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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY PAPER & T AID	
DATE: 14 MAR 2023	DAY: TUESDAY
TABLED BY: CLERK-AT-THE-TABLE:	DEPUTY MAJORITY OF PARTY LEADER MZEFU MWALE

THE AUDITOR-GENERAL

ON

**GLOBAL FUND MALARIA NEW FUNDING
MODEL (NFM) KEN-M-TNT-2064**

**FOR THE YEAR ENDED
30 JUNE, 2022**

MINISTRY OF HEALTH



Project Name.... GLOBAL FUND MALARIA

**Implementing Entity.... MINISTRY OF HEALTH - MALARIA CONTROL
PROGRAMME**

PROJECT GRANT/CREDIT NUMBER. KEN-M-TNT-2064

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

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GLOBAL FUND MALARIA CONTROL PROGRAMME

Annual Report and Financial Statements for the financial year ended June 30, 2022

1 PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and Registered Office

Name: GLOBAL FUND MALARIA CONTROL PROGRAMME MINISTRY OF HEALTH KEN-M-TNT-2064

Objective: To reduce malaria incidence and deaths by at least 75% of the 2016 level by 2023.

Specific Objectives: The key objectives for this project are;

1. To manage 100% of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023;
2. To establish systems for malaria elimination in targeted counties by 2023;
3. To increase utilization of appropriate malaria interventions in Kenya to at least 80% by 2023;
4. To strengthen malaria surveillance and use of the information to improve decision-making for programme performance; and
5. To provide leadership and management for optimal implementation of malaria interventions at all levels for the achievement of all objectives by 2023.

Address:

The project headquarters offices are in Nairobi, Kenya.
Ministry of Health
P.O. Box 30016 -00100
Afya House, Cathedral Road,
NAIROBI.

The address of the project registered office is;

Malaria Control Programme
Ministry of Health
National Public Health Laboratories grounds
Next to Kenyatta National Hospital
P. O. Box 19982-00202
KNH – NAIROBI

Contacts: The following are the project contacts

Telephone: (254) 0720-846127

Office Line: 020- 2716934/5

E-mail: gngithuka@gmail.com

Website: www.nmcp.or.ke

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Annual Report and Financial Statements for the financial year ended June 30, 2022

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	The project start date is 1 st July 2021
Project End Date:	The project end date is 30 th June 2024
Project Manager:	The project manager is Dr. Ahmeddin Omar
Project Sponsor:	The project sponsor is Global Fund

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health.
Project number	KEN-M-TNT-2064
Strategic goal of the project	To reduce malaria incidence and deaths by at least 75% of the 2016 level by 2023.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: <ul style="list-style-type: none"> (i) Mass net distribution of LLINs to persons in high burden counties coupled to the creation of awareness among communities to utilise the LLINs; (ii) Provision of treatments and diagnostics for patients attending public health facilities and training of health workers to manage malaria appropriately. Health workers in the private sector are also targeted for training and supervision; (iii) Strengthen surveillance of malaria, improve reporting and quality of data; and (iv) Advocacy communication and social mobilisation to ensure that vulnerable communities take up malaria interventions to prevent and control malaria.
Other important background information of the project	The project commenced on 1 st July 2021 for a period of three years up to 30 th June 2024. This is a performance based grant and inability to meet targets can impact future funding. The government is required to allocate counterpart funding which should complement the grant and should be used to implement activities related to program objectives. The funds are received by treasury and are disbursed based on agreed budget and work plan. Oversight for the grant is through the ICCs and the National

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	Oversight Committee.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Offer protection to vulnerable communities to prevent malaria; (ii) Procure ACTs and RDTs required to manage the disease, and train health workers on the case management guidelines written as per WHO recommendations; (iii) Increase uptake of malaria interventions; (iv) Improve data collection, accuracy, timeliness and use to influence policy; and (v) Improve program management capacity by hiring additional staff and holding regional planning and review meetings on a regular basis.
Project duration	The project started on 1 st July 2021 and is expected to run until 30 th June 2024.

