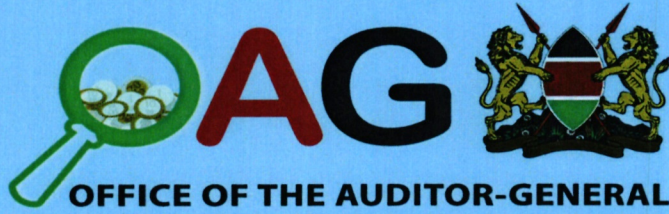


REPUBLIC OF KENYA

60



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

OF DATE: 23 FEB 2021

DAY.

Thursday

TABLED
BY:

L.O.M

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

Moinah Mwangi

ON

**HEALTH SECTOR SUPPORT
PROJECT – SWAp SECRETARIAT
(IDA CR. NO. 4771-KE AND CR. NO.5367-KE)**

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

MINISTRY OF HEALTH



1997

1998

1999

2000

2001





KENYA HEALTH SECTOR SUPPORT PROJECT

THE NATIONAL ASSEMBLY
PAPERS LAID

SWAp SECRETARIAT DATE: 23 FEB 2021

DAY.

CREDIT NUMBER: 4771 - KE

TABLED BY:
CLERK-AT-THE-TABLE:
CREDIT NUMBER: 5367 - KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE, 2020

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

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**Kenya Health Sector Support Project – SWAp Secretariat
Reports and Financial Statements
For the financial year ended 30th June, 2020**

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health.
Project number	CR – 4771 –KE & CR-5367-KE
Strategic goals of the project	The strategic goals of the project are as follows: (i) To ensure an improved Health services to the Kenyan population especially the poor. (ii) To reduce Health inequity
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) By improving health services and strengthening systems. (ii) Providing funds to NHIF to pay for the poor. (iii) Improving referral systems. (iv) Improving environmental Health systems.
Other important background information of the project	The project operates within a sector wide approach. The foundation is laid down in the National Health Sector Strategic Plan 2005-2012.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) The Health of the Kenyan people has improved especially the large population of the Kenyan people (poor) can now access medical attention for free. (ii) The project has provided financing to commodities and has strengthened the logistics system.
Project duration	The project started on 30 th September 2010 and is expected to run until 30 th June 2018.

1.4 Bankers

The following are the bankers for the current year: (Both Project Account and Deposit account)

Co-operative Bank
Ukulima Cooperative
P.O. Box 74956-00100
Nairobi

1.5 Auditors

Auditor General
P.O Box 30084 – 00100
Nairobi.

**Kenya Health Sector Support Project – SWAp Secretariat
Reports and Financial Statements
For the financial year ended 30th June, 2020**

1.6 Roles and Responsibilities

List of the different people who are working on the project.

Names	Title designation	Key qualification	Responsibilities
Dr. David Kariuki	Head, Directorate of policy, planning and Health care Financing.	MB chB, Msc	Project oversight and overall coordination of activities of the Directorate and Project Coordinator
Alice Olango	Project Accountant	Bcom, CPA(K)	Preparation of Financial reports as required from time to time e.g. IFR, Bank reconciliation, exchequer requisition, Vote book , preparation of project F/S , responding to Audit issues etc.

**Kenya Health Sector Support Project – SWAp Secretariat
Reports and Financial Statements
For the financial year ended 30th June, 2020**

.7 Funding summary

The original credit IDA 4771 had three components i.e. HSSF, EMMS and SWAp Non Pool. So far the Government has secured two additional credits i.e. IDA 5034 and 81623. Each component has been treated as a separate entity. Under SWAp Non pool, the Ministry of Health has so far received the following amount since inception.

Source of funds	Donor Commitment-		Amount received to date – (30 th June 2019)		Undrawn balance to date (30th June 2019)	
	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
IDA	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Loan						
IDA - 47710	24,582,682	2,067,872,262	24,582,682	2,067,872,262	-	-
IDA - 53680	41,000,000	4,100,000,000	36,546,557	3,654,655,700	4,453,443	445,344,300
Total	65,582,682	6,167,872,262	61,129,239	5,722,527,962	4,453,443	445,344,300

1.8 Summary of Overall Project Performance:

- Over ambitious work plan
- The Project was able to achieve the targeted objectives as they were set in the work plan of 2017/2018.

