

REPUBLIC OF KENYA



Enhancing Accountability

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| THE NATIONAL ASSEMBLY PAPERS LAID | | REPORT |
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THE AUDITOR-GENERAL

ON

**EAST AFRICA'S CENTRE OF EXCELLENCE
FOR SKILLS AND TERTIARY EDUCATION IN
BIOMEDICAL SCIENCES – PHASE 1
(LOAN NO.2100150031997) PROJECT**

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

MINISTRY OF HEALTH



PROJECT NAME: EAST AFRICA'S CENTRE OF EXCELLENCE

IMPLEMENTING ENTITY: MINISTRY OF HEALTH (MOH)

PROJECT LOAN NUMBER: 2100150031997

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

EAST AFRICA’S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences

Phase 1 - Project Loan Number: 2100150031997

Afya House

AFDB Prefab offices

Objective: The key objective of the project is to focus on public health problems affecting the country, including infectious diseases, use of scientific evidence for policy formulation and program implementation.

Address: The project headquarters offices are Nairobi, Nairobi County, Kenya.

The address of its registered office is:

P.O Box 30016 – 00100

Afya House. Cathedral Road

Nairobi.

Contacts: The following are the project contacts

Telephone: (254) 0202717077

E-mail: pshealth.go.ke

Website: wwwhealth.go.ke

1.2 Project Information

| | |
|---------------------|---|
| Project Start Date: | The project start date is 17-12-2014 |
| Project End Date: | The project end date is 31/12/2022 |
| Project Manager: | The project manager is Dr. Hossan Ajuck |
| Project Sponsor: | The project sponsor is ADF and GOK |

PROJECT INFORMATION AND OVERALL PERFORMANCE (CONTINUED)

1.3 Project Overview

| | |
|---|---|
| Line Ministry/State Department of the project | The project is under the supervision of the Health Ministry. |
| Project number | P-Z1-IBO-23 Loan Number 2100150031997 |
| Strategic goals of the project | The strategic goals of the project are as follows: I. Training II. Research III. Service delivery |
| Achievement of strategic goals | The project management aims to achieve the goals through the following means: (i) Training of public health workers (ii) Research and analysis of public health information |
| Project duration | The project started on 17 th December, 2014 and is expected to run until 31 st December 2022 |

1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya

1.5 Auditors

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

1.6 Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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PROJECT INFORMATION AND OVERALL PERFORMANCE (CONTINUED)

| Names | Title designation | Key qualification | Responsibilities |
|-------------------------|--|---------------------------|--|
| Dr.Martin Sirengo | Head Department of health Infrastructure | | Involvement in the day to day running of Health infrastructure projects in the country. Reporting to the Ministry and the Financiers on the Projects |
| Dr. Hossan Dennis Ajuck | Project Manager | MPH, BSDT, IPPHL | Involvement in the day to day running of the EAKIP project. Reporting to the Ministry and the Financiers on the Project |
| Moses K. Ranji | Project Accountant | Msc Finance, BCOM, CPA(K) | Carrying out the accounting functions of the Project |
| Catherine Kimira | Procurement Officer | SCMO I Procurement | Carrying out the procurement functions of the Project |
| Professor Mungai Ngugi | Academic officer | Urologist | In charge of academic programs |

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.7 Funding summary

The Project is for a duration of 5 years from 2014 to 2019 but was given an extension of 3 years to December 2022 with an approved budget of 27,500,000 UA equivalent to Kshs 3,674,000,000 billion as highlighted in the table below:

Below is the funding summary:

(a) Source of funds

| Source of funds | Donor Commitments | | Amount received to date – (30-06-2021) | | Undrawn balance to date (30-06-2021) | |
|-------------------------------|--------------------|----------------------|--|----------------------|--------------------------------------|----------------------|
| | Donor currency (A) | Kshs | Donor currency (B) | Kshs | Donor currency (A)-(B) | Kshs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A')-(B') |
| (i) Loan | - | - | - | - | - | - |
| ADB | 25,000,000 | 3,340,000,000 | 9,339,308.4 | 1,247,731,598 | 15,660,691.6 | 2,092,268,402 |
| (ii) Counterpart funds | - | - | - | - | - | - |
| Government of Kenya | 2,500,000 | 334,000,000 | 795,028.7 | 106,215,834 | 1,704,971.3 | 227,784,166 |
| Miscellaneous | | | 12,802.5 | 1,710,413 | | (1,1710,413) |
| Total | 27,500,000 | 3,674,000,000 | 10,147,139.6 | 1,355,657,845 | 17,365,663.6 | 2,318,342,155 |

Exchange rate 1 UA= KES 133.6

(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') |
| (i) Grant | | | | | |
| AFDB | 9,399,308.4 | 1,247,731,598 | 1,247,731,598 | 9,677.83 | 1,292,935 |
| Total | 9,399,308.4 | 1,247,731,598 | 1,247,731,598 | 9,676.92 | 1,292,935 |
| (i) Counterpart funds | | | | | |
| Miscellaneous | 12,802.5 | 1,710,413 | 1,710,413 | | |
| | 9,412,110.9 | 1,249,442,011 | 1,249,442,011 | 9,677.83 | 1,292,935 |

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Statement of Project Performance against predetermined objectives

Budget Performance against actual amounts for current year and for cumulative to date

The Project performance is 37% with the expenditure of Ksh. 1,355,657,845 against the budget allocation of Kshs.3, 674,000,000.

Implementation Challenges

The procurement of the contractor for the construction of the institute complex has been concluded and tender awarded and construction commenced. However, with the Covid 19 Pandemic emerging, the pace at which construction was planned was affected more so due to Ministry of health protocols to mitigate the pandemic.

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 *project's agreement/* plan are to:

The key objectives are derived from three main components of the project,

There are four objectives which included:

1. Policy formulation and strategic planning for East Africa Institute for urology and nephrology
2. Coordination and partnership to ensure to build capacity and offer technical assistance
3. to coordinate the construction of EAKI complex.
4. General coordination and partnership among stakeholder

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-bund (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:

| PROJECT | OBJECTIVES | OUTCOME | INDICATORS | PERFORMANCE |
|---------|------------------------|------------------------------------|--|--------------------------|
| EAKI | Policy formulation and | . Hire a consultant . Workshops | . ToRs /Expression of Interest/Advertisement | . Contract . Workshop |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997

Reports and Financial Statements

For the year ended JUNE 30TH, 2021

| | | | | |
|--|-------------------------------|---|---|---|
| | Strategic planning | convened to develop the operational plan | . Final operational plan submitted to MOH | Reports and Strategic plan is the development process |
| | | Strategic Plan and Operational Guidelines and Labor market policy | ToRs /Expression of Interest/Advertisement | Contract and Strategic Documents |
| | Coordination and partnerships | Project Managers salaries | status of implementation | Project manager reported. |
| | | Office Consumables and communication support | Professional Opinion/Purchased airtime | S13 |
| | | Repairs and Servicing of Project Vehicles and Fuel | Motor Vehicle Inspection reports and Repair invoices | Motor Vehicle Inspection Report |
| | | Monitoring and Evaluation Officer Salaries | status of implementation | Recruited but did not report |
| | | Repair of ADB office block | BoQ's and RFQ's | Final Certificate on Repairs (done) |
| | | Carry out service of Office Printers and Photocopiers | Service report | Service Report |
| | | Support UON Research office | Hire Statistician/epidemiologist and office assistant | Hire Consultant and hold Stakeholders workshops |
| | | | Develop Research strategy and platform | Hire Consultant and hold Stakeholders (not done) |

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

EAKI will be a specialized hospital that is key in ensuring that the kidney disease burden is not only reduced but fully managed in the region, as we build capacity of our health care workers, there is a plan to ensure that the Centre of excellence addresses all the challenges within EAC and beyond. We are also focused to ensure that we attract medical tourism. The main activities will include: service delivery, training and research in Urology and Nephrology

The Kenya Health Sector Strategic and Investment Plan (KHSSP) 2018-2023, has spelt out the short term strategies that the health sector will use in implementing the Kenya Health Policy (KHP) 2014-2030. The KHSSP 2018-2023 covers all actors in the Health arena and will guide in developing their strategic as well as operational plans.

In implementing the strategic plan, the Ministry of Health (MOH) has roles it is expected to undertake as one of the Actors in the health arena. EAKI Strategic and Investment Plan spells out the strategies the MoH will use to effectively play its role in the sector as part of implementing the health agenda as spelt out in KHP.