1.4 Bankers

The following are the bankers for the current year:

Cooperative Bank of Kenya

Upper Hill Branch

P.O Box 48231-00100

NAIROBI

1.5 Auditors

The project is audited by;

The Auditor-General

Office of the Auditor General

P.O Box 30084- 00100

NAIROBI

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities	Contact
Dr, Ahmeddin Omar	Head- Division of National Malaria Programme	Medical Officer; Public Health Specialist	Provide oversight for the grant; sign off correspondences from the program, correspondence with the global fund and the KCM on this grant.	Global fund malaria P.OBOX 19982-00200
Ms. Debora Ikonge	Global Fund Focal point (Focal Point, Partnerships and resource mobilisation	ICT	Coordination of proposal development, budget reviews, filling up programmatic accounting documents, grant oversight, participation in global fund meetings at MOH and PR-The National Treasury.	Global fund malaria P.OBOX 19982-00200
Mwaniki Njuguna	Senior Finance Officer	Accountant	Financial Oversight, Budget preparation and Budgetary control, Donor and GOK Reporting and Periodic Budget reviews and preparation of financial reports.	Global fund malaria P.OBOX 19982-00200
Bancy M. Nguthi	Principal Accountant	Accountant	Financial guidance Preparation of routine and adhoc financial reports.	Global fund malaria P.OBOX 19982-00200

GLOBAL FUND MALARIA CONTROL PROGRAMME
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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.7 Funding Summary

The project is for a duration of 3 years from 1st July 2021 to 30th June 2024 inclusive with an approved budget of USD 24,222,675 equivalent to Kshs 2,616,048,900 as highlighted in the table below.

A Source of funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date (30 June 2022)	
	USD	KShs	USD	KShs	USD	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Global Fund KEN-M – TNT-2064	24,222,675	2,616,048,900	6,032,834	651,546,058	18,189,841	1,964,502,828
Total	24,222,675	2,616,048,900	6,032,834	651,546,058	18,183,383	1,964,502,828

B Application of funds

Source of funds	Amount received to date- (30 th June 2022)		Cummulative amount paid to date – (30 June 2022)		Unutilised balance to date (30 June 2022)	
	USD	KShs	USD	KShs	USD	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Global Fund KEN-M- TNT-M	6,032,834	651,546,058	5,482,422	592,101,529	550,412	59,444,529
Total	6,032,834	651,546,058	5,482,422	592,101,529	550,412	59,444,529

GLOBAL FUND MALARIA CONTROL PROGRAMME
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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- i. Budget performance against actual amounts for current year budget is Kshs 817,961,008 and actual is Kshs 592,101,529.
- ii. Physical progress based on outputs, outcomes and impacts since project commencement
The project has contributed by offering protection to vulnerable communities to prevent malaria. It has procured ACTs and RDTs required to manage the disease, and trained health workers on the case management guidelines written as per WHO recommendations. It has also increased uptake of malaria interventions. It has improved data collection, accuracy, timeliness.
- iii. **Value for Money** - In terms of value for money, the interventions supported by Global Fund have been of high quality as shown by the assessments done by the Local Fund Agent of the Global Fund (LFA). All the interventions follow international set guidelines. The procurement of medicines and other equipment have met the required standards while trainings undertaken follow an accepted curriculum which has built the confidence of health care workers to deal with Malaria and emerging challenges. The program has also documented prudent use of resources where savings have been realized and put into good use by reallocating to other important activities. The project has also been rated well by the Global Fund.
- iv. The absorption rate for the year 2021-2022 is 71%
- v. The challenges and recommendations are as listed below;
 - Low uptake of interventions;
 - Long procurement processes that delay the utilization of funds and therefore the project has time and again reported low fund absorption;
 - With the devolved government structure , proper channels for funds flow to the devolved structures have not been established; and
 - The emergence of Covid 19 affected the implementation of the Program activities especially those carried out in the counties such as Mass net Distribution, and Bi- annual Review meetings.

Way forward.

- Advocacy communication and social mobilization through mass media and community sensitization efforts are aimed at increasing the uptake of these interventions;
- Procurement planning is important to ensure that lead times do not interfere with grant performance;
- Sensitize the counties on GF and the expectation of the donor on grant management and reporting. This should also be a continuous process even at the ministry level so that all

GLOBAL FUND MALARIA CONTROL PROGRAMME
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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

- the players involved in the running of the grant understands the crucial expectation and especially on the timelines and implication on the grant performance; and
- There is need for government to allocate resources for malaria control as per GF requirements for counterpart funding.

1.9 Summary of Project Compliance:

- i) The project has been meeting its obligation to supplies and other third parties in the best way possible;
- ii) The project has been compliant by deducting the following statutory returns: PAYE, NSSF, NHIF;
- iii) Procurements are carried out in compliance with the Public Procurement and Asset Disposal Act 2015.

