAP) which allows staff to access counselling services. For the period under review, the NACC organized wellness clinics during the staff team building workshop that brought together all employees of the NACC. Other benefits include gratuity, group life cover and personal accident cover.

Disability Mainstreaming

The NACC has a Disability Mainstreaming Committee that works towards ensuring matters of disability are mainstreamed in all the core functions of the NACC. The NACC has trained front office staff on sign language.

The NACC is progressively moving towards the realization of 5% reservations for Persons with Disabilities by encouraging persons with disability to apply for positions in the organization whenever they arise. 4% of staff are people living with disability.

In addition NACC has developed Information, Education and Communication (IEC) materials for PWD. A thousand (1,000) copies of the Frequently Asked Questions (FAQs) booklet were printed in braille and distributed to youth in tertiary institutions. Five hundred (500) pieces of video CDs on ART guidelines and Condom use were developed while five hundred and sixty (560) books on Faith sector Key HIV Messages for Mainstreaming in religious teachings were printed in braille. The NACC offices are equally accessible by persons with disabilities.

In the year under review NACC complied with the Access to Government Procurement Opportunities (AGPO) requirements by awarding PWD tenders worth Ksh.8.1 million.

CORPORATE SUSTAINABILITY

Adolescents and Young People Desk

To effectively manage the HIV response for the AYP, the NACC established an Adolescents and young people desk and recruited the youngest employee aged 24 years to oversee the implementation of Kenya's Fast Track plan to end HIV and AIDS among adolescents and young people.

Ethics and Integrity

NACC is committed to zero tolerance to corruption. An integrity committee is in place that seeks to ensure that integrity is mainstreamed in all the NACC functions. Integrity Assurance officers representative of all NACC departments have been tasked to champion Ethics and Integrity matters.

The NACC has a whistle blowing policy that is key in tackling unethical behavior in the organization by protecting and prohibiting victimization of those who disclose or provide information in good faith. The policy is also in place on the NACC's website.

To ensure that integrity is enhanced, NACC has integrity assurance officers in all departments.

Complaints Handling Mechanism and Procedure

In order to enforce administrative justice and address maladministration, the NACC has in place a Complaints handling mechanism. This ensures resolution of complaints on abuse of power, unfair treatment, manifest injustice or unlawful, oppressive, unfair or unresponsive official conduct.

The NACC resolved 93.2% of the complaints received and was awarded a score of 96% on the resolution of public complaint indicator by the Commission on Administrative Justice.

Youth Internship and Attachment

During the period under review, the NACC implemented an Internship programme aimed at providing the youth an opportunity for on-the-job experience to build upon skills learned at school and for professional development hence, enhance their employability. Thirty (30) interns and students on attachments were engaged.

Staff Team Building

The NACC held an annual staff Team Building workshop geared towards enhancing team cohesion, motivation and inculcation of the NACC culture.

Enterprise Resource Planning

The NACC invested in an ERP infrastructure which is a one stop and integrated financial information management solution to enhance efficiency and accountability and cut on costs associated with semi manual processes. This system will be rolled out in the Financial Year 2018/19.

Enhancing Procurement Process

During the reporting period, NACC adopted mobile technologies that allow suppliers to self-register for access to procurement opportunities. NACC tenders are also available through the platform. This technology is further utilized to register attendees during meetings thereby reducing on paperwork involved hence conserving the environment.



CORPORATE SUSTAINABILITY

ISO Certification

The NACC subscribes to the highest Quality Management Standards of ISO 9001:2015. This demonstrates NACC's commitment to the quality management systems in service delivery to its customers and stakeholders.



REPORT OF THE NACC BOARD

The NACC Board submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the NACC's affairs.

Principal activities

The principal activities of the entity are:

- Provision of policy and a strategic framework
- Mobilization and coordination of resources
- Prevention of HIV transmission
- Care and support for those infected and affected by HIV and AIDS

Results

The results of the entity for the year ended June 30, 2018 are set out on page 50.

Directors

The members of the Board of Directors who served during the year are shown on page 7 - 10. The term of Dr. Robert Mwadime expired in 2018. No appointment has been made for his replacement.


Dividends/Surplus remission

The entity did not make any surplus during the year and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


Chairperson, NACC

Date: 8/03/2019

STATEMENT OF THE BOARD'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

The NACC Board is responsible for the preparation and presentation of the NACC's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2018. 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NACC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The NACC Board accept responsibility for the NACC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the NACC's financial statements give a true and fair view of the state of NACC's transactions during the financial year ended June 30, 2018, and of the NACC's financial position as at that date. The Board further confirm the completeness of the accounting records maintained for the NACC, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the NACC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NACC's financial statements were approved by the Board on 18th September, 2018 and signed on its behalf by:

