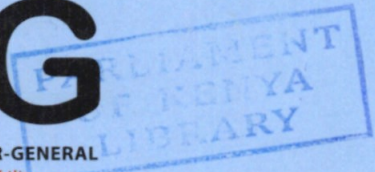


REPUBLIC OF KENYA



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

THE AUDITOR-GENERAL

ON

**GLOBAL FUND – TO REDUCE MALARIA
INCIDENCE AND DEATHS BY AT LEAST 75
PERCENT OF THE 2016 LEVEL BY 2023,
WORKING TOWARDS A MALARIA-FREE
KENYA (GRANT AGREEMENT NO. KEN-M-
TNT-2064)**

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

THE NATIONAL TREASURY



**PROJECT NAME: TO REDUCE MALARIA INCIDENCE AND DEATHS BY AT LEAST
75 PERCENT OF THE 2016 LEVELS BY 2023, WORKING TOWARDS A MALARIA-
FREE KENYA**

IMPLEMENTING ENTITY: THE NATIONAL TREASURY

PROJECT GRANT/CREDIT NUMBER: KEN-M-TNT NO.2064

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JUNE 30, 2025

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

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **To Reduce Malaria Incidence and Deaths by at least 75 Percent of the 2016 Levels by 2023, Working Towards a Malaria-Free Kenya**

Objective

The key objective of the project is to reduce malaria incidence and deaths by at least 75 percent of the 2016 levels by 2023, working towards a malaria-free kenya

Address

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

Contacts: The following are the project contacts

P.O. Box 30007-00200

Telephone: (254) (020) 2252299

E-mail: info@treasury.go.ke

Website: treasury.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	01.07.21
Project End Date:	30.06.24 (Extended to 31 st March, 2025)
Project Coordinator:	Mr. Feisal Mohamed Awer
Project Development Partner:	Global Fund

2.3 Project Overview

Line Ministry or State departments/ County Department	The project is under the supervision of the National Treasury
Project number	KEN-M-TNT NO.2064
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) To protect 100% of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023, (ii) To manage 100% of malaria suspected cases according to Kenya Malaria Treatment Guidelines by 2023 (iii) To establish systems for malaria elimination in targeted counties by 2023, (iv) To increase utilization of appropriate malaria interventions in Kenya to at least 80% by 2023. (v) To strengthen malaria surveillance and use of information to improve decision making for program performance,

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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

	To provide leadership and management for optimal implementation of malaria interventions at all levels, for the achievement of all objectives by 2023.
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Provision of long-lasting insecticides treated nets through mass campaign and routine distribution, distribution, implementation of targeted indoor residual spraying for insecticide resistance management and to protect the efficacy of the LLINs, and targeted larval source management for comprehensive and effective vector control, (ii) Prevention of malaria in pregnancy through provision of three or more doses of IPTp-SP during antenatal care, and the training of CHVs and IPTp referral. (iii) Scale-up of access to malaria diagnosis and treatment through provision of ACTs and RDTs, improvement in capacity of healthcare workers, and scale-up of community case management, (iv) Monitoring, evaluation and operational research, including epidemic preparedness and response to improve decision making for program performance <p>Establishment of structures and capacity at the national and county- levels to coordinate and drive implementation of the elimination agenda Strengthening of malaria social behaviour change structures and efforts for all malaria interventions, including for elimination.</p>
Other important background information of the project	None

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<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> (i) Malaria cascade management (ii) Program management (iii) Health Management Information Systems and M&E (iv) Specific malaria prevention interventions <p>Vector control</p>
<p>Project duration</p>	<p>Three (3) Years</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

(i) PROJECT SPECIAL BANK ACCOUNT

NCBA Bank Ltd

Account No.: 1005429982

(ii) LOCAL ACCOUNT

NCBA Bank Ltd

Harambee Branch

NAIROBI

Account No: 1005363717

2.5 Independent Auditor

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

2.6 Roles and Responsibilities

No	Names	Title designation	Key qualification	Responsibilities
1	Dr Chris Kiptoo, CBS	Principal Secretary National Treasury	PhD Finance (International Macroeconomics Finance), Master of Science (Ag. Economics), Bachelor of Science (Ag. Economics)	Accounting Officer
2	Feisal A. Mohamed	Assistant Director	MSc Comparative Political Economy, BSc Financial Mathematics	Global Fund Coordinator

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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3	Anthony Miru	Program Officer- Malaria	Bachelor's in Environmental Health	Malaria Programme Officer
4	Dr. Peter Kimuu	Senior Program Officer-TB	MBCbB, MSC, DLSHTM, DQHC& DTMPH	Senior Program Officer
5	Dr Clare Obonyo	Pharmacist	MPH, B. Pharmacy, Higher Dip in MIS	Pharmacist
6	Brenda Opanga	Program officer - HIV	MA Program Planning and Management, MPH, Epidemiology and Disease Control, Bsc FND	HIV Program Officer
7	Simon Kibia	Senior Finance Officer	BA(Econ), CPA(K)	Senior Finance Officer
8	Cornelius Muthiani	Finance Officer- TB	EXECUTIVE MBA, BCOM, CPA(K)	Finance Officer TB
9	Catherine A.Maneno	Finance Officer - HIV	MSC(FIN), BCOM (FIN), CPA(K), DIP IN ACCTS.	Finance Officer HIV
10	Fridah K.Matumo	Accounts Assistant	BA, CPA(K)	Accounts Assistant
11	Teresa W. Kariuki	Internal Auditor- TB	BCOM(FIN) CPA SEC4	Internal Auditor
12	Kennedy Kithuka	Principal Internal Auditor	MBA, BA(ANTHROPOLOGY), CPA FINALIST	Internal Auditor in charge
13	Michael C. Mukanzi	Principal Accountant	BCOM (FINANCE), CPA (K), CIFA	Accountant-in- charge
14	Susan Jerubet	Principal Internal Auditor	MBA-FORENSIC AUDIT & ACCOUNTING, BBM- ACCOUNTING, CPA (K)	Internal Auditor

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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15	Ronald Otsola	Senior Accountant	BCOM (FINANCE), CPA (K)	In-charge of Examination section
16	Matayo Wangalwa	Finance Officer Malaria	MBA(FINANCE), BCOM (FINANCE), CPA(K), DIPLOMA IN BUSINESS MANAGEMENT	In-charge of Malaria Grant
17	Miriam Kundu	Assistant Director Supply Chain Management Services	BA(ECON/MATHS) ADVANCED DIP. IN SUPPLY CHAIN MANAGEMENT	Procurement Officer for PMU
18	Abdihamid M. Ali	Senior Accountant	B.COM (FINANCE), CPA 5	Accountant

2.7 Funding summary

The Project is for duration of three (3) years from 2021 to 2024 with an approved budget of US\$.64,702,311 (Included in the figure is Covid-19 funds amounting to USD.884,406) equivalent to Kshs.7,973,229,924.80. The Project is being implemented by the National Treasury (Principal Recipient) and National Malaria Control Programme (NMCP) at Ministry of Health. However, we will be reporting on Principal Recipient (NT) funding only as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Development Partner Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Grant						
Global Fund total Disbursements	40,479,636.00	4,728,021,484.80	19,188,944.68	2,997,465,321.18	21,290,691.32	1,730,556,163.62
(ii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	40,479,636.00	4,728,021,484.80	19,188,944.68	2,997,465,321.18	21,290,691.32	1,730,556,163.62

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30th June 2025)	
	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs	Development Partner currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Global Fund	19,137,500.28	2,990,828,992.98	18,981,110.52	2,979,169,839.41	156,389.76	11,659,154.00
Transfer to NMF 4			156,389.76	11,659,154.00	(156,389.76)	(11,659,154.00)
(i) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	19,137,500.28	2,990,828,992.98	19,137,500.28	2,990,828,993.41	-	-

NOTE: NFM 3 (Old funding cycle) and NFM 4 (New funding cycle) share one account and that is the reason why we have disclosed total disbursements so as to get the opening balance for NFM 4 as at 1st April, 2025.

