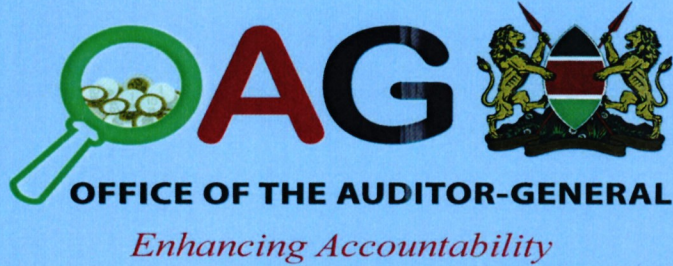



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 REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
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TABLED BY:	LON THE AUDITOR-GENERAL
CLERK-AT THE-TABLE:	Leah Mwangi

ON

**GLOBAL FUND TUBERCULOSIS GRANT
PROGRAMME (GRANT NO.KEN-T-TNT-854
AND KEN-T-TNT-1548)**

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

MINISTRY OF HEALTH



Project Name. GLOBAL FUND TUBERCULOSIS

Implementing Entity. MINISTRY OF HEALTH - NATIONAL TUBERCULOSIS, LEPROSY AND LUNG DISEASE - PROGRAM

PROJECT GRANT/CREDIT NUMBER. KEN-T-TNT-1548

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

The project's official name is Global Fund Tuberculosis Grant/Credit Number: KEN-T-TNT-1548,

Objective

To accelerate the reduction of TB, Leprosy and lung disease burden through provision of people-centred, universally accessible, acceptable and affordable quality services in Kenya,,

Address

Ministry of Health
P.O. Box 30016 - 00100
Afya house, Cathedral Road,
Nairobi, Kenya.

The address of its registered office is:

National Tuberculosis Leprosy and Lung Disease Program (NTLD-P)
P.O. Box 20781 - 00202
Afya Annex Building, KNH Grounds, Hospital Road
Nairobi, Kenya.

Contacts: The following are the project contacts

The following are the project contacts
Telephone: (254) 0773 977 440
E-mail: info@nltp.co.ke
Website: www.nltp.co.ke

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	The project start date is 01/01/2018
Project End Date:	The project end date is 30/06/2021
Project Manager:	The project manager is Dr. Waqo Ejersa
Project Sponsor:	The project sponsor is GFATM

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health.
Project number	KEN-T-TNT-1548
Strategic goals of the project	The strategic goals of the project are as follows: (i) To sustain the gains in the context of a newly devolved health system (ii) To intensify efforts to find "missing" cases (iii) To reduce transmission (iv) To prevent active disease and morbidity (v) To enhance the quality of care for chronic lung diseases
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Improving/increasing case finding and notification of TB cases from health facilities through adoption of new programmatic approaches including proactive case detection/screening in facilities; optimization of Gene Xpert usage and strengthening of the community referral system. (ii) Scaling up Sputum transportation to optimize testing. (iii) Strengthening Public /Private Partnership. (iv) Scaling up X-ray use for diagnosis. (v) Setting realistic MOR targets and support for MDR TB patients to allow adherence to treatment. (vi) Adoption of a Injection Free Regime for MDR TB patients.

	<p>(vii) Strengthening TB/HIV coordination at county and national level to improve efficiency in utilization of resources.</p> <p>(viii) Under RSSH, strategies will aim at strengthening of PSM for health products under the devolved system of governance; strengthening of data systems with a focus at the county level; integrated service delivery through iCCM at community level, including RMNCH services and community systems strengthening which will build capacity to support a community response to HIV, TB and Malaria in an integrated and aligned manner.</p>
<p>Other important background information of the project</p>	<p>Kenya is a lower-middle income country with an estimated population of 47.5 million. Because of its emerging economic status and strategic position, it is the regional economic hub for East and Central Africa. Kenya, has a devolved governance system since 2012 comprising of the National Government and 47 County Governments which are autonomous and responsible for managing health facilities and pharmacies, promotion and provision of healthcare services including HIV, Tuberculosis, Malaria, and Reproductive Maternal, Neonatal, Child and Adolescent Health (RMNCAH).</p> <p>Kenya successfully carried out the TB prevalence survey in 2015/16; key findings indicate that TB burden in Kenya is higher than previously estimated. Prevalence is now estimated at 558/100,000 (nearly double the WHO estimates of 217/100,000) translating to about 138,000 TB cases per year implying 40% of TB cases remain undetected and untreated per year. Prevalence was twice as high in men as in women and the highest burden of TB is among people aged 25-34. Other key survey findings are that the current practice of TB symptom screening misses cases and that a high percentage of TB infected people (43%) seek initial care at the private facilities including pharmacies. The country has taken into consideration survey findings and program results to guide this funding request and ensure strategies and interventions respond to the identified gaps. In TB, key success areas included the expansion of diagnostic capacity including roll out of new technologies (GeneXpert, idled microscopy), community involvement, and quality assured medicines which have contributed to sustained increase of bacteriologically confirmed cases, and treatment success rate at over 87% over the last 3 years. However, while the prevalence is higher than previously estimated, TB case notification has remained constant or even declined in the last few years despite</p>