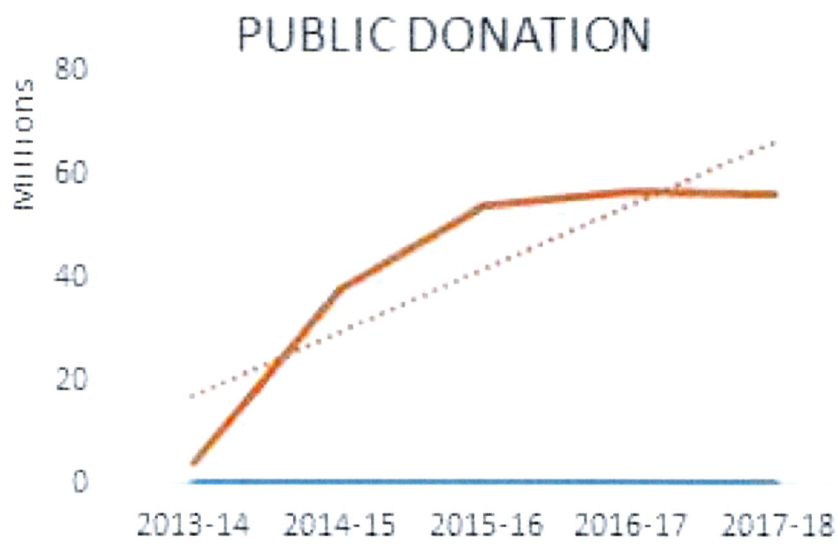
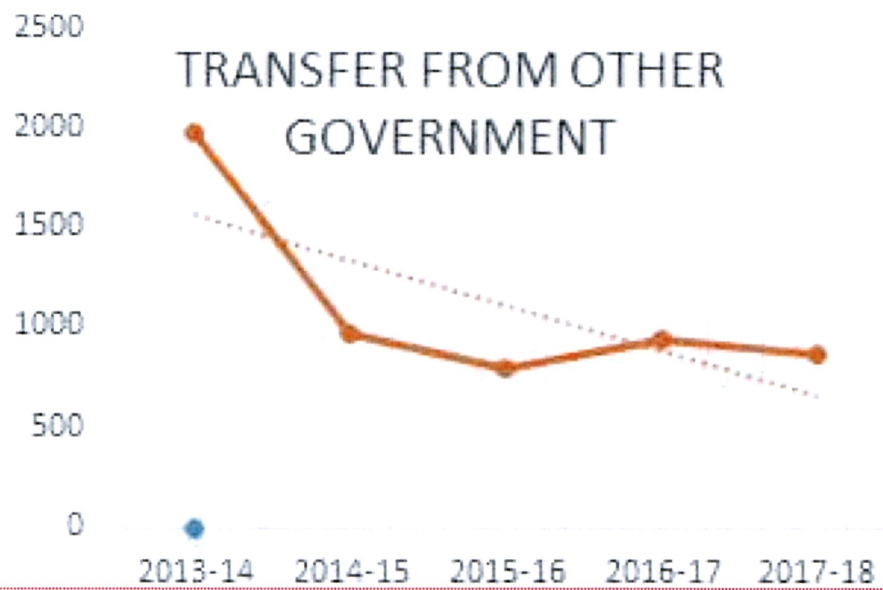
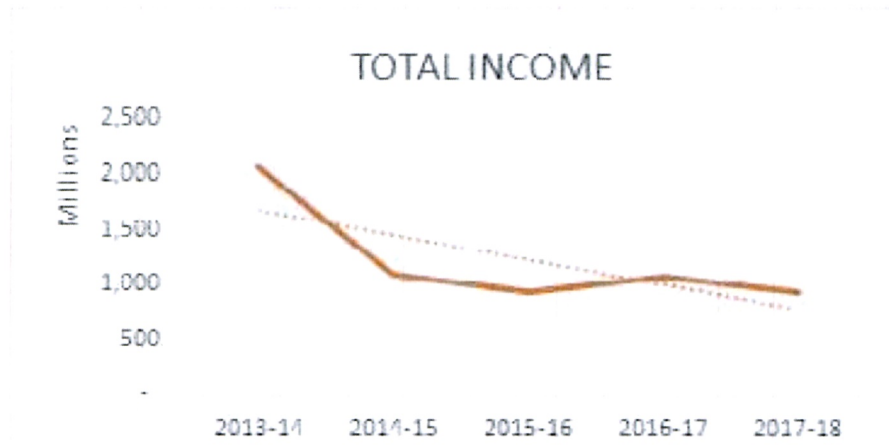


