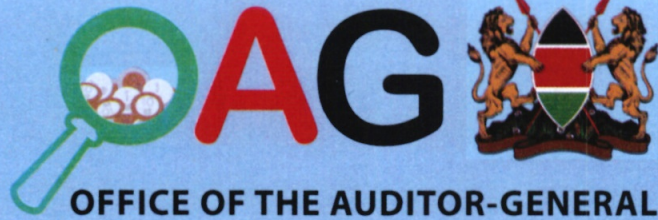
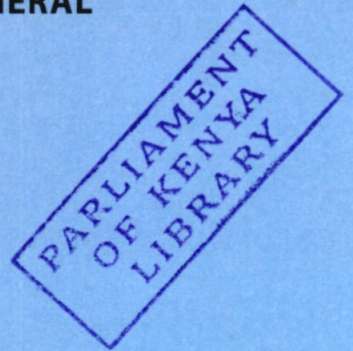


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 NOV 2024

DAY.

THE AUDITOR-GENERAL

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Whip - Maj. Party

CLERK-AT
THE-TABLE:

Vivian Wambui

ON

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

FOR THE YEAR ENDED
30 JUNE, 2024

MINISTRY OF HEALTH



PROJECT NAME: DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

IMPLEMENTING ENTITY: State Department for Medical Services

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
Annual Report and Financial Statements
for the financial year ended June 30, 2024

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

Annual Report and Financial Statements for the financial year ended June 30, 2024

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1. Acronyms and Glossary 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
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.
CHV	Community Health Volunteers
M & E	Monitoring and Evaluation
RMNCAH	Reproductive, maternal, Newborn, Child and Adolescent Health Services
PHC	Primary Health Care

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is DANIDA Primary Healthcare (PHC) Support Program

Objective

The key objective of the project is to improve primary health care with focus on reproductive, maternal, newborn, child and adolescent health.

Address

The project headquarters offices are Ministry of Health, Afya House, Nairobi County, Kenya.

The address of its registered office is: Ministry of Health, Afya House, Cathedral Road, P.O Box 30016–00100, Nairobi – Kenya.

Contacts: The following are the project contacts

P.O. Box:30016-00100

Telephone: +254-20-2717077

E-mail: ps@health.go.ke

Website: <https://www.health.go.ke>

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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Project Information and Overall Performance(Continued)

2.2 Project Information

Project Start Date:	The project start date is 01 January 21
Project End Date:	The project end date is 30 th June 2026
Project Manager:	The project manager is Dr. Isaac Kimani
Project Sponsor:	Danish International Development Agency (DANIDA)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health.
Strategic goals of the project	The strategic goals of the project are as follows: (i) Increased pro-poor access to quality primary healthcare with focus on reproductive, maternal, new-born, child and adolescent health services at county level. (ii) Improved access to and delivery of sustainable primary healthcare services in 47 counties in Kenya
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Conditional grants towards primary care to all 47 counties to support outreach, operations and maintenance at public gazetted level 2 and 3 health facilities as well as level 1 community health services. (ii) Long-term Advisor support through a Financial Management Advisor and M&E Advisor with the primary focus of providing overall advice and capacity building.

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

Annual Report and Financial Statements

for the financial year ended June 30, 2024

Other important background information of the project	The project focuses on the counties and specifically at level 2 and 3 health facility level as well as level 1 (community) health services. The current funding is likely to be the last phase of Danish health support to Kenya and therefore there is a strong component of sustainability. A counterpart funding modality was put in place where Danida contributions will drop each year with counties required to replenish the amounts accordingly.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Sustainably covering critical financing gaps in primary health care in counties in terms of predictable and flexible funding for operations, maintenance and outreach through existing government systems. (ii) Strengthening the implementation and management of healthcare service delivery through technical assistance to M&E and PFM.
Project duration	The project started on 1st January 2021 and is expected to run until 30 th June 2026.

2.4 Bankers

The following are the bankers for the current year:

Central Bank of Kenya
P.O. Box 60000-00200
Nairobi

2.5 Auditors

Auditor- General
P.O Box 30084 – 00100
Nairobi.

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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Project information and overall performance (continued)

2.6 Roles and Responsibilities

List the different people who will be working on the project.

	Names	Title designation	Key qualification	Responsibilities
	Dr. Isaac Kimani	Project Manager leading the Project Management Team with representatives from Council of Governors	MBChB	To manage, direct and monitor implementation of the project's activities. Coordinate with counties in working towards meeting the project's objectives.
	Steen Larsen	DANIDA Financial Management Advisor	Bsc Economics	To provide advice and capacity building on financial management procedures surrounding the conditional grants and around the need for increased budgetary allocation to health by counties. Oversee transfer of funds from national to county levels.
	Kirstine Nojgaard	DANIDA M&E Advisor	Bsc Public Health	To provide advice within the areas of M&E and/or broader health systems strengthening.

Project information and overall performance (continued)

2.7 Funding summary

The Project is for duration of 5 years with an extension of 6months from 2021 to June 2026 with an approved initial budget of **DKK 140 million** equivalent to approximately **Ksh. 2.4 billion**. In September 2021, the Royal Danish Embassy announced additional funding to the PHC program of **DKK 75 million (Ksh. 1.2 billion)** as highlighted in the table below:

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Undrawn balance to date	
	Donor currency (DKK)	Kshs	Donor currency (DKK)	Kshs	Donor currency (DKK)	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Grant						
DANIDA PHC	215,000,000	3,600,000,000	88,989,993	1,704,691,000	126,010,007	1,895,309,000
Total	215,000,000	3,600,000,000	88,989,993	1,704,691,000	126,010,007	1,895,309,000

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)	Unutilised balance to date (30 th June 2024)	
	Donor currency (DKK)	Kshs		Donor currency (DKK)	Kshs
	(A)	(A')		(A)-(B)	(A')-(B')
(i) Grant					
DANIDA PHC	88,989,993	1,704,691,000	1,675,584,777	1,542,460	29,106,223
Total	88,989,993	1,704,691,000	1,675,584,777	1,542,460	29,106,223

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

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for the financial year ended June 30, 2024

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

The key beneficiaries of the project are women of reproductive age, including adolescents and children under five who utilize Primary Health Care services most. The project supports counties in ensuring that the benefits reach the people at grass root level. The projects aim to ensure that;

- Children younger than one year are fully immunized;
- Pregnant women attend at least four Anti-Natal Care (ANC) visits;
- Births are attended by skilled health personnel; and
- Women of reproductive age are using a modern Family Planning method.

i. Budget Performance Against Actual amounts for the current year and the cumulative to date

FY 23/24			FY 22/23			Cumulative to-date (from inception)	
Budget Kshs	Actual Kshs	Absorption %	Budget Kshs	Actual Kshs	Absorption %	Kshs	
768,675,000	471,579,000	61	1,597,554,500	897,947,749	56	1,693,888,015	

ii. Physical progress based on outputs and outcomes since project commencement

The Program monitors 3 outcome indicators which are as follows;

- Facility maternal mortality (maternal deaths per 100,000 live births).
- Births attended by skilled health staff (percentage).
- Contraceptive Prevalence Rate (CPR).

The table below highlight the performance of the above outcome indicators for the program since inception.

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Project information and overall performance (continued)

Indicator/Period	Kenya			
	July 2020 - June 2021	July 2021 - June 2022	July 2022 - June 2023	July 2023 - June 2024
Facility Maternal Mortality Ratio	109.9	110.3	94.0	103.2
(%) of Deliveries conducted by Skilled Birth Attendants	77.9	79.1	75.7	73.0
Contraceptive Prevalence Rate	24.5	15.2	12.3	15.6
4th Antenatal Care (ANC) Coverage (%)	50.1	52.6	52.1	53.7
WRA receiving FP Commodities (Rev 2020)	29.6	36.7	36.7	40.4
Proportion of under 1 year receiving DPT/Hep+HiB3	85.7	87.7	85.1	82.4
OPD utilisation rate (717)	1.4	1.5	1.5	1.4
Facility based neonatal death rate (per 1000 live births)	9.5	9.9	10.0	9.7

iii. Absorption rate for each year since the commencement of the project.

	FY 23/24			FY 22/23			FY 21/22		
	Budget Kshs	Actual Kshs	Absorption %	Budget Kshs	Actual Kshs	Absorption %	Budget Kshs	Actual Kshs	Absorption %
	768,675,000	471,579,000	61	1,597,554,500	897,947,749	56	433,648,750	324,361,266	75

Implementation Challenges

Challenges

- Delay in enactment of the County Governments Additional Allocations Act (CGAAA)—approved in March 2024 and repealed sections 191A-E of the PFM Act which required counties to have gazetted IGPA's for FY23/24 and 24/25.
- Lengthy audit processes which result in delayed assessment of eligibility-disbursement of FY22/23 second tranche funds on 3rd July 2023 resulted in complications in transfer and utilization.
- Outstanding audit issues in counties which compromise eligibility to receive funds.
- Due to delayed disbursement of equitable share from the National Government. Many counties had to appropriate funds in supplementary budgets and wait for approval by county assemblies.