1.9 Summary of Project Compliance:

- The project complied with applicable laws and regulations, and essential external financing agreements/covenants and this helped us to achieve the objectives set.

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

The Principal Secretary for the Ministry of Health and the Project Coordinator for Kenya Health Sector Support Project – SWAp Secretariat accept responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the Ministry of Health and the Project Coordinator for Kenya Health Sector Support Project – SWAp Secretariat are of the opinion that the Project’s financial statements give a true and fair view of the state of Project’s transactions during the financial year ended June 30, 2020, and of the Project’s financial position as at that date. The Principal Secretary for the Ministry of Health and the Project Coordinator for Kenya Health Sector Support project – SWAp Secretariat 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 as well as the adequacy of the systems of internal financial control.

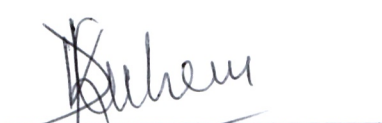
The Principal Secretary for the Ministry of Health and the Project Coordinator for Kenya Health Sector Support project – SWAp Secretariat confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during 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 for the Ministry of Health and the Project Coordinator for Kenya Health Sector Support project – SWAp Secretariat on _____ 2020 and signed by them.



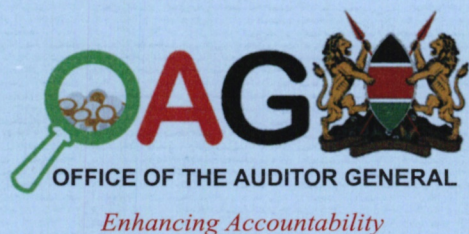
**Susan Mochache, CBS
Principal Secretary**



**Dr. David Kariuki
Project Coordinator**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HEALTH SECTOR SUPPORT PROJECT – SWAp SECRETARIAT (IDA CR. NO. 4771-KE AND CR. NO.5367-KE) FOR THE YEAR ENDED 30 JUNE, 2020 - MINISTRY OF HEALTH

REPORT ON THE FINANCIAL STATEMENTS.

Opinion

I have audited the accompanying financial statements of Health Sector Support Project – SWAp Secretariat set out on pages 1 to 17, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts and the special account statement 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 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 the Health Sector Support Project – SWAp Secretariat as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreements No.4771-KE and No.5367- KE dated 10 February, 2012 and 21 January 2014 between International Development Association and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Health Sector Support Project – SWAp Secretariat Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts for the period ended 30 June, 2020 reflects actual receipts of Kshs.289,140,119 being miscellaneous receipts

on refunds from unutilized KEMSA disbursements during the year 2017/2018 against a NIL budget. Further, the project incurred actual expenditure of Kshs.2,040 on bank charges resulting in underutilization of Kshs.289,138,079 or 99.9% of the actual receipts. There has been not planned activities since the project closure which was earmarked to close on 30 June, 2018. No explanation was provided on why the Project had not been closed despite there being no activities after the Project closure date.

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or 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 are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

Report of the Auditor-General on Health Sector Support Project-SWap Secretariat (IDA CR.No.4771-KE and CR No. 5367-KE) for the year ended 30 June, 2020- Ministry of Health

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

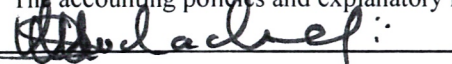
29 December, 2020

Kenya Health Sector Support Project – SWAp Secretariat
 Reports and Financial Statements
 For the financial year ended 30 June, 2020