Chairperson



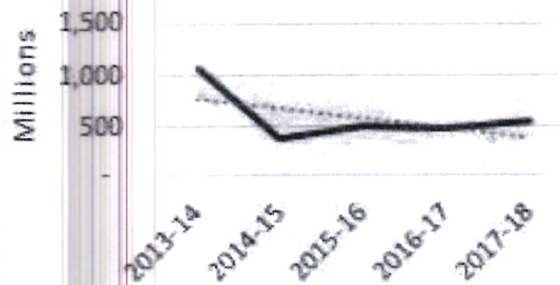
Chief Executive Officer

REVENUE TRENDS

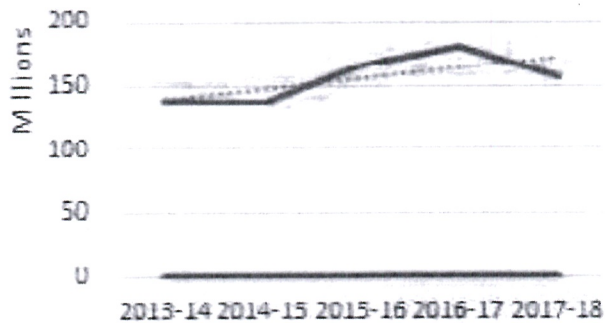


EXPENDITURE TRENDS

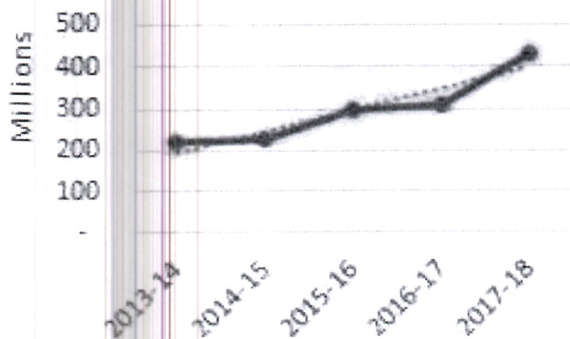
Program Management Cost



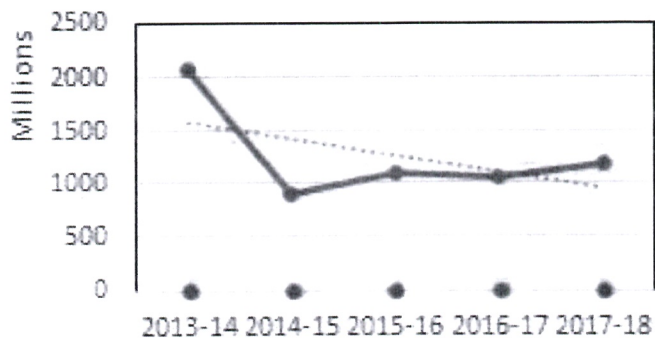
General Expenses



Employee Cost



Total Expense





OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL AIDS CONTROL COUNCIL FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Aids Control Council set out on pages 50 to 70, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statements 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Aids Control Council as at 30 June 2018, 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 National Aids Control Council Order, 1999.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.834,396,362 as at 30 June 2018 as disclosed at note 18 to the financial statements, which includes Cooperative bank-IRAPP project account balance of Kshs.1,212,020. However, the reconciliation statement reflects a cashbook balance of Kshs.1,210,919 resulting in unreconciled difference of Kshs.1,101.

In the circumstances, the validity, accuracy and completeness of Cooperative bank-IRAPP project account balance of Kshs.1,212,020 as at 30 June 2018 could not be confirmed.

2. Trade and Other Payables from Exchange Transactions

Trade and other payables from exchange transactions balance of Kshs.35,723,934 includes long outstanding payables to suppliers and service providers of Kshs.11,693,644. The management has not explained why the long outstanding payables have remained un-settled. Consequently, the validity of the long outstanding trade and

Report of the Auditor-General on the Financial Statements of National Aids Control Council for the Year Ended 30 June 2018

other payables from exchange transaction balance of Kshs.11,693,644 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am Independent of National Aids Control Council in accordance with ISSAIs 30 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section on my report, I have determined that there are no other Key Audit Matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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, except for the matters discussed in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern / sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

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 Council's revenue reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them 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 review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 Council to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the revenue 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 Councils to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

29 March 2019

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2018

	Note	2017/2018 Ksh	2016/2017 Ksh
Revenue from non-exchange transactions			
Public contributions and donations	5	65,883,467	57,018,599
Transfers from other governments	6	858,043,453	942,146,308
Deffered revenue	7	-	63,082,539
		923,926,920	1,062,247,446
Revenue from exchange transactions			
Rendering of services	8	631,034	8,461,693
Other income	9	13,162,858	10,544,483
Total revenue		937,720,813	1,081,253,622
Expenses			
Employee costs	10	429,844,427	306,704,823
Depreciation and amortization expense	11	24,671,415	75,462,486
Repairs and maintenance	12	8,995,058	12,814,277
Program management expense	13	567,400,356	471,026,671
General expenses	14	154,587,395	179,141,878
Council Expenses	15	9,745,189	14,869,971
Finance costs	16	2,880,151	2,934,869
Total expenses		1,198,123,991	1,062,954,975
Other gains/(losses)			
Gain on sale of assets	17	743,387	4,899,714
Surplus (Deficit) for the period		(259,659,791)	23,198,362

The notes set out on pages 55 to 68 form an integral part of these Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2017/2018 Ksh	2016/2017 Ksh
Assets			
Current assets			
Cash and cash equivalents	18	834,396,362	1,040,739,361
Inventories	19	9,382,590	10,880,855
Receivables from exchange transactions	20	54,584,967	10,009,348
Receivables from non exchange transactions	21	25,342,428	50,300,873
		923,706,347	1,111,930,437
Non-current assets			
Property, plant and equipment	22	30,629,960	30,239,489
Capital Work in Progress	23	18,276,874	-
Total assets		972,613,180	1,142,169,926
Liabilities			
Current liabilities			
Trade and other payables	24	35,723,934	33,599,303
Provisions	25	2,940,600	820,800
Employee benefit obligation	26	68,187,139	49,286,655
Deffered Revenue	7	100,000,000	-
		(206,851,673)	(83,706,758)
		765,761,508	1,058,463,168
Funds and reserves			
Accumulated surplus		765,761,508	1,058,463,168
Total funds and liabilities		765,761,508	1,058,463,168

The Financial Statements set out on pages 50 to 68 were signed on behalf of the Board of Directors by:

Deputy Director Finance & Admin
Name: CPA, CPS, Kamuren Dennis K.