As the MOH has developed the KHSSP 2018-2023, the EAKI SP is expected to guide its strategic positioning to play its role as elaborated in the project details. The **East Africa Kidney Institute**, is a proposed Centre of excellence in renal care, training and research to be set up in Kenya as part of the East African Community's objective of development of relevant and highly skilled workforce in biomedical sciences to meet the EAC immediate labor market needs and support EAC's free labor market protocols. It is envisioned that EAKI will also attract medical tourism from the region and beyond.

EAKI is jointly funded by the Government of Kenya and the African Development Bank (AfDB) and its establishment is aligned to the Medium-Term Plan (MTP III) for the Vision 2030 aimed at development of specialized skills a priority to promote medical tourism within the region to increase Kenya's competitiveness regionally and globally. EAKI is part of the EAC COEs focusing on Nephrology and Urology Institute while Uganda is hosting the Cancer CoE; Tanzania, Heart CoE and Rwanda hosts eHealth and Rehabilitation Sciences.

Upon completion, EAKI will allow multi-partite participation by putting clinical services, medical research, and professional training together; and concentrating medical expertise, advanced technology and cases of complex renal illnesses in one place.

1. Sustainability strategy and profile

Sustainability plan is on cause and this can done through the development of 2022-2027 strategic plan. Currently a roadmap has been developed as stated below by the concept note developed:

The roadmap to strategic plan

The Strategic objectives of EAKI are;

1. To improve expertise and strengthen specialized health care services to Kenyans and the East African Region.
2. To reduce the burden on chronic kidney disease through enhancement of promotive and preventive interventions.
3. To provide high quality regional based renal health services to stem outward referrals to foreign countries. To improve specialists teaching and training
4. To strengthen regional healthcare referral services and attract medical tourism to the country.
5. To promote quality research in medical specialties and maintain a registry on renal conditions.

EAKI project has the following components;

Component I: Establish a Regional Centre's of Excellence in Urology and Nephrology in Kenya through Construction of the EAKI complex:

This component aims at establishing the infrastructure, equipment and systems of a centres of excellence in Kenya as part of the regional network of CoEs in the East Africa region. Specifically, the goal of this component is to facilitate;

- i. Higher education programs and clinical training;
- ii. Scientific and operational research;
- iii. Delivery of specialized preventive, curative and promotive services.

Component II: Regional Integration.

Support EAC Regional Integration agenda in Higher Education to respond to Labor Market needs. This component will support regional integration in higher education and labor market regulation:

Specifically, the focus will be on:

- i. Development and implementation of a regional integration strategy on higher medical education and research;
- ii. Development of a policy and operational guideline that guides and facilitates enrolment of students from EAC member states to those Centers of Excellence through an agreed and equitable framework;
- iii. Production of a regional labor market policy and supporting operational arrangements to enhance regional integration in skilled labor market;
- iv. Development, with member states, of a strategic plan of expanding the project in the other regional countries.

Component III: Project Management and Coordination

This component supports project management coordination, monitoring and evaluation including assessment of the effectiveness of the approaches used in the program in terms of quality and relevance to the job market.

OBJECTIVES OF THE EAKI-SP CONCEPT PAPER

- To provide a draft roadmap of key milestones in the process of development of EAKI-SP;
- To outline the methodology for developing the strategic plan;
- To provide guidance on the institutional arrangements;
- To provide an estimate of the resources and possible sources of support for the process;

EXPECED OUTPUTS

- Approved EAKI-SP development road map;
- SP development technical committee duly appointed by the PS
- EAKI-SP finalized, launched and disseminated in FY 2021/22.

METHODOLOGY FOR DEVELOPING THE EAKI-SP

The coordination structures will be as follows;

1. Steering Committee

Steering Committee, comprised of members from MOH, KNH, KMTC and UON will be appointed by the Principal Secretary (PS). The steering committee shall guide the process of developing the SP.

2. Technical Committee

The PS will appoint a Technical Committee that will draft the SP after review of relevant documents, including, but not limited to; the Constitution, Kenya Health Policy, the KHSSP 2018-23, the UHC road map, project details, East Africa Community Health Strategy, the Health Act 2017 and other relevant legislation, relevant Government circulars and any other relevant materials deemed appropriate for this purpose as well as other performance review reports. The Technical committee will determine their modus operandi in undertaking the task. This may include establishing thematic groups to carry out the exercise.

3. Thematic groups

As per the EACE, Project Appraisal Report (PAR), the Ministry of Health is the Executing Agency (EA) while the Kenyatta National Hospital, The University of Nairobi and Kenya Medical Training College are the users/beneficiary institutions. The three institutions jointly own the land on which the proposed complex will be constructed. Other collaborating

agencies are the Ministries of Education, The National Treasury and the East Africa Community.

The thematic groups will be organized around the operational areas for the Kidney Institute. A core team that will coordinate and collate the output from the various groups. The thematic groups shall be provided a format for deriving the necessary information towards developing the draft SP.

All groups will have representatives of the entities i.e; MOH, KMTC, KNH, and UON.

The thematic groups will include;

- i. Leadership and governance (policy, planning, quality assurance, social accountability and regulation)- strategies, interventions, indicators, targets and investment areas with budgets
- ii. Service delivery-strategies and interventions per each policy area, indicators, targets and investment areas with budgets
- iii. Health products and technologies, including blood- strategies, interventions, indicators, targets and investment areas with budgets
- iv. Human resource for health- strategies, interventions, indicators, targets and investment areas with budgets
- v. Infrastructure- strategies, interventions, indicators, targets and investment areas with budgets
- vi. Health financing- strategies, interventions, indicators, targets and investment areas with budgets including overall document costing
- vii. HIS /M&E- strategies, interventions, indicators, targets and investment areas with budgets including the M&E framework
- viii. Research and development- strategies, interventions, indicators, targets and investment areas with budgets

4. Coordination and Secretariat

The Department of Central Planning and Project Monitoring shall provide the Technical back stopping for the development of the East African Kidney Institute Strategic Plan. The Department shall provide coordination for the process.

Consultation Process

Where appropriate, there will be comprehensive consultations with:

1. MoH entities
2. Health related Ministries

3. Key health sector partners

4. Private sector

Validation and Endorsement

The draft Strategic Plan shall be consolidated by the core team. It will then be subjected to internal validation and endorsement before editing, printing and circulation.

ROADMAP

| Phase | Major milestones | Responsible | Time line |
|--|--|-------------|---------------------------------|
| Develop draft EAKI-SP | Mobilize financial support for EAKI-SP drafting workshop | EAKI/ADB | July 2021 |
| | Conduct workshops to develop draft EAKI-SP | CPPMD | Oct 2021 |
| Finalization, launch and dissemination | Internal validation of draft EAKI-SP | CPPMD | May 2022 (After CS endorsement) |
| | Incorporation of comments | CPPMD | March 2022 |
| | Editing of final draft | CPPMD | March 2022 |
| | Endorsement of final document | CS | April 2022 |
| | Printing, launch and dissemination | CPPMD | May 2022 |

In summary, there is a need to finalize on the memorandum of understanding between the stakeholders which includes the KMTC, KNH and UoN so that the process of strategic plan can continue on the road towards sustainability.

2. Environmental performance

Key Environmental Issues & Potential Impacts The proposed EAKI is expected to have net positive benefits to the country and the East African Community. The positive impacts include: land use optimization, improved access to specialized public medical care; and improvement of biomedical research & knowledge on renal diseases. The key potential negative impacts and proposed mitigation measures for the proposed project are summarized in the table below: Table 2: Summary of Key Negative Impacts and Proposed Mitigation Measures

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

| Potential Impact | Mitigation measures |
|---|---|
| Land Pollution | <ul style="list-style-type: none"> • Establish a robust solid waste management system |
| Air pollution | <ul style="list-style-type: none"> • Preventive maintenance of emergency diesel generator • Incorporation of renewable energy technologies • Landscaping & tree planting along site boundary |
| Land Use conflict | <p>Apply for extension of use for the plot – for institutional and recreational purpose)</p> <ul style="list-style-type: none"> • Extension of use approval for the EAKIP plot from physical planning department NCC • Seek approval from KCAA for the project as the site is adjacent to KNH heliport (helicopter landing area) • Relocation & upgrade of recreational facilities |
| Water and Ecosystem pollution | <ul style="list-style-type: none"> • Connect the facility to the existing public sewer line • Seek WRMA approval for drilling proposed borehole • Abstraction of ground water much permitted by WRMA • Wastewater & storm water collection & treatment prior to discharge to environment |
| Occupational safety & health concerns | <p>Undertake risk assessment of facility;</p> <ul style="list-style-type: none"> • Continuous training of workers on hazards & emerging workplace risks • Provision of appropriate PPE • Effective management of waste including hazardous medical waste. |
| Potential increase in HIV/AIDs infections | <p>Contractor should undertake HIV/AIDS education & awareness in partnership with the local administration & religious institutions.</p> |

The findings of the ESIA based on the disclosed project details and the baseline site assessment indicated that the project is desirable and will support the realization of national and regional development goals. The project design has incorporated good environmental practice by adopting key green building design criteria such as storm water harvesting, use of natural lighting strategies & solar

water heating technologies in line with existing national laws and regulations. The project design also specifies high standards for designs of key project elements including the civil works, mechanical systems and electrical systems. The project is therefore deemed feasible from environmental and social view point when implemented alongside the Environmental Management plan developed for this project. The report recommends that the EAKI project should be approved by NEMA subject to conditions deemed necessary by the Authority to advance sustainable development.