Project information and overall performance (continued)

Recommendations

- Timely release of funds to the counties—there is need for continued advocacy and **concerted efforts** from COG, MOH and RDE for the annual county governments additional allocation bill to be passed in goodtime.
- COG, MOH, RDE and Ernst and Young to work closely together in **expediting audit processes**. Audit findings to be considered in disbursement of tranche 2 with other conditions to be used in determining eligibility for tranche 1.
- Counties to promptly resolve audit issues to ensure clearance by auditors and to remain eligible for further funding.
- Counties to prioritize budgeting for counterpart funding and disburse the funds to health facilities.
- Synergy between county departments of **Health** and **Finance** to facilitate transfer of funds from CRF to SPA and subsequently to health facilities within stipulated timelines.

2.9 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.

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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3. Statement of Performance against Project's Predetermined Objectives

The DANIDA PHC grant named “improved primary health care with focus on reproductive, maternal, newborn, child and adolescent health” focuses on supporting the counties and specifically all gazette government health facilities and level 1 community health services. This has led to improvement in reported quality of care provided at primary health care facilities and resulted into staff motivation and patient satisfaction.

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

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

- a) Improve the delivery, utilization, and quality of PHC services at the county level with a focus on (Reproductive, Maternal, Newborn, Child and Adolescent health services) RMNCAH.
- b) Funds will be sent to gazetted public Level 2 and Level 3 health facilities in the 47 Counties.
- c) Strengthen institutional capacity to better deliver quality PHC services.

Progress on attainment of Strategic development objectives

	Objective	Outcome	Indicator	Performance
1	Improve the delivery, utilization, and quality of Public Health Care services at the county level	Improved access to and delivery of sustainable primary healthcare services in 47 counties in Kenya	skilled birth delivery year's coverage increase in antenatal care year's coverage Uptake of family planning.	Increased pro-poor access to quality primary healthcare with focus on reproductive, maternal, new-born, child and adolescent health services at county level.

4. Environmental and Sustainability reporting

i. Sustainability strategy and profile

The support makes full use of country systems delivering 'on-budget' support to counties and Ministry of Health. Disbursement of conditional grants is done through the Government system to National Treasury for onward disbursement through IFMIS to the health facilities in the 47 counties. These grants are given at county level according to the existing County Allocation of Revenue (CARA) formula and are allocated to facilities, based on a criterion agreed upon by the county and fully disclosed to the project team. This will improve public health service delivery as the funds will support operational and maintenance expenditure at primary health care facility level.

ii. Environmental performance

Follow up was made to ensure that all counties had renewed the National Environmental Management Authority (NEMA) certificates for waste management and all environmental safeguards are adhered to.

iii. Employee welfare

The project follows the Government policies and procedures in the hiring process. The Ministry Human Resource department in collaboration with the Council of Governors (COG) conducts the interviews.

iv. Market place practices-

a) Responsible Supply chain and supplier relations-

The organization encourages free flow of information during procurement processes to enable Suppliers gain complete understanding of the procurement being undertaken, and this allows them to both parties to meet each other's' needs more effectively.

b) Responsible ethical practices

- Continuous updating of the supplier register by registration of all qualified suppliers
- Ensure confidentiality is maintained during a procurement process. If Any information is to be given, ensure it is shared to all participating suppliers during a procurement process.
- The organization is a government entity and serves and treats all its clients equally.

c) Regulatory impact assessment

- All procurement processes are done in accordance to the procurement regulations of the donor requires fairness in treatment of all citizens and stakeholders
- All procurement processes are to be open to all eligible participants

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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v. **Community Engagements-**

The project follows the Government procedures and public participation is required at the county level .

5. Statement of Project Management responsibilities

The Principal Secretary for the Ministry of Health and the Project Manager for Danida Primary Health care support program – (DANIDA PHC Project) 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, 2024. 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 Manager for Danida Primary Health care support program – (DANIDA PHC Project) 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 Manager for Danida Primary Health care support program – (DANIDA PHC Project) 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, 2024 and of the Project's financial position as at that date. The Principal Secretary for the Ministry of Health and the Project Manager 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 Manager for Danida Primary Health care support program – (DANIDA PHC Program) 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.

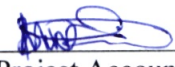
DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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Approval of the Project financial statements

The Project financial statements were approved by The Principal Secretary for the State Department for Medical Services and the Project Manager for Danida Primary Health care support program – (DANIDA PHC Program) Secretariat on 24th October 2024 and signed by them.


Principal Secretary
Name: Harry Kumbiwe


Project Manager
Name: Dr Isaac Kumbiwe


Project Accountant:
Name: CPA DORCAS MWANU

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM FOR THE YEAR ENDED 30 JUNE, 2024 – MINISTRY OF HEALTH

PREAMBLE

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

- A. Report on the 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 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 the Effectiveness of Internal control, 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 control, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in use of resources, or that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aim to address the Auditor-Generals 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 DANIDA Primary Healthcare (PHC) Support Program - Ministry of Health set out on pages 1 to 24, which comprise of the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and the statement of comparison of

Report of the Auditor-General on DANIDA Primary Healthcare (PHC) Support Program for the year ended 30 June, 2024 - Ministry of Health

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 the DANIDA Primary Healthcare (PHC) Support Program as at 30 June, 2024 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement dated 14 December, 2020 between Danish Government and the Republic of Kenya.

Basis for Opinion

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

Emphasis of Matters

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.768,675,000 and Kshs.471,579,000 respectively resulting to an under-funding of Kshs.297,096,000 or 39% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

2. Undrawn Grant Funds by Counties

The statement of receipts and payments reflects an amount of Kshs.440,979,000 in respect to transfers to other government entities as disclosed in Note 3 to the financial statements being transfers to the expected forty-seven (47) Counties. Analysis of DANIDA Primary Healthcare statements provided for audit revealed that the funds were transferred to thirty-six (36) Counties while eleven (11) Counties missed out due to non-compliance with funding requirements. However, the Government Additional Allocations Act, 2024 allocation of Kshs.577,500,000 for all the forty-seven (47) Counties resulting to an under disbursement of Kshs.136,521,000.

In the circumstances, program activities were not implemented in the eleven (11) Counties that did not meet the funding requirements resulting in denial of essential primary healthcare services 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management had not resolved the issues as at 30 June, 2024.

Other Information

Conclusion

The Management is responsible for the other information set out on page iii to xvi which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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 and I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

1. Failure to Prepare and Submit County Financial Statements

The statement of receipts and payments reflects an amount of Kshs.1,661,838,015 in respect to DANIDA funds paid to the 36 out of 47 Counties from inception in

Report of the Auditor-General on DANIDA Primary Healthcare (PHC) Support Program for the year ended 30 June, 2024 - Ministry of Health

January, 2021 to date and as disclosed in Note 4 to the financial statements. However, the respective 47 County financial reports on the utilization of the funds have not been prepared and submitted to the Auditor-General for audit. This was contrary to Section 8.3 of DANIDA Development Engagement Document (DED) on Bilateral Development Cooperation under Denmark's Strategic Framework for Kenya - January, 2021-December, 2025, which states that the accounting and auditing of the DANIDA funds is to be undertaken by the Office of the Auditor-General and annual audit reports issued for each individual County, for the conditional grant support. Danish Embassy should timely receive copies of the 47 signed annual audit reports from the Office of the Auditor General.

In the circumstances, Management was in breach of the law while value for money from the transfers to the Counties could not be confirmed.

2. Delays in Transfer of Funds

The statement of receipts and payments reflects an amount of Kshs.440,979,000 in respect to transfers to other government entities as disclosed in Note 3 to the financial statements. The amount of Kshs.440,979,000 transfers to 36 out of 47 Counties. Analysis of DANIDA Primary Healthcare special purpose account statements from the Counties revealed that the funds were transferred on 21 June, 2024 being nine (9) days to the closure of the financial year. Further, an amount of Kshs.7,738,500 for Isiolo County was erroneously transferred to the recurrent account instead of the County revenue fund account. In addition, as at the time of this audit in August, 2024 eight (8) Counties had not transferred grant amounting to Kshs.87,609,750 to their special purpose accounts. Further, six (6) Counties did not transfer the grants amounting to Kshs.45,248,463 to health facilities for period ranging from fifty-two (52) days to sixty (60) days after receipt. In addition, three (3) Counties did not submit their special purpose account statements for audit.

The delays were contrary to Section 8.1 of the DANIDA Development Engagement Document under Denmark's framework agreement for Kenya which requires that grant funds disbursed to various County Revenue Funds be channeled without delay to County Special Purpose Accounts for Health and eventually to the recipient health facilities' commercial banks accounts within 25 days with all transactions being done through IFMIS.

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

3. Non-Adherence to Bilateral Agreement Budget Timelines

Review of the approved DANIDA Primary Healthcare Support program annual workplan and budget for the year 2023/2024 revealed that the Ministry of Health submitted it to the Royal Danish Embassy on 6 November, 2023. This was contrary to Section 5(1) on Implementation Arrangements and Approach of the Bilateral Agreement between the Danish Ministry of Foreign Affairs and the National Treasury of the Government of Kenya on development cooperation concerning the DANIDA Primary HealthCare Support program signed on 14 December, 2020 which states that the Ministry of Health shall

submit their annual workplan and budget for Denmark's grant support to the Danish Embassy for approval by 01 June every year.