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) *Budget performance against actual amounts for the current year and for cumulative to-date,*

Current FY=858,422,625/1,756,184,710=49%

Cumulatively= 2,917,757,245/3,443,383,341=85%

The performance was on track and within the 2023/24 budgetary provisions

- ii) *Physical progress based on outputs and outcomes since project commencement, A number of indicators were tracked during the financial year, and included HIS reporting, access to malaria in pregnancy interventions, malaria case management and access and use of Long-Lasting Insecticide treated nets, among others*

Nationally, malaria control interventions in the past decade have contributed to a reduction of malaria prevalence from 11.4% in 2010 to 5.8% in 2020

- iii) *Indicate the absorption rate for each year since the commencement of the project.*

FY 2021/2022=557,199,867/671,212,074=83%

FY 2022/2023=564,999,382/694,061,273=81%

FY 2023/2024=858,422,625/1,756,184,710=49%

- iv) *Implementation challenges and recommend the next steps.*

The main implementation challenges were associated with the onset of the March – May 2024 floods. This caused a delay in completion of the mass LLIN campaign, as well as increased demand for commodities related to upsurge of malaria in affected areas.

2.9 Summary of Project Compliance:

- i) *Include significant cases of non-compliance with applicable laws and regulations, e.g., treasury circulars on project investment management, PFM Act 2012 and Kenya Vision 2030 flagship projects, and essential external financing agreements/covenants,*

-There were no cases of non-compliance with applicable laws and regulations.

ii) *Not applicable*

iii) *Not applicable*

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

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

- a) To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023
- b) To strengthen malaria surveillance and use of the information to improve decision-making for programme performance
- c) To protect 100% of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023
- d) To increase utilization of appropriate malaria interventions in Kenya to at least 80% by 2023
- e) To establish systems for malaria elimination in targeted counties by 2023

Progress on the attainment of strategic development objectives

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

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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

Project	Objective	Outcome	Indicator	Performance
KEN-M-TNT (Malaria Grant)	To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023	Malaria case management	Proportion of malaria confirmed cases that received first-line antimalarial treatment at public sector health facilities	Indicator recorded a performance of 84% against a target of 98%. Access to treatment was affected by COVID-19 pandemic (4.2 million patients against target of 5.0 million)
KEN-M-TNT (Malaria Grant)	To strengthen malaria surveillance and use of the information to improve decision-making for programme performance	Timeliness of reporting	Percentage of submitted monthly reports that are received on time per national guidelines	Performance of 93% against target of 100% was recorded.
KEN-M-TNT (Malaria Grant)	To protect 100% of people living in malaria risk areas through access to	Use of LLINs	Proportion of households with at least one insecticide-treated net for	40% households had access to LLINs (Source: KMIS 2020). Mass LLIN has

	appropriate malaria preventive interventions by 2023		every two people and/or sprayed by IRS within the last 12 months	been extended to September 30, 2024
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4. Environmental and Sustainability Reporting

Global Fund Malaria Programme exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

KEN-M-TNT (Malaria grant) focus is to reduce malaria incidence and deaths by 75% of 2016 levels by 2023. The grant is based on and aligned with the Kenya Malaria Strategy 2019 – 2023, which provides a framework for guiding responses to the epidemic in Kenya, and is based on lessons learnt from past strategies.

1. Sustainability strategy and profile

Long term sustainability is a fundamental aspect of development and global health financing. It is essential that the country is able to scale up and sustain programs to achieve lasting impact in the fight against pandemics and to move towards eventual achievement of Universal Health Coverage. Countries that have experienced economic growth over the last decade are able to move progressively from external donor financing for health towards domestically funded systems that deliver results but must be supported to do so.

The Global Fund sustainability strategy is anchored on a well-articulated Sustainability, Transition and Co-financing Policy that outlines the high-level principles for engaging with countries for long term sustainability of Global Fund supported programs, as well as framework for ensuring successful transitions from Global Fund financing.

2. Environmental performance

Through a statement on climate change and environmental sustainability dated 03 December 2021, the Global Fund expressed deep concern about the impact that environmental damage and climate change are having on human health and its disproportionate effect on the most vulnerable and disadvantaged communities. As a leading

multilateral funder of grants for HIV, TB, malaria and COVID-19 programs and to strengthen health and community systems, Global Fund has an opportunity and responsibility to minimize impact on the environment, address the environmental and climate impact of procurement operations, and invest in and support and support countries to build climate - resilient and environmentally sensitive systems for health. The statement emphasizes commitment by Global Fund to respond to multifaceted threats to human health arising from climate and environmental changes.

3. Employee welfare

The Global Fund recruitment process is designed to enable the Global Fund to select the best applicant for a job based on objective and fair criteria. While the primary criterion for selection are competence and suitability to the job requirements, there is reasonable efforts to achieve and maintain diversity and geographical balance. Recruitment is made on competitive basis except where exceptionally authorized.

The Global Fund prohibits all forms of harassment, including sexual harassment and bullying. Sexual exploitation and any acts of sexual abuse or sexual assault are prohibited. A Code of Conduct applicable to all Global Fund employees regardless of the type or duration of contract is available. Through observance of this Code of Conduct, employees contribute to the kind of organizational culture the Global Fund expects internally, as well as its grant recipients, reflecting integrity, accountability, dignity and respect. As outcomes, employees (1) earn and maintain the public trust necessary for the Global Fund to accomplish its mission, (2) uphold the fiduciary responsibilities of the Global Fund employees and those of the institution as a whole, and (3) create a positive, productive and motivating work environment.

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

Global Fund grants are implemented in conformity with Global Fund policies and regulations. The policies and practices governing procurements ensures that awards are transparent and on a competitive basis, bidding process is clear to all prospective bidders, and contracts awarded only to contractors that possess the ability to

successfully perform the contracts. The grant recipient, representatives and agents are expected to desist from any practice that is in violation of Code of Conduct for recipients or the Code of Conduct for suppliers in relation to such procurements. Further, recipient is required to maintain clear documentation of procurement processes.

b) Responsible ethical practices

The Global Fund collectively refers to corrupt practices, fraudulent practices, coercive practices, collusive practices, abusive practices, obstructive practices, retaliation, money laundering, and financing of terrorism as “prohibited practices”. The Fund’s mission and four principles of transparency, partnership, performance-based financing, and country ownership set the strategic direction for the Fund’s approach to fraud and corruption prevention, detection and response. In this context, the Fund takes a zero-tolerance approach towards prohibited practices

c) Regulatory impact assessment

Ethical conduct is a hallmark of the Global Fund and applies to all those involved in its operations and governance. All actors abide by the organization’s core ethical values (duty of care, accountability, integrity, dignity and respect) as reflected in the Code of Conduct for Governance Officials. The Code of Conduct is applicable when exercising governance and oversight duties over Global Fund programs and activities.

5. Community Engagements

Corporate Social Responsibilities principals are not applicable for grant funds. Where possible, the Global Fund aims to open new opportunities to support community-based organizations. This goal includes allowing implementers of the Global Fund grants to fund small, unregistered organizations or collectives that serve key populations and other marginalized groups.

Global Fund grants are activity based applied towards prioritized interventions to fight AIDS, TB and Malaria.

