

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 09 FEB 2022

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Samuel Kalang

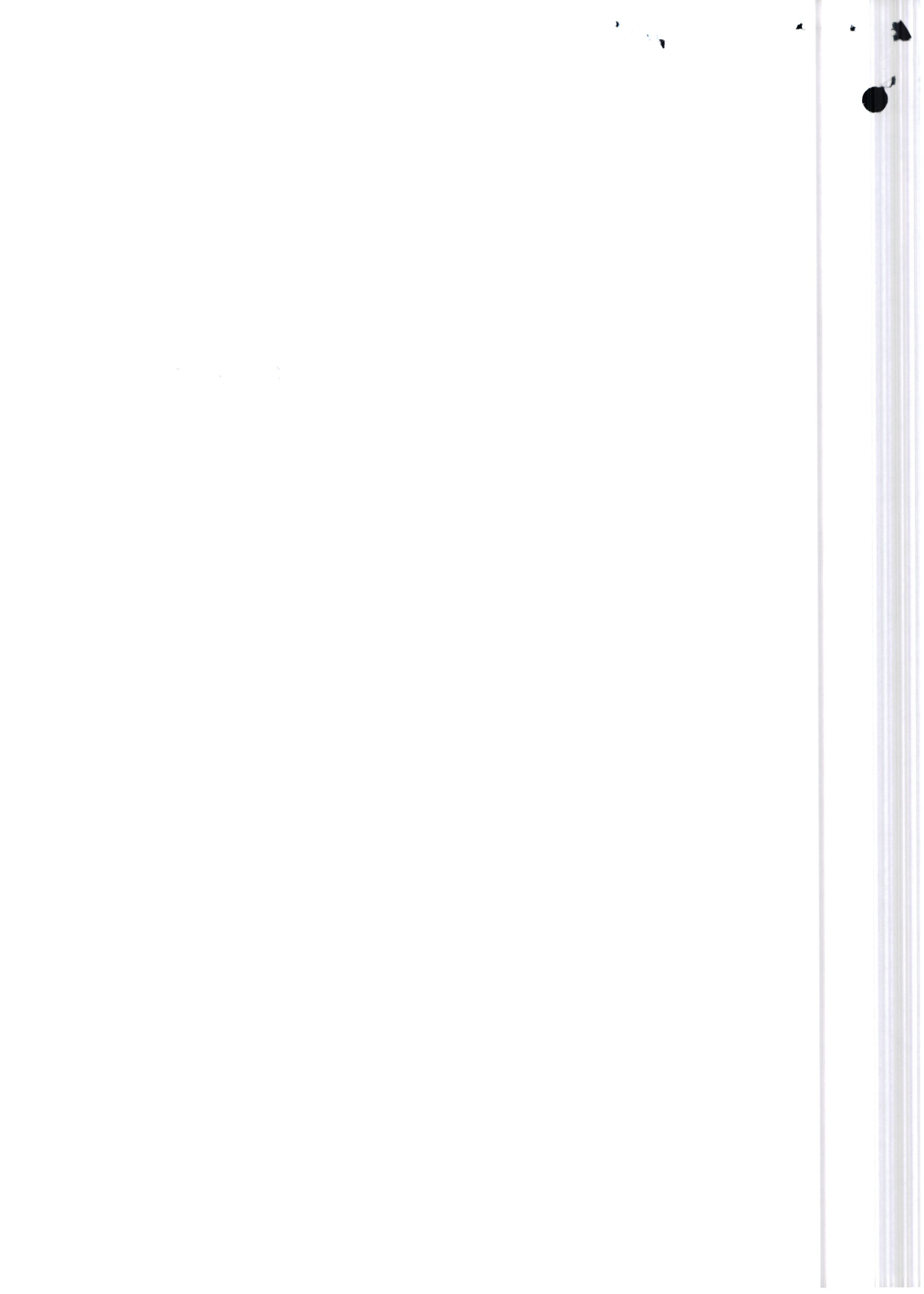
**THE AUDITOR-GENERAL**

**ON**

**SUPPORT OF THE HEALTH FINANCING  
STRATEGY - OUTPUT BASED  
APPROACH (OBA) PROGRAMME CREDIT  
NO.(201065853)**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**MINISTRY OF HEALTH**





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**REGISTRY**

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## **MINISTRY OF HEALTH**

### **OUTPUT BASED APPROACH PROGRAMME (OBA)**

**PROGRAMME GRANT/CREDIT NUMBER 2010 658 53**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021**

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

# **OUTPUT BASED APPROACH (OBA) PROGRAMME**

## **Reports and Financial Statements For the financial year ended June 30, 2021**

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## **OUTPUT BASED APPROACH (OBA) PROGRAMME**

### **Reports and Financial Statements For the financial year ended June 30, 2021**

#### **1. PROGRAMME INFORMATION AND OVERALL PERFORMANCE**

##### **1.1 Name and registered office**

**Name: Support of The Health Financing Strategy-Output Based Approach (OBA)  
Programme**

##### **Implementing Agency:**

Ministry of Public Health and Sanitation  
Department of Economic Planning and Policy  
Afya House, Cathedral Road  
P. O .Box 30016-00100  
Nairobi

##### **Programme Objectives**

To improve access to and uptake of RH services by the economically disadvantaged groups of the population through promotion of a voucher scheme.

##### **1.2 Programme Information**

Programme Start Date:	The programme start date is 07/10/2011
Programme End Date:	The programme end date is 31/10/2017
Programme Manager:	The programme manager is Mr Stephen Kaboro
Programme Sponsor:	The programme sponsor is German Development bank-kfw

##### **1.3 Programme Overview**

Line Ministry/State Department of the programme	The programme is under the supervision of the Ministry of Health. Department of Economic Planning and Policy Afya House, Cathedral Road
Programme number	2010 65 853
Strategic goals of the programme	The strategic goals of the programme are as follows: (i) To assist in designing and implementing a social health insurance system by implementing poverty oriented pilot programme concerning the scope of services, quality, which is demand driven and has effective financing mechanisms.
Achievement of strategic goals	The programme management aims to achieve the goals through the following means:

## **OUTPUT BASED APPROACH (OBA) PROGRAMME**

### **Reports and Financial Statements**

**For the financial year ended June 30, 2021**

	(i) Provision of maternal and child health care at subsidised cost using vouchers (ii) Improve access to quality reproductive health and GBVR services to the economically disadvantaged
Other important background information of the programme	The programme is implemented in the counties of Nairobi, Kiambu, Kisumu, Kilifi and Kitui
Current situation that the programme was formed to intervene	The programme was formed to intervene in the following areas: (i) Reduce maternal and child mortality in the country (ii) Increase use of family planning services (iii) Assist in GBV victims recovery
Programme duration	The programme started on 7 <sup>th</sup> October 2011 and is expected to run until 31 October 2017 but closure was put on hold until final audit is done.