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

4. Noncompliance with Co-Financing Requirements

The statement of receipts and payments reflects an amount of Kshs.440,979,000 in respect to transfers to other government entities as disclosed in Note 4 to the financial statements being transfers to 36 out of 47 Counties. During the 2023/2024 financial year, the Counties were required to provide counterpart funding of Kshs.450,000,000 or 50% to support outreach, operation and maintenance activities. However, twelve (12) Counties did not contribute counterpart funding totalling Kshs.102,671,124.

In the circumstances, the failure to contribute counterpart funding obligation affects the sustainability efforts of the project and value for money on the public primary healthcare.

Basis of Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on the 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

Control Weaknesses at the Healthcare Facilities

Physical verification of seventeen (17) health facilities in three (3) Counties sampled for physical inspections revealed various internal control weaknesses as detailed out at **appendices I**.

In the circumstances, the effectiveness of internal controls over the utilization of DANIDA Primary Healthcare funds 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 Danish Government, I report based on my audit that 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,

- i. Information given in the Management report on pages iii to xvi is consistent with the financial statements;
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Danish Government 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 International Public Sector Accounting Standards (Cash 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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 also 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

31 October, 2024

Appendix I- Control Weaknesses at the Healthcare Facilities

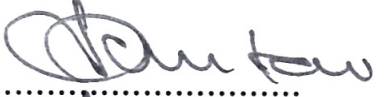
County	Facility	Observation
Isiolo	GK Prison Dispensary	The casual workers were paid wages without an employment contract and attendance register. Further, bank reconciliations were not performed and cashbook lacked key details with no evidence of closure as at 30 June, 2024 and the counterpart funding had not been receipted and recorded in the cashbook. Accumulated casual wages for two casual laborers amounting to August, 2024 of Kshs.96,000
	Anti-Poaching Unit (APU) Health Centre	The casual workers were paid wages without an employment contract and attendance register. Further, bank reconciliations were not performed, there was no evidence that the cashbook was closed as at 30 June, 2024 and the counterpart funding had not been receipted and recorded in the cashbook. Further goods worthy Kshs.37,000 were received without a counter receipt voucher (S13). There were accumulated casual wages for two casual laborers amounting to August, 2024 of Kshs.151,000.
	Bulapesa Health Centre	Review of the cashbook as at 30 June, 2024 revealed cash purchases of Kshs.194,500 for installation of water tanks and Kshs.115,000 for the purchase of 2 laptops and one (1) printer. These amounts exceeded Kshs.50,000 threshold for low-value procurements as per the Second Schedule in the Public Procurement and Asset Disposal Regulations, 2020. Further, bank reconciliations were not performed, there was no evidence that the cashbook was closed as at 30 June, 2024 and did not indicate cheque numbers, dates and names of payees. In addition, payment vouchers are not pre-numbered and goods worthy Kshs.144,000 were received without a counter receipt voucher (S13).
	Aremet Health Centre and Aremet Level 1 Community Unit	The facility is located near a seasonal river which has no bridge for both vehicles and pedestrians which hinders access especially in the rainy seasons. The facility had not received grants to implement program activities since the funds were still held in the County's Recurrent account. Further, the casual workers were paid wages without an employment contract and attendance register. Further, bank reconciliations were not performed and cashbook lacked key details with no evidence of closure as at 30 June, 2024 and the counterpart funding had not been receipted and recorded in the cashbook.

County	Facility	Observation
Laikipia	Melwa Health Centre	The bank reconciliations were not performed and cashbook lacked key details with no evidence of closure as at 30 June 2024. Further, analysis of the renewable contracts of the three casuals indicated eligible statutory NHIF and NSSF deductions which were not deducted.
Laikipia	Matanya Dispensary and Matanya Level 1 & Tigithi Level 1 Community Units	It was noted that Matanya Level 1 and Tigithi Level 1 community units were allocated Kshs.202,500 and Kshs.487,500 respectively totalling Kshs.690,000 but they received Kshs.799,000 resulting to unexplained variance of Kshs.109,000.
	Thome Dispensary and Level 1 Community Unit	The facility had no electricity therefore had equipment such as refrigerators and computers were not being utilized and concerns of security were raised. In addition, there was reduced level of drugs efficacy for vaccines that need refrigeration.
Muranga	Geitwa, Kaharati, Kamahuha, Mianyani, Ithanga, Kagunduini, Karung'e, and Nyakianga Community units	Review of eight (8) Level 1 community unit facilities bank statements revealed that Kshs.2,537,250 remained unutilized in the commercial banks hindering primary healthcare implementation
	Karemaini Dispensary	In was observed that Karemaini Dispensary facility is located 10km from Murang'a town and experiences challenges in transport and accessing ICT services including printing, computers and photocopying.

7. Statement of Receipts and Payments for the year ended 30th June 2024.

	Not e	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023-2024			2022-2023			
Receipts		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Proceeds from domestic and foreign grants	1	471,579,000		471,579,000	907,125,742		907,125,742	1,704,691,000
Total receipts		471,579,000		471,579,000	907,125,742		907,125,742	1,704,691,000
Payments								
Purchase of goods and services	2	4,046,762		4,046,762				4,046,762
Transfers to other government entities	3	440,979,000		440,979,000	897,947,749		897,947,749	1,661,838,015
Other Transfers	4	8,250,000		8,250,000				9,700,000
Total payments		453,275,762		453,275,762	897,947,749		897,947,749	1,675,584,777
Surplus/ (deficit)		18,303,238		18,303,238	9,177,993		9,177,993	29,106,223

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


 Name **Henry Kimani**
 Principal Secretary


 Name **Dr. Isaac Khamu**
 Project Manager


 Name **CPA Dorcas Mwanu**
 Project Accountant

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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for the financial year ended June 30, 2024

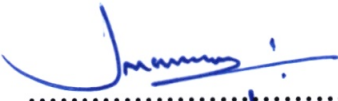
8. Statement of Financial Assets as at 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	5	29,106,223	10,802,985
Total Cash and Cash equivalents		29,106,223	10,802,985
Imprests and Advances			
Total Financial Assets		29,106,223	10,802,985
Financial Liabilities			
Net Assets			
Represented By			
Fund Balance B/fwd.	7	10,802,985	1,624,992
Surplus/(Deficit) for the Year		18,303,238	9,177,993
Net Financial Position		29,106,223	10,802,985

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th October 2024 and signed by:



 Name Harry Ombui
 Principal Secretary



 Name Dr. Isaac Kimani
 Project Manager



 Name CPA DORCAS MWANU
 Project Accountant

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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9. Statement of Cashflow for the year ended 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Proceeds from domestic and foreign grants	1	471,579,000	907,125,742
Total receipts		471,579,000	907,125,742
Payments			
Purchase of goods and services		4,046,762	
Transfers to other government entities	3	440,979,000	(897,947,749)
Other transfers	4	8,250,000	
Total Payments		453,275,762	897,947,749
Adjustments during the year			
Decrease/(increase) in accounts receivable			
Net cash flow from operating activities		18,303,238	9,177,993
Cashflow from investing activities			
Acquisition of non-financial assets			
Net cash flows from investing activities			
Cash flow from financing activities			
Net cash flow from financing activities			
Net increase in cash and cash equivalents		18,303,238	9,177,993
Cash and cash equivalent at beginning of the year	7	10,802,985	1,624,992
Cash and cash equivalent at end of the year	5	29,106,223	10,802,985

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 24th October 2024 and signed by:


 Name Harry Kimani
 Principal Secretary


 Name Dr. Isaac Kimani
 Project Manager

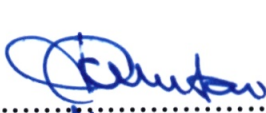

 Name _____
 Project Accountant
 ICPAK Member No: _____

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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10. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2024

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 %
Receipts						
Proceeds from domestic and foreign grants	577,500,000	191,175,000	768,675,000	471,579,000	297,096,000	61%
Total Receipts	577,500,000	191,175,000	768,675,000	471,579,000	297,096,000	
Payments						
Compensation to employees						
Purchase of goods and services		150,000,000	150,000,000	4,046,762	145,953,238	3%
Acquisition of non-financial assets						
Transfers to other government entities	567,500,000	28,825,000	596,325,000	440,979,000	155,346,000	74%
Other grants and transfers	10,000,000	12,350,000	22,350,000	8,250,000	14,100,000	37%
Total Payments	577,500,000	191,175,000	768,675,000	453,275,762	315,399,238	
Surplus or Deficit				18,303,238	(18,303,238)	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.

		
Name <u>Henry Kuntai</u>	Name <u>Isaac Kuvu</u>	Name <u>CPA BORCAS MWANU</u>
Principal Secretary	Project Manager	Project Accountant

11. Significant Accounting Policies

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

a Statement of compliance and basis of preparation

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

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

b Reporting entity

The financial statements are for Danida Primary Health care support program under The State Department for Medical Services. The financial statements are for Danida Primary Health care support program as required by Section 81/ Section 164 of the PFM Act, 2012.

c Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

d Recognition of receipts

Danida Primary Health care support program recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

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Significant Accounting Policies (continued)

e Recognition of payments

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

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

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

f Cash and cash equivalents

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

g Imprests and Advances

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

h Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

Significant Accounting Policies (Continued)

- b) A present obligation that arises from past events but is not recognised because:
- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

i Contingent Assets

The Danida Programme 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 Danida Programme 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 Pending bills

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

k Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements.