There is a robust waste management is well outlined in the contract and there is a team of consultants who have been assigned to supervise and approve all the works. As far as air pollution is concerned, the procurement of the generator is in the process and specification has been done together with the preventive maintenance plan. The provision of solar energy is also in the contract and installation has begun.

On the land use and conflict; all necessary approvals were obtained and the state of art pitch construction will take place once funds are available. Occupation safety is taken seriously and there are weekly meetings to assess the safety level and the report is shared among stakeholders. There is also a safety officer on site and in summary, all the staff are provided with PPEs. Periodic awareness of HIV/AIDS is conducted and is documented

3. Employee welfare

Currently the staff in the PIU are redeployed MOH staff and the employment of staff will commence when the institute is operational.

We have an environmental specialist who supervises the main contractor to ensure that OSHA act is followed to the later. We have weekly safety reports that is shared among the stakeholders. All staff on site are also ensured as per the contract requirements.

Market place practices-

a) Responsible Supply chain and supplier relations-

The Project uses both AfDB and Country System guidelines for supply chain management. Supplier and service provider contracts are maintained well in the project.

Payments for goods delivered and services rendered are paid promptly after thorough inspection and acceptance.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Health and the Project Manager for East Africa's Centre of Excellence 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 year ended on June 30th, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting year; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

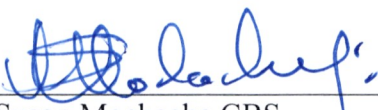
The Principal Secretary for the Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance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

The Principal Secretary for the Ministry of Health and the Project Manager for East Africa's Centre of Excellence 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 year ended June 30th, 2021 and of the Project's financial position as at that date. The Principal Secretary for Health and the Project Manager for East Africa's Centre of Excellence 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 Manager for East Africa's Centre of Excellence 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 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 Manager on September 30th, 2021 and signed by them.


Susan Mochache, CBS

Principal Secretary

Date

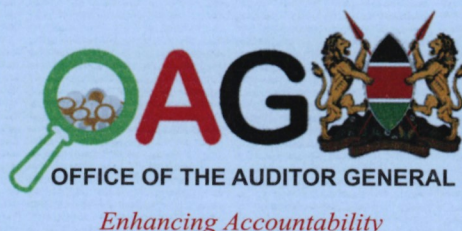

Dr. Hossan Dennis Ajuck

Project Manager

Date ...16.12.2021.....

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA'S CENTRE OF EXCELLENCE FOR SKILLS AND TERTIARY EDUCATION IN BIOMEDICAL SCIENCES – PHASE 1 (LOAN NO.2100150031997) PROJECT FOR THE YEAR ENDED 30 JUNE, 2021 – 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, 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 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 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 East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences – Phase 1 (Loan

Report of the Auditor-General on East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences – Phase 1 (Loan No.2100150031997) Project for the year ended 30 June, 2021 – Ministry of Health

No.2100150031997) Project set out on pages 1 to 18, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and 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 East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences – Phase 1 (Loan No.2100150031997) Project 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 Financing Agreement No.2100150031997 dated 17 December, 2014 between African Development Fund and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences – Phase 1 (Loan No.2100150031997) Project 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

1.0 Unutilized Balance

The project information and overall performance under funding summary at Note 1.7 to financial statements reflects total commitment of Kshs.3,674,000,000 and amount received to date (30 June, 2021) of Kshs.1,355,657,845 resulting to a difference of Kshs.2,318,342,155. Meaning the Project has attained 37% performance level with project end date indicated as 31 December, 2022. However, the Management has not provided evidence of project extension and amounts of Kshs.2,318,342,155 due from the donor may not be received.

Under the circumstances, the primary objective of focusing on public health problems affecting the country, including infectious diseases, use of scientific evidence for policy formulation and program implementation may not be realized in light of the unutilized funds which could reduce the ability of Project and the Ministry of Health to attract donor support.

2.0 Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final payments budget of Kshs.950,000,000 and variance (under expenditure) of Kshs.336,755,885 (or 36%). This underutilization is an indication of failure to implement the planned programmes for the year, thus negatively impacting planned Project's objectives and 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 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 17 December, 2014 between African Development Fund and the Republic of Kenya, 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 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 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 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to 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

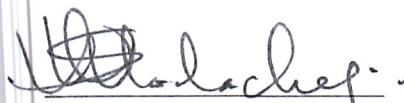
17 December, 2021


EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

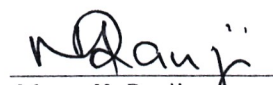
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

| | Note | FY 2020/21 | | FY 2019/2020 | | Cumulative to Date |
|---|------|--|---|--|--------------------------------|----------------------|
| | | Receipts and payments controlled by the entity | Receipts and Payments made by third parties | Receipts and payments controlled by the entity | Payments made by third parties | |
| | | Kshs | Kshs | Kshs | Kshs | Kshs |
| RECEIPTS | | | | | | |
| Receipts from Government of Kenya | 11.1 | - | 39,707,194 | 168,000 | 15,744,396 | 106,215,834 |
| Loan from External Development Partners | 11.2 | - | 512,942,778 | - | 283,485,317 | 1,247,731,598 |
| Miscellaneous Receipts | 11.3 | 1,710,413 | - | | - | 1,710,413 |
| TOTAL REVENUES | | 1,710,413 | 552,649,972 | 168,000 | 299,229,713 | 1,355,657,845 |
| PAYMENTS | | | | | | |
| Compensation of Employees | 11.4 | 1,030,526 | - | 4,448,300 | - | 30,378,926 |
| Purchase of goods and services | 11.5 | 4,342,000 | 52,749,716 | 659,400 | 32,470,396 | 306,905,533 |
| Acquisition of Non-financial Assets | 11.6 | 55,221,694 | 499,900,256 | - | 266,759,317 | 1,017,081,350 |
| TOTAL PAYMENTS | | 60,594,220 | 552,649,972 | 5,107,700 | 299,229,713 | 1,354,365,808 |
| SURPLUS/DEFICIT | | (58,883,807) | - | (4,939,700) | - | 1,292,037 |

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 N. Mochache, CBS
 Principal Secretary


 Dr. Hossan Dennis Ajuck
 Project Manager


 Moses K. Ranji
 Project Accountant

Date

Date 16.12.2021


Date 16.12.2021


EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE, 2021

| | Note | FY 2020/21 | FY 2019/20 |
|----------------------------------|------|------------------|-------------------|
| Bank Balances | 12 | 1,292,135 | 60,175,941 |
| Total Cash and Cash equivalents | | 1,292,135 | 60,175,941 |
| TOTAL FINANCIAL ASSETS | | 1,292,135 | 60,175,941 |
| REPRESENTED BY: | | | |
| Fund balance b/fwd | 12 | 60,175,941 | 65,115,543 |
| Surplus / (deficit) for the year | | (58,883,807) | (4,939,700) |
| NET FINANCIAL POSITION | | 1,292,135 | 60,175,843 |

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 N. Mochache, CBS
 Principal Secretary


 Dr. Hossan Dennis Ajuck
 Project Manager


 Moses K. Ranji
 Project Accountant

Date

Date 16.12.2021

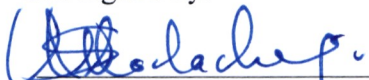
ICPAK NO. 11344
 Date 16.12.2021

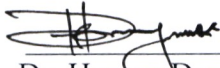
EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021