4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Notes	Receipts and payments controlled by the entity Kshs	2019/20 Receipts and Payments made by third parties Kshs	Receipts and payments controlled by the entity Kshs	2018/19 Payments made by third parties Kshs	Cumulative to date Kshs
RECEIPTS						
Loan from external development partners	8.2		-	131,340,962	133,291,000	6,586,234,016
Miscellaneous receipts	8.3	289,140,119	-	207,454		291,033,111
Total receipts		289,140,119	-	131,548,416	133,291,000	6,877,267,127
PAYMENTS						
Compensation of employees	8.4				-	20,307,734
Purchase of goods and services	8.5	2,040		92,261,947	109,442,582	1,878,636,533
Acquisition of non-financial assets	8.6	-		-	-	360,659,998
Transfers to other government entities	8.7	-		300,000,000	23,848,418	4,328,484,062
TOTAL PAYMENTS		2,040	-	392,261,947	133,291,000	6,588,088,327
SURPLUS/DEFICIT FOR THE YEAR		289,138,079		(260,713,531)		289,178,800

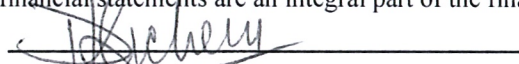
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Susan Mochache, CBS

Principal Secretary

Date 10/12/2020



Dr. David Kariuki

Project Coordinator

Date: 10/12/2020



Alice Olango
Project Accountant

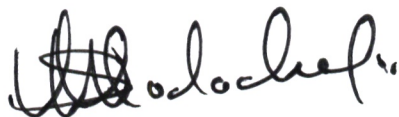
Date: 10/12/2020

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

	Notes	2019/20 Kshs	2018/19 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.8 A	289,178,800	40,721
Imprests and Advances	8.8 C	170,080	170,080 (Restated)
TOTAL FINANCIAL ASSETS		<u>289,348,880</u>	<u>210,801</u> (Restated)
REPRESENTED BY:			
Cash and Cash equiv B/F	8.8B	40,721	260,754,252
Receivables		170,080	170,080 (Restated)
Surplus/Deficit for the year		289,138,079	(260,713,531)
NET FINANCIAL POSITION		<u>289,348,880</u>	<u>210,801</u>

Note Reason for restatement: The imprest of Kshs 170,080 was omitted from 2018/2019 Statement of Financial Assets

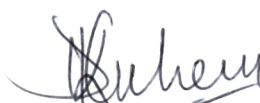
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2020 and signed by:



Susan Mochache, CBS

Principal Secretary

Date 10/12/2020



Dr. David Kariuki

Project Coordinator

Date 10/12/20



Alice Olango

Project Accountant

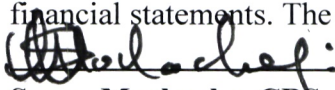
ICPAK No: 15289

Date 10/12/2020

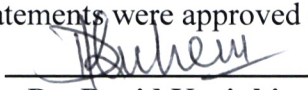
6. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE, 2020

	Notes	2019/20 Kshs	2018/19 Kshs
Receipts for operating income			
Miscellaneous receipts	8.3	289,140,119	207,454
Payments for operating expenses			
Compensation of employees	8.4		-
Purchase of goods and services	8.5	(2,040)	(201,704,529)
Transfers to other government entities	8.7		(323,848,418)
Adjustments during the year			21,106,696
		-	
Net cash flow from operating activities		289,138,079	(504,238,797)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8.6		-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Loan from external development partners	8.2		264,631,962
Net cash flow from financing activities		-	264,631,962
NET INCREASE IN CASH AND CASH EQUIVALENT		289,138,079	(239,606,835)
Cash and cash equivalent at BEGINNING of the year		40,721	239,647,556
Cash and cash equivalent at END of the year		289,178,800	40,721

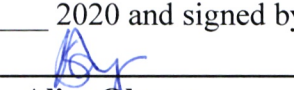
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2020 and signed by:


Susan Mochache, CBS
Principal Secretary

10/12/2020
Date


Dr. David Kariuki
Project Coordinator

10/12/20
Date

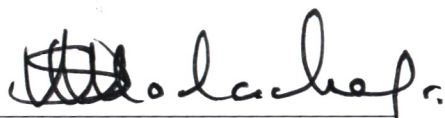

Alice Olango
Project Accountant
ICPAK NUMBER:

15259
Date 10/12/2020

7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2020

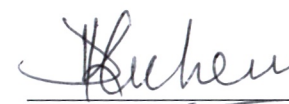
Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=e/c %
Receipts						
Proceeds from borrowings			-			
Miscellaneous receipts			-	289,140,119	289,140,119	100%
Total Receipts				289,140,119	289,140,119	100%
Payments						
Capital transfers to non – profit organization and associations			-			
Interest				2,040	2,040	100%
Total Payments				2,040	2,040	100%

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



Susan Mochache, CBS
 Principal Secretary

10/12/2020
 Date



Dr. David Kariuki
 Project Coordinator

10/12/20
 Date

8. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

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

8.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Project. The accounting policies adopted have been consistently applied to all of the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid out by the Project.

i. Recognition of revenue and expenses

The Project recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Project. In addition, the Project recognises all expenses when the event occurs and the related cash has actually been paid out by the Project.

ii. Cash and cash equivalents

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

8.2 Loan from External Development Partners

During the 12 months to 30 June 2020 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs	
					FY 2019/20	FY 2018/19
					Kshs	Kshs
Loans Received from Multilateral Donors (International Organizations)						
IDA - WORLD BANK	-		-			131,340,962
Receipt made by 3 rd Parties						133,291,000
Total			0	0	0	264,631,962,

8.3 Miscellaneous Receipts

	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	FY 2019/20 Kshs	FY 2018/19 Kshs	Cumulative to - date
Other receipts not classified elsewhere- refund from KEMSA	-		289,090,323		290,983,315
Imprest surrendered in cash	49,796		49,796	207,454	49,796
	289,140,119	0	289,140,119	207,454	289,033,111

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

8.4 Compensation of Employees

	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	2019/20 Kshs	2018/19 Kshs	Cumulative to-date
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	20,108,714
Compulsory national health insurance schemes	-	-	-	-	199,020
TOTAL	-	-	-	-	20,307,734

8.5 PURCHASE OF GOODS AND SERVICES

	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	2019/20 Kshs	2018/19 Kshs	Cumulative to-date
Communication, supplies and services		-	-	18,132,000	50,179,423
Domestic travel and subsistence		-	-	43,256,782	774,046,851
Foreign travel and subsistence		-	-	-	23,943,918
Professional fee		-	-	38,377,417	486,561,779
Printing, advertising and information supplies & services		-	-	79,423,000	303,434,446
Training		-	-	14,302,200	37,176,581
Hospitality supplies and services		-	-	7,567,185	174,048,047
Other operating expenses		-	-	-	16,201,348
Vehicle and other Transport Equipment		-	-	329,525	12,557,580
Bank charges	2,040			316,420	318,460
Exchange rate losses/gains (net)				-	168,200
TOTAL	2,040	-	-	201,704,529	1,878,636,633

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

8.4 Compensation of Employees

	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	2019/20 Kshs	2018/19 Kshs	Cumulative to-date
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	20,108,714
Compulsory national health insurance schemes	-	-	-	-	199,020
TOTAL	-	-	-	-	20,307,734

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Exchange rate losses/gains (net)				-	168,200
TOTAL	2,040	-	-	201,704,529	1,878,636,633

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

8.6 Acquisition of Non-Financial Assets

	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	2019/20 Kshs	2018/19 Kshs	Cumulative to-date
Purchase of vehicles & other transport equipment	-	-	-	-	329,187,923
Purchase of office furniture & general equipment	-	-	-	-	31,472,075
	-	-	-	-	360,659,998

8.7 Transfers to other government entities

During the 12 months to 30 June 2020, we transferred funds to reporting government entities as shown below:

	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Financial Year 2018/19 Kshs	Financial Year 2017/18 Kshs	Cumulative To date Kshs
Transfers to National Government entities					
Ministry of Health - NHIF	-	-	-	300,000,000	1,452,155,106
K.S.G	-	-	-	-	489,396,353
KEMSA	-	-	-	-	929,897,818
N.C.P.D	-	-	-	9,486,500	234,543,580
AMREF	-	-	-	14,361,918	287,268,370
Ministry of Health - K.M.T.C					548,896,637
UNITED NATIONS CHILDREN’S FUND					386,326,198
TOTALS	-	-	-	<u>323,848,418</u>	<u>4,328,484,062</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

8.8B Cash and Cash Equivalents C/Fwd.