#### **1.4 Bankers**

**Account Name:**

Ministry of Public Health and Sanitation – OBA Programme

**Account Number:**

01141161840700 – Kshs  
01141161840701 – Kshs  
22120161840700 - EURO

**Banker:**

Co-operative Bank of Kenya  
Upper Hill Branch  
P.O.Box 19555-00202  
**Nairobi**

#### **1.5 Auditors**

Office of the Auditors General  
P.O.Box 30084-00100  
**Nairobi**

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements For the financial year ended June 30, 2021

#### 1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Dr. Bashir M. Issak	Head department of Family Health	Phd, Msc preventive health, Bsc medicine	Overall programme oversight
Stephen Kaboro	Head, OBA Programme	Economist (MSC)	Programme Head
Clarice Okumu	Quality Assurance and Accreditation Officer	Senior Nurse	Health facilities Quality assurance
Moses Ranji	Finance and Accounting Officer	MSC Finance ongoing, B/Com, CPA(K),ACCA	Finance and Accounting
Sarah Ogola	Monitoring and Evaluation Officer	MA, Program Planning And Management	Monitoring and evaluation
Billy Baltazar	Monitoring and Evaluation Officer	B/COM, Management	Monitoring and Evaluation
Prof. Urbanus Kioko	Management Assistant	Health Economist (PhD)	Provision of management assistance

#### 1.7 Funding summary

Name of Grant	Size of Grant	Date of signing	Closing Date
Health Financing Strategy Support – OBA Programme	€ 21,000,000.00	November 2011	31 <sup>st</sup> October,2017
Residual from BMZ 2002 66338	€ 181,446.13		
BMZ 2007 65131	€ 9,686,183.66		

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements

For the financial year ended June 30, 2021

Below is the funding summary:

#### A. Source Of Funds

Source of funds	Donor Commitment-		Amount received to date – (30/6/2021)		Undrawn balance to date (30/6/2021)	
	Donor currency (Euros)	Kshs	Donor currency (Euros)	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
KFW	21,000,000	2,478,000,000	18,824,811	2,282,086,126	2,175,189	195,913,874
RESIDUALS-66338	181,446	21,410,643			181,446	21,410,643
RESIDUALS-65131	9,686,184	1,142,969,672	8,088,403	954,431,662	1,597,781	188,538,010
<b>TOTALS</b>	<b>30,867,630</b>	<b>3,642,380,315</b>	<b>26,913,214</b>	<b>3,236,517,788</b>	<b>3,954,416</b>	<b>405,862,527</b>
<b>(i) Counterpart funds</b>						
Government of Kenya	2,729,892	322,073,406	2,291,568	270,405,000	438,324	51,668,406
Miscellaneous Receipts	30,456	3,593,764	31,247	5,476,189	-	-
<b>Total</b>	<b>33,627,978</b>	<b>3,968,047,485</b>	<b>29,340,029</b>	<b>3,512,398,977</b>	<b>4,392,740</b>	<b>457,530,933</b>

#### B. Application Of Funds

Application of funds	Amount received to date – (30th June 2021)		Cumulative Amount paid to date – (30th June 2021)	Unutilised balance to date (30th June 2021)	
	Donor currency	Kshs	Kshs	Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>					
KfW	26,913,214	3,236,517,788	3,236,517,788	3,719	476,860
<b>Total</b>	<b>26,913,214</b>	<b>3,236,517,788</b>	<b>3,236,517,788</b>	<b>3,719</b>	<b>476,860</b>
<b>(i) Counterpart funds</b>					
Government of Kenya	2,291,568	270,405,000	270,405,000	18.47	2,368
Miscellaneous Receipts	31,247	5,476,189	5,476,189		
<b>Total</b>	<b>29,340,029</b>	<b>3,512,398,977</b>	<b>3,512,398,977</b>	<b>3,737.47</b>	<b>479,228</b>

**2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

**Project details and objectives**

The project concern the support to the Kenyan Government within the framework of a sectpr wide approach (SWAPs) in the health sector. The implementation of the health care policy is strategically guided by the national health sector strategic plan (NHSSP II) 2005-2012. The overall goal of this strategic plan is to reduce inequalities in access to health care and to reverse the downward trends of the health situation of the Kenyan population until 2015.

The **purpose of** the project is to improve equitable access of poor and socially disadvantaged people to financially feasible and accessible health care particularly in the field of sexual and reproductive health. The creteria for reaching these objectives, the project results and the required project activities as well as the asssumptions underlying the project purpose and the project results.

Towards the October 2017 the project had achieved as result of 98% of target performance and 92% absorption rate

## ***OUTPUT BASED APPROACH (OBA) PROGRAMME***

### ***Reports and Financial Statements***

***For the financial year ended June 30, 2021***

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### **3. Corporate Social Responsibility Statement/Sustainability Reporting:**

The project activities to be financed from the financial contribution were:-

- i) Reproductive Health Voucher Services (Component 1)
- ii) Gender Based Violence Service Network (component 2)
- iii) Health financing pilots ( component 3)
  - This includes development and management of health Insurance schemes for members of Micro Finance institution (MFI) working in the informal sector ie Jawabu Micro health
  - The co-financing the programme of Health for All Kenyans through Innovations (HAKI)
  - Support of Health Financing Strategy (consultancy services for management support including OBA Voucher programme, Studies and Workshop, Training and Equipment)

All these are spelt out in the separate Agreement to the Financing Agreement dated 07.10.2011

The programme has been compliant with the laws and regulations of the country and the donor regulations in the achieving the project activities.

The sustainability of the project is contained in final report of the project management assistant which was spearheaded by University of Nairobi Enterprise Services (UNES).