8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2021

| | | Kshs | Kshs |
|--|------|---------------------|----------------------|
| | | 2020/2021 | 2019/2020 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts for operating income | | | |
| Receipts from Government of Kenya | 11.1 | 39,707,194 | 15,912,396 |
| Miscellaneous Receipts | 11.3 | 1,710,413 | - |
| | | 41,417,607 | 15,912,396 |
| Payments for operating expenses | | | |
| Compensation of Employees | 11.4 | (1,030,526) | (4,448,300) |
| Use of goods and services | 11.5 | (57,091,716) | (221,553,649.) |
| | | (58,122,242) | (226,001,949) |
| | | (16,704,635) | (210,089,553) |
| Net cashflow from operating activities | | | |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of Non-financial Assets | 11.6 | (555,121,950) | (78,335,464) |
| | | (555,121,950) | (78,335,464) |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Loan from External Development Partners | 11.2 | 512,942,778 | 283,485,317 |
| | | - | - |
| Net cash flow from financing activities | | | |
| | | (58,883,807) | (4,939,700) |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 60,175,941 | 65,115,641 |
| Cash and cash equivalent at BEGINNING of the year | | 1,292,135 | 60,175,941 |
| Cash and cash equivalent at END of the year | | 12 | 12 |

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 September 2021 and signed by:


 Susan N. Mochache, CBS
 Principal Secretary


 Dr. Hossan Dennis Ajuck
 Project Manager


 Moses K. Ranji
 Project Accountant
 ICPAK NO. 11344
 16/12/2021

Date _____

16.12.2021


9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

| Consolidated | Original Budget a | Adjustments b | Final Budget c=a+b | Actual on Comparable Basis d | Utilisation Variance e=c-d | % of Utilisation f=d/c % |
|---|----------------------|----------------------|-----------------------|---------------------------------------|-------------------------------|--------------------------------|
| Receipts/Payments Item | | | | | | |
| Receipts | | | | | | |
| Receipts from Government of Kenya | 145,000,000 | | 145,000,000 | 39,707,194 | 105,892,806 | 29% |
| Loan from External Development Partners | 1,100,000,000 | (200,000,000) | 900,000,000 | 512,942,779 | 387,057,221 | 57% |
| Miscellaneous receipts | - | - | - | 1,710,413 | (1,710,413) | 100% |
| Total Receipts | 1,245,000,000 | (200,000,000) | 1,045,000,000 | 554,360,386 | 491,239,614 | 58% |
| Payments | | | | | | |
| Compensation of employees | 6,000,000 | - | 6,000,000 | 1,030,526 | 4,969,474 | 16% |
| Use of goods and services | 370,000,000 | (200,000,000) | 170,000,000 | 57,091,716 | 112,908,342 | 34% |
| Acquisition of Non-financial Assets | 774,000,000 | | 774,000,000 | 555,121,951 | 218,878,069 | 72% |
| Total Payments | 1,150,000,000 | (200,000,000) | 950,000,000 | 613,244,193 | 336,755,885 | 64% |

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 June 30th September 2021 and signed by:


Susan N. Mochache, CBS
Principal Secretary

Date


Dr. Hossain Dennis Ajuck
Project Manager

Date 16.12.2021



Moses K. Ranji
Project Accountant
ICPAK NO. 11344

Date 16.12.2021

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

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

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

i. Recognition of revenue and expenses

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

ii. In-kind donations

In-kind donations are contributions 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 of in-kind donations can be reliably determined, the Project includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the donation is not recorded.

iii. 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.

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
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iv. Budget

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

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.

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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11. NOTES TO THE FINANCIAL STATEMENTS

| 11.1 RECEIPTS FROM GOVERNMENT OF KENYA | | | | |
|---|---|-------------------|-------------------|--------------------|
| | | 2020/2021 | 2019/2020 | Cumulative to Date |
| | | KShs | KShs | KShs |
| | <i>Other transfers from government entities</i> | | | - |
| | COUNTERPART FUNDING THROUGH MINISTRY OF HEALTH | 39,707,194 | 15,912,396 | 106,215,834 |
| | | <u>39,707,194</u> | <u>15,912,396</u> | <u>106,215,834</u> |

| 11.2 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS | | | | | | | | |
|---|---|---------------|-------------------------|------------------------|----------------------------------|----------------------|--------------------|----------------------|
| | Name of Donor | Date received | Amount in loan currency | Funds received in cash | Loans received as direct payment | Total amount in KShs | | |
| | | | | | | FY 2020/21 | FY 2019/20 | Cumulative to date |
| | | | | | | KShs | KShs | KShs |
| | Loans Received from Bilateral Donors (Foreign Governments) | | | | | | | |
| | ADB - USD | 30/6/2021 | | - | 512,942,778 | 512,942,779 | 283,485,317 | 1,247,731,598 |
| | Special A/C | | | - | - | - | - | |
| | Total | | - | - | 512,942,778 | 512,942,779 | 283,485,317 | 1,247,731,598 |

| 11.3 MISCELLANEOUS RECEIPTS | | | | | | |
|------------------------------------|--|---|--------------------------------------|------------------|------------|--------------------|
| | | TOTAL RECEIPTS | | | | Cumulative to-date |
| | | Receipts controlled by the entity in Cash | Receipts controlled by third parties | FY 2020/21 | FY 2019/20 | |
| | | KShs | KShs | KShs | KShs | KShs |
| | Other receipts not classified elsewhere(Receipt from GOK) | | | 1,710,413 | - | 1,710,413 |
| | Less Adjustment | | | | - | - |
| | | | | <u>1,710,413</u> | - | <u>1,710,413</u> |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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| 11.4 COMPENSATION OF EMPLOYEES | | | | | | |
|---------------------------------------|--------------------------------------|--|---------------------------------------|-------------------------|-------------------------|----------------------------|
| | | | | FY 2020/21 | 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 |
| | Basic salaries of permanent employee | 1,030,526 | - | 1,030,526 | 4,448,300 | 30,378,926 |
| | Total | <u>1,030,526</u> | <u>-</u> | <u>1,030,526</u> | <u>4,448,300</u> | <u>30,378,926</u> |
| | | | | | | |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

| 11.5 USE OF GOODS AND SERVICES | | | | | |
|---|--|---------------------------------------|-----------------------------|-----------------------------|---------------------------|
| | | | Total Payments | | Cumulative to-date |
| | Payments made by the Entity in Cash | Payments made by third parties | FY 2020/21 | FY 2019/20 | |
| | KShs | KShs | KShs | KShs | KShs |
| Accommodation expenses | - | - | - | - | 46,764,281 |
| Communication, supplies and services | - | - | - | - | 207,950 |
| Domestic travel and subsistence | - | 4,886,825.00 | 4,886,825.00 | 670,200 | 27,625,749 |
| Foreign travel and subsistence | - | - | - | - | 3,394,575 |
| Printing, advertising and information supplies & services | - | - | - | - | 739,674 |
| Office Supply | - | 692,995.00 | 692,995.00 | 2,530,496 | 7,462,471 |
| Training expenses(UON & KNH) | 1,262,000 | 15,129,100 | 16,391,100.00 | 24,330,100 | 88,537,020 |
| Hospitality supplies and services | - | - | - | - | 1,440,602 |
| Conference services | 3,080,000 | 4,560,000.00 | 7,640,000.00 | 5,599,000 | 19,448,673 |
| Specialized Material & services Consultancy | - | 26,033,870.85 | 26,033,870.85 | - | 31,512,881 |
| Advertising | - | 292,106.25 | 292,106.25 | - | 578,370 |
| general supplies and services | - | - | - | - | 293,400 |
| Routine maintenance – vehicles and fuel and lubricant | - | 499,999.00 | 499,999.00 | - | 6,499,998 |
| Consultancy services: – Technical and professional services | - | - | - | - | 69,982,456 |
| Routine maintenance – vehicles for transport | - | 654,820.00 | 654,820.00 | - | 2,417,432 |
| Total | <u>4,342,000</u> | <u>52,749,716.00</u> | <u>57,091,716.00</u> | <u>33,129,796.10</u> | <u>306,905,533</u> |

N/B An expenses of civil works of Ksh. 188,423,853.00 was included as purchase of goods in prior years but have adjusted and taken to Acquisition of non-Financial assets as per Template

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
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| 11.6 ACQUISITION OF NON-FINANCIAL ASSETS | | | | | | |
|--|---|--------------------------|------------------------------|--------------------------------|---------------------------|-----------------------------|
| | | | Total Payments | | Cumulative to-date | |
| | | | Payments made by Entity | Payments made by third parties | FY 2020/2021 | FY 2019/2020 |
| | | | KShs | KShs | KShs | KShs |
| | Equipment Lot II(Angelica supplies) | 0 | 0 | 0 | 33,782,994 | 72,332,994 |
| | Equipment Lot I(Megascope Healthcare) | 0 | 11,960,410 | 11,960,410 | 0 | 89,665,455 |
| | Equipment Lot II(Lued(A) Chemicals) | 0 | 0 | 0 | 44,552,470 | 76,680,239 |
| | Equipment Lot I(Debra Limited) | 0 | 0 | 0 | 0 | 44,336,263 |
| | Refurbishment of buildings | 0 | 2,245,630.00 | 2,245,630.00 | 0 | 2,245,630 |
| | Construction and Civil works | 55,221,694 | 483,628,294.50 | 538,849,988.50 | 188,423,853 | 727,273,842 |
| | Purchase of office furniture & general equipment | 0 | 1,363,992.00 | 1,363,992.00 | 0 | 2,491,997 |
| | Purchase of computers , laptops, I-pads and accessories,Car | 0 | 701,930.00 | 701,930.00 | 0 | 2,054,930 |
| | Total | <u>55,221,694</u> | <u>499,900,256.50</u> | <u>555,121,951.50</u> | <u>266,759,317</u> | <u>1,017,081,350</u> |