Date: March 7, 2019

Chief Executive Officer
Name: Dr Nduku Kilonzo

Date: 02/03/2019

Chairperson of the Board
Name: Ms. Angeline Y. Siparo

Date: 08/03/2019

SIGN & DATE



STATEMENT OF CHANGES IN NET ASSETS FOR YEAR ENDED JUNE 30, 2018

	ACCUMULATED SURPLUS	TOTAL
Balance as at July 1, 2016	1,035,264,806	1,035,264,806
Deficit for the year	23,198,362	23,198,362
<u>Balance as at June 30, 2017</u>	<u>1,058,463,168</u>	<u>1,058,463,168</u>
Balance as at July 1, 2017	1,058,463,168	1,058,463,168
Refund of unutilized TOWA funds	(33,041,869)	(33,041,869)
Deficit for the year	(259,659,791)	(252,568,360)
<u>Balance as at June 30, 2018</u>	<u>765,761,508</u>	<u>772,852,939</u>



STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2018

		2017/2018	2016/2017
	Note	Ksh.	Ksh.
SURPLUS/(DEFICIT) FOR THE YEAR		(259,659,791)	23,198,362
Adjustments for:			
Depreciation	11	24,671,416	75,462,486
Deferred Revenue	7	-	(63,082,539)
Interest income	9	(13,162,858)	(10,544,483)
Gain on asset disposal	17	(743,387)	(4,899,714)
(Deficit)/Surplus before Working Capital Changes		(248,894,620)	20,134,112
WORKING CAPITAL CHANGES			
Increase in Trade and other Payables	24	123,144,915	3,835,913
Decrease in Inventories	19	1,498,266	(601,810)
Increase in Trade and other Receivables	20-21	(19,617,174)	59,895,761
CASH FLOWS FROM OPERATING ACTIVITIES		105,026,007	63,129,864
INVESTING ACTIVITIES			
Interest earned	9	13,162,859	10,544,483
Proceeds from Disposal of assets	17	743,388	4,899,714
Purchase of Non current Assets	22-23	(43,338,760)	(24,158,689)
CASH FLOWS FROM INVESTING ACTIVITIES		(29,432,513)	(8,714,492)
FINANCING ACTIVITIES			
Refund of TOWA Funds		(33,041,869)	-
CASH FLOWS FROM FINANCING ACTIVITIES		(33,041,869)	-
INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENT		(206,342,995)	74,549,483
Cash and Cash Equivalent at the beginning	19	1,040,739,354	966,189,871
Cash and Cash Equivalent at the End		834,396,362	1,040,739,354

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference(%)
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018	
Revenue	Ksh	Ksh	Ksh	Ksh	Ksh	
Public contributions and donations				57,018,599	(57,018,599)	
Government grants and subsidies	919,180,000	(100,000,000)	819,180,000	867,347,473	(48,167,473)	-6%
Development partner	-	-	-	-	-	
Finance Income	11,215,000	-	11,215,000	13,162,858	(1,947,858)	-17%
Gains on disposal, rental income and agency fees				743,387	(743,387)	
Others (Sale of Tenders, Bank Interest)	-	-	-	631,034		
Total income	930,395,000	(100,000,000)	830,395,000	938,464,200	(50,858,718)	-5%
Expenses						
Compensation of employees	311,850,000	120,000,000	431,850,000	430,653,798	1,196,202	0%
Finance cost				2,880,151	(2,880,151)	
Rent paid	60,000,000	-	60,000,000	56,135,011	3,864,989	6%
Other payments (program and admin costs)	675,023,760	3,908,229	678,931,989	674,475,699	4,456,290	1%
Grants and subsidies paid	-	-	-	-	-	
Total expenditure	1,046,873,760	123,908,229	1,170,781,989	1,164,144,659	6,637,330	1%
Surplus for the period	-	(8,529,086)	-	(225,680,459)	-	0%
Reconciliation	Deficit as per Statement of Budget				(225,680,459.34)	
Adjusted for:	Depreciation				24,671,415	
	Bad debt provision				2,216,487	
	Deficit as per Statement of Financial performance				(252,568,361)	

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The NACC was established under Section 3 of the State Corporations Act Cap 446 and derives its authority and accountability from Legal Notice No. 170 of 1999 and the State Corporations Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The NACC principal activity is Coordination of response to HIV and AIDS in Kenya

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the NACC. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

The NACC did not early – adopt any new or amended standards in year 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Grants from National Government

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized as deferred revenue in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The NACC recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

NOTES TO FINANCIAL STATEMENTS

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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 2017-2018 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The NACC 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 a 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 under Statement of Comparison of Budget and Actual of these financial statements.

c) Taxes

Current income tax

The NACC's operations are fully funded by the National Government and is therefore not subject to taxes. Taxes withheld from employees and suppliers of goods and services are remitted as required. Any unremitted amounts are included in the accounts payables.

d) 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 of the items. 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 FINANCIAL STATEMENTS

The annual depreciation rates are calculated using straight line method. The rates in use are:

Nature of Asset	Rate
Motor Vehicles	25%
Computers	33.3%
Office Equipment	20%
Furniture and Fitting	12.50%

Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

Financial liabilities

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit. The NACC determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized at fair value.

f) Inventories

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) Provisions

Provisions are recognized when the NACC 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.