2 STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES.

Introduction

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

The key development objectives of the Global Fund Malaria Grant project 2021- June 2024 plan are:

- a) To protect 100 percent of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023.
- b) To manage 100 percent of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023
- c) To establish systems for malaria elimination in targeted counties by 2023
- d) To increase utilisation of appropriate malaria interventions in Kenya to at least 80 percent by 2023
- e) To strengthen malaria surveillance and use of information to improve decision making for programme performance
- f) To provide leadership and management for optimal implementation of malaria interventions at all levels, for the achievement of all objectives by 2023

Progress on attainment of Strategic development objectives

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

GLOBAL FUND MALARIA CONTROL PROGRAMME
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STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES
(Continued)

Project	Activity intervention	Objective	Outcome	Indicator	Performance
Global Fund Malaria Grant KEN-M-TNT-2064	Mass LLIN campaign	To protect 100 percent of people living in malaria risk areas through access to appropriate malaria preventive interventions by 2023	Protect household members in malaria risk areas through appropriate malaria preventive interventions	Proportion of households with universal coverage of LLINs in malaria risk areas	51% of households in areas at risk of malaria provided with adequate LLINs to cater for the entire household. Mass LLIN campaign postponed due to COVID pandemic restrictions was successfully done.
Global Fund Malaria Grant KEN-M-TNT-2064	Quality of Care Survey	To manage 100 percent of suspected malaria cases according to the Kenya malaria treatment guidelines by 2023	Ensure adherence to malaria prevention, diagnosis and treatment guidelines	Proportion of suspected malaria cases presenting to public health facilities managed in accordance with the Kenya malaria treatment guidelines	55% of febrile patients managed as per the guidelines. Inadequate stocks of malaria diagnostic kits. Prioritized malaria surveillance trainings in 15 counties. 32 counties will be trained in the subsequent financial year
Global Fund Malaria Grant KEN-M-TNT-2064	KMIS/PMLLIN Survey	To increase utilisation of appropriate malaria interventions in Kenya to at least 80 percent by 2023	Advocate for increased utilization of malaria interventions through various channels	Proportion of population that slept under an LLIN the previous night	66% of household population using an LLIN the previous night. Use of social behaviour change communication channels to enhance uptake of interventions
Global Fund Malaria Grant KEN-M-TNT-2064	Commodity security meetings	To provide leadership and management for optimum implementation of malaria interventions at all levels, for the achievement of all objectives by 2023	Ensure adequate resources as well as coordinate implementation of malaria activities	Proportion of public health facilities having no stock out of key malaria commodities in the facility	66% had malaria medicines in stock. Implement malaria commodity review meetings with stakeholders and come up with mitigation measures to avert stock outs.

3 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile

The Program makes Continuous efforts towards the improvement of efficiency in the utilization of existing resources and advocates for increased sustainable investment in Malaria interventions at National and County Governments. In particular advocacy for increased public funding for Malaria interventions with a view to enhance sustainability is a key concern for the Malaria Program. The program developed a national strategic plan (2019-2023) which identifies gaps which are fully costed as a guide for resource mobilization. This enables counties and stakeholders to mobilize resources at that level. UHC is a key pillar in achieving accessible quality health services. The program through, GOK and partners is also investing in health systems to ensure sustainability. The government continues to avail domestic resources to support Malaria commodity procurement including first line medicine and laboratory equipment such as Microscopes. However, most of the program activities are still donor dependant including provision of Long Lasting Insecticide treated Nets to the community, Malaria Testing Kits (Rapid Diagnostic Test kits) and Indoor Residual Spraying

2. Environmental performance

The main goal of environmental policy is to regulate resource use or reduce pollution to promote human welfare and protect natural resources. Environmental factors such as bushes and stagnant water around homes, low altitudes and high temperatures favour the breeding of Malaria. The Malaria Program through assistance from various stakeholders has offered indoor Residue Spraying and also distribute Long Lasting Insecticide treated Nets in an effort to prevent Malaria. In taking care of the environment, the program ensures that the chemicals used for Indoor Residue Spraying and those used to treat the nets are user friendly and do not have adverse effects on the users.

3. Employee welfare

The program implements the Public Service commission policies procedures and guideline as provide. During hiring the program applies the *i) Human Resource Policies and Procedures Manual for the Public Service – May 2016* and *ii) Diversity Policy for Public Service - May 2016* to foster, cultivate and preserve a culture of respect for diversity by embracing and encouraging an inclusive workforce in terms of age, colour, minority and marginalized, disability, ethnicity, family or marital status, gender, language, physical and mental ability, race, religion, socio-economic status, and other characteristics that make its human resource unique.