12.CASH AND CASH EQUIVALENTS

| | 2020/21 | 2019/20 |
|---------------|-------------------------|--------------------------|
| | KShs | KShs |
| Bank accounts | 1,292,135 | 60,175,941 |
| Total | <u>1,292,135</u> | <u>60,175,941</u> |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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13A. Bank Accounts
Project Bank Accounts

| | 2020/21 | 2019/20 |
|---|-------------------------|--------------------------|
| | KShs | KShs |
| <u>Foreign Currency Accounts</u> | | |
| Central Bank of Kenya (EA COE -SKILLS A/C 1000233998) | 98 | 98 |
| Total Foreign Currency balances | = | = |
| <u>Local Currency Accounts</u> | | |
| Central Bank of Kenya (EA COE -SKILLS A/C 1000258756) | 1,292,037 | 60,175,843 |
| Total local currency balances | <u>1,292,037</u> | <u>60,175,843</u> |
| Total bank account balances | <u>1,292,135</u> | <u>60,175,941</u> |

Special Deposit Account Movement Schedule

| | 2020/21 | 2019/20 |
|--|--------------------|--------------------|
| | USD | USD |
| (i) A/C Name [EA COE -SKILLS A/C 1000233998) | | |
| Opening balance | 0.91 | 0.91 |
| Total amount deposited in the account | - | - |
| Total amount withdrawn (as per Statement of Receipts & Payments) | = | = |
| Closing balance (as per SDA bank account reconciliation attached) | <u>0.91</u> | <u>0.91</u> |

13B. FUND BALANCE BROUGHT FORWARD

| | 2020/21 | 2019/2020 |
|--|------------------|-------------------|
| | KShs | KShs |
| Bank accounts | 1,292,135 | 60,175,941 |
| Cash in hand | - | - |
| Cash equivalents (short-term deposits) | - | - |
| Outstanding imprests and advances | - | - |
| Total | 1,292,135 | 60,175,941 |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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12. 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) |
|--|---|---|--|-----------------------------------|---|
| 2019/2020 Audit report not yet out | <p>1. Budget Control and Performance The statement of comparative budget and actual amounts reflects an approved budget and actual receipts on comparable basis of Kshs. 482,000,000 and Kshs. 299,397,713 respectively, thus under funding the budget by Kshs. 182,602,287 or 38% of the budgeted receipts. Similarly, the Project utilized an amount of Kshs. 304,337,413 or 63% of the approved budget of Kshs. 482,000,000 resulting into an under-expenditure of Kshs. 177,662,587</p> | <p>Management response Its true that the statement of comparative budget and actual amounts reflects an approved budget and actual receipts on comparable basis of Kshs. 482,000,000 and Kshs. 299,397,713 respectively, thus under funding the budget by Kshs. 182,602,287 or 38% of the budgeted receipts. Similarly, the Project utilized an amount of Kshs. 304,337,413 or 63% of the approved budget of Kshs. 482,000,000 resulting into an under-expenditure of</p> | Project Accountant | Resolved | 30/06/2020 |

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| 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>or 37% of the budget. Management has attributed the under-expenditure to delays in the approval of hiring of personnel at the Project Coordinating Unit (PCU), training of students and procurement of equipment and covid related mitigation measures.</p> | <p>Kshs. 177,662,587 or 37% of the budget.</p> <p>The under-expenditure was due to delays in the approval of hiring of personnel at the Project Coordinating Unit (PCU), delayed MHRMAC approval for training of students, as well as delay in getting approval for procurement of equipment. The expenditure is now expected to increase as result of the following:</p> <ol style="list-style-type: none"> 1. The project has now hired a project manager who reported on 2nd May 2021. In addition to | | | |

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| 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>this, Monitoring and Evaluation officers was supposed to report on 1st July 2021 but decline to report.</p> <p>2. The project has trained 288 health workers from July 2019 to date.</p> <p>3. Procurement of Batch I Equipment is completed and we have embarked on modalities of procuring Batch II Equipment.</p> <p>Construction of East Africa's Kidney Institute Complex</p> | | | |

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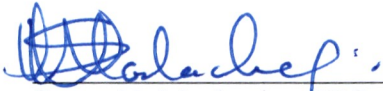
| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe : (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|---|
| | | commenced on 1 st April 2020 and has progressed well having raised 12 interim certificates of which 11 are paid totaling to KSh. 800,558,425.00 net of retention. | | | |
| | <p>2. Delay in Project Implementation</p> <p>As reported in the previous year, Section 3.0.1 of the financing agreement states that the Borrower shall repay the principal of the loan over a period of thirty-five (35) years, after a five(5) years grace period commencing from the date of signing the agreement. The Project commencement date was 17 December, 2014 with a projected</p> | <p>The major milestone was marked by commencement of construction works in April 2020 and initiation of the process of delivery of Batch II equipment in February 2020. These two aspects take the biggest junk of the budget (ksh 1,958,486,755 or 59%)and so its expected that this will improve the project performance and disbursement. The management has also moved to mitigate the delays by approving 24 hours work schedule for the consultant including obtaining the requisite NEMA</p> | Project Accountant | Resolved | 30/06/2020 |

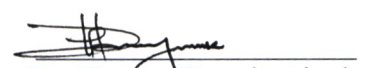
EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe : (Put a date when you expect the issue to be resolved) |
|--|--|---|--|-----------------------------------|---|
| | <p>end date of 31 December, 2019. A review of the status as at 30 June, 2020 revealed that an extension of two (2) years was granted in May, 2019 to end on 31 December, 2021. However, project monthly progress report of June, 2020 indicates that the tender for construction works of East Africa Kidney Institute was signed on 18th July, 2019 and possession of site by the contractor was on 28th August 2019. On the other hand, construction works commenced on 27th April 2020 and had only achieved 7% completion despite time lapse of 79% as at 30 June 2020.</p> | <p>approval for the same. The major milestone was marked by commencement of construction works in April 2020 and initiation of the process of delivery of Batch II equipment in February 2020. These two aspects take the biggest chunk of the budget (kshs.1,958,486,755 or 59%). This has now improved on the project performance and disbursement (Ksh. 1,562,656,658 or 43%) and the civil works is at 48%. The process of tender to procure Batch II equipment to be fitted in complex are at an advance stage. The management has also moved to</p> | | | |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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| 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) |
|--|---|---|--|-----------------------------------|---|
| | Clearly, the project is behind schedule and delays have adversely affected the project implementation and related activities. | mitigate the delays by approving 24 hours work schedule for the consultant including obtaining the requisite NEMA approval for the same. | | | |


 Susan N. Mochache, CBS
 Principal Secretary


 Dr. Hossan Dennis Ajuck
 Project Manager


 Moses K. Ranji
 Project Accountant
 ICPAK NO. 11344

Date

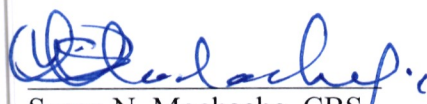
Date 16.12.2021

Date 16/12/2021

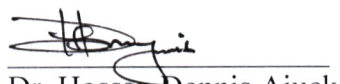
EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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For the year ended JUNE 30TH, 2021

13. VARIANCE EXPLANATIONS – COMPARATIVE BUDGET AND ACTUAL AMOUNT

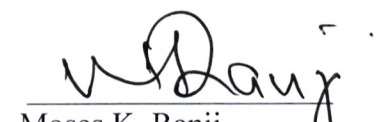
| | Final Budget | Actual on Comparable Basis | Utilisation Variance | % of Utilisation | Comments on Variance |
|---|----------------------|----------------------------|----------------------|------------------|--|
| | c=a+b | d | e=c-d | f=d/c % | |
| Receipts | | | | | |
| Receipts from Government of Kenya | 145,000,000 | 39,707,194 | 105,892,806 | 84% | Release of GOK Development Exchequers was affected due to Emerging of Covid-19 |
| Loan from External Development Partners | 900,000,000 | 512,942,778 | 387,057,221 | 57% | Low absorption due to covid issues |
| Miscellaneous receipts | - | 1,710,413 | (1,710,413) | 100% | |
| Total Receipts | 1,045,000,000 | 554,360,385 | 491,239,614 | 58% | |
| Payments | | | | | |
| Compensation of employees | 6,000,000 | 1,030,526 | 4,969,474 | 16% | It took long to recruit PIU staffs due to recruitment logistics |
| Use of goods and services | 170,000,000 | 57,091,716 | 122,908,284 | 34% | |
| Acquisition of Non-financial Assets | 774,000,000 | 555,121,950 | 219,878,050 | 72% | Construction was affected due to covid |
| Total Payments | 950,000,000 | 613,243,392 | 346,756,608 | 64% | |