NOTES TO FINANCIAL STATEMENTS

Where the NACC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The NACC does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The NACC 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) Nature and purpose of reserves

The NACC creates and maintains accumulated surplus as a reserve. Any surplus or deficit at the end of the financial year are transferred into this reserve.

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

The NACC provides gratuity benefits for its employees. The amount is calculated at 31% of basic pay for the duration of the three year renewable contract. The amount earned during the year are expensed in statement of financial performance and recognised as a current liability in the statement of financial position. The earned amount is payable at the end of the employees' contract or when exiting the NACC.

k) Foreign currency transactions

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

l) Related parties

The NACC 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 CEO and senior managers.

NOTES TO FINANCIAL STATEMENTS

m) 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 do not include short term cash imprest and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

n) Comparative figures

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

o) 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, 2018.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity
 - The nature of the asset, its susceptibility and adaptability to changes in technology and processes
 - The nature of the processes in which the asset is deployed
 - Availability of funding to replace the asset
 - Changes in the market in relation to the asset provisions
- Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 25 - 27.

Provisions are measured at the management's best estimate of the expenditure required

NOTES TO FINANCIAL STATEMENTS

to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

The NACC maintains Provision for bad debts. These are estimated at the fair value of any amount outstanding for over five years.

	2017/2018	2016/2017
	Ksh	Ksh
5 Public contributions and donations		
This consisted of financial support to NACC during the year.		
Bill and Melinda Gates	12,525,000	3,009,505
Kenya Red Cross	-	7,617,231
International AIDS Society	1,882,686	-
Global Fund support for Research HUB	2,537,468	-
FORD foundation	11,090,979	-
UNDP /UNFPA/UNICEF/UNOP	16,558,020	14,095,560
World Health Organization	1,969,352	11,130,084
Revenue from Rockefeller Foundation	16,694,460	16,774,944
NIC Bank	-	1,000,000
Other miscelenious donations and support	2,625,502	3,391,275
	65,883,467	57,018,599
6 Transfers from government-appropriations and grants		
GOK-Recurrent	643,680,000	584,000,000
GOK-Development	45,500,000	75,500,000
Global Fund Grants	168,863,453	269,267,165
UNFPA Grant	-	13,379,143
	858,043,453	942,146,308
7 Deferred revenue		
This refers to funds disbursed for capital a project that had not been utilized		
Opening balance	-	63,082,539
Addition during the year	100,000,000	-
Transferred during the year	-	(63,082,539)
	100,000,000	-

NOTES TO FINANCIAL STATEMENTS

	2017/2018	2016/2017
	Ksh	Ksh
8 Rendering of service		
This represents receipts for provision of services.		
Maisha conference proceeds	-	3,588,693
Maisha certification	631,034	2,000,000
Research services	-	2,873,000
	631,034	8,461,693
9 Other Income		
This represents interest earned from bank deposits during the period.		
Interest earned	13,162,858	10,544,483
10 Employee costs		
Basic Salary	193,971,748	131,191,721
House Allowance	59,713,701	56,208,162
Remuneration Allowances	30,978,104	29,072,365
Staff Gratuity	59,081,536	24,189,323
Staff Medical Insurance	44,455,320	24,386,669
Other Allowances	3,790,101	4,848,800
Non Practicing allowance	600,000	960,000
Acting/Special duty Allowance	845,967	876,630
Leave allowance	2,230,748	1,980,002
Employer NSSF Contribution	357,200	342,600
CACC responsibility allowances	33,820,000	32,648,548
	429,844,427	306,704,823
11 Depreciation and amortization expense		
Motor Vehicles Depreciation	-	53,565,260
Computer equipment depreciation	14,340,293	13,511,916
Office Equipment Depreciation	3,702,883	2,793,180
Furniture & Fittings Depreciation	6,628,239	5,592,130
	24,671,415	75,462,486
12 Repairs and maintenance		
Repairs and Maintenance General	3,925,083	5,782,381
Motor Vehicles Repairs & Maintenance	4,212,703	5,913,043
Office Equipment & Furniture Repairs	857,272	1,118,853
	8,995,058	12,814,277