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Annual Report and Financial Statements for the financial year ended June 30, 2022

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (Continued)

The Program is currently implementing the i) *Human Resource Policies and Procedures Manual for the Public Service – May 2016* ii) *Human Recourse Development Policy for the Public Service where – June 2015*; clear guidelines for efficient, effective and purpose driven management of human resource development in the public service for socio-economic development. Further, it provides for systematic identification and mitigation of performance gaps; and creation of an environment that promotes Private Public Partnerships in training and development, innovativeness and creativity in service delivery. In addition, it provides direction in planning and implementation of capacity building programmes and mechanisms for performance improvement, while ensuring continuous and lifelong learning for public servants. The Policy presents a mechanism for structured training, competency development and assessment; knowledge and talent management; entrenchment of Values and Principles of Public Service, human resource development audit and development of a monitoring, evaluation and reporting framework for human resource development programmes.

Division of National Malaria Control is implementing the *Occupational safety and health policy guidelines for the health sector in Kenya* as developed by the Ministry of Health. The program staff are also provided with a comprehensive medical cover to ensure improved health for higher productivity

4. Market place practices-

a) *Responsible Supply chain and supplier relations*

Division of National Malaria Control Program as a government entity is governed by the *Public Procurement and Disposal Act 2015* and *PFM Act 2012*. This act clearly stipulates policies and procedures to follow to ensure fair and competitive selection of suppliers when procuring goods and services to be used in the implementation of the project. Being a performance-based grant, the Malaria program settles all invoices within thirty days to enhance grant absorption.

b) *Responsible ethical practices*

Management of Malaria Health commodities follows the pharmacy and poisons Act CAP 244 (revised Edition 2015 and other relevant legislation. Procurement of Malaria Health Commodities under special programmes like Global Fund Follows Government rules and regulations and procurement by other donor Agencies follows the rules and regulations of the relevant organisations.

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (Continued)

c) Regulatory impact assessment

In conducting malaria control and elimination activities the programme engages stakeholder at national and county-level for ownership, priority setting and partnership in activity implementations. Malaria interventions and evidence-based, globally recommended and effective towards the reduction of malaria in the country. In addition, the malaria programme goal and objectives is aligned to the health sector, and the constitution of Kenya, 2010, through which the programme aims to ensure reduction of malaria disease burden as part of attaining the highest standard of health. All malaria commodities are regulated by appropriate national bodies, Pest control and products board, pharmacy and poisons Board, Kenya Bureau of Standards.

5. Community Engagements-

Every three years the Ministry of Health through the Division of National Malaria Program distributes Long Lasting Insecticide Treated Nets to vulnerable communities with an aim of preventing and controlling Malaria. These nets are provided to the community free of charge. During the distribution process, the involvement of the community including the Village Elders, Community Health Volunteers, Health Workers, Religious institutions and also Chiefs is clearly visible as they get involved in the registration of households to receive the nets and also in the actual distribution of the nets. Also Once every year on the 25th of April the Program Facilitates World Malaria day during which period the community is highly involved. The role of communities and community-based organizations in Malaria work is however mainly limited to a few tasks in service delivery. Lessons learnt from other public health responses, highlight the importance of community engagement and participation in all aspects of communication, advocacy, planning, implementation and monitoring of programs.

4 STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Malaria project** 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 on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

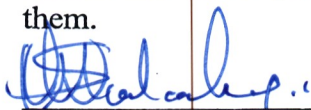
The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Malaria project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International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

The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Malaria project** 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, 2022, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Health and the *Project Coordinator* for **Malaria project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **malaria project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Malaria project** on 30 September 2022 and signed by them.



Principal Secretary
Name: Susan N. Mochache



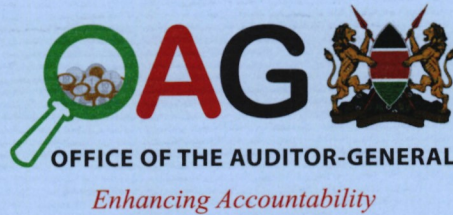
Project Coordinator
Name: Dr. Mulwa A. M