5. Statement of Project Management Responsibilities

The *Principal Secretary National Treasury* and the *Project Coordinator* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial period ended on 30th June, 2025. This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances. The *Principal Secretary National Treasury* and the *Project Coordinator* accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards. The *Principal Secretary National Treasury* and the *Project Coordinator* are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the period ended 30th June, 2025, and of the Project's financial position as at that date. The *Principal Secretary National Treasury* and the *Project Coordinator* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control. The *Principal Secretary National Treasury* and the *Project Coordinator* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.


Approval of the Project Financial Statements

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



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

2025 and signed by:



.....
Feisal M. Awer
Project Coordinator

REPUBLIC OF KENYA



HEADQUARTERS
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REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND - TO REDUCE MALARIA INCIDENCE AND DEATHS BY AT LEAST 75 PERCENT OF THE 2016 LEVELS BY 2023, WORKING TOWARDS A MALARIA-FREE KENYA (GRANT AGREEMENT NO. KEN-M-TNT-2064) FOR THE YEAR ENDED 30 JUNE, 2024 – THE NATIONAL TREASURY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Global Fund – To Reduce Malaria Incidence and Deaths by at Least 75 Percent of the 2016 Levels by 2023, Working Towards a Malaria-Free Kenya (Grant Agreement No. KEN-M-TNT-2064) set out on pages 1 to 45, which comprise of the statement of financial position as at

Report of the Auditor-General on Global Fund - To Reduce Malaria Incidence and Deaths by at Least 75 Percent of the 2016 Levels by 2023, Working Towards a Malaria-Free Kenya (Grant Agreement No. KEN-M-TNT-2064) for the year ended 30 June, 2025 – The National Treasury

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Global Fund – To Reduce Malaria Incidence and Deaths by at Least 75 Percent of the 2016 Levels by 2023, Working Towards a Malaria-Free Kenya (Grant Agreement No. KEN-M-TNT-2064) as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Grant Agreement No. KEN-M-TNT-2064 dated 14 June, 2021 between Global Fund and Republic of Kenya and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Global Fund – To Reduce Malaria Incidence and Deaths by at Least 75 Percent of the 2016 Levels by 2023, Working Towards a Malaria-Free Kenya Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1. Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final budget and actual receipts on comparable basis of Kshs.547,823,464 and Kshs.1,017,216,111, respectively resulting to excess collection of Kshs.469,392,647 or 86% of the budget. Similarly, the statement reflects actual expenditure of Kshs.1,005,556,957 against actual receipts of Kshs.1,017,216,111 resulting to an under-utilization of Kshs.11,659,154.

The significant excess collection could be an indication of weaknesses in the budget making process.

2. Slow Absorption of Grant Funds and Inadequate Counterpart Funding

The Project's funding summary reflects total grant commitment amount of Kshs.4,728,021,485 and cumulative amount received as at the end of the project of Kshs.2,997,465,321 resulting in an undrawn balance of Kshs.1,730,556,164 or 37% of total commitment.

The slow absorption of the grant funds may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page (iii) to (xx) which comprise of project information and overall performance, statement of performance against project's predetermined objectives, environmental and sustainability reporting and the statement of project management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Prepare and Submit Quarterly Financial Reports

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

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Weaknesses in the Management of Imprest for Daily Subsistence Allowance

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

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

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

2. Unreliable Enterprise Resource Planning System

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

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

3. Failure to Conduct Internal Audits

Despite the National Treasury's Internal Audit Unit having an annual work plan that included the audit of Global Fund Projects, no audits were conducted on the Projects

in the year under review. Management attributed this to inadequate capacity within the Internal Audit Unit.

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

4. Lack of an Asset Register

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Grant Agreement No. KEN-M-TNT-2064, I report, based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,

The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Grant Agreement No. KEN-M-TNT-2064 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free

from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 November, 2025

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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

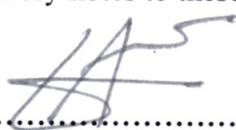
7. Statement of Financial Performance for the financial year ended 30th June 2025.

	Notes	2024/2025 FY
		Kshs
Revenue		
Revenue Transfers	6	989,688,031
Total revenue		989,688,031
Expenses		
Use of goods and services	7	502,783,583
Depreciation	8	1,272,861
Transfer to other Government Entities	9	502,773,374
Total expenses		1,006,829,818
Other gains/(losses)		
Gain/Loss on foreign exchange transactions		
Surplus/ (deficit)		(17,141,787)

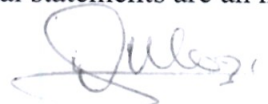
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



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



.....
Feisal M. Awer
Project Coordinator



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

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025

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

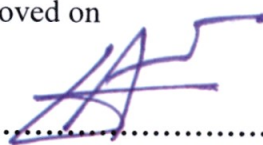
	Note	2024/2025 FY	1st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents (Operations A/c)	11	-	27,528,080
Current Receivable		-	88,733,658
Total Current Assets		-	116,261,738
Non-Current Assets			
Property, Plant and Equipment	13	-	13,577,179
Total Non- Current Assets		-	13,577,179
Total Assets (a)		-	129,838,917
Liabilities			
Current Liabilities			
Trade and Other Payables	12	-	88,733,658
Total Current Liabilities		-	88,733,658
Total Liabilities (b)		-	88,733,658
Net Assets (a-b)		-	41,105,259
Represented By:			
Accumulated Surplus		-	41,105,259
Total Net Assets		-	41,105,259

The financial statements were approved on

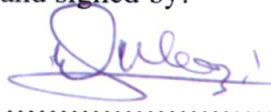
2025 and signed by:



Dr. Chris Kiptoo, CBS
 Principal Secretary



Feisal M. Awer
 Project Coordinator



Michael C. Mukanzi
 Project Accountant
 ICPAK Member No.17538

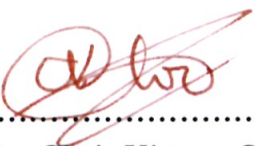
9. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis) (See Annex 6)	27,528,080
Adjustments:	
Asset Recognition	102,310,837
Liabilities recognition	(88,733,658)
As at 1st July 2024	41,105,259
Surplus/(Deficit) for the year	(17,141,787)
transfer to NFM 4	(11,659,154)
Transfer of PPE to NFM 4	(12,304,318)
Transfer of outstanding payables to NFM 4	88,733,658
Transfer of outstanding receivables to nfm 4	(88,733,658)
As at 30th June 2025	-

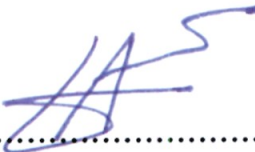
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on

2025 and signed by:



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



.....
Feisal M. Awer
Project Coordinator



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

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

Description	Note	2024/2025 FY
		KShs
Cashflow from operating activities		
Receipts		
Revenue Transfers	6	989,688,031
Total receipts		989,688,031
Payments		
Use of goods and services	7	502,783,583
Transfer to other Government Entities	9	502,773,374
Total payments		1,005,556,957
Net cash flow from operating activities		(15,868,926)
Cashflow from investing activities		
Acquisition of non-financial assets		-
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
Net cash flows from investing activities		-
Cash flow from financing activities		-
Transfer to NFM 4	10	(11,659,154)
Net cash flow from financing activities		(11,659,154)
Net increase/Decrease in cash and cash equivalents		(27,528,080)
Cash and cash equivalent at 1st July 2024		27,528,080
Cash and cash equivalent at end June 2025		-