	<p>increased efforts to find more cases at facility and community level.</p> <p>Considering the TB program has generated new data through the recent prevalence survey and DRS that has established that the burden of TB is higher than previously thought; this grant contains additional innovative strategies for finding the missing TB cases.</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> (i) TB patients (including TB/HIV co-infected patients and MDR-TB patients) (ii) Key populations (including prisoners, migrants, people living in informal settlements and mobile populations) (iii) The general population of Kenya (iv) Health workers
Project duration	<p>The project started on 1st January 2018 and is expected to run until 30 June 2021</p>

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

- | | |
|------------------|-----------------------------|
| 1. Account Name: | MOH TUBERCULOSIS GRANT |
| Bank: | Co-operative Bank of Kenya |
| Branch: | KUSSCO |
| Bank Address: | P.O Box 48231-00100 Nairobi |
| Account number: | 01141163732900 |

SPECIAL ACCOUNT

- | |
|---------------------------|
| 1. Stanbic Bank - Nairobi |
| A/C No. 100005345272 |
| Waiyaki Way – Westland, |
| Nairobi |

1.5 Auditors

The project is audited by:
 The Auditor - General
 Kenya National Audit Office
 P.O Box 30084- 00100
 NAIROBI

1.6 Roles and Responsibilities

Listed below are the project management unit officers involved in implementation of the project.

Names	Title designation	Key qualification	Responsibilities
Dr. Andrew Mulwa	Ag. Director, DMS/ Preventive & Promotive Health Services	Program Co- ordinator	directordpphs.moh@gmail.com
Dr. Waqo Ejersa	Deputy Director of Medical Services	Head of Program	wdejersa@nltp.co.ke
Carol Asin	Pharmacist	Global Fund TB Focal Person	casin@nltp.co.ke
Dr. Abdullahi Omar	Pharmacist	Pharmacist	aomar@nltp.co.ke
Aiban Ronoh	M&E Officer	M&E	aronoh@nltp.co.ke
John Mutegi	Principal Accountant	Accounts	jmutegi@nltp.co.ke
Silas Kamuren	Project Finance Officer	Finance	skamuren@nltp.co.ke

1.7 Funding summary

The Project started with Single Stream Funding (SSF) for a duration of 5 years from 2011 to 2015 with an approved budget for the country of US\$ 37,706,365, where US\$ 21,975,597 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 15,730,768 relates to funds for programmatic implementation at Ministry of Health (Sub-Recipient).

From 1st October 2015, the project rolled over under to the Global Fund TB Grant (KEN-T-TNT-854) that ended in December 2017 with an approved budget of US\$ 47,144,474, where US\$ 31,605,662 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 15,538,812 relates to funds for programmatic interventions implemented by the Ministry of Health –National Tuberculosis Leprosy and Lung Disease Program (Sub-recipient).

The country signed the current grant in December 2017 for a duration of three and a half years from 01 January 2018 to 30 June 2021 with an approved budget of US\$ 32,617,670, where US\$ 10,208,546 relates to funds retained at The National Treasury (Principal Recipient) and US\$ 22,409,125 relates to funds for programmatic interventions implemented by the Ministry of Health –National Tuberculosis Leprosy and Lung Disease Program (Sub-recipient) as highlighted in the table below.