Project Accountant
Name: Bancy Nguthi
ICPAK Member Number 20349

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND MALARIA NEW FUNDING MODEL (NFM) KEN-M-TNT-2064 FOR THE YEAR ENDED 30 JUNE, 2022 - 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 Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls 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, and that its internal controls, 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 aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Global Fund Malaria New Funding Model (NFM) KEN-M-TNT-2064 set out on pages 1 to 15, which comprise of

the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Global Fund Malaria New Funding Model (NFM) KEN-M-TNT-2064 as at 30 June, 2022, 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 Grant Agreement No. KEN-M-TNT-2064 dated 14 June, 2021 between Global Fund 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 the Global Fund Malaria New Funding Model (NFM) KEN-M-TNT-2064 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 Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget of Kshs.837,474,120 and actual on comparable basis of Kshs.652,243,566, resulting to underfunding of Kshs.185,230,554 (or 22%) of the budget. Similarly, the Project spent an amount of Kshs.592,101,529 out of the approved expenditure budget of Kshs.837,474,120, resulting in an under expenditure of Kshs.245,372,591 (or 29%) of the budget

The underfunding and underperformance affected the planned project's activities and may have impacted negatively on service delivery.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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

As required by Financing Agreement dated 14 June, 2021 I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, 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.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of

my audit report. However, future events or conditions may cause the Project to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

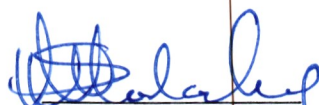
11 November, 2022

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

6 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021/2022	2020/2021	Cumulative to date (from inception)
		Receipts and payments controlled by the entity	Receipts and payments controlled by the Entity	
		KShs	KShs	KShs
RECEIPTS				
Proceeds from domestic and foreign grants	1	651,546,058	-	651,546,058
Miscellaneous receipts	2	697,508	-	697,508
TOTAL RECEIPTS		652,243,566	-	652,243,566
PAYMENTS				
Compensation of employees	4	14,919,525	-	14,919,525
Purchase of goods and services	5	577,182,004	-	577,182,004
TOTAL PAYMENTS		592,101,529	-	592,101,529
SURPLUS/(DEFICIT)		60,142,037	-	60,142,037

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 September 2022 and signed by:



Principal Secretary
 Name: Susan N. Mochache



Project Coordinator
 Name: Dr. Mulwa A. M



Project Accountant
 Name: Bancy Nguthi

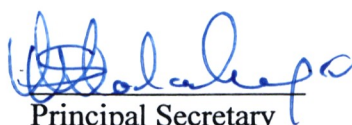
ICPAK Member Number 20349

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

7 STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents	6		
Bank Balances	6 A	5,036,870	-
Cash Equivalents (short-term deposits)	6 B	55,105,166	-
Total Cash and cash equivalents		60,142,036	-
TOTAL FINANCIAL ASSETS			
		60,142,036	-
FINANCIAL LIABILITIES			
		-	-
NETASSETS			
		60,142,036	-
REPRESENTED BY			
Surplus/(Deficit) for the year		60,142,037	-
NET FINANCIAL POSITION		60,142,037	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 September 2022 and signed by:



Principal Secretary
 Susan N. Mochache
 Date:



Project Coordinator
 Dr. Mulwa A. M
 Date:



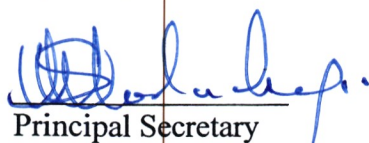
Project Accountant
 Bancy Nguthi
 Date: 30/9/2022
 ICPAK Member No. 20349


GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

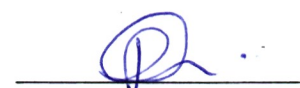
8 STATEMENT OF CASHFLOW FOR THE PERIOD 30 JUNE 2022

		2021/22	2020/21
	Note	KShs	KShs
Receipts for operating activities			
Proceeds from domestic and foreign grants	1	651,546,058	-
Miscellaneous receipts	2	697,508	-
Payments			
Compensation of employees	4	14,919,525	-
Purchase of goods and services	5	577,182,004	
Total Payments		592,101,529	
Net cash flow from operating activities		60,142,037	-
NET INCREASE IN CASH AND CASH EQUIVALENT		60,142,037	-
Cash and cash equivalent at END of the year		60,142,037	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 September 2022 and signed by:


 Principal Secretary
 Susan N. Mochache
 Date:


 Project Coordinator
 Dr. Mulwa A. M
 Date:

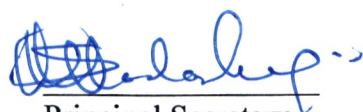

 Project Accountant
 Bancy Nguthi
 Date: 30/9/2022
 ICPAK Member No. 20349

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

**9 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
 THE YEAR ENDED 30 JUNE 2022**

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	937,474,120	-100,000,000	837,474,120	580,696,138	256,777,982	69.0%
Miscellaneous receipts	-	-	-	697,508	(697,508)	-
Other grants /receipts	-	-	-	70,849,920	(70,849,920)	-
Total Receipts	937,474,120	-100,000,000	837,474,120	652,243,566	185,230,554	78%
Payments						
Compensation to employees	19,513,112	-	19,513,112	14,919,525	4,593,587	76%
Purchase of goods and services	917,961,008	-100,000,000	817,961,008	577,182,004	240,779,004	71%
Total Payments	937,474,120	-100,000,000	837,474,120	592,101,529	245,372,591	71%
Surplus/Deficit	-	-	-	60,142,037	(60,142,037)	

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



Principal Secretary
 Susan N. Mochache
 Date:



Project Coordinator
 Dr. Mulwa A. M
 Date:



Project Accountant
 Bancy Nguthi
 Date: 30/9/2022
 ICPAK Member No. 20349

10 SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Statement of compliance and basis of preparation

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

10.2 Reporting entity

The financial statements are for the project Global Fund Malaria (KEN-M-TNT 2064 under the National Government of Kenya. The financial statements are for the reporting entity Global Fund Malaria as required by Section 81 of the PFM Act, 2012 .

10.3 Reporting currency

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

10.4 Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

Significant Accounting Policies (Continued)

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time 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 a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

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

10.5 Recognition of payments

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

i) Compensation to employees

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

Significant Accounting Policies (Continued)

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

10.6 In-kind donations

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

Significant Accounting Policies (Continued)

10.7 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.

10.8 Restriction on cash

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

10.9 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.

10.10 Contingent Liabilities

A contingent liability is:

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

Significant Accounting Policies (Continued)

- 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.

10.11 Contingent Assets

The Malaria project does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Malaria project 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.

10.12 Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' 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.

Significant Accounting Policies (Continued)

10.13 Budget

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

10.14 Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, Kshs Nil billion being loan disbursements were received in form of direct payments from third parties.

10.15 Exchange rate differences

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

Significant Accounting Policies (Continued)

10.16 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.

10.17 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, 2022.

10.18 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior period adjustments in the year under review.

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

11 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the financial period to 30 June 2022, 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	Total amount in KShs	
				2021/2022	2020/2021
				KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)					
Global Fund		5,376,816	580,696,138	580,696,138	
Global Fund (Transfer from KEN-M-TNT 1546)	01.01.2022	656,018	70,849,920	70,849,920	-
Total		16,030,025	651,546,058	651,546,058	-

2. MISCELLANEOUS RECEIPTS

		2021/2022	2020/2021	Cumulative to date
	Receipts controlled by the entity in cash	Total Receipts	Total Receipts	
	Kshs	Kshs	Kshs	Kshs
Other receipts not classified elsewhere	697,508	697,508	-	697,508
Total	697,508	697,508	-	697,508

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER GRANTS AND RECEIPTS

These amounts relate to transfers from an old grant (KEN-M-TNT 1546) that expired on 30th June 2022 to the new grant (KEN-M-TNT 2064) that started on 1st of July 2021. Both grants are from the same Donor (Global Fund) thus the amount is treated as a proceed from 4domestic and foreign grant.

		2021/2022	2020/2021	
	Donor	KShs	KShs	
Other grant receipts	Global Fund (KEN-M-TNT-1546)	70,849,920	-	
	Total	70,849,920	-	

4. COMPENSATION TO EMPLOYEES

	2020/2021	2020/2021	Cumulative to date
	KShs	KShs	KShs
Basic wages of temporary employees	10,787,653		10,787,653
Compulsory national social security schemes	22,800	-	22,800
Compulsory national health insurance schemes	96,900	-	96,900
Other personnel payments (PAYE)	4,012,172	-	4,012,172
Grant Total	<u>14,919,525</u>	=	<u>14,919,525</u>

5. PURCHASE OF GOODS AND SERVICES

	2021/2022	2020/2021	Cumulative to date 30.6.2022
	KShs		KShs
	100,499,747	-	100,499,747
Domestic travel and subsistence	319,620,950	-	319,620,950
Printing, advertising and – information supplies & services	40,500,508	-	40,500,508
Training payments	82,595,130	-	82,595,130
Hospitality supplies and services	18,143,888	-	18,143,888
Other operating payments	15,261,326	-	15,261,326
Routine maintenance – vehicles and other transport equipment	560,455	-	560,455
Grant Total	577,182,004	NIL	577,182,004