NOTES TO FINANCIAL STATEMENTS

	2017/2018 Ksh	2016/2017 Ksh
13 Program management expenses		
These were expenses incurred by NACC in executing its mandate.		
Travel expense	279,398,770	252,669,303
Design printing and publishing	14,012,683	37,945,863
Hire charges	59,746,623	39,094,783
Advertising	110,868,924	82,992,911
Conferences and Workshops	42,580,201	41,660,620
Consulting fees	60,793,155	16,663,190
	567,400,356	471,026,671
14 The following are included in general expenses:		
Audit fees	8,001,000	748,200
Consumables	7,635,517	7,792,636
Utilities	3,547,277	4,236,546
Fuel and oil	7,203,947	5,960,990
Insurance	8,520,105	1,719,616
Legal expenses	220,000	142,600
Licenses and permits	3,672,290	2,432,751
Postage	536,108	738,192
Stationery	18,749,757	10,830,621
Rent	56,135,011	58,233,572
Security costs	1,199,000	1,295,799
Telecommunication	17,293,710	14,274,078
Training	12,708,950	13,556,011
Membership and subscriptions	1,223,275	731,358
Provision for bad debts	2,216,487	53,088,338
Penalties	1,522,533	-
Other General expenses	4,202,428	3,360,570
	154,587,395	179,141,878
15 Council Expenses		
Sitting Allowance	4,362,000	5,083,000
Travel allowance	502,428	491,400
Meal Allowance	106,000	108,000
Per Diem Allow	1,808,575	1,631,968
Air Time	84,000	84,000
Chair Honoraria	960,000	960,000

NOTES TO FINANCIAL STATEMENTS

	2017/2018 Ksh	2016/2017 Ksh
Bonuses	-	4,876,478
Medical insurance	1,922,186	1,635,125
	9,745,189	14,869,971
16 Finance Costs		
These were charges levied by banks to NACC during the year.		
Bank charges	2,880,151	2,934,869
17 Gain on sale of assets		
During the year under review, NACC disposed obsolete and unused items that had been fully depreciated.		
Proceeds from sale	743,387	4,899,714
Less Cost of items disposed	(8,913,698)	(30,763,413)
Add Accumulated depreciation	8,913,698	30,763,413
	743,387	4,899,714
18 Cash and cash equivalents		
Barclays Bank -Recurrent vote account	120,669,000	383,692,167
Citibank -Development vote account	380,441,632	154,675,348
Stanchart -UNDP project account	2,497,686	2,508,906
NIC Bank -UNFPA Operating project account	1,244,248	6,030,150
NIC Bank -Global Fund project account	79,960,862	219,694,033
Office float	-	41
Citibank -TOWA Project Account	201,659,510	227,002,121
Coop Bank - IRAPP Project Account	1,212,020	1,212,020
Stanchart - Gratuity Fund Account	-	600
NIC Bank- Gratuity Fund Account	46,711,402	45,923,975
	834,396,362	1,040,739,361
19 Inventories		
Office consumables	9,382,590	10,880,855
20 Receivables from exchange transactions		
Deposits	10,009,348	10,009,348
Prepayments	44,575,619	-
	54,584,967	10,009,348

NOTES TO FINANCIAL STATEMENTS

	2017/2018	2016/2017
	Ksh	Ksh
21 Receivables from non exchange transactions		
F.O Advance	11,310,599	13,449,046
Advances to DTC	19,613,358	19,613,358
Advance to FMA	53,088,338	53,088,338
Direct advances to implementers	4,143,506	4,143,506
Advances to CACCs	8,305,835	6,538,190
Advances - World AIDS Day	2,161,700	2,161,700
ACU Advances	3,697,926	3,697,926
Staff Imprest Advances	4,599,248	7,579,692
Other advances	1,947,211	21,337,924
Less Impairment	(83,525,293)	(81,308,806)
	25,342,428	50,300,873

22 Property, plant and equipment

	Motor Vehicles	Computers	Office Equipment	Furniture & fittings	Total
Cost	Ksh	Ksh	Ksh	Ksh	Ksh
At 30 June 2016	313,564,834	124,983,495	71,276,454	64,406,222	574,231,005
Additions	-	6,798,829	9,157,660	8,202,200	24,158,689
Disposals	(30,465,833)	(113,980)	(96,480)	(87,120)	(30,763,413)
At 30 June 2017	283,099,001	131,668,344	80,337,634	72,521,302	567,626,282
Additions	-	7,115,704	3,625,230	14,320,952	25,061,886
Disposals	(8,558,893)	-	-	(354,805)	(8,913,698)
At 30 June 2018	274,540,108	138,784,048	83,962,864	86,487,449	583,774,469
Depreciation					
At 30 June 2016	259,999,574	104,403,778	70,032,803	58,251,564	492,687,718
Depreciation	53,565,260	13,511,916	2,793,180	5,592,130	75,462,486
Disposals	(30,465,833)	(113,980)	(96,480)	(87,120)	(30,763,413)
Transfer/adjustments	-	-	-	-	-
At 30 June 2017	283,099,001	117,801,714	72,729,503	63,756,574	537,386,792
Depreciation	-	14,340,293	3,702,883	6,628,239	24,671,415
Disposals	(8,558,893)	-	-	(354,805)	(8,913,698)
Transfer/adjustment	-	-	-	-	-
At 30 June 2018	274,540,108	132,142,007	76,432,386	70,030,008	553,144,509
Net book values					
At 30 June 2018	-	6,642,041	7,530,478	16,457,441	30,629,960
At 30 June 2017	-	13,866,630	7,608,131	8,764,728	30,239,489