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Significant Accounting Policies (Continued)

The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

l Exchange rate differences

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

m Comparative figures

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

n Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

o Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note xx of these financial statements*.

12. Notes to the Financial Statements

1. Proceeds from Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Total amount in Kshs	
					2023-2024	2022-2023
			Kshs	Kshs	Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)						
Danida grant						323,600,493
	21/Jun/2024		471,579,000		471,579,000	583,525,249
Total			471,579,000		471,579,000	907,125,742

2. Purchase of Goods and Services

	2023/2024			2022/2023	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Consultancy	3,670,862		3,670,862		3,670,862
Communication, supplies and services					
Domestic travel and subsistence	285,700		285,700		285,700
Training and subscription expenses	70,200		70,200		70,200
Hospitality supplies and services	20,000		20,000		20,000
	4,046,762		4,046,762		4,046,762

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3. Transfers to other Government Entities

During the financial period to 30 June 2023 we transferred funds to reporting government entities as shown below:

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2023-2024			2022-2023	
	Kshs	Kshs	Kshs	Kshs	Kshs
County 47 counties	440,979,000		440,979,000	897,947,749	1,661,838,015
Total	<u>440,979,000</u>		<u>440,979,000</u>	<u>897,947,749</u>	<u>1,661,838,015</u>

4. Other Grants, Transfers, and Payments

During the financial period to 30 June 2024 we transferred funds to other government entities as shown below:

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2023-2024			2022-2023	
	Kshs	Kshs	Kshs	Kshs	Kshs
Council of Governors	8,250,000		8,250,000		9,700,000
Total	<u>8,250,000</u>		<u>8,250,000</u>		<u>9,700,000</u>

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5. Cash and Cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts (Note 8.13A)	29,106,223	10,802,985
Total	<u>29,106,223</u>	<u>10,802,985</u>

The project has one project account maintained within The State Department for Medical Services and one Kenya Shilling account managed by the National Treasury as listed below:

6. A Bank Accounts

Project Bank Accounts

Details	2023-2024	2022-2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	29,106,223	10,802,985
Total bank account balances	<u>29,106,223</u>	<u>10,802,985</u>

7. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	10,802,985	1,624,992
Cash in hand		
Total	10,802,985	1,624,992

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
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13. ANNEXES

Annex1 – Prior Audit Issues and 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)
1	Undisclosed Appropriation of Aid The statement of receipts and payments reflects total payments of Kshs 897,947,749 and cumulative to date payments of Kshs. 1,233,112,000. However, these payments omit undetermined amounts paid directly by the donor to financial and monitoring and evaluation advisors. In addition, grants of Kshs. 213,069,767 for technical assistance to counties and Kshs. 31,144,186 for programme activities implemented directly by the donor which were not disclosed in the statement of receipts and payments In the circumstances, the accuracy and completeness of payments of Kshs 897,947,749 and cumulative to date payments of Kshs. 1,233,112,000 could not be confirmed.	It is true that during the year ending 30th June 2023, the total amount of cumulative receipts was Kshs 1,233,112,000. However, these amounts include disbursements to counties totaling Kshs 1,220,859,015 and Council of Governors amounting to Kshs 1,450,000. The balance of Kshs 10,802,985 is in the Special Purpose Account at the Ministry which is for the support of Danida advisors in the Ministry and Council of Governors. This figure does not include any amount of Appropriations in Aid as non has been paid.	UNRESOLVED	

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

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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)
2.	Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs. 1,597,554,500 and actual on comparable basis of Kshs. 907,125,742 resulting to underfunding of Kshs. 690,428,758 or 43%. Similarly, the Project spent an amount of Kshs. 897,947,749 out of the approved expenditure budget of Kshs. 1,597,554,500 resulting in an under expenditure of Kshs. 699,606,751 or 44%. Further, the approved expenditure budget includes purchase of goods and services of Kshs. 78,479,500 which was not included in the overall budget in the Danida Development Engagement Document. In addition, Kshs. 3,348,837 for support activities at the Ministry of Health remained unutilized since project inception while an allocation of Kshs. 5,000,000 to support council of governors' health team was not disbursed. In the circumstances, the project's key objectives of improving primary health	It is true that during the year under review the final receipts budget was Kshs. 1,597,554,500 and actual on comparable basis of Kshs. 907,125,742 resulting to underfunding of Kshs. 690,428,758 (or 43.22%). Similarly, the Project spent an amount of Kshs. 897,947,749 out of the approved expenditure budget of Kshs. 1,597,554,500 resulting in an under expenditure of Kshs. 699,606,751 (or 43.79%). The funding to Counties is conditional grant whereby counties have to meet the minimum conditions as spelt out in the Development Engagement Documents and financial agreement in order to qualify for the grant. During the year 2022/2023, some counties did not qualify for disbursements as they did not meet the minimum conditions as per attached letter from Royal Danish Embassy advising on Counties eligible for funding in the year under review.		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

Annual Report and Financial Statements

for the financial year ended June 30, 2024

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)
	care with focus on reproductive, maternal, new-born, child and adolescent health care may not be achieved.	The amount allocated for purchases of goods and services was Kshs 78,479,500 and not Kshs 573,479,500 as stated. The funds were to be utilised in procurements for the DANIDA financial and M&E advisers, however the procurement plan was not approved as request from advisors came in late when the Ministry Procurement plan had already been approved. An addendum for the procurement of the items was prepared but the year ended before approval was done. The funds will be utilized together with those of the current financial year (FY 2023/24). Further, the undrawn balance includes World Bank grant of Kshs. 213,069,767 for technical assistance to counties and Kshs. 115,702,326 for programme activities implemented and paid directly by the donor which was not supported by appropriations in aid indicating the cumulative expenditure as at 30 June, 2023. This is because no proof of payment was		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

*Annual Report and Financial Statements
for the financial year ended June 30, 2024*

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)
		availed by the Royal Danish Embassy hence no expenditure was documented.		
3.	Undrawn Grant Funds Project information and overall performance for the year ended 30 June, 2023 reflects cumulative receipts of Kshs. 2,366,888,000 as at 30 June 2023 out of which Kshs. 147,890,996 relates to grant funds allocated to sixteen (16) counties which was not be disbursed due to various reasons including noncompliance to grant agreement and failure to provide supporting documents to the Danida appointed auditor. In addition, the actual undisbursed balance in the project account at the National Treasury as at 30 June 2023 was Kshs. 116,949,258 resulting to unreconciled variance of Kshs. 30,941,738 In the circumstances, the public may have been denied essential primary healthcare services associated with the noncompliance while the undrawn funds may have been misstated.	Under the Danida Programme, counties have to meet certain minimum in order to qualify for disbursements. If certain conditions are not met, the funds are retained at The National Treasury and in subsequent disbursement from Danida, the funds are net of the retained funds.		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
Annual Report and Financial Statements
for the financial year ended June 30, 2024

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)
4	Noncompliance with Co-Financing Requirements The project information and overall performance for the year ended 30 June, 2023 reflects amount received to date of Kshs. 1,233,112,000 out of which Kshs. 897,947,749 was disbursed to forty-four (44) counties. The counties were required to provide counterpart funding of Kshs. 360,000,000 to support outreach, operation and maintenance activities. However, three (3) counties of Bomet, Bungoma and Taita Taveta did not provide their counterpart funds of Kshs. 21,101,000 while ten (10) counties did not provide Special Purpose Bank statements and Integrated Financial Management Information System (IFMIS) vote book to confirm compliance with the co-financing requirements. Failure by counties to meet their counterpart funding obligation affects the sustainability of the project which affects primary healthcare to the country's devolved system.	It is true that one of the conditions for a county to qualify for disbursement is that each individual county must allocate at least 22% of their budget to health department each year and increasing annually up to over 30%. During the year under review, Bomet qualified for the 2nd Tranche while the other six Counties including Taita-Taveta did not qualify for any disbursement as per the attached schedule (Appendix 1). The management communicated to the Counties through Council of Governors for their attention and action to ensure they meet minimum conditions for future disbursements (Appendix 2). All the counties operate a special purpose account which they forward to the DANIDA advisers as evidence of deposit of counter funding which is also verified by Ernest Young Auditors contracted by Danida. In addition, the management has		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

Annual Report and Financial Statements

for the financial year ended June 30, 2024

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)
		forwarded the Audit queries through the Council of Governors to all counties requesting for the responses on non-remittance of Counter funding as required (Appendix 3).		
5	Failure to Submit Financial Statements The project information and overall performance for the year ended 30 June, 2023 reflects cumulative amount paid to date of Kshs. 1,222,309,015 out of which Kshs. 322,911,266 is grant funds disbursed to forty-five (45) counties for the project period from 01 January, 2021 to 30th June, 2022. However, financial statements on the utilization of these funds were not submitted to the Auditor General for audit. This is contrary to Section 8.3 of the Danida Development Engagement Document which requires the auditing be undertaken by the Office of the Auditor General in coordination with the accounting officer at the Ministry of Health after which the Danish Embassy should be given copies of the	It is true that a total of Kshs. 322,911,266 grant was paid to forty-five (45) counties for the project period from 1st January 2021 to 30 June 2022 and Kshs 1,222,309,015 was cumulatively paid as at 30 June 2023. The counties are required to prepare and submit the financial statements to Auditor General at the end of each financial year and Annual audit reports should be issued for each individual County for the conditional grant support. The Danish Embassy should timely receive copies of the 47 signed annual audit reports from OAG. Communication to Counties on the issue was done through a letter from Council of Governors with a copy from Office of Auditor General. In		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
Annual Report and Financial Statements
for the financial year ended June 30, 2024