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. CASH AND CASH EQUIVALENTS

Description	2021/2022	2020/2021
	KShs	KShs
Bank accounts (Note 11.7A)	5,036,870	-
Cash equivalents (Short –term deposits/ accounts payable) (Note 11.7 B)	55,105,166	-
Total	<u>60,142,036</u>	<u>=</u>

The project has one project account spread within the project implementation area as listed below:

6. A Bank Accounts

Project Bank Accounts

Details	2021/2022	2020/2021
	KShs	KShs
<u>Local Currency Accounts</u>		
Co-operative Bank of Kenya [A/c No 01141163733200]	5,036,870	-
Total local currency balances	<u>5,036,870</u>	<u>=</u>

6. B Cash Equivalent (short – term deposits)

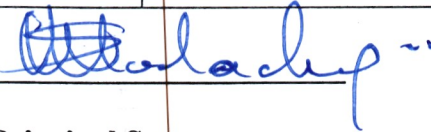
Description	2020/2021	2019/2020
	KShs	KShs
M-pesa Account - MOH Global Fund 7045665	<u>55,105,166</u>	-
Total	<u>55,105,166</u>	<u>=</u>

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

**12 PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S
RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	N/A	This being a new grant there are no prior year auditors recommendation	N/A	N/A



**Principal Secretary
Susan N. Mochache**

4/11/22
Date



**Project Coordinator
Dr. Mulwa A. M**

03/11/2022
Date

GLOBAL FUND MALARIA CONTROL PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2022

13 ANNEXES
ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a%	
Receipts					
Proceeds from domestic and foreign grants	837,474,120	580,696,138	356,777,982	62%	
Miscellaneous receipts	-	697,508	(697,508)	-	
Other grant receipt	-	70,849,920	(70,849,920)	-	
Total Receipts	837,474,120	652,243,566	285,230,554	70%	The variance of 30% is due to emergence of covid 19 that affected normal working hours and also long exchequer process.
Payments					
Compensation of employees	19,513,112	14,919,525	4,593,587	76%	The variance of 24% is due to an officer who left the grant during the financial year.
Purchase of goods and services	817,961,008	577,182,004	240,779,004	71%	The variance of 29% is due to slow uptake of activities occasioned by the emergence of covid 19 and also delays in exchequer receipt
Total payments	837,474,120	592,101,529	245,372,591	71%	The variance of 29% is due to slow uptake of activities due to emergence of covid 19 and also long exchequer process

GLOBAL FUND MALARIA CONTROL PROGRAM
TRIAL BALANCE AS AT 30.6.2022 (NFM 3)

Account Title	Debit	Credit
	Kshs	Kshs
Cash and cash equivalents b/fwd		-
Imprests and Advances	-	
Proceeds from domestic and foreign grants		651,546,058.00
Compensation of employees	14,919,525.00	
Purchase of goods and services	577,182,004.00	
Transfer to NFM3		
Miscellaneous receipts		697,508.00
Bank Balances	60,142,036.00	
accounts payable		-
Total	652,243,565.00	652,243,566.00

Prepared by Bancy M. Nguthi
ICPAK Membership No. 20349

DIVISION OF MALARIA CONTROL
BANK RECONCILIATION GLOBAL FUND MALARIA
AS AT 30 June 2022

(IN KSHS)

Balance as per Cash Book	5,036,869.72
Add:	
Payments in Cash Book not Recorded in Bank Statement(1) unrepresented cheques)	- 25,911,985.59
Receipts in Bank Statement not 2) recorded in Cash book	
Less:	
Payments in Bank Statement not 3) yet recorded in Cash book	10,748.00
Receipts in Cash book not 4) recorded in Bank Statement	
Cash Book Balance after Adjustments	30,938,107.31
Balance as per Bank Statement	30,938,107.66

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

Benny M. Nguti Dr.
Accountant in-charge Signature

09/07/2022
Date

Dr. Omar Ahmeddin APD
AIE Holder Signature

09/07/2022
Date



REPUBLIC OF KENYA

F.O 51

Date 1/7/2022

Report of the Board of Survey on the Cash and Bank Balances of

MALANIA

GLOBAL FUND

as at the close of

Business on 30th June 2022

The Board, Consisting of (Names and Official titles)