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

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods (KES Account)				27,528,080	(27,528,080)	
Receipts						
Revenue Transfers	2,911,370,000	(2,363,546,536)	547,823,464	989,688,031	(441,864,567)	182
Total Revenue	2,911,370,000	(2,363,546,536)	547,823,464	1,017,216,111	(469,392,647)	187
Payments						
Employee costs						
Use of goods and services	2,911,370,000	(2,363,546,536)	547,823,464	502,783,583	45,039,881	91
Transfer to other Government Entities	-	-	-	502,773,374	(502,773,374)	
Total Payments	2,911,370,000	(2,363,546,536)	547,823,464	1,005,556,957	(457,733,493)	183
Surplus	-	-	-	11,659,154	(11,659,154)	

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

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	11,659,154
1	Opening balance	
2	Transfer to NFM 4	(11,659,154)
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

12. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

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

These financial statements were authorized for issue by the accounting officer on 31st August, 2025

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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

Standard	Effective date and impact:
Sale and Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The

To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya

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

Standard	Effective date and impact:
	objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of *Nil* on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **6** under section ***eleven (II)*** of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance

costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the financial statements

d) Leases

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

e) Intangible assets

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

f) Research and development costs

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

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

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

Notes to the financial statements

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the financial statements

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

h) Inventories

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

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

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

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

Notes to the financial statements

Inventories (Continued)

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

i) Provisions

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

Contingent liabilities

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

Contingent assets

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

j) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

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

m) Foreign currency transactions

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

n) Borrowing costs

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

o) Related parties

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

Notes to the financial statements

p) Service concession arrangements

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

q) Cash and cash equivalents

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

r) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the period ended March 31, 2025.

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

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 xxx (*There were no provisions therefore no Note to disclose*).

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

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Notes to the financial statements

6. Revenue Transfers

Description	2024/2025 FY
	KShs
Unconditional Transfers	
Disbursements from Global Fund	989,688,031
Total Unconditional Transfers	989,688,031

The funding is for payment of medical commodities suppliers and Kenya Medical Supplies Authority for procurement, warehousing and distribution.

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (2024/2025 FY)
	Kshs	Kshs	Kshs	Kshs
Disbursement from Global Fund	8,414,140			8,414,140
Disbursement from Global Fund	20,551,072			20,551,072
Disbursement from Global Fund	56,745,867			56,745,867
Disbursement from Global Fund	13,700,715			13,700,715
Disbursement from Global Fund	387,502,863			387,502,863
Disbursement from Global Fund	502,773,374			502,773,374
Total	989,688,031			989,688,031

KSh.502,773,374 are funds sent to National Malaria Control Program, State Department for Public Health and Professional Standards as exchequer.

7. Use of Goods and Services

Description	2024/2025 FY
	Kshs
Domestic travel and subsistence	14,454,700
Fuel and lubricants	50,822
Stationery, Printing, advertising, and information supplies	8,414,140
Training payments	1,363,404
Specialized materials and services (See Annex 4)	90,997,654
Other operating payments (Payments to KEMSA) (See Annex 5)	387,502,863
Total	502,783,583

8. Depreciation

Description	2024/25 FY
	Kshs
Depreciation	1,272,861
Total	1,272,861

This is depreciation for 9 months up to 31st March, 2025

9. Transfer to Other Government Entities

Description	2024/2025 FY
	Kshs
National Malaria Control Program	284,230,100
National Malaria Control Program	218,543,274
Total	502,773,374

These are Exchequer processing to National Malaria Control Program

10. Transfer to NFM 4

Description	2024/25 FY
	Kshs
Cash and bank balances	11,659,154
Total	11,659,154

This is cash and bank balances transferred to NFM 4 cycle after closure of cycle 3

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11. Cash and Cash Equivalents

Description	2024/2025 FY	1 st July
	Kshs	Kshs
Cash Balance (Operations A/c)	-	27,528,080
Total Cash and Cash Equivalents	-	27,528,080

12. Trade & Other payables

Description	2024/2025 FY	Opening Balance
	Kshs	Kshs
Trade payables	-	88,733,658
Total	-	88,733,658

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	88,733,658	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-	%	88,733,658	100%-

Notes to the financial statements
Project Bank Accounts

Details	2024/2025 FY	1st July 2024
	Kshs	Kshs
Foreign Currency Accounts		
Stanbic Bank [A/c No.1583580368]	437,798,022	-
Total Foreign Currency balances	<u>437,798,022</u>	=
Local Currency Accounts		
NCBA [A/c No.1583580368]		
Kenya Commercial Bank [A/c No.....]	-	
Co-operative Bank of Kenya [A/c No.....]	11,659,154	
Others (<i>specify</i>)	-	
Total local currency balances	11,659,154	=
Total bank account balances	<u>449,457,176</u>	=

The balance in USD Designated Account is USD.3,387,630.24 as per CBK Statement of Account, translated at CBK exchange rate of 129.2343 to KShs.437,798,022

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13. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	12.5%					12.5%
As At 1 July 2024 (opening balances)	13,577,179		-			13,577,179
Additions	-		-			-
Acc Depreciation on Transfer to NFM 4	(1,272,861)		-			(1,272,861)
Transfers/Adjustments	(12,304,318)		-			(12,304,318)
As at 30 th June 2025	-	-	-	-	-	-
Depreciation And Impairment						
As at 1 July 2025						
Depreciation charge for the year	1,272,861					
Impairment loss						
Transfers/ Adjustments	(1,272,861)					
As At 30 th June 2025	-					
Net Book Values						
As at 1 st July 2024	13,577,179		-			13,577,179
As at 30 th June 2025	-	-	-	-	-	-

There were no fixed assets/PPE additions in the year under review.

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Notes to the financial statements

14. Cash Generated from Operations

Description	2024/2025 FY
	Kshs
Surplus/Deficit for the year	(17,141,787)
Adjusted for:	
Depreciation	1,272,861
Non-cash grants received	
Impairment	
Gains and losses on disposal of assets	
Working capital adjustments	-
Increase in inventory	
Increase in receivables	
Increase in deferred income	
Increase in payables	
Increase in payments received in advance	
Net cash flow from operating activities	(15,868,926)

15. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

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

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Special Deposit Accounts Movement Schedule

Description	2024/2025 FY	1st July 2024
	Kshs	Kshs
(i) A/C Name [A/c No. 1583580368]		
Opening balance	2,761,669.90	2,806,855.85
Total amount deposited in the account	14,065,335.54	12,812,796.76
Total amount withdrawn	<u>13,439,375.20</u>	<u>12,857,982.71</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>3,387,630.24</u>	<u>2,761,669.90</u>

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

Notes to the financial statements

16.Events after the Reporting Period

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

17.Ultimate And Holding Entity

The Entity is a Project Management Unit under the National Treasury. Its ultimate parent is the Government of Kenya.

18.Currency

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

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
147	Budgetary Control and Performance: The State of Comparison of Budget and Actual Amounts reflects of KShs.846,296,257 resulting to an under-funding of KShs.909,888,453 or 48% of the budget. Further, the funding summary of the financial statements reflects total funding commitment of	It is true that the Project spent KShs.2,001,114,789 of the budgeted amount of KShs.5,698,815,887. This resulted to under-funding of KShs.3,697,701,098 or 65% of the budget as observed by the auditor. The reasons for under-funding/under-absorption are:	Not Resolved (Awaiting to appear before Public Accounts Committee)	By Quarter 2 of this financial year

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	<p>KShs.5,698,815,887 during the project's phase but only KShs.2,001,114,789 was received by the Project as at 30th June, 2024 leading to an undrawn balance of KShs.3,697,701,098 or 65% of the total commitment. The underfunding affected the planned projects activities and may have negatively impacted on effective service delivery to the public.</p>	<ul style="list-style-type: none"> ➤ Inadequate exchequer funding which led to delayed GoK counterpart funding payments. This has led to insufficient cash flows on the part of the suppliers. ➤ Late submission of payment documents to the National 		