 Susan N. Mochache, CBS
 Principal Secretary

Date


 Dr. Hossan Dennis Ajuck
 Project Manager

Date 16.12.2021


 Moses K. Ranji
 Project Accountant
 ICPAK NO. 11344
 Date 16.12.2021

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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14. ANNEXES

ANNEX I COMPENSATION TO EMPLOYEE

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|--------------|--------|---------------------|---------------------|--------------|
| 1 | 00003 | HOSSAN DENNIS AJUCK | 515,263.00 | ADfB REVENUE |
| 2 | 000106 | HOSSAN DENNIS AJUCK | 515,263.00 | ADfB REVENUE |
| TOTAL | | | 1,030,526.00 | |

ANNEX II DOMESTIC TRAVEL & SUBSISTENCES

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|-----|---------|---------------------|---------------------|---------|
| | 4082367 | MARTIN SIRENGO | 63,000.00 | MOH |
| | 4082368 | ANN NGANGA | 52,500.00 | MOH |
| | 4082369 | JAMLECK KARUMBI | 42,000.00 | MOH |
| | 4082370 | CATHERINE KIMIRA | 42,000.00 | MOH |
| | 4082371 | FLORENCE GACHIHI | 24,500.00 | MOH |
| | 4082372 | MOSES RANJI | 24,500.00 | MOH |
| | 4082373 | SAMSON MAKOKHA | 24,500.00 | MOH |
| | 4082374 | REUBEN MARIGA | 24,500.00 | MOH |
| | 4082377 | MARTIN SIRENGO | 67,200.00 | MOH |
| | 4082379 | CATHERINE KIMIRA | 134,400.00 | MOH |
| | 4082380 | SAMSON MAKOKHA | 25,200.00 | MOH |
| | 4082381 | MOSES RANJI | 147,700.00 | MOH |
| | 4082382 | FLORENCE GACHIHI | 25,200.00 | MOH |
| | 4082383 | REUBEN MARIGA | 25,200.00 | MOH |
| | 4082387 | HOSSAN DENNIS AJUCK | 44,800.00 | MOH |
| | 969 | PROJECT MANAGER | 980,000.00 | MOH |
| | | PROJECT MAGAGER | 2,784,000.00 | |
| | 962 | PROJECT MANAGER | 112,000.00 | MOH |
| | 963 | HOSSAN AJUCK | 115,000.00 | MOH |
| | 963 | FLORENCE GACHIHI | 128,625.00 | MOH |
| | | TOTAL | 4,886,825.00 | |

ANNEX III OFFICE SUPPLIES

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|-----|--------|----------------------|-------------------|---------|
| 1 | 000585 | VISHECRY ENTERPRISES | 298,590.00 | MOH |
| 2 | 000555 | MICROCARE AGENCIES | 394,405.00 | MOH |
| | | TOTAL | 692,995.00 | |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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ANNEX IV TRAINING

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|-----|--------|--------------------------------------|----------------------|-----------|
| 1 | 000155 | University of Nairobi | 5,883,000.00 | D/PAYMENT |
| 2 | 000347 | University of Nairobi | 8,811,000.00 | D/PAYMENT |
| 3 | | Jomo Kenyatta Univ. Of Agri. & Tech. | 608,200.00 | DEPOSIT |
| 4 | | Mount Kenya University | 653,800.00 | DEPOSIT |
| 5 | | Nursing council of Kenya | 453,100.00 | GOK |
| | | TOTAL | 16,391,100.00 | |

ANNEX V CONFERENCE FACILITIES

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|-----|--------|-----------------------------------|---------------------|---------|
| 1 | 421 | Stipend | 4,560,000.00 | MOH |
| 2 | 000401 | KENYA ASSOCIATION OF UROL. SURGS. | 3,080,000.00 | DEP |
| | | TOTAL | 7,640,000.00 | |

ANNEX V FUEL AND LUBRICANTS

| | | | | |
|---|-----|-----------------|------------|--|
| 1 | 925 | RAMJI DEVAN LTD | 499,999.00 | |
| | | | | |

ANNEX VI ADVERTISING

| | | | | |
|---|-----|-----|------------|--|
| 1 | 964 | GAA | 292,106.25 | |
| | | | | |

/

ANNEX VI ACQUISITION OF NON FINANCIAL ASSETS

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|-----|---------|-------------------------|----------------------|-----------|
| 1 | DP 0065 | MEGASCOPE | 11,960,410.14 | D/PAYMENT |
| 2 | 900 | DAROP LIMITED | 154,650.00 | GOK |
| 3 | | MFI DOCUMENTS | 547,300.00 | GOK |
| 4 | 898 | MARK ORIENT ENTERPRISES | 572,300.00 | GOK |
| 5 | 797 | SPRINGLINE AGENCY LTD | 791,692.00 | GOK |
| | | | 14,026,352.00 | |

ANNEX XI CIVIL WORKS

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
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| | | | | |
|--|---------|--|-----------------------|-----------|
| | | CHINA RAILWAY NO. 10 ENG. | 55,221,694.30 | DEPOSIT |
| | DP 0047 | CHINA RAILWAY NO. 10 ENG. | 80,669,428.00 | D/PAYMENT |
| | | CHINA RAILWAY NO. 10 ENG. | 43,540,563.35 | D/PAYMENT |
| | DP 0050 | CHINA RAILWAY NO. 10 ENG. | 10,089,022.00 | D/PAYMENT |
| | DP 0053 | CHINA RAILWAY NO. 10 ENG. | 58,477,329.39 | D/PAYMENT |
| | DP 0054 | CHINA RAILWAY NO. 10 ENG. | 7,016,642.00 | D/PAYMENT |
| | DP 0056 | CHINA RAILWAY NO. 10 ENG. | 13,661,973.76 | D/PAYMENT |
| | DP 0056 | CHINA RAILWAY NO. 10 ENG. | 20,492,927.00 | D/PAYMENT |
| | DP 0058 | CHINA RAILWAY NO. 10 ENG. | 38,910,365.00 | D/PAYMENT |
| | DP 0057 | CHINA RAILWAY NO. 10 ENG. | 25,940,247.62 | D/PAYMENT |
| | DP 0062 | CHINA RAILWAY NO. 10 ENG. | 21,101,188.14 | D/PAYMENT |
| | DP 0061 | CHINA RAILWAY NO. 10 ENG. | 31,651,772.00 | D/PAYMENT |
| | DP 0064 | CHINA RAILWAY NO. 10 ENG. | 20,671,221.39 | D/PAYMENT |
| | DP 0063 | CHINA RAILWAY NO. 10 ENG. | 31,006,831.00 | D/PAYMENT |
| | DP 0067 | CHINA RAILWAY NO. 10 ENG. | 34,214,987.00 | D/PAYMENT |
| | DP 0068 | CHINA RAILWAY NO. 10 ENG. | 22,809,999.49 | D/PAYMENT |
| | 428 | CHINA RAILWAY ENG NO. 10 Tax refund | 23,373,777.06 | MOH |
| | | TOTAL | 538,849,968.50 | |

ANNEX XII CONSULTANCY

| NO. | PV NO. | PARTICULARS | AMOUNT(KSH) | FUNDING |
|--------------|---------|---------------|----------------------|-----------|
| 1 | DP 0049 | POLITECNICA | 7,529,102.25 | D/PAYMENT |
| 2 | DP 0059 | POLITECNICA | 8,977,884.30 | D/PAYMENT |
| 3 | DP 0059 | POLITECNICA | 8,977,884.30 | D/PAYMENT |
| 4 | DP 0052 | KENNETH ILOKA | 549,000.00 | D/PAYMENT |
| TOTAL | | | 26,033,870.85 | |

ANNEX VIII REFURBISHMENTS OF BUILDING

| | | | | |
|---|-------|--------------------------|---------------------|--|
| 1 | 1117A | PETMART SERVICES LIMITED | 2,245,630.00 | |
|---|-------|--------------------------|---------------------|--|