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)
	forty-seven (47) signed annual audit reports from the Auditor General. In the circumstances, Management was in breach of the law	addition, the queries have been forwarded to all Counties for their response and management is following up.		
6	Delays in Transfer of Funds to Health Facilities Note 4 to the financial statements reflects transfers of Kshs. 897,947,749 to forty-four (44) counties for various health facilities. Review of bank statements indicated twenty (22) counties delayed in disbursing Kshs. 189,090,750 to health facilities with delays ranging from twenty-six (26) to sixty-eight (68) days. Further as at the time of audit Kshs. 264,071,429 remained unutilized in the County Revenue Fund account for twenty (20) counties while four (4) counties were still holding Kshs. 43,811,138 in their Special Purpose Accounts for about forty-three (43) days after receipt. This is contrary to Section 8.1 of the Danida Development Engagement Document, which requires grant funds be disbursed	It is true that there was delay in disbursement of funds from the counties to health facilities. This is because there was delay in disbursement of funds to the counties in the year 2022/2023 due to a delay in finalization of the schedule of disbursement from the Danish Embassy. The funds were disbursed on 3rd July 2023 at the end of financial year (See appendix 2 above). It requires Counties to have included in the budget the support coming from Danida, hence the funds had to		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

Annual Report and Financial Statements

for the financial year ended June 30, 2024

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)
	to health facilities' commercial banks within 25 days after receipt In the circumstances, the delays in disbursing funds to the health facilities affects project implementation and attainment of the project objectives.	be appropriated in the following financial year requiring supplementary budget approval by County Assemblies. This has resulted in the delay in disbursements to the health facilities.		
7	Failure to Provide System Reports Note 4 to the financial statements reflects transfers to counties of Kshs. 897,947,749 out of which Kshs. 100,852,500 relates to funds to support community health units. According to Danida letter dated 22 January, 2022, the funds were to be channeled through level 2 and 3 link facilities on condition that the community health units have reported their activities through Kenya Health Information System (KHIS) for the last six (6) months. However, a list of the community health units and reports of activities made through the Kenya Health Information System	The reports are contained in the DHIS 2 reporting system of the Ministry and analysed on monthly basis by HMIS team and Community Health team of the Ministry. The indicators were finalized on March16,2023 and the reporting by Counties is starting in the FY 2023/24 though the KHIS of the Ministry. However, the Ministry through the project has been preparing quarterly monitoring reports and sharing with Danida .		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
Annual Report and Financial Statements
for the financial year ended June 30, 2024

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)
	(KHIS) were not provided for audit. In the circumstances, the transfer of Kshs. 100,852,500 to support community health units was against the advice by the donor			
8	Irregularities in Operating Danida Project Bank Accounts Note 4 to the financial statements reflects transfers of Kshs. 897,947,749 to forty-four (44) counties out of which thirty-seven (37) counties operated project accounts not bearing the name of the project. This was contrary to Regulation 76 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires each project to have a project account in the name of the project. In addition, ten (10) counties made direct payments of Kshs. 90,704,799 from the project accounts for operations not related to the Danida project. This is contrary to Regulation 76 (3) of the Public Finance (National Government Regulations)	The Counties were informed on opening a Danida account so that they can also submit the counter funding. In addition, the queries have been forwarded to all Counties for response on the issues raised on non-compliance against the advice given.		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

*Annual Report and Financial Statements
for the financial year ended June 30, 2024*

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)
	2015 which requires every payment or instruction for payment out of the project account be strictly on the basis of the approved estimates of budget and financing agreement. In the circumstances, Management was in breach of the law			
9	Implementation of Project Activities Without Performance Targets Note 4 to the financial statements reflects transfers of Kshs. 897,947,749 to forty-four (44) counties to support operations in various health facilities. Section 4 of the Danida Development Engagement Document requires the Ministry of Health to measure health specific progress targets through data reported in the Kenya Health Information System (KHIS). The performance targets include utilization of outpatient services measured by the number of visits per person per year, pregnant women attending four antenatal care visits and children under one year immunized with the third dose	Through the Health Information System, HMIS, the Ministry monitors the performance of health facilities in the country with a focus on the Reproductive, maternal and new-born health care. The Ministry has been analysing reports from all Counties and submitting quarterly reports to the Royal Danish Embassy that include performance of the agreed targets (Appendix 6). As pertains the level 1 targets, the reporting indicators were finalized on 16th March 2023 and reporting will be done from FY 2023/24. In addition, the Ministry is in the process of developing Digitalization Bill 2023 that will require all health facilities		

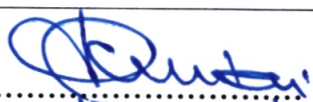
DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
Annual Report and Financial Statements
for the financial year ended June 30, 2024

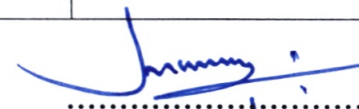
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of pentavalent among others. However, there was no evidence of measuring these performance targets in the health facilities funded by the Danida the funds. In the circumstances, the project's key objectives of improving primary health care with focus on reproductive, maternal, new-born, child and adolescent health care may not be achieved.	irrespective of ownership to enter all the health data in the platform to be established by the Bill. Once enacted, HIMS will have accurate reports on all services offered in the Country.		

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM

*Annual Report and Financial Statements
for the financial year ended June 30, 2024*

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)
10	Unsatisfactory Implementation of ProjectsPhysical verification of thirty-one (31) health facilities in seven (7) sampled counties revealed several unsatisfactory observations. In addition it was noted that management did not conduct monitoring and evaluation at the health facilities as such it has not been possible to establish whether the key objective of improving primary healthcare with key focus on reproductive, maternal ,newborn, child and adolescent health is being achieved.In the circumstances, effectiveness in the use of the grants for service delivery could not be confirmed.			


 Name Henry Kimani
 Principal Secretary


 Name Dr. Isaac Kimani
 Project Manager

DANIDA PRIMARY HEALTHCARE (PHC) SUPPORT PROGRAM
Annual Report and Financial Statements
for the financial year ended June 30, 2024

Annex 2 - Variance explanations - Comparative Budget and Actual amounts for FY 2023-2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	768,675,000	471,579,000	297,096,000	61%	This being a performance grant means that some counties did not get their full allocation in the two disbursements hence the under absorption.
Total Receipts	768,675,000	471,579,000	297,096,000		
Payments					
Compensation of employees					
Purchase of goods and services	150,000,000	4,046,762	145,953,238	3%	No procurements were done as planned and no trainings were approved under Danida fellowship centre
Acquisition of assets					
Transfers to other government entities	596,325,000	440,979,000	155,346,000	74%	Transfers were made only to counties that met the minimum conditions.
Other grants and transfers	22,350,000	8,250,000	14,100,000	37%	
Total payments	768,675,000	453,275,762	315,399,238		
		18,303,238	(18,303,238)		

Annex 4: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Certificate of Bank Balances as at 30th June 2024

REPUBLIC OF KENYA							
MINISTRY OF HEALTH							
DANIDA PHC							
BANK RECONCILIATION AS AT 30TH JUNE, 2024							
	Sh.	cts.	Sh.	cts.	Sh.	cts.	
Balance as per Bank Statement			32,526,223.00				
Less							
1. Payments in cash book not yet recorded in Bank statement (unpresented Cheques)			3,420,000.00				
2. Receipts in Bank statement not yet recorded in Cash book.....							
Add							
3. Payments in Bank statement not yet recorded in Cash book.....							
4 Receipt in cash book not yet recorded in Bank statement							
Bank balance as per cash book			29,106,223.00				
Balance as per Bank Statement							
I certify that I have verified Bank above reconciliation is correct.							

PAYMENTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT						RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT			
DATE	TO WHOM PAID	DESCRIPTION OF PAYMENT	VOUCHER NUMBER	CASH	BANK	DATE	TO WHOM RECEIVED	DESCRIPTION OF PAYMENT	BANK
30/06/2024	Council of Governors	Transfer	012		3,400,000.00				
30/06/2024	Esther Muthoni John	Imprest	013		20,000.00				
	Total				3,420,000.00		Total		-

Prepared by

Dorcas Mwangi

Signature

[Signature]

Designation

Program Accountant

Date

15/07/2024

Reviewed by

A. Isaac Kimani

Signature

[Signature]

Designation

P/manager

Date

15/07/2024

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 3340192

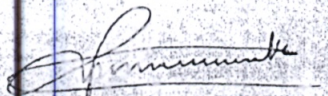
JULY 29, 2024

CERTIFICATE OF BALANCES

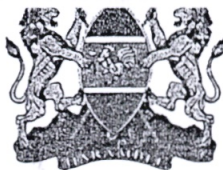
Customer:
Balance Date:

STATE DEPART FOR
MEDICAL SERVICES
171622
30-Jun-24

Account No	Account Name	Currency	Balance
1000733748	REC STATE DEPT FOR MEDICAL SERVICES	KES	4,118,199,927.00
1000733764	DEV-STATE DEPT FOR MEDICAL SERVICES	KES	536,022,054.25
1000733799	CBK165-STATE DEPT FOR MEDIC SERV	KES	0.00
1000733888	DEP-STATE DEPT FOR MEDICAL SERVICES	KES	202,394,385.96
1000736569	E.A CENT. OG EXC.SKILLED-BIOMEDS	KES	3,059,281.10
1000736577	KENYA ITALY DEBT FOR DEV (KIDDP)	KES	0.00
1000736585	TRANSFORM.HEALTH SYST.UNIVERSAL C	KES	0.00
1000736593	DANIDA PRO SUP UNIV HEALTH CARE SER	KES	0.00
1000736607	STATE DEP FOR MED SERV-EQUALIZATION	KES	203,666,278.40
1000736615	THE UC GFF GRANT TFOA2561 KE	KES	0.00
1000736623	THS UC PHRD GRANT TFOA2792 KE	KES	0.00
1000736631	SPORTS, ART, SOCIAL DEV. FUND-HEALTH	KES	0.00
1000736647	COVID 19 EMERGENCY RESPONSE PROJECT	KES	956,273,948.05
1000736658	KENYA COVID-19 HEALTH EMERGENCY RES	KES	59,798,311.45
1000736666	DANIDA SUPPORTED PRI H C PROGRAMME	KES	32,526,223.00
1000736674	KEPSA PRIVATE SECTOR INTI COVID VAC	KES	0.00


Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division


Micah Nabori
Authorised Signatory
Banking Services Division



COUNCIL OF GOVERNORS

Westlands Delta House 2nd Floor, Waiyaki Way.
P.O. BOX 40401-00100,
Nairobi.

Tel: (020) 2403314, 2403313
E-mail: info@cog.go.ke

Ref. COG/6/40/3A Vol. 3 (86)

13th August 2024

Harry Kimtai, CBS
Principal Secretary
Ministry of Health
State Department of Medical Services
NAIROBI

Dear PS

ACKNOWLEDGEMENT RECEIPT OF KES. 3,400,000 UNDER DANIDA PROJECT FOR FINANCIAL YEAR 2023/2024

Greetings from the Council of Governors.

This is to acknowledge receipt of Kes.3.4M (Three Million four hundred thousand only) towards implementation of the Council of Governors planned activities under Primary Health Care support Programme.

The Council of Governors appreciates the continued support and looks forward to deepening the engagements even as we look forward to the implementation of the project in the County Governments.

Please accept assurance of our highest esteem and consideration.

Yours sincerely,

Mary Mwiti
Chief Executive Officer

Copy: Dr. Isaac Kimani
Project Manager,
Transforming Health Systems for Universal Care Project & DANIDA PHC Program,
Ministry of Health- Afya House
Nairobi



COUNCIL OF GOVERNORS

Westlands Delta House 2nd Floor, Waiyaki Way.
P.O. BOX 40401-00100,
Nairobi.

Tel: (020) 2403314, 2403313
E-mail: info@cog.go.ke

Ref. COG/6/40/3A Vol. 3 (87)

15th August 2024

Harry Kimtai, CBS
Principal Secretary
Ministry of Health
State Department of Medical Services
NAIROBI

Dear PS

ACKNOWLEDGEMENT RECEIPT OF KES. 4,850,000 UNDER DANIDA PROJECT FOR FINANCIAL YEAR 2023/2024

Greetings from the Council of Governors.

This is to acknowledge receipt of Kes.4.85M (Four Million Eight hundred fifty thousand only) received on 12th April 2024 being outstanding allocation to the Council of Governors under Danida Programme for FY 2022/2023 and 2021/2022 respectively.

The Council of Governors appreciates the continued support and looks forward to deepening the engagements even as we look forward to the implementation of the project in the County Governments.

Please accept assurance of our highest esteem and consideration.

Yours sincerely,

Mary Mwiti,
Chief Executive Officer

Copy: Dr. Isaac Kimani
Project Manager
Transforming Health Systems for Universal Care Project & DANIDA PHC. Program
Ministry of Health- Afya House
Nairobi

REPUBLIC OF KENYA

COUNTY GOVERNMENT OF BUNGOMA
MINISTRY OF HEALTH
OFFICE OF THE COUNTY DIRECTOR OF HEALTH



Telegrams: "MEDICAL", BUNGOMA

Telephone: (055) 50230 Fax: (055) 30650

E-mail: docakatu@yahoo.com

When replying please quote

COUNTY DIRECTOR OF HEALTH
BUNGOMA COUNTY
P.O. BOX 12-00200
BUNGOMA

OUR REF: CG/SGM/CDH/GENA/OL/176

DATE: 16th August 2024

Dear Sir/Madam

RE: FY 2023/2024 DANIDA FUNDS ACKNOWLEDGEMENT FORM

This is to acknowledge that BUNGOMA County received KSh 16,227,750. (Sixteen million two hundred and twenty-seven thousand seven hundred and fifty shillings) as DANIDA PHG funds for 2023/2024 from National Treasury through the Ministry of Health to the County Revenue Fund on 21st June 2024.

Date: 16th August 2024

Name: Groffrey I. Murunga Signature

County Designated Project Accountant

BUNGOMA COUNTY



COUNTY GOVERNMENT OF KERICHO
DEPARTMENT OF HEALTH SERVICES

Kericho County Hospital Grounds,
Administration Block, 2nd Floor.

Hospital Road
P.O. Box 112 - 20200

KERICHO

Date: 16th August, 2024

Ref: .

This is to acknowledge that Kericho County, received 9,817,500/-

(Amount in Numbers)

Nine million, eight hundred and seventeen thousand five hundred only (Amount in words)

as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 26/06/2024 date (dd/mm/yyyy).

Name: Judith Tele Signature: [Signature] Date: 16/08/2024

County Designated Project Accountant

Kericho County.

COUNTY HEALTH SERVICES
ACCOUNTS UNIT

16 AUG 2024

P. O Box 112 - 20200,
KERICHO



This is to acknowledge that..Laikipia County, received7,623,000... (Amount in Numbers)
Seven Million, Six Hundred Twenty-Three Thousand only (Amount in words) as DANIDA
PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to
the County Revenue Fund on 5TH JULY, 2024.

Name: Signature: Date: 14 August 2024

County Designated Project Accountant
LAIKIPIA County.



MURANG'A COUNTY GOVERNMENT

ALL CORRESPONDENCE TO BE ADDRESSED:
THE COUNTY SECRETARY



County Hall,
P.O Box 52—10200,
Murang'a,
Kenya
Telephone 060-2030271

E-mail: info@muranga.go.ke
Web: muranga.go.ke

DEPARTMENT OF HEALTH AND SANITATION

This is to acknowledge that Murang'a County, received 11,492,250.00, Eleven Million, four Hundred and ninety-two thousand, two hundred and fifty only as **DANIDA PHC funds** for **FY 2023/2024** from the National Treasury through the Ministry of Health to the County Revenue Fund on 21/06/2024

Name: Michael Maina Signature: MKJ Date: 13/08/2024

PHC Project Accountant

Murang'a County.



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COUNTY GOVERNMENT OF TANA RIVER



DEPARTMENT OF HEALTH, SANITATION & MEDICAL SERVICES

tanariver.go.ke@gmail.com

Telephone: 046-600000

When replying, please quote:

Address: P.O. BOX 38 -70101

HOLA.

REF TRCG/CCH/DANIDA/VOL.3. (08)

19th August, 2024

The Project Manager,
DANIDA PHC Programme
Ministry of Health

Dear Sir,

RE: DANIDA FUNDS ACKNOWLEDGEMENT

This is to acknowledge that Tanariver County, received Ksh 10,683,750.00; Amount in numbers, **Ten Million Six Hundred Eighty-Three Thousand Seven Hundred Fifty Only**; Amount in words, as DANIDA (PHC) support programme tranche one and two for the FY 2023/2024 funds from the National treasury, to the county revenue fund on **21/06/2024**.

Yours in service,

A handwritten signature in black ink, appearing to read 'Thomas Gikonyo', is written over a circular official stamp.