The total cumulative funds received up to 30 June 2021 from The Global Fund is KES 4,638,395,114, while the cumulative interest earnings amount to KES 61,028,934 and Counterpart funding of KES 35,295,710 as highlighted in the table below:

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2021)		Undrawn balance to date	
	Donor currency USD	KShs	Donor currency USD	KShs	Donor currency USD	KShs
(i) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Global Fund SSF	\$ 15,730,768	1,352,846,048	\$ 11,916,805	1,064,415,028	\$ 3,813,963	288,431,020
Global Fund NFM	\$ 15,538,812	1,553,881,200	\$ 15,014,599	1,550,533,022	\$ 524,213	3,348,178
Global Fund TB – KEN-T-TNT-1548	\$ 21,200,123	2,183,984,352	\$19,418,603	1,976,663,557	\$1,781,521	207,320,795
In Country Balance – June 2010			\$ 571,087	46,783,507		
Interest Earnings				61,028,934		
Total Grants	\$ 52,469,703	5,090,711,600	\$ 46,921,093	4,699,424,048	\$ 6,119,697	499,099,993
(ii) Counterpart funds						
Government of Kenya	-	-	-	35,295,710	-	-
Total	\$ 52,469,703	5,090,711,600	\$ 46,921,093	4,734,719,758	\$ 6,119,697	499,099,993

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 th June 2021)	
	Donor currency USD (A)	Kshs (A')		Donor currency USD (A)-(B)	Kshs (A')-(B')
(i) Grant					
Global Fund TB – Cumulative and interest	\$46,921,093	4,699,424,048	4,552,530,883	\$ 1,362,014	146,893,165
Total Grants	\$46,921,093	4,699,424,048	4,552,530,883	\$ 1,362,014	146,893,165
(ii) Counterpart funds					
Government of Kenya	-	35,295,710	35,295,710	-	-
Total	\$46,921,093	4,734,719,758	4,587,826,593	\$ 1,362,014	146,893,165

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- 1.9 Budget performance against actual amounts for current year and for cumulative to-date,**
The total cumulative budget for the grant ended December 2017 (TB SSF Grant No. KEN-607-G08-7 Grant & GF TB Grant No. KEN-T-TNT-854) implemented by the Ministry of Health to 30th June 2018 is Kshs 2,906,727,248 and the total cumulative expenditure to 30th June 2018 is KShs 2,788,313,864. This represents a fund utilization rate of 96%.
For the current GF TB Grant (KEN-T-TNT-1548) being implemented, the total cumulative budget for Ministry of Health to 30th June 2021 is Kshs 2,183,984,352 and the total cumulative expenditure to 30th June 2021 is Kshs 1,858,218,167. This represents a fund utilization rate of 85% where the variance is attributed to delay in procurement of goods and services and interruption of implementation of programmatic activities due to COVID-19.
- 1.10 Physical progress based on outputs, outcomes and impacts since project commencement,**
The project has contributed to the achievements of good results since the start of the implementation in January 2011. The country did not achieve the targets on treatment success rate which is currently at 86% against a target of 90%. This is attributed to high death rate of 7% of TB patients due to TB/HIV coinfection, malnutrition among TB patients which stands at 46%, and due to COVID-19 that resulted in decline of number of patients seeking health care service which was compounded further by the health care workers strike during the financial year.
The project is rated highly by the Global Fund where in December 2020 the program achieved a rating of A2 which is the second highest score where the program attained an average score of above 90% in its top indicators.
- 1.11 Comment on value-for-money achievements,**
The TB program is currently implementing strategies to actively find missing people with tuberculosis and putting them on treatment in order to contribute towards elimination of tuberculosis by 2035. In 2020/2021 the number of notified cases of all forms of TB was 73,777 patients who were put on first line treatment. Currently the program is supporting payment of diagnosed MDR TB patients on treatment for their NHIF cover in order to lessen the burden to the patient and to contribute towards universal health coverage.
- 1.12 Absorption rate for each year since the commencement of the project.**
For the current grant that started in 1st January 2018, the fund absorption rate for the last three years are 2017/2018- 65%, 2018/19 - 70%, 2019/20 - 62% and 2020/2021 – 86% respectively.
- 1.13 Implementation challenges and recommended way forward.**
The project has experienced delay in approval of activities and long procurement processes that delay the utilization of funds thus reporting low fund absorption. In addition, the outbreak of the COVID-19 pandemic has also interrupted project implementation due to restrictions protocols imposed to reduce the spread of the virus.
Way forward.
The future grants should address the bureaucratic processes of approval while ensuring that there is an effective internal control and oversight measures.