LITI WAMBUA - CHAIR

FELIX MULATI - MEMBER

ROSE NDIANGI - MEMBER

Assembled at the office

At (time) on the

And the following cash was produced:

Notes	sh	NIL
Silver	sh	NIL
Copper	sh	NIL
Cheque(as per details on reverse)	Sh	NIL
		<u>NIL</u>

It was overserved that cheques amounting to shs NIL cts

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

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

The cash Book reflected the following balances as at the close of business on the

Cash on hand	Sh	NIL
Bank Balance	Sh	50,368,70.02
		<u>50,368,70.02</u>

The Bank Certificate of Balances showed a sum of Shs.

cts Fifty Six (Sh) cts

Standing to the credit account on

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

Chair Person (Signature)

Member of the Board

Member of the Board (Signature)

Member of the Board

Member of the Board (Signature)

Member of the Board

Date

NO	ASSET NAME	MAKE/MODEL	QUANTITY	SERIAL NO	TAG	GLOBAL FUND ASSETS	DATE OF PURCHASE	FUNDING SOURCE	IMPLEMENTORS	LOCATION	ISSUED TO	STATUS/REMARKS	REMARKS
46	UPS SERVER	APC 500VA TRK	1	US130724988H		2015 GLOBAL FUND	2015	NMCP	NMCP - Server Room		A Wamari	FUNCTIONAL	
47	UPS SERVER	APC 500VA TRK	1	CND4480044H		2015 GLOBAL FUND	2015	NMCP	NMCP - Technical Office		O Benge	FUNCTIONAL	
48	UPS SERVER	APC 500VA TRK	1	CND4480020C		2015 GLOBAL FUND	2015	NMCP	NMCP - SHREC (Storage)		A Wamari	NON FUNCTIONAL	
49	UPS SERVER	APC 500VA TRK	1	CND4480053		2015 GLOBAL FUND	2015	NMCP	NMCP - ACDN		T Wangchi	NON FUNCTIONAL	
50	UPS SERVER	APC 500VA TRK	1	CND4480072C		2015 GLOBAL FUND	2015	NMCP	NMCP - Technical Office		D Mabile	Not Available	
51	UPS SERVER	APC 500VA TRK	1	CND4480081B		2015 GLOBAL FUND	2015	NMCP	Account		P Mwangi	Not Available	
52	UPS SERVER	APC 500VA TRK	1	CND4480085H		2015 GLOBAL FUND	2015	NMCP	NMCP - Technical Office		R Mwangi	FUNCTIONAL	
53	UPS SERVER	APC 500VA TRK	1	CND4480085H		2015 GLOBAL FUND	2015	NMCP	NMCP - Technical Office		J Song	FUNCTIONAL	
54	UPS SERVER	APC 500VA TRK	1	CND4480085H		2015 GLOBAL FUND	2015	NMCP	Secretary		R Keronj	FUNCTIONAL	
55	UPS SERVER	APC 500VA TRK	1	CND4480085H		2015 GLOBAL FUND	2015	NMCP	NMCP - Head NMCP		W Erika	FUNCTIONAL	
56	UPS SERVER	APC 500VA TRK	1	CND4480085H		2015 GLOBAL FUND	2015	NMCP	NMCP - SHC		R Ripoti	FUNCTIONAL	
57	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	MONIBASA		Estuans Dume	FUNCTIONAL	
58	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WALE		Elizabeth Chomba	FUNCTIONAL	
59	UPS SERVER	APC 500VA TRK	1	18685862		2016 GLOBAL FUND	2016	NMCP	WALE		Grace Baya	FUNCTIONAL	
60	UPS SERVER	APC 500VA TRK	1	18685862		2016 GLOBAL FUND	2016	NMCP	WALE		Berns O Mwanamwe	FUNCTIONAL	
61	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	LAJA RIVER		Muhimbi M. Ahmed	FUNCTIONAL	
62	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	LAJA RIVER		Chiphumba Ediligi	FUNCTIONAL	
63	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	TAYTA TAYTA		Ng'ethe Francis	FUNCTIONAL	
64	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
65	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
66	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Hussaini H. Said	FUNCTIONAL	
67	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
68	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
69	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
70	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
71	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
72	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
73	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
74	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
75	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
76	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
77	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	
78	UPS SERVER	APC 500VA TRK	1	18071862		2016 GLOBAL FUND	2016	NMCP	WAIIR		Abdullahi Abd. Mohamed	FUNCTIONAL	