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		<p>Treasury by KEMSA/State Department for Public Health and Professional Standards; and ➤ Distribution of Long-Lasting Insecticidal Nets (LLINs) had not been concluded hence payments could not be</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>processed in the financial year under review.</p> <p>Further, the funding summary of the financial statements reflects total funding commitment of KShs.5,698,815,887 during the Project's phase but only KShs.2,001,114,789 was received by the Project as at 30th June, 2024 leading to an undrawn balance of KShs.3,697,701,098</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>or 65% of the total commitment. We wish to confirm that the Donor released some Program funds to a tune of USD.2,908,267 which is approximately KShs.404,675,209 that is part of the undrawn balances as at 30th June, 2024 as per attached disbursement notifications. Suppliers who have fully delivered medical commodities</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>have been paid KShs.404,675,209.</p> <p>We would like to assure that the Program planned activities have been implemented and effective service delivery to the public has been achieved.</p>		
148	<p>Pending Bills: Annex 4(a) to the financial statements discloses an amount of KShs.88,733,658 with respect to pending bills outstanding as at 30th June, 2024. Although Management attributed</p>	<p>It is true as observed by the auditor that Global Fund Unit had pending bills amounting to KShs.88,733,658 as at 30th June, 2024. This was as a result of</p>	<p>Not Resolved (Awaiting to appear before Public Accounts Committee)</p>	<p>By Quarter 2 of this financial year</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the non-payment of the bills to delays in Exchequer releases, failure to settle the bills during the year in which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year. Further, pending bills could expose the Project to the risk of incurring unnecessary interests and penalties in case of litigations.	insufficient exchequer. The pending bills were reviewed by Internal Audit Department and have now been processed and all paid without interest or penalties. A total of Ksha.88,624,042.55 have been paid. The difference is as a result of exchange rate.		
149	Expired Contracts for Procurement of Goods: The Statement of Receipts	The contract was on call down schedule.	Not Resolved (Awaiting to appear	By Quarter 2 of this financial year

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	<p>and Payments reflects amount of KShs.781,737,910 in respect to purchase of goods and services as disclosed under Note 5 to the financial statements. The payments include KShs.560,521,410 in respect of specialized goods and materials. However, the audit noted that the following unsatisfactorily matters:</p> <p>i. Clause 3.2 of a contract agreement with one supplier dated 18th January, 2023 stated that the procuring entity (KEMSA) was to issue the supplier with a local</p>	<p>The Malaria Program vide an email communication dated 10th August, 2023 , revised the call down schedule for deliveries to commence from October, 2023 to January, 2024. This necessitated the extension of the contract. The entire delivery valued at USD.615,435 was finalized in March 2024 within the extended contract period. Proof of</p>	<p>before Public Accounts Committee)</p>	

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	<p>purchase order of the stated quantity within thirty (30) days. However, a letter written by KEMSA dated 9th January, 2024, requesting extension of contract to facilitate pending delivery and payments revealed that the contract period had lapsed and that the contract valued at USD.321,860 (equivalent to KShs.41,680,870 at exchange rate of 129.50) was not fulfilled.</p>	<p>delivery and payment of USD.321,860 is attached.</p> <p>Delivery due date was 20th May, 2022 however, the actual delkivery was made between 24th June to 14th July, 2022 which was within contract validity period. Therefore, there was no need to extend the contract as it was still valid until 10th January, 2023. Proof of delivery is</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>ii. Clause 4 of a contract agreement dated 28th January, 2022 stated that the delivery schedule was one (1) to sixteen (16) weeks from effective date of contract signing. The contract was counterpart funded. However, there was no letter indicating extension of the contract even though as of 30th June, 2024, deliveries worth USD.14,800 (equivalent to KShs.14,866,600</p>	<p>available. The delays were occasioned by delays in payment of previous contracts serviced by the supplier.</p> <p>Contract delivery due date was 3rd April 2023. Two LPOs were issued, 833886 delivered on 10th February 2023 and 833884 delivered on 3rd April 2023. By 30th June, 2023, full delivery of quantity 12,000 had already</p>		

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	<p>at exchange rate of 129.50) were still outstanding.</p> <p>iii. Clause 3.1 of a contract agreement dated 13 January, 2023 stipulates delivery to have been in one (1) to twelve (12) weeks from effective date of contract.</p> <p>However, there was no letyter requesting extension of the contract even though as of 30th June, 2024, deliveries worth USD.21,603 (equivalent to KShs.2,797,588 at</p>	<p>been done and payment process initiated. The contract was valid until 12th January 2024 and hence there was no need of extending the contract. Proof of delivery and payment of USD.21,603 is attached. The delays were occasioned by lateness in payment of previous CPF contracts serviced by the supplier.</p>		

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	<p>exchange rate of 129.50 were still outstanding.</p> <p>iv. Clause 10 of a contract agreement dated 18th January, 2023 stipulates that the contract term was one (1) year ending 17th January, 2024. Further, Clause 3.3 states that the delivery of goods shall be on call off basis. However, as of 30th June, 2024, there was no extension letter from KEMSA even though deliveries worth USD.538,980</p>	<p>The contract was on call down schedule. The Malaria Program vide email communicated dated 10th August 2023, revised the call down schedule for deliveries to commence from October, 2023 to January, 2024. This necessitated the extension of the contract. The payment was fully made by closure of the financial year 2023/24. Attached find copies</p>		

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	(equivalent to KShs.69,797,910 at exchange rate of 129.50) were still outstanding. In the circumstances, the public did not get value for goods that were not fully serviced by the suppliers due to non-delivery.	of payment documents, communication from the program and the extension letter for reference.		
150	Slow Absorption of Project Funds: The Project's three (3) year duration ended on 30 th June, 2024 although the grant closure guidelines provide for an additional six (6) months closure period from the implementation period end date. However, the cumulative amount	The observation above by the auditor is true. The reason for the Donor delay on releasing funds is prolonged procurement process that takes a minimum of six (6) months and	Not Resolved (Awaiting to appear before Public Accounts Committee)	By Quarter 2 of this financial year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>received as at 30th June, 2024 as per the funding summary in the financial statements is KShs.2,001,114,789 against a commitment amount of KShs.5,698,815,887 representing an absorption rate of only 35% of the budget. In the circumstances, the Project may not have achieved its objectives by the lapse of the Project's duration.</p>	<p>goes up to eight (8) months. The procurement process takes long because of the following reasons:</p> <ul style="list-style-type: none"> • tax exemption issue for suppliers after signing contract takes time; • delayed feedback from Global Fund on tender evaluation. <p>We wish to confirm that as at the closure of</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>the financial year and Project on 30th June, 2024, there were undrawn funds. The slow absorption is attributed delayed delivery of medical commodities resulting from unpaid GoK counterpart funding payments. However, we confirm that the Donor released some of the Program funds to a tune of USD.2,908,267 (approximately KShs.404,675,209) on</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>7th November, 2024.</p> <p>Suppliers have been paid to a tune of USD.2,908,267 which is approximately KShs.404,675,209 as per attached sampled payment vouchers and list. The other suppliers will be paid once we receive the remaining funds. We would like to assure that the Program is on focused towards achieving all its objectives.</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
151	Weaknesses in the Management of Imprest for Daily Subsistence Allowance: The Statement of Receipts and Payments reflects purchase of goods and services of KShs.781,737,910 which, as disclosed in Note 5 to the financial statements, includes KShs.29,298,738 and KShs.2,846,579 in respect of domestic travel and subsistence allowances and training respectively, all totalling to KShs.32,145,317. Review of the supporting schedules and payment vouchers revealed that nine (9) staff were paid amounts totalling to KShs.27,443,520 as daily	The observation by the auditor on the amounts of the imprest is true. We wish to clarify that these imprests relate to quarterly review meetings which comprise officers from Global Fund Unit, Ministry of Health and Programs and other stakeholders like Kenya Country Coordinating Mechanism, HIV Tribunal and Council of Governors. Due to the diverse	Not Resolved (Awaiting to appear before Public Accounts Committee)	By Quarter 2 of this financial year