Thomas Gikonyo
For: Chief Officer Health & Sanitation
County Government of Tana River

CC: CECM- Health & Sanitation
CECM- Finance & Economic Planning

UASIN GISHU COUNTY GOVERNMENT

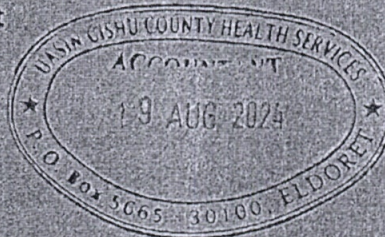


This is to acknowledge that Uasin Gishu County received KSH 11,550,000 (Eleven Million, Five Hundred and Fifty Thousand only) as DANIDA PHC funds for Financial Year 2023/2024 from National Treasury through the Ministry of Health to County Revenue Fund on 5TH JULY, 2024

NAME: PETER K. KIPSUTO SIGNATURE: *Peter K. Kipsuto* DATE: AUGUST 19, 2024

County Designated Project Accountant

Uasin Gishu County



COUNTY GOVERNMENT OF KITUI

Email; health@kitui.go.ke

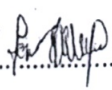


Office of the Chief Officer
Health and Sanitation
P.O. Box 460-90200

KITUI

MINISTRY OF HEALTH AND SANITATION

This is to acknowledge that.....KITUI.....County, received KSH 16,112,250 (SIXTEEN MILLION ONE HUNDRED AND TWELVE THOUSAND TWO HUNDRED AND FIFTY SHILLINGS ONLY)... as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on (5/07/2024).

Name: ANNASTACIA KANINI Signature:  Date: 19/08/2024

County Designated Project Accountant

KITUI County.





**NAROK COUNTY GOVERNMENT
DEPARTMENT OF HEALTH AND SANITATION**

County Headquarters
Mau-Narok Road, Narok Town
P.O. Box 898 - 20500
Narok, Kenya

Tel: 020-268 8929/03
Email: health@narok.go.ke
Website: www.narok.go.ke

When Replying Quote:

This is to acknowledge that NAROK County, received 14,668,500/=

(Amount in Numbers)

Fourteen Million Six Hundred and Sixty

Eight Thousand Five Hundred Only (Amount in words) as DANIDA

PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to
the County Revenue Fund on 21/06/2024 date (dd/mm/yyyy).

Name: KEVIN WAITE Signature: [Signature] Date: 14/08/2024

County Designated Project Accountant

NAROK County.

COUNTY GOVERNMENT OF KAJIADO



DEPARTMENT OF MEDICAL SERVICES, PUBLIC HEALTH & SANITATION
OFFICE OF THE CHIEF OFFICER FOR MEDICAL SERVICES
P.O. BOX 31, KAJIADO

This is to acknowledge that KAJIADO County, received KSH 11,723,250 (Eleven million seven hundred and twenty-three thousand two hundred and fifty) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund account on 21ST June 2024.

Name: Susan W Kirobi

Signature:

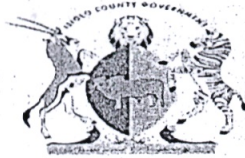
A handwritten signature in black ink, appearing to be 'Susan W Kirobi'.

Date: 15/6/24

County Designated Project Accountant

kajiado County.

ISIOLO COUNTY GOVERNMENT



This is to acknowledge that ISIOLO County, received 7,738,500

(Amount in Numbers)

SEVEN MILLION, SEVEN HUNDRED AND THIRTY EIGHT THOUSAND AND FIVE HUNDRED SHILLINGS ONLY. (Amount in words)

as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund/on 21/6/2024 date (dd/mm/yyyy).

ISIOLO COUNTY RECURRENT ACCOUNT.

Name: FABRIL HIRWAN Signature: [Signature] Date: 16/6/2024

County Designated Project Accountant

ISIOLO County.

COUNTY GOVERNMENT OF KIAMBU
DEPARTMENT OF HEALTH SERVICES

Telephone: Kiambu office: +254 709 877 000
Website: www.kiambu.go.ke
Twitter: @kiambuinfo
Facebook: Department of Health Services Kiambu
When replying please quote:
Email: info@kiambuinfo.go.ke



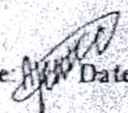
COUNTY DIRECTOR HEALTH
P.O BOX 2344-00900
KIAMBU

Ref.No. FIN/3/2024/2025

Date: 15/08/2024

To Vincent,

This is to acknowledge that Kiambu County, received 17,209,500 (Seventeen million Two hundred and nine thousand five hundred) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health, to the County Revenue Fund on 21/06/2024.

Name: Mary Njeri Njenga Signature:  Date: 15/08/2024

County Designated Project Accountant

Kiambu County.



NAIROBI CITY COUNTY
WWW.NAIROBI.KE

HEALTH, WELLNESS AND NUTRITION

Office of the County Chief Officer - Health Facilities

This is to acknowledge that Nairobi County, received Ksh. 29,048,250.00
(Twenty-nine million and forty-nine thousand two hundred and fifty shilling) as DANIDA
PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the
County Revenue Fund on 26th June 2024.

Name: Lydia Nyakenyanya Signature: _____

Date: 15/08/24

County Designated Project Accountant

Nairobi County.

ACCOUNTANT
HEALTH SECTOR
NAIROBI CITY COUNTY

LET'S MAKE **NAIROBI** WORK

TELEPHONE: +254 722 624 400; +254 722 641 232 | EMAIL: INFO@NAIROBI.KE | CITY HALL, CITY HALL WAY, P.O. BOX 20075 00100, NAIROBI, KE

COUNTY GOVERNMENT OF NYAMIRA
DEPARTMENT OF HEALTH SERVICES

Email:
Website:
All correspondence should be
addressed to the County Chief Officer



Doctors' Plaza Third floor
Department of Health Services
P.O Box 3-40500
NYAMIRA.

Office of the County Chief Officer

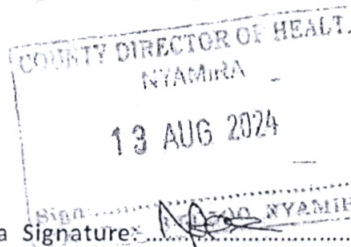
Ref. NCG/HEALTH/DANIDA CORR/VOL.5 (06)

13th August, 2024

TO:
CEO
COUNCIL OF GOVERNORS

RE: DANIDA FY 2023-2024 FUNDS RECEIPT ACKNOWLEDGEMENT FORM

This is to acknowledge that Nyamira County, received Ksh.8,778,000(Eight Million Seven Hundred and Seventy Eight Thousand Only) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 23rd June 2024.



Name: Nebart .M. Kigwa Signature: _____ Date: 13th August, 2024

County Designated Project Accountant

NYAMIRA COUNTY.

1911

It is a very interesting thing to see how the world has changed since 1911.

The world has changed so much since 1911 that it is almost unrecognizable.

1911

REPUBLIC OF KENYA



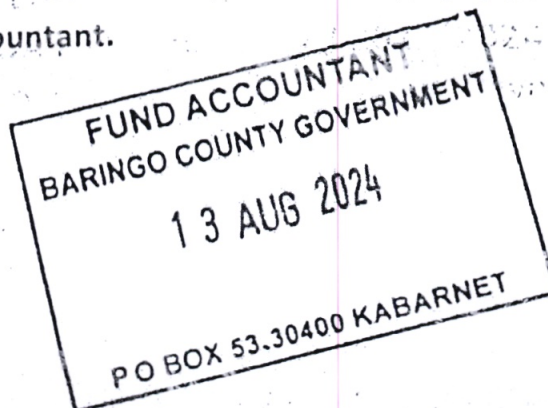
**BARINGO COUNTY GOVERNMENT
THE COUNTY TREASURY**

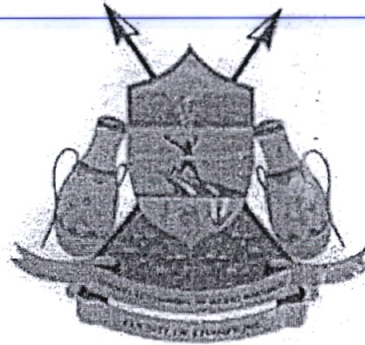
This is to acknowledge that Baringo County Government, received ksh.
9,297,750.00 (Nine million two hundred and ninety seven thousand seven
hundred and fifty) as DANIDA PHC funds for FY 2023/2024 from the National
Treasury through the Ministry of Health to the County Revenue Fund on 21-
Jun-24

Name: Festus Kiptui Signature: _____

Date: 13/08/2024

County Designated Project Accountant.
Baringo county Government





This is to acknowledge that Elgeyo Marakwet County, received 7,045,500 (Amount in Numbers) Seven Million forty five thousand five hundred shillings only. (Amount in words) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 21st June 2024 date (dd/mm/yyyy).

Name: Noellyne Kureat Signature: [Signature] Date: 13/8/2024

County Designated Project Accountant

Elgeyo Marakwet County.



DEPARTMENT OF HEALTH SERVICES



REPUBLIC OF KENYA
P.O BOX 50-40300

HOMA BAY COUNTY

HOMA BAY

This is to acknowledge that HOMA BAY County, received Kshs. 12,300,750 (Amount in Numbers) TWELVE MILLION THREE HUNDRED THOUSAND SEVEN FIFTY (Amount in words) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 21/06/2024 date (dd/mm/yyyy).

Name: DORILA ONUNDA Signature: *Onunda* Date: 13/08/24

County Designated Project Accountant

HOMA BAY County

COUNTY GOVERNMENT OF MERU



DEPARTMENT OF HEALTH SERVICES

Meru County Headquarters
P.O. Box 120-60200,
Meru.

08/13/2024

This is to acknowledge that Meru County, received Kshs 11,430,000/ (Amount in Numbers) Eleven million four hundred and thirty thousand (Amount in words) for L2 & L3 and Kshs 3,238,500 (Amount in numbers) Three million two hundred thirty eight thousand five hundred (Amount in words) for L1 as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 21/Jun/2024.