	2019/20	2018/19
	Kshs	
Fund Balance b/f	40,721	260,754,252
Miscellaneous Receipts	289,140,119	
Surplus/deficit	(2,040)	(260,713,531)
Balance c/d	<u>289,178,800</u>	<u>40,721</u>

	2019/20	2018/19
	Kshs	Kshs
8.8A Bank Accounts		
<u>Local Currency Accounts</u>		
Co-operative Bank of Kenya [A/c No 01141134282300]		40,721
Others (<i>specify</i>)	289,178,800	
Total local currency balances	<u>289,178,800</u>	<u>40,721</u>
Total bank account balances	<u>289,178,800</u>	<u>40,721</u>

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

	2019/20	2018/19
	KShs	KShs
(i) A/C Name [A/c No 02120134338000]		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
Closing balance (as per SDA bank account reconciliation attached)	<u>0.00</u>	<u>0.00</u>
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

8.8 C Outstanding Imprests and Advances

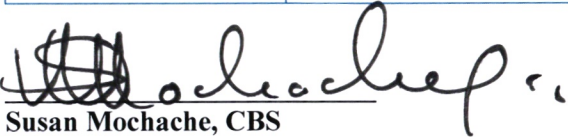
Name of Officer or Institution	Imprest No.	Amount Taken	Date Taken	Due Date of Surrender	Amount Surrendered	Balance	Balance
						2019	2020
PETER MBUGUA	1108499	170,098	15/6/2011	25/6/2011	-	170,098	170,098
Total		170,098				170,098	170,098

**Kenya Health Sector Support Project – SWAp Secretariat
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For the financial year ended 30th June, 2020**


9. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Lack of approved Budget	Not needed because no new activity was undertaken	Dr Valeria, Project coordinator	Not Resolved	
1	Irregular Project Extension	There was a grace period of 4 months to complete operations	Dr Valeria, Project coordinator	Not Resolved	


Susan Mochache, CBS
Principal Secretary

10/12/2020
Date


Dr. David Kariuki
Project Coordinator

10/12/20
Date

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Variance	% of Utilization Variance to Final Budget	Comments on Variance
	a	b	c=a-b	d=c/a %	
RECEIPTS DURING THE YEAR/PERIOD					
Government of Kenya	-	-	-		
External financing					
Miscellaneous receipts		289,140,119	289,140,119	100%	This is a refund from unutilized Kemsas disbursement of 2017/2018
Total receipts		289,140,119	289,140,119	100%	
PAYMENTS DURING THE YEAR/PERIOD					
Capital transfers to non – profit organization and associations					
Total payments					

*Kenya Health Sector Support Project – SWAp Secretariat
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 For the financial year ended 30th June, 2020*

ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

*Kenya Health Sector Support Project – SWAp Secretariat
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ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
1.							
2.							
3.							
Sub-Total							
Permanent Employees - Others							
4.							
5.							
6.							
Sub-Total							
Temporary employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

*Kenya Health Sector Support Project – SWAp Secretariat
Statement of Budget Performance
For the year ended June 30, 2020*

ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2020	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

**Kenya Health Sector Support Project – SWAp Secretariat
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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost	*Purchases/Additions in the Year	Transfer to Ministry	Closing Cost
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
	2019/20	2018/19	2018/19	(Kshs)
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Office equipment, furniture and fittings	2,430,400	-	2,430,400	-
ICT Equipment, Software and Other ICT Assets	29,041,675	-	29,041,675	-
Other Machinery and Equipment	329,187,923	-	329,187,923	-
Intangible assets	-	-	-	-
Total	360,659,998	-	360,659,998	-