## **OUTPUT BASED APPROACH (OBA) PROGRAMME**

### **Reports and Financial Statements**

**For the financial year ended June 30, 2021**

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#### **4. STATEMENT OF PROGRAMME MANAGEMENT RESPONSIBILITIES**

The Principal Secretary for the Ministry of Health and the Programme Manager for **OBA** Programme are responsible for the preparation and presentation of the Programme's financial statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year ended on June 30, 2021. 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 Programme; (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 Programme; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

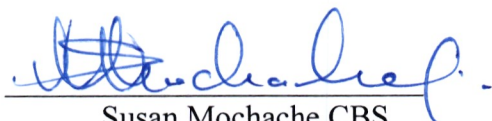
The Principal Secretary for the Ministry of Health and the programme Manager for **OBA** Programme accept responsibility for the Programme's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International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

The Principal Secretary for the Ministry of Health and the programme Manager for **OBA** Programme are of the opinion that the Programme's financial statements give a true and fair view of the state of Programme's transactions during the financial year ended June 30, 2021, and of the Programme's financial position as at that date. The Principal Secretary for the Ministry of Health and the programme Manager for **OBA** Programme further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary for the Ministry of Health and the programme Manager for **OBA** Programme confirm that the Programme has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Programme 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 Programme financial statements**

The Programme financial statements were approved by the Principal Secretary for the Ministry of Health and the programme Manager for **OBA** Programme 30/9/21 2021 and signed by them.



Susan Mochache, CBS  
Principal Secretary

30/11/2021



Stephen M. Kaboro  
Programme Manager

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

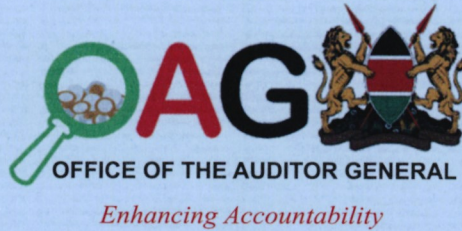
*Reports and Financial Statements  
For the financial year ended June 30, 2021*

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**5. REPORT OF THE INDEPENDENT AUDITORS ON THE OBA PROGRAMME**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON SUPPORT OF THE HEALTH FINANCING STRATEGY - OUTPUT BASED APPROACH (OBA) PROGRAMME CREDIT NO.(201065853) FOR THE YEAR ENDED 30 JUNE, 2021 – MINISTRY OF HEALTH**

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### **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, gazetted 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 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 aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 Support of the Health Financing Strategy - Output Based Approach (OBA) Programme Credit No.201065853 for the year ended 30 June, 2021 – Ministry of Health set out on pages 10 to 23, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and

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*Report of the Auditor-General on Support of the Health Financing Strategy - Output Based Approach (OBA) Programme Credit No.(201065853) for the year ended 30 June, 2021 – Ministry of Health*

payments, statement of cash flows and statement of comparative 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 Support of the Health Financing Strategy - Output Based Approach (OBA) Programme Credit No.201065853 as at 30 June, 2021, 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 Financing Agreement dated 07 October, 2011 between KfW (German Development Bank) Frankfurt am Main and the Republic of Kenya; and the Public Finance Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Support of the Health Financing Strategy - Output Based Approach (OBA) Programme Credit No.201065853 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**

#### **Undrawn Balances**

The programme information and overall performance reflects undrawn balance of Euro.4,392,740 equivalent to Kshs.457,530,933 under the funding summary on page 5. Also, the statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.479,228 which is likely to be refunded to the donor since the programme's end date was 30 October, 2017. There is no evidence that the Management have sought for approval for the extension of the programme upon expiry.

In the circumstances, the Programme may not have realized its set goals and objectives.

### **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, except for the matter described in the Basis for Conclusion on Lawfulness and

Effectiveness in Use of Public Resources section of my report, 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**

#### **Closure of the Programme Account**

The Programme commenced on 07 October, 2011 and ended on 31 October, 2017. However, the Programme account has not been closed to date without any explanations. Consequently, any transactions from the Programme account contravenes Article 2 of the Financing Agreement section 2.2 which states that KfW (German Development Bank) shall have the right to refuse to make disbursements after December, 2015.

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

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

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

##### **Basis for Conclusion**

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

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Financing Agreement dated 07 October, 2011, 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 Support of the Health Financing Strategy - Output Based Approach (OBA) Programme Credit No.201065853, so far as appears from the examination of those records; and,

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

### **Auditor-General's Responsibilities for the Audit**

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

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

compliance with the authorities that govern them 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 judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**24 November, 2021**

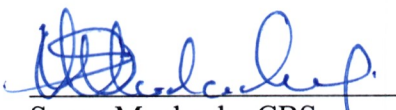
**OUTPUT BASED APPROACH (OBA) PROGRAMME**

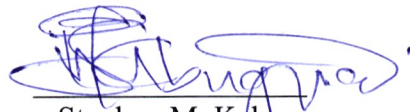
**Reports and Financial Statements  
For the financial year ended June 30, 2021**

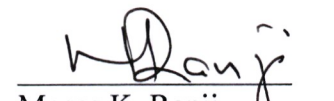
**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE, 2021**

Note	FY 2020/2021		FY 2019/2020		Cumulative to Date
	Receipts and payments controlled by the entity Kshs	Receipts and Payments made by third parties Kshs	Receipts and payments controlled by the entity Kshs	Payments made by third parties Kshs	
<b>RECEIPTS</b>					
Receipts from Government of Kenya	11.1	-	-	-	270,405,000
Proceed from domestic and foreign grants	11.2	-	-	61,271,400	3,236,517,788
Miscellaneous Receipts	11.3	94,138	-	4,179	5,476,189
<b>TOTAL REVENUES</b>		<b>94,138</b>	<b>-</b>	<b>4,179</b>	<b>3,512,398,977</b>
<b>PAYMENTS</b>					
Use of goods and services	11.4	1,317,140	-	(577,795)	3,306,757,495
Acquisition of Non-financial Assets	11.5	-	-	-	186,371,747
Repayment of principal on Domestic and Foreign borrowing(KfW)	11.9	18,790,507	-	-	18,790,507
<b>TOTAL PAYMENTS</b>		<b>20,107,647</b>	<b>-</b>	<b>(577,795)</b>	<b>3,511,919,749</b>
<b>SURPLUS/DEFICIT</b>		<b>(20,013,509)</b>	<b>-</b>	<b>581,974</b>	<b>479,228</b>