Name: Fridah Kimathi Signature:  Date: 08/13/2024

County Designated Project Accountant

Meru County.



COUNTY GOVERNMENT OF THARAKA NITHI
DEPARTMENT OF PUBLIC HEALTH, MEDICAL SERVICES AND ICT
OFFICE OF THE DIRECTOR

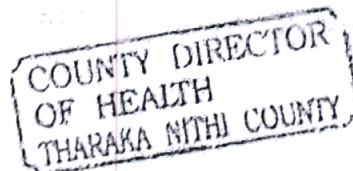
Email: countyhealthdirector@gmail.com

P.O. BOX 10, 60406
KATHWANA

13th August, 2024

This is to acknowledge that Tharaka Nithi County, received 5,580,000 For Level 2 and 3 and 1,581,000 for Level One Total of Ksh 7,161,000 (Amount in Numbers) Seven Million One Hundred and Sixty One Thousand Shillings only (Amount in words) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 28th June 2024 date (dd/mm/yyyy)

Name: Peter G Kang'ethe Signature:  Date: August 13, 2024
County Designated Project Accountant
THARAKA NITHI COUNTY



COUNTY GOVERNMENT OF VIHIGA



DEPARTMENT OF HEALTH SERVICES

This is to acknowledge that.....VIHIGA.....County, received ...8,489,250..... (Amount in Numbers) ...EIGHT MILLION, FOUR HUNDRED AND EIGHTY NINE THOUSAND, TWO HUNDRED AND FIFTY SHILLINGS ONLY... (Amount in words) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on ...26/06/2024... date (dd/mm/yyyy).

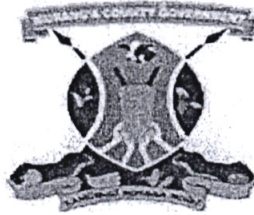
Name: CPA FANUEL MULINDI Signature: *M. Mulindi* Date: 13/08/2024

County Designated Project Accountant

...VIHIGA... County.

MURANG'A COUNTY GOVERNMENT

ALL CORRESPONDENCE TO BE ADDRESSED:
THE COUNTY SECRETARY



County Hall,
P.O Box 52—10200,
Murang'a,
Kenya
Telephone 060-2030271

E-mail: info@murang'a.go.ke
Web: murang'a.go.ke

DEPARTMENT OF HEALTH AND SANITATION

This is to acknowledge that Murang'a County, received 11,492,250.00, Eleven Million, four Hundred and ninety-two thousand, two hundred and fifty only as **DANIDA PHC funds for FY 2023/2024** from the National Treasury through the Ministry of Health to the County Revenue Fund on 21/06/2024

Name: Michael Maina Signature: MKJ Date: 13/08/2024

PHC Project Accountant

Murang'a County.



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[Faint, illegible text line]

[Faint, illegible text line]

[Faint, illegible text line]



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA
DEPARTMENT OF HEALTH SERVICES



Telephone:
Email: healthservicesnyandarua@gmail.com

P.O BOX 701 - 20303
Ol'kalou

RE: ACKNOWLEDGEMENT OF RECEIPT OF DANIDA PHC FUNDS

This is to acknowledge that Nyandarua County received Kshs. 8,893,500 (Eight million, Eight Hundred and ninety-three thousand Five Hundred) only of DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 21st June 2024.

Name: Phoebe Mbiyu Signature:

Date: 13th August 2024

County Designated Project Accountant - Nyandarua County



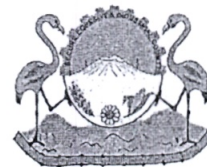
...the ... of ...

...

...



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NAKURU
DEPARTMENT OF HEALTH SERVICES



CHIEF OFFICER MEDICAL SERVICES
P O BOX 2060 – 20100
NAKURU COUNTY

Email Address: info.health@nakuru.go.ke
website: www.nakuru.go.ke

REF: CGN/DOHS/COMS/VOL.VI/PRJA/01

THE PROJECT MANAGER
DANIDA PHC
NAIROBI

This is to acknowledge that Nakuru County, received Ksh. 19,115,250 Nineteen million one hundred and fifteen thousand two hundred and fifty shillings only as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 21st June 2024.

CALVIN MOMANYI
COUNTY DESIGNATED PROJECT ACCOUNTANT
NAKURU COUNTY

COUNTY GOVERNMENT OF NANDI

TELEPHONE 0535252355
Email: finance@nandi.go.ke
Website: www.nandi.go.ke



P.O. BOX 802-30300
KAPSABET.

DEPARTMENT OF HEALTH

This is to acknowledge that.....NANDI.....County, received9,759,750.00.... (Amount in Numbers)
Nine Million, seven hundred and fifty nine thousand seven hundred and fifty (Amount in words) as
DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the
County Revenue Fund on 26/6/2024 .

A handwritten signature in black ink, appearing to read 'Fredrick Kemboi'.

Name: ...Fredrick Kemboi... Signature: Date: ...14/8/2024....

County Designated Project Accountant

Nandi County.

REPUBLIC OF KENYA

GOVERNMENT OF MAKUENI COUNTY



DEPARTMENT OF HEALTH SERVICES

P O BOX 89-90300 MAKUENI

Email: county.health@makueni.go.ke contact@makueni.go.ke

Website: www.makueni.go.ke

RE: ACKNOWLEDGEMENT OF DANIDA FUNDS

This is to acknowledge that Makueni County, received 13,513,500 (*Thirteen million five hundred thirteen thousand five hundred only*) as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 10th July 2024.

Name: Isaac Liku Signature:  Date: 9th August 2024

County Designated Project Accountant
Makueni County

COUNTY GOVERNMENT OF BUSIA

Office of the Chief Officer

Health & Sanitation Dept.

P.O. BOX 1040 – 50400

BUSIA, KENYA



This is to acknowledge that.....Busia.....County, received
.....10,972,500.00..... (Amount in Numbers)Ten
Million, Nine Hundred and Seventy Two Thousand five hundred shillings and zero
cents. (Amount in words) as **DANIDA PHC funds for FY 2023/2024** from the
National Treasury through the Ministry of Health to the County Revenue Fund on
.....21.6.2024..... date (dd/mm/yyyy).

Name:CPA Michael Roche.....Signature: *Me*..... Date: *14/8/2024*

County Designated Project Accountant

.....Busia..... County.

COUNTY GOVERNMENT OF KIRINYAGA



DEPARTMENT OF MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION

This is to acknowledge that KIRINYAGA County, received 7,738,500/-

(Amount in Numbers)

SEVEN MILLION SEVEN HUNDRED THIRTY EIGHT FIVE HUNDRED. (Amount in words)

as DANIDA PHC funds for FY 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 25/06/2024 date (dd/mm/yyyy).

HSSF ACCOUNTANT
KIRINYAGA COUNTY
P. O. Box 24,
KERUGOYA

Name: PETER MUNGAI Signature: [Signature] Date: 14/08/2024

County Designated Project Accountant

KIRINYAGA County.



**KISII COUNTY GOVERNMENT
DEPARTMENT OF HEALTH
OFFICE OF THE COUNTY DIRECTOR OF HEALTH**

Telegramme "Medical"
Telephone: 0721422400/0753122723
E-Mail: kisiicountyhealthcoordinator@gmail.com
When replying quote:

REF: KS/C/HS.34 VOL.I/ (132)

Kisii County
P.O Box 92 – 40200,
KISII

Date: 13th August, 2024

The Project Manager
Danida Fund
NAIROBI

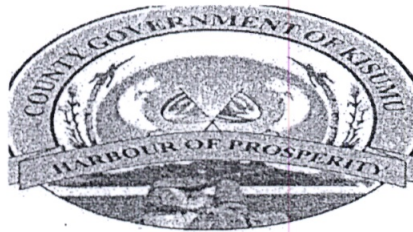
RE: FUND ACKNOWLEDGEMENT – DANIDA

This is to acknowledge that Kisii County received Ksh. 14,206,500.00 (fourteen million two hundred and six thousand five hundred shillings) as Danida disbursement for the FY2023/2024 funds from the National Treasury to the County Revenue Fund on 21st June, 2023. Being 11,070,000.00 (eleven million, seventy thousand) for level II and level III while 3,136,500.00 (three million, one hundred and thirty six thousand, five hundred) for level I

Thank you.

**SAMUEL MUTAI
COUNTY DESIGNATED PROJECT ACCOUNTANT
KISII COUNTY**

KISII COUNTY GOVERNMENT
COUNTY HEALTH DIRECTOR
P.O. Box 92 – 40200
KISII.



COUNTY GOVERNMENT OF KISUMU
DEPARTMENT MEDICAL SERVICES, PUBLIC HEALTH & SANITATION

This is to acknowledge that Kisumu County received Kshs. 12,474,000 (Kshs. Twelve Million, Four Hundred Seventy Four Thousand) as DANIDA PHC Funds for F/Y 2023/2024 from the National Treasury through the Ministry of Health to the County Revenue Fund on 21st June, 2024.

Name: Titus Oloo Aseka

Signature: 

Date: 14th August, 2024

County Designated Project Accountant,
KISUMU COUNTY