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>subsistence allowance. Although Management indicated that the officers were not the sole recipients of the allowances and that their names were used solely for imprest accounting purposes, this system is susceptible to abuse as the secondary recipients may not be liable for imprest issued to them through other officers. Further, there is no assurance that the imprest would be paid to the intended staff by the officers receiving the imprest on their behalf.</p>	<p>participants that cannot be issued each with an imprest, the same is issued to one officer from the Principal Recipient for accountability purposes and funds equivalent to the imprest are moved from Project's bank account to Project's M-Pesa Money Market Fund Holding account and not to the imprest holder's bank account to pay various participants. The total</p>		

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>amount in the imprest is transferred to M-Pesa Money Market Fund Holding account and only what is to be paid is transferred to M-Pesa Utility account. Participants are only paid via M-Pesa on attendance after signing registration, attendance forms and payment schedules. This ensures accountability from each participant paid. Utility account M-</p>		

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Pesa statements show each participant was paid his or her per diem and therefore the money was not transferred to the imprest holder's bank account. This is enough assurance as the statements show names and mobile numbers that received the payment. Attached find the photocopies of the payment vouchers, M-Pesa statements, registration forms,		

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		attendance and payment schedules for your review.		

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

.....
Feisal M. Awer
Project Coordinator

*To reduce malaria incidence and deaths by at least 75 per cent of the 2016 levels by 2023, working towards a malaria-free Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

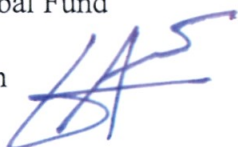
Annex 2: Reconciliation of inter-entity transfers

Project Name:				
Break down of transfers from the Global Fund				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
			-	
		Total	-	
B.	Direct payments			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
C.	Others			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	Global Fund payments	N/A		FY 2024/2025
			-	
		Total	502,783,583	
		Total (A+B+C)	502,783,583	

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

Project Coordinator
Global Fund

Sign



Head Disbursement Unit
Resource Mobilization Department

Sign



Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f (KShs) Previous Year	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year	Historical Cost c/f (KShs) Current Year
Motor vehicle	13,577,179	-	-	-	13,577,179
Total	13,577,179	-	-	-	13,577,179

The fixed assets reported in FY 2023/2024 have been transferred and also disclosed under NFM 4 since NFM 3 cycle has come to an end.

Annex 4: Analysis of Specialized Materials and Services

Date	Payee	Donor Currency (USD)	Equivalent KShs.
13.12.24	Sai Pharmaceuticals Ltd	156,600.00	20,551,072
13.12.24	Sai Pharmaceuticals Ltd	432,405.80	56,745,867
13.12.24	Sai Pharmaceuticals Ltd	104,400.00	13,700,715
	Total	693,405.80	90,997,654

Annex 5: Analysis of Other Operating Expenses (Contracted Professional Services)

Quarters	Payee	Donor Currency (USD)	Equivalent KShs.
Q 1	Kenya Medical Supplies Authority	-	-
Q 2	Kenya Medical Supplies Authority	1,995,465.57	248,249,049
Q 3	Kenya Medical Supplies Authority	1,111,238.44	139,253,814
Q 4	Kenya Medical Supplies Authority	-	-
	Total	3,106,704.01	387,502,863

Annex 6: Other Support Documents

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



Annex 2: Financial Statements cash basis and commitments reconciliation template

30TH JUNE 2025

THE NATIONAL TREASURY, GLOBAL FUND PROGRAM

THE NATIONAL TREASURY
GLOBAL FUND PROGRAM
MALARIA GRANT NO. KEN-M-TNT

Financial Statements cash basis and commitments reconciliation template

Guiding note

The Financial statements included in Figure 1 here below, represent an illustrative financial statement which the Principal Recipients are expected to provide to their auditors for the Special Purpose Grant Financial Statements audit.

Mandatory statements

All statements as required by the Auditing Guidelines and the Terms of reference **must** be provided to the auditors by the Principal Recipients for them to carry out their work appropriately, namely:

- i. The format of the "Income and Expenditures statement" in Figure 1 is mandatory and **must** be used by all Principal Recipients;
- ii. Similarly, notes providing specific information on the accounting principles used in the preparation of the Financial Statements are **mandatory**;
- iii. Supplemental schedule of commitments (**Note 9**) **must** be provided and audited;
- iv. The different tables on SRs advances (**Notes 11**) and Fixed assets (**Note 12**) must be provided.

Other notes

The notes to the financial statements are integral parts of the financial statements. The Principal Recipient must ensure that notes are provided wherever they would provide additional information to the stakeholder's understanding of the financial statements. The following could be cases where a note to the financial statements would be expected: material amount, significant change from previous year, significant variance with the budget, etc.

Figure 1: Income and Expenditures Statement

Gant Number	KEN-M-TNT
Accounting Methodology	Cash
Grant's Currency	USD
Implementation Period Start Date	1-Jul-21
Implementation Period End Date	30-Jun-25

Period of Financial Reporting	Beginning Date:	1-Jul-24	End Date:	30-Jun-25
Cumulative Period of Financial Reporting	Beginning Date:	1-Jul-21	End Date:	30-Jun-25

Financial Statements (all figures are in US\$ unless otherwise stated)

	Current Period				Cumulative Period			
	Budget	Actual	Variance	Commitments	Budget	Actual	Variance	Notes
Sources of Grant funds								
Opening grant cash balance		3,650,783.75			-	-		
Receipts from Global fund	(3,300,313.84)	4,734,648.62	-	-	36,294,916.00	58,481,930.26	(22,187,014.26)	xxx
Transfers from NFM2	-	-	-	-	-	1,281,465.81	(1,281,465.81)	
Transfers from closed grants	-	-	-	-	-	17,837.26		
Interest	-	53,870.64	—	—	-	268,949.70	—	
Other receipts	-	208.69	—	—	-	422.69		
Total sources of Grant Funds	(3,300,313.84)	8,439,511.70	-	-	36,294,916.00	60,050,605.72	(23,468,480.07)	
	=====	=====	=====	=====	=====	=====	=====	
Uses of Grant Funds								
1.0 Human Resources (HR)	210,599.48	-	210,599.48		1,022,211.52	601,012.56	421,198.97	xxx
2.0 Travel related costs (TRC)	69,090.36	113,917.77	(44,827.41)		158,944.04	134,681.08	24,262.96	xxx
3.0 External Professional services	-	-	-		-	-	-	
4.0 Health Products (HPPP)	1,361,423.35	693,405.80	668,017.55		8,250,988.35	6,221,547.45	2,029,440.90	
5.0 Health Products (HPNP)	4,608,000.40	2,466,963.70	2,141,036.70		34,935,294.90	28,186,257.80	6,749,037.10	
6.0 Health Products (HPE)	-	-	-		-	-	-	
7.0 Procurement and Supply-Chain	(359,331.06)	697,249.79	(1,056,580.85)		1,096,334.86	2,512,246.77	(1,415,911.90)	

Previous year		
Budget	Actual	variance
	5,525,215.87	
30,882,106.75	34,182,420.59	-
-	-	-
—	106,572.94	—
	-	
30,882,106.75	39,814,209.40	-
=====	=====	=====
270,537.70	246,763.28	23,774.42
18,102.34	9,854.37	8,247.97
-	-	-
652,700.00	2,596,634.14	(1,943,934.14)
29,076,994.50	24,125,474.10	4,951,520.40
-	-	-
856,692.72	1,419,564.85	(562,872.13)