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on September 30th, 2021 and signed by

  
Susan Mochache, CBS  
Principal Secretary  
30/11/2021

  
Stephen M. Kaboro  
Programme Manager

  
Moses K. Ranji  
Programme Accountant  
ICPAK NO. 11344

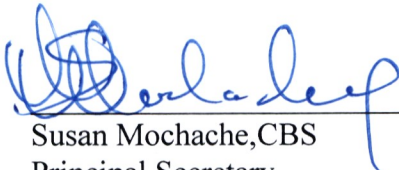
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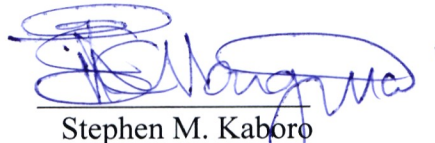
**Reports and Financial Statements  
For the financial year ended June 30, 2021**


**7. STATEMENT OF FINANCIAL ASSETS AS AT 30<sup>TH</sup> JUNE, 2021**

	Note	FY 2020/2021	FY 2019/20
Bank Balances	11.5A	479,228	20,492,737
<b>Total Cash and Cash equivalents</b>		<b>479,228</b>	<b>20,492,737</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>479,228</b>	<b>20,492,737</b>
Fund balance b/fwd	11.7	<b>20,492,737</b>	<b>19,910,763</b>
Surplus / (deficit) for the year		(20,013,509)	581,974
<b>NET FINANCIAL POSITION</b>		<b>479,228</b>	<b>20,492,737</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on September 30th, 2021 and signed by:

  
Susan Mochache, CBS  
Principal Secretary  
30/11/2021

  
Stephen M. Kaboro  
Programme Manager

  
Moses K. Ranji  
Programme Accountant  
ICPAK NO. 11344

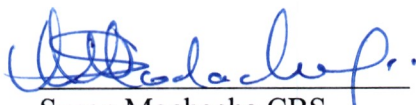
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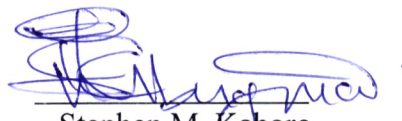
**Reports and Financial Statements  
For the financial year ended June 30, 2021**


**8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Note	2020/2021	2019/2020
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Receipts from Government of Kenya	11.1	-	-
Proceeds from Government and Foreign Grants	11.2	-	61,271,400
Miscellaneous Receipts	11.3	94,138	4,179
		<b>94,138</b>	<b>61,275,579</b>
<b>Payments for operating expenses</b>			
Use of goods and services	11.4	(1,317,140)	(60,693,606)
		<b>(1,317,140)</b>	<b>(60,693,606)</b>
<b>Adjusted for:</b>			
Net cashflow from operating activities		<b>(1,223,002)</b>	<b>581,974</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Net cash flows from Investing Activities		-	-
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Repayment of principal on Domestic and Foreign borrowing(KFW)	11.9	(18,790,507)	-
Net cash flow from financing activities		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(20,013,509)</b>	<b>581,974</b>
Cash and cash equivalent at BEGINNING of the year		20,492,737	19,910,763
Cash and cash equivalent at END of the year		479,228	20,492,737

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 September 30th, 2021 and signed by:

  
Susan Mochache, CBS  
Principal Secretary  
30/11/2021

  
Stephen M. Kaboro  
Programme Manager

  
Moses K. Ranji  
Programme Accountant  
ICPAK NO. 11344

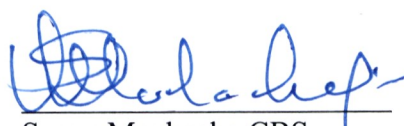
# OUTPUT BASED APPROACH (OBA) PROGRAMME

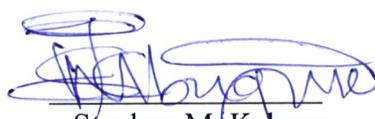
## Reports and Financial Statements For the financial year ended June 30, 2021


### 9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Consolidated	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts/Payments Item</b>						
<b>Receipts</b>						
Proceeds from Domestic and foreign Grants(surplus)	1,317,140		1,317,140	1,317,140	-	100%
Miscellaneous receipts	94,138	-	94,138	94,138	-	100%
<b>Total Receipts</b>	<b>1,411,278</b>	<b>-</b>	<b>1,411,278</b>	<b>1,411,278</b>	<b>-</b>	<b>100%</b>
<b>Payments</b>						
Use of goods and services	1,317,140	-	1,317,140	1,317,140	-	100%
<b>Total Payments</b>	<b>1,317,140</b>	<b>-</b>	<b>1,317,140</b>	<b>1,317,140</b>	<b>-</b>	<b>100%</b>

The budget allocation achieved full utilization as a result of presentation of invoices by services providers on time and remittance by donor done promptly. The statements were approved on September 30th, 2021 and signed by

  
Susan Mochache, CBS  
Principal Secretary  
30/11/2021

  
Stephen M. Kaboro  
Programme Manager

  
Moses K. Ranji  
Programme Accountant  
ICPAK NO. 11344

## **10. SIGNIFICANT ACCOUNTING POLICIES**

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

### **8.1 Statement of compliance and basis of preparation**

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

The financial statements are presented in Kenya Shillings. The accounting policies adopted have been consistently applied to all of the years presented.