15. APPENDICES

ASSET REGISTER

| Asset class ADB (EACE) | 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 |
|--|---|---|---|---|---|
| MEDIUM VOLUME COPIER MP 305 | 558,500.00 | - | - | 558,500.00 | - |
| MEDIUM VOLUME COLOUR COPIER MPC5503 SP | 1,185,000.00 | - | - | - | 1,185,000.00 |
| TOYOTA PRADO GRAY MODEL KDJ150R GK 125R | 6,218,752.00 | - | - | - | 6,218,752.00 |
| NISSAN PATROL GKA 710Q | | | | | GKA 710Q |
| NISSAN PATROL GKA 771Q | | | | | GKA 771Q |
| 1 NO EXECUTIVE CHAIR | 75,000.00 | - | - | | 75,000.00 |
| 2 NO SECRETARIAL CHAIRS | 30,660.00 | - | - | | 30,660.00 |
| 10 NO VISITORS CHAIRS | 84,600.00 | - | - | | 84,600.00 |
| 3 NO THEATER TABLE | 4,651,192.62 | - | - | 4,651,192.62 | - |
| 2 NO THEATER LIGHTS | 2,476,873.72 | - | - | 2,476,873.72 | - |
| 2 NO PORTABLE LIGHTS | 326,799.72 | - | - | 326,799.72 | - |
| 14 CRITICAL CARE BEDS WITH MATTRESSES | 3,133,541.32 | - | - | 3,133,541.32 | - |
| 2 SURGICAL SLUICE MACHINE | 25,604,812.8 | - | - | 25,604,812.8 | - |
| 10 PATIENT VENTILATOR | 15,464,494.1 | - | - | 15,464,494.1 | - |
| 10 INFUSION PUMPS | 1,470,000.00 | - | - | 1,470,000.00 | - |
| 6 CARDIAC MONITORS | 2,866,500.00 | - | - | 2,866,500.00 | - |
| 10 VITAL SIGNS MONITOR | 4,670,991.4 | - | - | 4,670,991.4 | - |

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| Asset class ADB (EACE) | 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 |
|---|---|---|---|---|---|
| 2 DEFIBRILLATOR | 1,323,000.00 | - | - | 1,323,000.00 | - |
| 2 MORCELLATOR | 1,943,875.58 | - | - | 1,943,875.58 | - |
| 4 RESUSCITATION TROLLEY | 405,845.00 | - | - | 405,845.00 | - |
| 4 ANAESTHETIC TROLLEYS | 405,845.00 | - | - | 405,845.00 | - |
| 4 UTILITY TROLLEYS | 56,318.96 | - | - | 56,318.96 | - |
| 20 DRIP STANDS | 92,987.2 | - | - | 92,987.2 | - |
| 4 TIER PATIENT DRESSING TROLLEY | 88,200.00 | - | - | 88,200.00 | - |
| 1 LAPAROSCOPIC TOWER | 12,723,858.43 | - | - | 12,723,858.43 | - |
| HLA TISSUE TYPING ANALYZER | 3,751,724.12 | - | - | 3,751,724.12 | - |
| FULLY AUTOMATED COAGULOMETER | 24,165,517.24 | - | - | 24,165,517.24 | - |
| 5 HAEMODIALYSIS MACHINE | 11,250,000.00 | - | - | 11,250,000.00 | - |
| 2 CRRT HAEMODIALYSIS MACHINE | 7,600,000.00 | - | - | 7,600,000.00 | - |
| 1 WATER TREATMENT PLANT WITH 30 DIALYSIS WATER POINT | 19,200,000.00 | - | - | 19,200,000.00 | - |
| 2 SETS ENDOSCOPIC EQUIPMENT FOR UROLOGY | 388,784.60 | - | - | 388,784.60 | - |
| 2 SETS LAPAROSCOPIC HAND EQUIPMENT SET | 50,579.82 | - | - | 50,579.82 | - |
| 4 NO DESKTOP COMPUTERS | 554,000.00 | - | - | 554,000.00 | - |
| 4 NO UPS | 74,000.00 | - | - | | 74,000.00 |
| 5 NO LAPTOPS | 725,000.00 | - | - | 725,000.00 | - |
| 5 NO ORTHOPAEDIC SEATS | 302,100.00 | - | - | | 302,100.00 |
| 6 NO HIGH BACK CHAIRS LEATHER MESH BACK SWING | 271,080.00 | - | - | | 271,080.00 |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

| Asset class ADB (EACE) | 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 |
|--|---|---|---|---|---|
| 2 NO SHREDDER MACHINE | 97,900.00 | - | - | | 97,900.00 |
| 3 NO IPAD | 149,990.00 | - | - | 149,990.00 | - |
| 1 No Dry heat block | 320,000.00 | - | - | 320,000.00 | - |
| 1 No Refrigerator (300lt) | 619,028.00 | - | - | 619,028.00 | - |
| 1 No Refrigerator (500lt) | 690,136.00 | - | - | 690,136.00 | - |
| 1 No Ultra low freezer (500lt) | 1,404,504.00 | - | - | 1,404,504.00 | - |
| 1 No Inverted microscope CKX41 | 1,010,627.00 | - | - | 1,010,627.00 | - |
| Water purification system (milli Q) | 1,826,798.00 | - | - | 1,826,798.00 | - |
| 1 No PCR Clean bench work station | 1,250,000.00 | - | - | 1,250,000.00 | - |
| 1 No Eppendorf centrifuge 5810R | 2,247,085.00 | - | - | 2,247,085.00 | - |
| 1 No HERAEUS MULTIFUGE X3R CENTRIFUGE | 2,726,535.00 | - | - | 2,726,535.00 | - |
| 1 No EPPENDORF-MICROCENTRIFUGE 5415R | 1,208,834.00 | - | - | 1,208,834.00 | - |
| DNA QUANTIFICATION FLUOROMETER | 820,000.00 | - | - | 820,000.00 | - |
| 2. FIRE PROOF CABINET 4DRAWERS | | 572,000.00 | - | - | 572,000.00 |
| 1. LCD PROJECTOR | | 95,000.00 | - | - | 95,000.00 |
| 1. PROJECTOR SCREEN | | 36,800.00 | - | - | 36,800.00 |
| 1. COLOURED PHOTOCOPIER PRINTING MACHIC 4053Ci | | 547,300.00 | - | 547,300.00 | - |
| 1 .L- SHAPED DESK | | 51,300.00 | - | 51,300.00 | - |
| 1. EXECUTIVE DESK | | 131,392.00 | - | 131,392.00 | - |
| 6. HIGH BACK EXECUTIVE CHAIR | | 410,700.00 | - | 342,250.00 | 68,450.00 |
| 3. VISTORS CHAIR | | 66,300.00 | - | 66,300.00 | - |
| 1. WORK STATION 4WAY | | 132,000.00 | - | 132,000.00 | - |
| 2. WATER DISPENSER | | 79,300.00 | - | | 79,300.00 |
| 1. SHREDDER MACHINE REXEL | | 76,500.00 | - | 76,500.00 | - |
| TOTALS | 168,561,870 | 2,198,592 | 0 | 161,569,820 | 9,190,642 |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

BANKI
KUNYA
KENYA



CENTRAL
BANK OF
KENYA

Head, Subsidiary Account
 P.O. Box 00000 - 00100 Nairobi, Kenya
 Telephone: 254200000, Fax: 254200000

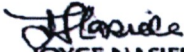
July 6, 2021

CERTIFICATE OF BALANCES

Customer: 120374 – MINISTRY OF HEALTH
 Balance Date: 30 JUN 2021

| Account No | Account Name | Balance |
|------------|-------------------------------------|------------------|
| 1000181478 | REC-MINISTRY OF HEALTH | 641,819,280.57 |
| 1000181688 | DEV-MINISTRY OF HEALTH | 245,584,997.10 |
| 1000182156 | DEP-MINISTRY OF HEALTH | 126,312,864.86 |
| 1000182601 | CBK165-MINISTRY OF HEALTH | 0.00 |
| 1000187131 | HEALTH SECTOR SERVICES FUND | 1,247,228.30 |
| 1000198858 | E.A PUBLIC HEALTH LAB. NETWORK PROJ | 1,050,694.61 |
| 1000258756 | EA CENT. OF EXC.-SKILLED -BIOMED S | 2,554,036.85 |
| 1000298488 | KENYA ITALY DEBT FOR DEV (KIDDP) | 30,112,829.40 |
| 1000313878 | TRANSFORM.HEALTH SYST. UNIVERSAL C | 413,365,826.55 |
| 1000327979 | DANIDA PRO SUP UNIV HEALTH CARE UHC | 0.00 |
| 1000328037 | MINISTRY OF HEALTH EQUA FUND OPER | 583,596,177.65 |
| 1000340614 | THS UC GFF GRANT TFOA2561 KE | 0.00 |
| 1000340649 | THS UC PHRD GRANT TFOA2792 KE | 0.00 |
| 1000429437 | SPORTS,ART,SOCIAL DEV. FUND-HEALTH | 1,014,533,733.20 |
| 1000446684 | COVID 19 EMERGENCY RESPONSE PROJECT | 1,071,760,773.70 |
| 1000453176 | TOBACCO CONTROL FUND | 230,940,211.00 |