Annex 2: Financial Statements cash basis and commitments reconciliation template, June 2025

Nairobi, Kenya

8.0 Infrastructure (INF)							
9.0 Non-health equipment (NHP)	20,028.95	66,778.89	(46,749.94)		41,267.65	67,988.65	(26,721.00)
10.0 Communication Material	-	-	-		-	-	-
11.0 Program Administration	-	-	-		-	-	-
12.0 Living support (LSCTP)	-	-	-		-	-	-
13.0 Payment for Results	-	-	-		-	-	-
	-	-	-		-	-	-
Total uses of Grant Funds	5,909,811.49	4,038,315.95	1,871,495.54		45,505,041.33	37,723,734.31	7,781,307.03
Total commitments at 30.06.2023		-					
Transfers to SR		3,886,864.70					
Net exchange gain/loss		8,934.39			21,759,098.44		
Bank Charges		35.41			50,789.47		
Net grant cash balance	=	505,361.25			11,622.26		
					505,361.25		xxx

	-	-	-
7,079.57	-	-	7,079.57
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
30,882,106.83	28,398,290.74		2,483,816.09
	7,736,261.30		
	23,061.48		
	5,812.14		
=	3,650,783.75		

Notes to the financial statements

All amounts are in US\$

Note 1: Basis of accounting

The Financial Statements are prepared on a cash receipts and disbursements basis. A column on commitments or outstanding payables has been added as required by the Auditing guidelines.

Note 2: Disbursements/Receipts

Receipts comprises amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [July 1, 2023 to June 30, 2024] to the Principal Recipient and to third parties. Receipts from Global Fund were in United States Dollars.

Note 3:

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

Note 4:

Transactions in KES are translated to US dollars at the 3 months weighted average exchange rate for each quarter. For the purpose of this report, balances denominated in KES have been translated to US dollars based on the CBK exchange rate as at 30.06.2025.

Note 5: Receipts from Global Fund

Start Date		7/1/2021	7/1/2024	7/1/2023	7/1/2021
End Date		6/30/2025	6/30/2025	6/30/2024	6/30/2024
Period			Current period US\$	Prior period US\$	Cumulative US\$
Description	Date	Amount			
Disbursement 1	8/16/2021	4,208,135.25			4,208,135.25
Disbursement 2	11/30/2021	1,627,941.65			1,627,941.65
Disbursement 3	3/7/2022	3,586,409.40			3,586,409.40
Disbursement 4	11/1/2022	3,367,907.56			3,367,907.56
Disbursement 5	11/1/2022	244,771.86			244,771.86
Disbursement 6	12/1/2022	1,085,095.19			94,368.42
Disbursement 7	12/1/2022	94,368.42			1,085,095.19
Disbursement 8	4/4/2023	379,603.32			379,603.32
Disbursement 9	4/4/2023	387,867.01			387,867.01
Disbursement 10	5/9/2023	2,726,466.75			2,726,466.75
Disbursement 11	6/29/2023	1,856,294.64			1,856,294.64

Disbursement 12	25.08.2023	4,486,752.89		4,486,752.89	
Disbursement 13	20.03.2024	6,452,071.71		6,452,071.71	
Disbursement 14	30.06.2024	23,243,595.99		23,243,595.99	
Disbursement 15	12.11.2024	2,908,267.00	2,908,267.00		
Disbursement 16	21.02.2025	1,826,381.62	1,826,381.62		
Total		58,481,930.26	4,734,648.62	34,182,420.59	19,564,861.05

Note 6: Human Resources

This represents salaries and other staff-related costs for the principal recipients and various SRs. The current period has zero since staff were paid under the new grant cycle that started at the beginning of the reporting period.

Note 7: Cash balances

Item Description	Amount US\$
PR Special Inshore Account	415,673.73
PR interest	0
PR Local Account (KES)	89,687.52
PR Mpesa Account (KES)	0
Net sources of Grant Funds	505,361.25

Note 8: Commitments at 01.07.2024

Paid in current year 2024	134,637.00
Outstanding from previous year 30.06.2024	134,637.00
Commitments 30.06.2025	0
Total commitments at 30.06.2025	0

Note 9: Sub-recipient advances

	NMCP - USD
Unliquidated advances (prior year)	756,619.59
Add advances from PR (current year)	3,886,864.70
Transfers from NFM2	
Less SR justified advances	4,257,771.00
	385,713.29
	=====

Note 10: Expenditure reconciliation between IES and PUDR

	Year 4	Year 3	Year 2	Year 1		Cumulative
AFR expenses	4,038,315.95	28,398,290.74	3,907,909.47	1,379,218.15	Cum. AFR expenses	37,723,734.31
Reconciling items (to be explained in the note)					Reconciling items (to be explained in the note)	
IES's expenditures	4,038,315.95	28,398,290.74	3,907,909.47	1,379,218.15	IES's expenditures	37,723,734.31
		=====		=====		=====

Note 11: Principal Recipient advances

There were no advances as at 30th June, 2025

KEN-M-TNT
BANK RECONCILIATION
AS AT 30TH JUNE, 2025

					(IN KSh)
Balance as per Bank Statement					16,782
Less:					
1) Payments in Cash Book not Recorded in Bank Statement					2,177
2) Receipts In Bank Statement not recorded in Cash book					5
Add:					2,183
3) Payments in Bank Statement not yet recorded in Cash book					
4) Receipts in Cash book not recorded in Bank Statement					15
Balance as per Cash book					
Balance as per Cash book (Actual)					14,614
Difference					14,614

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

SIGNATURE	DESIGNATION	DATE
	A.A.L.	05.07.2025

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

DATE	ITEM	CHQ NO.	AMOUNT
20.06.2025	Commissioner of Domestic taxes-P.A.Y.E	708	364,281.00
20.06.2025	Commissioner of Domestic taxes-H.L	709	42,294.00
20.06.2025	NSSF	710	17,280.00
20.06.2025	S.H.I.F	711	38,768.00
20.06.2025	Commissioner of Domestic taxes-P.A.Y.E	713	42,252.00
20.06.2025	Commissioner of Domestic taxes-H.L	714	4,290.00
30.06.2025	Lysak Hotel	715	362,069.00
30.06.2025	CIC Insurance	716	1,302,957.60
30.06.2025	CFAO Mobility	717	3,581.60
			2,177,773.20

PAYMENTS IN BANK STATEMENT NOT YET IN CASH BOOK

DATE	PAYEE	REF	AMOUNT
14.12.2020	Debit by bank		5,498.05
14.12.2020	Debit by bank		4,236.70
31.05.2021	Debit by bank		1,396.40
30.06.2021	Debit by bank		4,762.75
			15,893.90

RECEIPTS IN BANK STATEMENT NOT YET IN CASH BOOK

DATE	PAYEE	CHQ NO/REF	AMOUNT
14.12.2020	Credit interest		5,496.50
			5,496.50

RECEIPTS IN CASHBOOK NOT YET IN BANK STATEMENT

DATE	PAYEE	CHQ NO/REF	AMOUNT

MALARIA MPESA RECONCILIATION			
AS AT 30th June, 2025			
Opening balance			
Add:			122,1
1) Receipts in MMF account			430,3
less:			430,3
3) Payments in utility (transfer from MMF account)			449,4
Balance as per Mpesa Statement (MMF) as at 30.06.25		102,810.00	103,5
Balance as per Mpesa Statement (Utility) as at 30.06.25		789.00	
Balance as per Cash book (Actual)			103,5
Difference			
I certify that I have verified the Bank Balance in Cash book with Bank Statement and that the above Reconciliation is Correct.			
Prepared By:	SIGNATURE	DESIGNATION	DATE
Approved By:			
MPESA RECEIPTS			
DATE	DESCRIPTION	IW/PV NO.	AMOUNT
03.06.2025	Matayo Wangalwa	5716907	411,600.00
26.06.2025	Fridah Matumo	1375	5,979.00
26.06.2025	Michael Mukanzi	1493	12,816.00
			430,395.00
MPESA PAYMENTS			
DATE	PAYEE	PV/IW	AMOUNT
05-06.2025	Matayo Wangalwa	1508	449,400.00
30.06.2025	Mpesa charges		91.00
			449,491.00

Date: 08/07/2025

Report of the Board of Survey on the Cash and Bank Balances of... GLOBAL FUND - MALARIA GRANT

..... as at the close of business on 30/06/2025

The Board consisting of - (Names and official titles)

CHAIRMAN: ROSE OTIENO.....