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

#### **i. Recognition of revenue and expenses**

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

#### **ii. Cash and cash equivalents**

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

## **OUTPUT BASED APPROACH (OBA) PROGRAMME**

### **Reports and Financial Statements**

**For the financial year ended June 30, 2021**

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#### **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

iii. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Programme'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. A high-level assessment of the Programme's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

iv. **Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Programme operates, Kenya Shillings. Transactions in foreign currencies during the year 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.

v. **Comparative figures**

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

vi. **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements

For the financial year ended June 30, 2021

## 11. NOTES TO THE FINANCIAL STATEMENTS

### 11.1 RECEIPTS FROM GOVERNMENT OF KENYA

There were no counterpart funding in the year under review

#### RECEIPTS FROM GOVERNMENT OF KENYA

	2020/21	2019/20	Cumulative to Date	Cumulative Prior Year
	KShs	KShs	KShs	KShs
<i>Other transfers from government entities</i>			-	
MINISTRY OF HEALTH	-	-	270,405,000	270,405,000
	<u>-</u>	<u>-</u>	<u>270,405,000</u>	<u>270,405,000</u>

### 11.2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021 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*	Grants received in kind	Total amount in Kshs	
						FY 2020/21	FY 2018/19
		EURO	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>							
KFW	30/06/2021	0	-	0	-	0	61,271,400
<b>Total</b>		<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>61,271,400</b>

\*. The direct payment grants represent payments for goods and services done directly by the donor on behalf of the programme.

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**MISCELLANEOUS RECEIPTS**

**11.3 MISCELLANEOUS RECEIPTS**

	Receipts controlled by the entity in Cash	Receipts controlled by third parties	TOTAL RECEIPTS		Cumulative to- date	Cumulative Prior Year
			FY 2020/21	FY 2019/20		
	KShs	KShs	KShs	KShs	KShs	KShs
Other receipts not classified elsewhere (Receipt from Coop Bank-Interest)	8,737	-	8,737	4,179	5,390,788	5,382,051
Exchange Gain from euro account	85,401		85,401	-	85,401	0
	<u>94,138</u>	=	<u>94,138</u>	<u>4,179</u>	<u>5,476,189</u>	<u>5,382,051</u>

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

*Reports and Financial Statements  
For the financial year ended June 30, 2021*

**11.4 USE OF GOODS AND SERVICES**

	FY 2020/2021			FY 2019/20	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	-	-	-	-	9,873,855
Consultancy services(PWC-HAKI)	976,812	-	976,812	-	976,812
Communication, supplies and services	-	-	-	-	2,134,618
Domestic travel and subsistence	330,000	-	330,000	-	28,466,772
Printing, advertising and – information supplies & services	-	-	-	-	2,397,800
Training payments	-	-	-	-	10,509,305
Hospitality supplies and services	-	-	-	-	391,233
Specialised materials and services				61,271,400	3,241,928,612
Routine maintenance- – other assets				-	862,400
Other operating payments	10,328		10,328	8,400	7,695,974
Routine maintenance- vehicles and other transport equipment				-	1,496,678
Exchange rate losses/gains (net)	-		-	(586,195)	23,436
<b>Total</b>	<b>1,317,140</b>		<b>1,317,140</b>	<b>60,693,607</b>	<b>3,306,757,495</b>

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements

For the financial year ended June 30, 2021

#### 11.5 ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21	2020/21	Total Payments		Cumulative to-date	Cumulative Prior Year
	Payments made by the Entity in Cash KShs	Payments made by third parties KShs	FY 2020/2021 KShs	FY 2019/2020 KShs		
Refurbishment of buildings	-	-	-	-	8,773,043	8,773,043
Research studies, project design & supervision	-	-	-	-	177,598,704	177,598,704
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,371,747</b>	<b>186,371,747</b>

#### a. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 8.71A)	479,228	20,492,737
<b>Total</b>	<b>479,228</b>	<b>20,492,737</b>

#### 11.6 Programme Bank Accounts

	2020/21	2019/20
	KShs	KShs
<b>Foreign Currency Accounts</b>		
Cooperative Bank of Kenya [A/c No 2212061840700]	5,260	20,295,495
<b>Total Foreign Currency balances</b>	<b>5,260</b>	<b>20,295,495</b>
<b>Local Currency Accounts</b>		
Cooperative Bank of Kenya [A/c No 01141161840700]	2,368	2,368
Cooperative Bank of Kenya [A/c No 01141161840701]	471,600	194,874
<b>Total local currency balances</b>	<b>473,968</b>	<b>197,253</b>
<b>Total bank account balances</b>	<b>479,228</b>	<b>20,492,737</b>

Foreign Account is maintained in EUROS and year end closing balance is translated by the exchange rate at the year end. Rate as at 30<sup>th</sup> June 2021 was 1 Euro Kshs 128.2229

The programme does not maintain a Special Bank Account. Receipts are AIA Direct payments

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements For the financial year ended June 30, 2021

#### 11.7 FUND BALANCE BROUGHT FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts	479,228	20,492,737
<b>Total</b>	<b><u>479,228</u></b>	<b><u>20,492,737</u></b>

#### 11.8 Repayment of Principal on Domestic Lending and On-Lending

Explanation	2020-2021	2019-2020
	Kshs	Kshs
Principal repayments on domestic loans	-	-
Principal repayments on Guaranteed Debt taken over by Government	-	-
Repayments on borrowings from other domestic creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending(KfW)	18,790,507	-
<b>Total</b>	<b>18,790,507</b>	<b>-</b>

#### 12. OTHER IMPORTANT DISCLOSURES

The programme had no other important disclosures

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements  
For the financial year ended June 30, 2021**

**13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Qualification</b></p> <p>1. Non compliance with International Public Sector Accounting Standards (IPSAS) No. 1 Disclosed in note 8.5 of , the financial statements the use of goods and services balance of negative Kshs 577,795 for the year ended 30 June 2020 is an error of foreign exchange gain of kshs 585,195 attributed to the project Euro Account. The exchange gain was offset against expenses contrary to paragraph 48 of IPSAS No. 1 which states that assets and liabilities and revenue and expenses shall not offset unless required by an IPSAS. In the circumstances, the financial statement may not present a true and fair view of the operations of the project activities during the year under review.</p>	<p>The project financial statements were prepared following guidances from the National Treasury and public sector accounting standards board through issuance of templates for preparation of financial statements to all MDAs, projects, SAGAs County Governments and parastatals. The 2019/2020 financial statement were prepared bthe 2018/2019 templates (attached) which allowed for such net offs. The project now needs guidances to this matter as this is the norm to all Government entities</p>	<p>Project Accountant</p>		<p>30/06/2021</p>