LAWRENCE RWERIA
 AUTHORISED SIGNATORY
 BANKING SERVICES


JOYCE NASIEKU
 AUTHORISED SIGNATORY
 BANKING SERVICES

| KSH | Cts | KSH | Cts |
|--------------|-----|--------------|-----|
| | | 2,554,036.85 | |
| 1,261,200.00 | | | |
| - | | | |
| - | | | |
| - | | | |
| | | 1,292,836.85 | |

- PERIOD: Month of JUNE 2021
- Balance as per Bank Certificate
- Less:
1. Payments in Cash Book not yet recorded in Bank Statement
 2. Receipts in Bank Statement not yet recorded in Cash Book
- Add:
3. Payments in Bank Statement not yet recorded in Cash Book
 4. Receipts in Cash Book not yet recorded in Bank Statement
- Reconciled Bank and Cash Book Balance

I certify that I have verified Bank balance in the cash book with the Bank statement and that the above reconciliation is correct

W. S. K. Bang
 Prepared by Accountant
 Designation

W. S. K. Bang
 Signature

| DATE | PAYEE/DESCRIPTION | Kshs |
|------|-------------------|------|
| | | |
| | | |
| | | |

| PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK | | |
|--|-----------------------------------|--------------|
| | | AMOUNT |
| DATE | PAYEE/DESCRIPTION | Kshs |
| 28/6/2021 | JOMO KENYATTA UNIVERSITY OF AGRI. | 608,200.00 |
| 28/06/2021 | MOUNT KENYA UNIVERSTY | 653,000.00 |
| | total | 1,261,200.00 |

| RECEIPT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK | | |
|---|-------------------|--------|
| | | AMOUNT |
| DATE | PAYEE/DESCRIPTION | Kshs |
| | | |

| RECEIPT IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT | | |
|---|-------------------|--------|
| | | AMOUNT |
| DATE | PAYEE/DESCRIPTION | Kshs |
| | | |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

BOARD OF SURVEY AS AT 30TH JUNE 2021

REPUBLIC OF KENYA

F. O

Date 12th July 20

Report of the Board of Survey on the Cash and Rank Balances of 30th June 2021 EAST AFRICA CENTRE OF EXCELLENCE

PROJECT,,,as at the close of

Business on 30TH JUNE 2021

The Board consisting of (Names and Official titles)

1. Jeremiah Mumo
2. Joseph Ouma
3. James Ngethe

assembled at the office of EACE BOARD ROOM

at ,,10.00AM..... (time) on the 7TH JULY 2021.and the follow

| | | |
|------------------------------------|--------------------|-----------|
| Notes | Sh.NIL..... | cash was |
| | | produced: |
| | | |
| 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 ...30TH JUNE 2021.....

| | | |
|------------------|--------|-----------------------------------|
| Cash on hand ... | | ..Sh.NIL..... |
| Bank Balance ... | | ..Sh. 1,292,837 |

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

..1 292 837.....

The Bank Certificate of Balance showed a sum of Kshs TWO MILLION FIVE HUNDRED FIFTY FOUR THOUSAND THIRTY SIX

SHILLINGECents...EIGHTY FIVE.. KSh...**2,554,036** Cts...85.

Standing to the credit account on _____ 30TH 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.

.....02/09/2021.....

Jeremiah Mumo

Chairperson

1. JOSEPH OUMA

2. JAMES NGETHE

Member in the Board

.....
.....
.....
.....
card

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

| Financial Year | | PAYMENTS | | | | | | | KES | | |
|----------------|---|------------------------|--------------|-------------|-----------------|----|-----|------------|-----|---------------|-----|
| Date | To Whom Paid | Description of Payment | Allocation | Voucher No. | Cheque No. | Sh | Cts | NR | OTH | GR | LSR |
| | | China Railway | NR 10 - 2011 | | | | | | | 6,922,167.20 | |
| | | Balance of | Debit | | NR 6,135,938.80 | | | | | 4,934,149.25 | |
| | | | | | | | | | | 6,017,534.95 | |
| | | | | | | | | | | 666,456.85 | |
| 15/05/2021 | Hassan O. AJUKA (May 2021 Salary) | | | | | | | 307,180.00 | | | |
| | | PA 7E | | | | | | 145,563.00 | | | |
| | | NHIF | | | | | | 1,700.00 | | | |
| | | NSSF | | | | | | 2,000.00 | | | |
| | | | | | | | | | | 515,263.00 | |
| | | | | | | | | | | 30,000,000.00 | |
| 15/05/2021 | Kenya Association of Horticultural Surgeons | | | | | | | 269,780.00 | | | |
| 16/05/2021 | Hassan Dennis AJUKA (June 2021 Salary) | | | | | | | 145,563.00 | | | |
| | | PA 7E | | | | | | 1,700.00 | | | |
| | | NHIF | | | | | | 2,000.00 | | | |
| | | NSSF | | | | | | | | 515,263.00 | |
| 25/06/2021 | Mount Kenya University | | | | | | | | | 653,000.00 | |
| 25/06/2021 | Johns Kenyatta University of Agriculture | | | | | | | | | 608,200.00 | |
| 27/06/2021 | Balance of | | | | | | | | | 1,291,233.65 | |
| | | | | | | | | | | 666,456.85 | |

PAID BY: Christina Mwangi
 Member: Christina Mwangi
 Date: 27/06/2021

SPECIAL DESIGNATED ACCOUNT STATEMENT

TAM.E.STMT.OF.ACCT.EPRM

Pag

EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

Run : BANK OF KENYA Run Time : STATEMENT OF ACCOUNT Date: PAGE NO : 1
 AL BANK OF KENYA ACCOUNT NUMBER : CENTRAL BANK OF
 KU YA KENYA
 60000-0200
 BANKI
 P.O. BOX
 NAIROBI
 STATEMENT PERIOD: From 01/07/2020 To 30/09/2020 ACCOUNT rrrr.E : (FAY cor FOR SKILL.S&T-2100150031997
 SO,'W2020 cutori

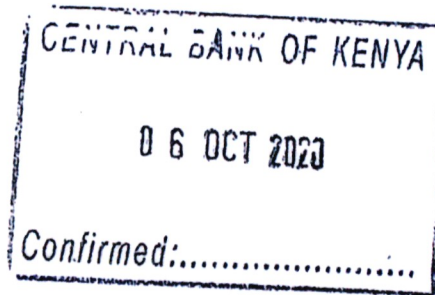
| NO. | DATE | REFERENCE NO | DETAILS |
|---------------|------------|--------------|----------------------|
| OPENING BAL : | | 0.91 | 000 000 09t |
| NO. | Value Date | Reference.No | Details Debit Credit |

CLOSING BALANCE : 0.91 ENDor

ACCOCM STATEMENT

More Options
 Clear Selection Find

Favourite TAM E STMT OF ACCT EPRM
 A equals account1000233998
 Statement equals From20200701
 Statement uals V To 20200930
 TAM E STMT OF ACCT EPRM



EAST AFRICA'S CENTRE OF EXCELLENCE PROJECT LOAN NUMBER: 2100150031997
Reports and Financial Statements
For the year ended JUNE 30TH, 2021

TRIAL BALANCE

| EAST AFRICA CENTRE OF EXCELLENCE | | |
|---|----------------|----------------|
| 2020/2021 TRIAL BALANCE | | |
| DESCRIPTION | DR | CR |
| | KSH | KSH |
| RECEIPTTS FROM GOK | 39,707,194.00 | 0 |
| DIRECT PAYMENT FROM AdfB | 512,942,779.00 | 0 |
| Miscellaneous Receipts | 1,710,413.00 | |
| COMPENSATION TO EMPLOYEES | - | 1,030,526.00 |
| OPENING BANK BALANCE | 60,175,941.00 | - |
| GOODS AND SERVICES | | 57,091,716.00 |
| NON FINANCIAL ASSETS | | 555,121,950.00 |
| CLOSING CASH AND BANK BALANCES | | 1,292,135.00 |
| | 614,536,327.00 | 614,536,327.00 |