NOTES TO FINANCIAL STATEMENTS

	2017/2018	2016/2017
	Ksh	Ksh
23 Capital Work In Progress		
Opening Balance	-	-
Adittions during the year	18,276,874	-
	18,276,874	-
24 Trade and other payables from exchange transactions		
Payable to suppliers of goods and services	19,272,403	21,943,251
Other payables	16,451,530	11,656,052
	35,723,934	33,599,303
25 Provisions		
Audit fees		
Opening balance	820,800	820,800
Payments during the year	(5,881,200)	(748,200)
Provision for the year	8,001,000	748,200
Closing balance	2,940,600	820,800
26 Employee benefit obligation		
Staff gratuity		
Opening balance	49,286,655	39,754,712
Payments during the year	(40,181,052)	(14,657,380)
Provision for the year	59,081,536	24,189,323
Closing balance	68,187,139	49,286,655
27 Provision for doubtful debts		
The outstanding advances listed below were considered doubtful		
First World AIDS Day Commemoration Advance	2,161,700	2,161,700
ACU Advances	3,697,926	3,697,926
District Technical Committees	19,613,358	19,613,358
Advances to former employees	1,965,201	1,965,201
Community Based Organizations	782,283	782,283
TOWA PSI Advances	53,088,338	53,088,338
Past NACC employee advances	2,216,487	-
	83,525,293	81,308,806
28 Funds from GLOBAL FUND		
Fund Balance at the beginning of the Year	225,684,527	149,248,698
Receipts from GF during the year	168,863,453	269,267,165
Interest earned on deposits	4,670,892	-
	399,218,872	418,515,863
Payments made during the year	(316,729,814)	(181,143,168)
Un-paid bills as at end of FY	(6,389,485)	(11,688,168)
Fund balance at the end of the year	76,099,573	225,684,527
Represented by		
Cash at bank	79,960,862	219,694,033
Add out standing advances	2,528,196	17,678,662
Less payables	(6,389,485)	(11,688,168)
	76,099,573	225,684,527

NOTES TO FINANCIAL STATEMENTS

	2017/2018	2016/2017
	Ksh	Ksh
29 Operating Lease obligation		
Within one year	35,370,259	56,441,718
After 1 year but not later than 5 years	-	35,370,259
Total Commitments	35,370,259	91,811,977
30 Related party disclosures		
a) Rendering of services		
Maisha Certification	631,034	2,000,000
HIV Research services	-	2,873,000
	631,034	4,873,000
b) Government Transfers through parent ministry	867,347,473	942,146,308
c) Management remuneration		
Board emoluments	8,850,298	14,525,371
Compensation to the CEO	12,147,337	6,415,957
Compensation to key management	105,976,205	110,169,038
	126,973,840	131,110,366

Related Party Balances

Nature of related party relationships

Entities and other parties related to the NACC 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.

The NACC is related to:

- i. The National Government;
- ii. The Parent Ministry.
- iii. Other state corporations
- iv. Key Management
- v. Board of directors

31 Financial Risk Management

The NACC activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The NACC has exposure to credit risk, which is the risk that funds advanced to offices at county and sub-county levels will not be fully accounted for when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables. Management reviews the accountability status of each office, taking into account its financial position, past experience and other factors. The amounts presented in the statement of financial position are net of provisions for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

NOTES TO FINANCIAL STATEMENTS

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the NACC board who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The NACC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

(iii) Market risk

The NACC board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the NACC's expenses. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The NACC's Finance Division is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are converted at the time of payment is done using the prevailing exchange rate. The NACC did not have foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

b) Interest rate risk

Interest rate risk is the risk that the NACC's financial condition may be adversely affected as a result of changes in interest rate levels. The NACC's interest rate risk arises from bank deposits. This exposes the NACC to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits. Management of interest rate risk.

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable interest rates.

32 CONTINGENT LIABILITY

No.	Case Number and Parties/Advocate	Contingent Liability 2017/18 Ksh	Contingent Liability 2016/17 Ksh
1	CMCC NO. 798 OF 2014 George Omondi Arum vs NACC	3,000,000	2,700,000
2	CMCC NO 61 OF 2013 Huzzan Printers and Stationery Limited VS NACC	5,000,000	3,889,250
3	CMCC NO. 1184 OF 2015 Patrick Mbiyu Kagiri vs NACC	3,000,000	1,242,051
4	Mulondo Oundo Muriuki & Co Industrial Cause No. 812 of 2016	4,000,000	3,435,720
5	Katunge Kiilu vs NACC Muriithi Ndonge Advocates Petition no. 50 of 2017	2,000,000	2,000,000
	Willis Ochar vs NACC	17,000,000	13,267,021
	Total		

33 EVENTS AFTER THE REPORTING PERIOD

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

34 ULTIMATE AND HOLDING ENTITY

The NACC is a State Corporation under the Ministry of Health. Its ultimate parent is the Government of Kenya.

35 CURRENCY

The financial statements are presented in Kenya Shillings (Ksh).