**OUTPUT BASED APPROACH (OBA) PROGRAMME**


**Reports and Financial Statements  
For the financial year ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Key Audit Matters</b></p> <p>1. Discrepancy in Project Timelines</p> <p>The Programme was officially scheduled to end on 30 October, 2017 while the Micro Health Project which is operating under the Programme was scheduled to end on 1 October, 2019 with the final report expected on 1 April, 2020. The Management has not demonstrated how the Micro Health Project will be managed beyond the period of the Programme.</p> <p>In the circumstances, I am unable to confirm the continued existence of the Micro Health Project.</p>	<p>The management had put on hold for project closure until final audits are done, in this situation the running contract was accommodated and the donor gave no objections in honoring this contract obligations. The donor has given communication to use the residual funds in other programmes with related initial programme core so no definite closure date has been set. The programme is set to close once residual funds to a tune of EURO 250,000 has been dispursed.</p>	<p>Programme manager</p>	<p>Resolved</p>	<p>30/06/2021</p>


**OUTPUT BASED APPROACH (OBA) PROGRAMME**

*Reports and Financial Statements  
For the financial year ended June 30, 2021*


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>2. Lack of Programme Extension And Undrawn Balances.</b> A review of the funding summary reflects undrawn balance of EURO 3,954,416 equivalent to Kshs.467,133,977 and the statement of financial assets and liabilities reflect cash and cash equivalent balance of Kshs.19,910,763 which is likely to be refunded to the donor since the Programme end date was 30 October, 2017. There is no evidence that the management have sought for approval for the extension of the Programme upon expiry. In the circumstances, the Programme may not have realized it set goals and objectives</p>	<p>Part of donor funding was to finance supplies to KEMSA, MARIE STOPE &amp; SGBVR sub component of save mother and was carried on by contracted consultants who never report to OBA PMU, which is equivalent to Kshs. 375,662,760 (EURO 3,130,523 x 120). The documents towards these spending was with their respective programme management. A request to spend the undrawn balance was requested and an approval was given to a maximum of EURO 250,000.</p>	Programme manager	Resolved	30/06/2021

  
Susan Mochache, CBS  
Principal Secretary

30/11/2021  
Date

  
Stephen M. Kaboro  
Programme Manager

25/11/2021  
Date

  
Moses K. Ranji  
Programme Accountant  
ICPAK NO. 11344  
25/11/2021  
Date

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

*Reports and Financial Statements  
For the financial year ended June 30, 2021*

**14. ANNEX/APPENDICIES**

**1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

	Final Budget a	Actual on Comparable Basis b	Budget Utilisation Variance c=a-b	% of Utilisation Variance to Final Budget d=c/a %	Comments on Variance
<b>RECEIPTS DURING THE YEAR/PERIOD</b>					
Surplus funds	1,317,140	1,317,140	-	100%	
Miscellaneous receipts	94,138	94,138	-	100%	
<b>Total receipts</b>	<b>1,411,278</b>	<b>1,411,278</b>	-		
<b>PAYMENTS DURING THE YEAR/PERIOD</b>					
Use of goods and services	1,317,140	1,317,140	-	0%	
<b>Total payments</b>	<b>1,317,140</b>	<b>1,317,140</b>	-	<b>0%</b>	

Note 1. Miscellaneous receipts were as a result of commercial bank accounts interest which was not budgeted for.

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Statement of Budget Performance For the year ended June 30, 2021

#### ANNEX-II

##### 1. PAYMENT

DATE	PV NO.	PAYEE	EUROS	RATE	KSH
30.01.2020	0001 DP	MOSES RANJI			330,000.00
24.04.2020	0002 DP	PRICEWATERHOUSECOO[ERS			976,812.00
		<b>TOTAL</b>			<b>1,306,812.00</b>

##### 2. OPERATING EXPENSES

30.06.2021	003	BANK COMMISION( 85.97 x 128.3629)			11,035.00
30.06.2021		Commission Gain(85.97 x8.2229)			(707.00)
		<b>TOTAL</b>			<b>10,328.00</b>

##### (i) EXCHANGE GAIN ON CLOSING BALANCE

01.07.2020		OPENING EURO RATE		120.14	
30.06.2021		CLOSING EURO RATE		128.3629	
		<b>GAIN</b>	<b>40.98</b>	<b>8.2229</b>	<b>337.00</b>
<b>(ii) EXCHANGE GAIN ON TRANSFER TO KSH</b>					
01.07.2020		OPENING RATE		120.14	
17.12.2020		OPERATING RATE		127.00	
			<b>12,400.00</b>	<b>6.86</b>	<b>85,064.00</b>
		<b>TOTAL GAIN</b>			<b>85,401.00</b>

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

<b>ANNEX III. INTEREST AND COMMISSION</b>					
<b>ACCOUNT '01141161840701</b>				<b>'2212061840700</b>	<b>'2212061840700</b>
<b>NO</b>	<b>MONTH</b>	<b>INTEREST</b>	<b>CHARGES</b>	<b>INTEREST</b>	<b>CHARGES</b>
		<b>KSHS</b>	<b>KSHS</b>		
2020	JULY	331.01	-	-	6.00
2020	AUGUST	331.58	-	-	6.00
2020	SEPTEMBER	321.43	-	-	19.97
2020	OCTOBER	332.69	-	-	6.00
2020	NOVEMBER	322.50	-	-	6.00
2020	DECEMBER	1,379.12	-	-	6.00
2021	JANUARY	1,861.83	-	-	6.00
2021	FEBRUARY	717.63	-	-	6.00
2021	MARCH	795.74	-	-	6.00
2021	APRIL	771.37	-	-	6.00
2021	MAY	798.40	-	-	6.00
2021	JUNE	773.95	-	-	6.00
	<b>SUB- TOTAL</b>	<b>8,737.25</b>	<b>0</b>	<b>0</b>	<b>85.97</b>
	<b>Conversion to KES</b>			<b>85.97 X128.3629</b>	<b>11,035.00</b>
	<b>Gain</b>			<b>(85.97 x 8.2229)</b>	<b>(707.00)</b>
	<b>TOTAL</b>				<b>10,328</b>

N/B. Euro spot rate as 30<sup>th</sup> June 2021 was 128.3629 and opening Euro rate as 1<sup>st</sup> July 2020 was 120.14 giving a gain of Ksh. 8.2229