MEMBER: . BENJAMIN MULEI.....

MEMBER : WHITNEY JEBET.....

Assembled at the office of GLOBAL FUND UNIT

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

And the following cash was produced: -

Notes	Sh.	NIL.....
Silver	Sh.	NIL.....
Copper	Sh.	NIL.....
Cheques (as per details on reverse)	Sh.	NIL.....
It was observed that cheques amounting to	Sh.	NIL.....

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

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

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

Cash on hand Sh 103,599.00

Bank Balance Sh: 14,614,741.83

Sh.....

The bank certificate of Balance showed a sum of Kshs. 16,782,117.63

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

Date08/07/2025

ROSE OTIENO
BENJAMIN MULEI
WHITNEY JEBET

Chairman
RA...
Members of the Board
OGPK (L)



July 25, 2025

THE NATIONAL TREASURY,
P.O. BOX 30007-00100,
NAIROBI, KENYA.

REF: EA/FA/62/240"C"(10)

Dear Sir/Madam,

RE: CERTIFICATE OF BALANCES FOR MALARIA GRANT NO KEN-M-TNT, GA 1546

We refer to your correspondence requesting us to furnish you with information regarding your state of affairs:

In response we wish to confirm the account and its respective balance with us, as at close of business on 30th June 2025 to have been as follows:

ACCOUNT NUMBER	ACCOUNT NAME	CURR	ACCOUNT BALANCE
1937110127	MALARIA GRANT NO KEN M TNT GA 1546	KES	16,782,117.63 CR

We trust that this meets your requirements.

Yours faithfully,

Authorized signatory
Alex Kifisao

Authorized signatory
Elizabeth Muraguri

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NCBA BANK KENYA

NCBA Bank Kenya PLC is a subsidiary of NCBA Group PLC. NCBA Bank Kenya PLC is regulated by the Central Bank of Kenya.



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

AUGUST 15TH 2025

Your Ref:

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

Please find below M-PESA balances (In KSH) held for the below organization(s) as of 30th June 2025.

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

Daniel Githiga

Manager - M-PESA Accounting

When we come together, great things happen.

**MALARIA NFM 3 GRANT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2025**

PART B

KEN-M-TNT GA1546

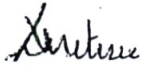
Bank Account No.1583580368 Held with NCBA

	NOTES	AMOUNT USD	AMOUNT USD
1 Amount advanced by Global Fund			
TNT			36,479,460.27
NMCP		18,607,226.53	
Less		17,872,233.74	
2 Total amount justified to Global Fund			
3 Outstanding amount advanced to Designated Account			36,479,460.27
			-
Represented by:			
4 Ending Designated Account Balance at 30.06.2025			-
5 Amount claimed but not credited at 30.06.2025			-
6 Amount withdrawn and not claimed as at 30.06.2025			-
7 Service charges (if not included in 5 & 6 above)			-
Less			-
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2025			-

Descripancy between total appearing on lines 3 and 9

Notes:

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


**AUTHORIZED REPRESENTATIVE
 RESOURCES MOBILIZATION DEPARTMENT
 THE NATIONAL TREASURY**

DATE: 05-08-2025

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2025
Account No.	1000375086
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	MALARIA GRANT KEN-M-TNT GA1546-MAIN
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account	2,761,669.90
Add:	
Total Amount deposited by Global Fund	14,065,335.54
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	13,439,375.20
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2025	3,387,630.24

AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA

SIGNATURE: 

AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY

DATE

26-08-2025

SIGNATURE:

DATE

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



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23/01/2025	FT25023MYVMM;1	PA136763	0.00	40,821.43	-1488971.59
18/02/2025	FT2504942KN9;1	PA136845	0.00	15,442.55	-1473529.04
18/02/2025	FT250494X6GY;1	PA136846	0.00	9,053.41	-1464475.63
18/02/2025	FT25049BX1L6;1	PA136847	0.00	11,699.54	-1452776.09
18/02/2025	FT25049Y0GDK;1	PA136843	0.00	8,247.18	-1444528.91
18/02/2025	FT25049Z5VW8;1	PA136844	0.00	11,578.09	-1432950.82
07/03/2025	FT250661SXNB;1	FUNDING	-2,639,963.73	0.00	-4072914.55
07/03/2025	FT25066BLKPN;1	FUNDING	0.00	2,400,000.00	-1672914.55
07/03/2025	FT25066J4SG5;1	FUNDING	-1,826,381.62	0.00	-3499296.17
20/03/2025	FT25079NMWG3;1	PROJECT FUNDING.	-2,400,000.00	0.00	-5899296.17
25/03/2025	FT25084PQ9P7;1	FUNDING	-1,638,700.60	0.00	-7537996.77
15/04/2025	FT25105QM7Z0;1	MALARIA GRANT	-5,528.70	0.00	-7543525.47
26/05/2025	FT25146FS8HJ;1	REV FT25079NMWG3	0.00	2,400,000.00	-5143525.47
20/06/2025	FT251711XN80;1	PA138527	0.00	528,139.92	-4615385.55
20/06/2025	FT251715J3MX;1	INWARD	0.00	442,402.55	-4172983
20/06/2025	FT25171L4X9Q;1	PA136667	0.00	700,677.56	-3472305.41
20/06/2025	FT25171V7WJF;1	PA136786	0.00	24,824.00	-3447481.44
20/06/2025	FT25171WM77D;1	PA136820	0.00	59,851.20	-3387630.24

CLOSING BALANCE : -3387630.24

END OF ACCOUNT STATEMENT

Favourites		TAM.E.STMT.OF.ACCT.EPRM		More Options		Find	
				Clear Selection			
Account	equals	✓	1000375086				
Statement From	equals	✓	20240701				
Statement To	equals	✓	20250830				
		TAM.E.STMT.OF.ACCT.EPRM					

MALARIA NFM 3 TRIAL BALANCE AS AT 30TH JUNE 2025		
	DR(KSHS)	CR(KSHS)
Revenue		989,688,031.00
Accommodation	14,454,700.00	
PPE Depreciation	1,272,861.00	
Publishing and Advertising	8,414,140.00	
Hire of training facilities	1,363,404.10	
Receivables Transfer to NFM 4		88,733,658.00
Medical drugs	90,997,654.01	
Fuel, oil and lubricants	50,822.00	
Transfers to NMCP	502,773,374.35	
Contracted Professional services (AIA)	387,502,862.68	
PPE	13,577,179.00	
Acc depreciation on PPE		1,272,861.00
Payables transferred to NFM 4	88,733,658.00	
Transfer to NFM 4	11,659,154	
Accumulated Surplus		41,105,259.00
TOTAL	1,120,799,809.00	1,120,799,809.00