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Issue / Observations from Auditor	Management comments	Focal Point	Status:	Timeframe:
Disbursement of Ksh 34 053 439 directly to the Constituency Aids Control Coordinators instead of sending through the County Government.		CEO	Not Resolved	June 2019

APPENDIX II: INTER-ENTITY TRANSFERS

National AIDS Control Council
 Reports and Financial Statements
 For the year ended June 30, 2018

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL AIDS CONTROL COUNCIL		
Break down of Transfers from Ministry of Health				
FY 17/18				
a.	Recurrent Grants	Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		1/9/2017	160,920,000	2017/2018
		16/11/2017	160,920,000	2017/2018
		7/5/2018	160,920,000	2017/2018
		25/6/2018	160,920,000	2017/2018
		Total	643,680,000	
b.	Development Grants	Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		4/12/2017	8,875,000	2017/2018
		18/1/2018	18,875,000	2017/2018
		22/5/2018	17,750,000	2017/2018
		4/12/2017	100,000,000	2017/2018
		Total	145,500,000	
d.	Donor Receipts	Bank Statement Date	Amount (KShs)	FY to which the amounts relate
	GF	30/11/2017	168,863,452.95	2017/2018
		Total	168,863,452.95	
		GRAND TOTAL	958,043,453.95	2017/2018

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager
 NACC

Sign _____

HEAD FINANCE
 NATIONAL AIDS CONTROL COUNCIL
 P. O. Box 91307
 Sign: *[Signature]*
 Date: **Sept 18, 2018**

Head of Accounting Unit
 Ministry of Health

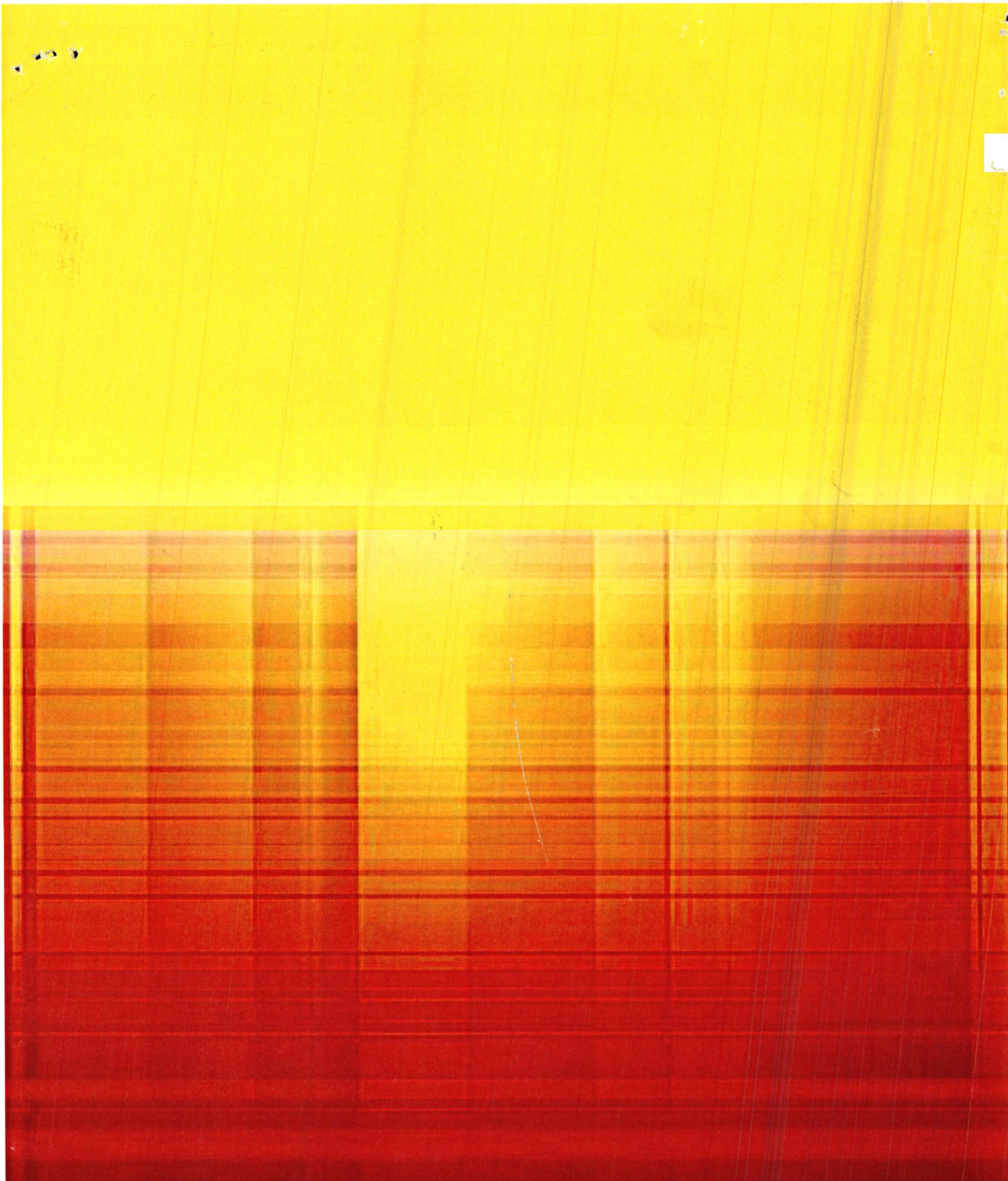
Sign _____

MINISTRY OF HEALTH
 ASSISTANT SECRETARY GENERAL
 P. O. Box 211
 NAIROBI



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