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements

For the financial year ended June 30, 2021

#### 1. OPERATING EXPENSES

30.06.2021	003	BANK COMMISSION( 85.97 x 128.3629)			11,035.00
30.06.2021		Commission Gain(85.97 x8.2229)			(707.00)
		<b>TOTAL</b>			<b>10,328.00</b>

#### ANNEX IV, Foreign Gain computation analysis

##### (i) EXCHANGE GAIN ON CLOSING BALANCE

01.07.2020		OPENING EURO RATE		120.14	
30.06.2021		CLOSING EURO RATE		128.3629	
		<b>GAIN</b>	<b>40.98</b>	<b>8.2229</b>	<b>337.00</b>
<b>(ii) EXCHANGE GAIN ON TRANSFER TO KSH</b>					
01.07.2020		OPENING RATE		120.14	
17.12.2020		OPERATING RATE		127.00	
			<b>12,400.00</b>	<b>6.86</b>	<b>85,064.00</b>
		<b>TOTAL GAIN</b>			<b>85,401.00</b>

N/B. Euro spot rate as 17<sup>th</sup> December 2020 was shs. 127 and by 30<sup>th</sup> June 2021 was 128.3629 and opening Euro rate as 1<sup>st</sup> July 2020 was 120.14 giving a gain of Kshs. 6.86 and Ksh. 8.2229 respectively

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

*Reports and Financial Statements*

*For the financial year ended June 30, 2021*

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**ANNEX V**

<b>OUTPUT BASED APPROACH PROGRAMME</b>		
<b>2020/2021 TRIAL BALANCE</b>		
<b>DESCRIPTION</b>	<b>DR</b>	<b>CR</b>
	<b>KSH</b>	<b>KSH</b>
RECEIPTTS FROM GOK	-	
REFUND TO KFW		18,790,507
INTEREST AND REFUNDS	8,737	
EXCHANGE GAIN/LOSS	85,401	
OPENING BANK BALANCE	20,492,737	
OPERATING EXPENSES		1,317,140
SPECIALISED MATERIALS AND SERVICES	-	
CLOSING CASH AND BANK BALANCES		479,228
	<b>20,586,875</b>	<b>20,586,875</b>

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements

For the financial year ended June 30, 2021

#### ANNEX –VI

#### SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2020/21
Toyota Prado(GK B059B)	9,710,007.00	-	-	9,710,007.00	-
Toyota Collola(GK A370Z)	3,334,287.00	-	-	3,334,287.00	-
VIP SOFA SET(5 SEATER)	120,000.00	-	-	120,000.00	-
Reception workstation	28,500.00	-	-	28,500.00	-
Visitors waiting coffee table	3,600.00	-	-	3,600.00	-
Visitors waiting chair ( set of 3 )	10,500.00	-	-	10,500.00	-
Wooden cabinets	33,600.00	-	-	33,600.00	-
Cutlery cabinet	6,900.00	-	-	6,900.00	-
Kitchen sink unit with attachables	23,000.00	-	-	23,000.00	-
Water dispenser	18,750.00	-	-	18,750.00	-
Ramtons microwave	17,900.00	-	-	17,900.00	-
Ramtons kettle ( 3 Lts )	6,540.00	-	-	6,540.00	-
10 Seater conference table	46,780.00	-	-	46,780.00	-
Conference chairs ( Leather mid back)	680,000.00	-	-	680,000.00	-
Meeting chairs	30,400.00	-	-	30,400.00	-
Visitors chairs medium back (fabric)	17,600.00	-	-	17,600.00	-
Filing cabinet ( Four drawer metallic )	18,600.00	-	-	18,600.00	-
4 Way work station	32,680.00	-	-	32,680.00	-
Office chairs ( Leather)	30,520.00	-	-	30,520.00	-
Ergonomic desk	16,380.00	-	-	16,380.00	-

## OUTPUT BASED APPROACH (OBA) PROGRAMME

### Reports and Financial Statements

For the financial year ended June 30, 2021

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2020/21
Printer	280,000.00	-	-	280,000.00	-
Air conditioners	290,000.00	-	-	290,000.00	-
LCD Projector	65,000.00	-	-	65,000.00	-
Fire Proof cabinet	750,000.00	-	-	750,000.00	-
Scanner	84,420.00	-	-	84,420.00	-
Binding Machine	19,980.00	-	-	19,980.00	-
Shredder	64,850.00	-	-	64,850.00	-
Photocopier	485,000.00	-	-	485,000.00	-
<b>TOTAL</b>	<b>16,225,794.00</b>			<b>16,225,794.00</b>	

## ANNEX VII

### CONFIRMATION OF TRANSFER TO DONOR

On Fri, 11 Sep 2020 at 08:41, Moses Ranjih <[mosesranjih@gmail.com](mailto:mosesranjih@gmail.com)> wrote:  
Correspondence forwarded by kaboro

----- Forwarded message -----

From: **Kaboro Mbugua** <[mbugua.kaboro@gmail.com](mailto:mbugua.kaboro@gmail.com)>

Date: Tue, Sep 8, 2020, 3:56 PM

Subject: Fwd: German FC - Kenya (200765131): Disposition Fund 19, SoE and Forecast

To: Moses Ranjih <[mosesranjih@gmail.com](mailto:mosesranjih@gmail.com)>, Moses Ranji Acc <[muitex@yahoo.com](mailto:muitex@yahoo.com)>

----- Forwarded message -----

From: <[Gerald.Laezer@kfw.de](mailto:Gerald.Laezer@kfw.de)>

Date: Tue, 8 Sep 2020, 15:49

Subject: WG: German FC - Kenya (200765131): Disposition Fund 19, SoE and Forecast

To: <[mbugua.kaboro@gmail.com](mailto:mbugua.kaboro@gmail.com)>

Cc: <[Oskar.Maltzan@kfw.de](mailto:Oskar.Maltzan@kfw.de)>

Dear Mr. Kaboro,

## ***OUTPUT BASED APPROACH (OBA) PROGRAMME***

### ***Reports and Financial Statements***

***For the financial year ended June 30, 2021***

---

I just received a call from our transaction department. They confirmed receipt of funds in the amount of 156.385,09 EUR just 1 hour ago.

So, we have no more questions to dispo fund No. 19 for the time being. Please follow expenditures planned for which you kept a forecast budget. And report on those expenditures as soon as they are completed.

Thanks in advance,

Gerald Läzer

With kind regards

Mr. Gerald Läzer

Senior Project Manager

Health, Social Protection, Education

KfW Development Bank

**ANNEX VIII**

**BANK RECONCILIATIONS**







***OUTPUT BASED APPROACH (OBA) PROGRAMME***

***Reports and Financial Statements***  
***For the financial year ended June 30, 2021***

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**ANNEX IX**  
**BOARD OF SURVEY**

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements  
For the financial year ended June 30, 2021**

REPUBLIC OF KENYA

F.O 51

Date 12<sup>th</sup> July 2019.

Report of the Board of Survey on the Cash and Bank Balances of 30<sup>th</sup> June 2021. OUTPUT BASED APPROACH

PROGRAMME ..... as at the close of

Business on ..... 30<sup>th</sup> JUNE 2021

The Board consisting of (Names and Official Titles)

- 1. Samuel Maiyo .....
- 2. Joseph Ouma .....
- 3. James Ngethe .....

assembled at the office of **EACE BOARD ROOM** .....

at **10.00AM** ..... (time) on the ..... **7<sup>th</sup> JULY 2021** .....

and the following cash was produced:

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

It was observed that cheques amounting to sh. .... NIL ..... Cts .....

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

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

The Cash Book reflected the following balances as at the close of business on the ..... **30<sup>th</sup> JUNE 2021** .....

Cash on hand	.....	Sh. ....	<u>NIL</u>
Bank Balance	.....	Sh. ....	<u>40.98</u>
			<u>40.98</u>

The Bank Certificate of Balance showed a sum of Kshs **FORTY EUROS**

..... Cents **NINETY EIGHT** ..... (Sh. **40 Cts. 98**) .....

Standing to the credit account on ..... **30<sup>th</sup> JUNE., 2021** .....

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

Date 12/07/2021

SAMUEL MAIYO *[Signature]*  
 Chairperson  
 1. JOSEPH OUMA *[Signature]*  
 2. JAMES NGETHE *[Signature]*  
 Member in the Board

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements  
For the financial year ended June 30, 2021**

*KPW/KSh A/c*

REPUBLIC OF KENYA

F O 51

Date 12<sup>th</sup> July 2021.

Report of the Board of Survey on the Cash and Bank Balances of 30<sup>th</sup> June 2021 OUTPUTBASED APPROACH

PROGRAMME..... as at the close of

Business on .....30<sup>th</sup> JUNE 2021

The Board consisting of (Names and Official titles)

- 1. Samuel Maiyo .....
- 2. Joseph Ouma.....
- 3. James Ngethe.....

assembled at the office of EACE BOARD ROOM.....

at 10.00AM..... (time) on the 7<sup>th</sup> JULY 2021.....  
and the following cash was produced:

Notes	.....	Sh	.....NIL.....
Silver	.....	Sh	.....NIL.....
Cooper	.....	Sh	.....NIL.....
Cheque (as per details on reverse)	.....	Sh	.....NIL.....

It was observed that cheques amounting to sh. ....NIL.....cts.....

had been on 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 30<sup>th</sup> JUNE 2021.....

Cash on hand	.....	Sh	.....NIL.....
Bank Balance	.....	Sh	.....471,599.52.....
			<u>471,599.52</u>

The Bank Certificate of Balance showed a sum of kshs **FOUR HUNDRED SEVENTY ONE THOUSAND FIVE HUNDRED NINETY**

**NINE**..... Cents...**FIFTY TWO**..... KSh...**471,599** Cts...**52**.....

Standing to the credit account on..... 30<sup>th</sup> JUNE, 2021.....

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

Date 12/07/2021.....

SAMUEL MAIYO..... *[Signature]*  
 Chairperson  
 1. JOSEPH OUMA..... *[Signature]*  
 2. JAMES NGETHE..... *[Signature]*  
 Member in the Board

**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements  
For the financial year ended June 30, 2021**

*Gok Account*

REPUBLIC OF KENYA

F. O. 51

Date 12<sup>th</sup> July 2019

Report of the Board of Survey on the Cash and Bank Balances of 30<sup>th</sup> June 2021 OUTPUT BASED APPROACH

PROGRAMME..... as at the close of

Business on ..... 30<sup>th</sup> JUNE 2021

The Board consisting of (Names and Official titles)

1. Samuel Maiyo .....

2. Joseph Ouma .....

3. James Ngethe .....

assembled at the office of EACE BOARD ROOM.....

at ... 10.00AM..... (time) on the ..... 7<sup>th</sup> JULY 2021.....

and the following cash was produced:

Notes	Sh.	NIL
Silver	Sh.	NIL
Cooper	Sh.	NIL
Cheque (as per details on reverse)	Sh.	NIL

It was observed that cheques amounting to sh. .... NIL.....

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

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

The Cash Book reflected the following balances as at the close of business on the ..... 30<sup>th</sup> JUNE 2021.....

Cash on hand	Sh.	NIL
Bank Balance	Sh.	2,368.27
		<u>2,368.27</u>

The Bank Certificate of Balance showed a sum of Kshs TWO THOUSAND THREE HUNDRED SIXTY EIGHT THOUSAND

..... Cents...TENTY SEVEN..... KSH. 2,368 Cts. 27.....

Standing to the credit account on ..... 30<sup>th</sup> JUNE., 2021.....

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

Date *12/07/2021*

SAMUEL MAIYO..... *[Signature]*

Chairperson

1. JOSEPH OUMA..... *[Signature]*

2. JAMES NGETHE..... *[Signature]*

Member in the Board

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**OUTPUT BASED APPROACH (OBA) PROGRAMME**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

no of Payment	Allocation	Voucher No.	Cheque No.	Sh. cts.	Sh. cts.	Sh. cts.
		001	803			231700.00
						2368.27
						334268.27
						2368.27
						2368.27
						2368.27
4.2		<i>[Signature]</i>		Terry no. wafid		2368.27
6 if		<i>[Signature]</i>		ABU MUKATI		2368.27
once c/f		<i>[Signature]</i>		RESOR Kumbang		17/07/2020
1 Year.						2368.27
c/f						2368.27
		Das: Chairman		Summa MATA		17/7/2021
		Member		Joseph S. Duma		17/7/2021
				James Ngata		17/7/2021