1.14 Summary of Project Compliance:

The project has been compliant by submitting the following statutory returns: PAYE, NSSF, NHIF and HELB

The project has been paying its obligation to suppliers and other third parties and there are no long outstanding claims or suits against it.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT’S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the *project’s agreement* are to:

- (i) To sustain gains in the newly devolved health system
- (ii) To intensify efforts to find “missing” cases
- (iii) To reduce TB transmission
- (iv) To prevent active disease and morbidity
- (v) To enhance the quality of care for chronic lung disease

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Global Fund Grant-Tuberculosis Component	To accelerate reduction of TB, Leprosy and lung disease burden through provision of people centred, universally accessible, acceptable and affordable quality services in Kenya	<ol style="list-style-type: none"> 1. Reduction of TB incidence by 90% 2. Reduction of TB mortality by 95% 3. Zero households suffering from catastrophic costs by 2030 	<ol style="list-style-type: none"> 1. TB Mortality rate 2. TB incidence rate 	<p>The country achieved a mortality rate of 38 per 100,000 against a target of 19 per 100,000-This means mortality is still high</p> <p>Achieved incidence rate of 292 per 100,000 against a target of 308; the country is still missing people with TB</p>
			3. Treatment success rate (All forms of TB)	<p>Target=90% Achieved=85% Performance of 92%</p>

Global Fund Tuberculosis Grant/Credit Number: KEN-T-TNT-1548
Reports and Financial Statements
For the financial year ended June 30, 2021

	Number of notified cases of all forms of TB	Targets=104,704 Achieved=73,777 Performance of 70%
	Percentage of registered new and relapse TB patients with documented HIV status	Target=95% Achieved=97% Performance of 102%
	Percentage of HIV-positive new and relapse TB patients on ART during TB treatment	Target=95% Achieved=95% Performance of 100%
	Percentage of previously treated TB patients receiving DST (bacteriologically positive cases only)	Target=90% Achieved=89% Performance of 99%
	Number of cases with RR-TB and/or MDR-TB that began second-line treatment	Target=720 Achieved=924 Performance of 128%
	Number of children <5 in contact with TB patients who began isoniazid preventive therapy	Target=6696 Achieved=6785 Performance of 101%

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The purpose of the Division of National tuberculosis Leprosy and Lung Disease Program is to ensure provision of quality care and prevention services for all people affected by Tuberculosis. This is achieved by bringing together stakeholders involved in Tuberculosis control including development partners, Tuberculosis patients and former patients by providing a platform for participation in planning and decision making on matters related to Tuberculosis treatment and prevention in Kenya. The program is mandated to mobilize resources in order to make sure that tuberculosis diagnosis and treatment are accessible to the clients at minimum cost to reduce financial hardship to persons and families affected by the disease. The program also advocates for social support including food security for the most vulnerable including children. Currently through the support of The Global Fund, Drug Resistant Tuberculosis patients are provided with monthly stipend of Kshs 6,000, enrolled on NHIF medical cover for the duration of treatment and are provided with nutrition supplements for the severer and moderately malnourished.

1. Sustainability strategy and profile

The program developed a national strategic plan (2019-2023) which identifies gaps which are fully costed as a guide for resource mobilization. The counties adopted it by developing county TB, Leprosy and lung disease frameworks to enable counties and stakeholders mobilize resources at that level. UHC is a key pillar in achieving accessible quality health services. The program through, GOK and partners is also investing in health systems to ensure sustainability. The government continues to avail domestic resources to support TB commodity procurement including first line medicine and laboratory reagents. However, most of the program activities are still donor dependant including human resources, programmatic management of drug resistant TB, Leprosy and Latent Tuberculosis treatment (LTBI).

2. Environmental performance

Tuberculosis legal environmental assessment: KELIN an arm of legal and human right wing, carried out Tuberculosis: assessment of the legal environment in Kenya in 2018, according the report launch in February 2018. It is appreciated that in the area of TB prevention and control, legal and policy barriers might not be as obviously problematic to treatment and care as they are in the area of HIV. However, human rights and law issues have emerged and should be addressed through country-level reviews of laws and policies. These issues have increasingly presented barriers to access to the best standards of

care for TB patients, especially the marginalized communities. The legal environment assessment entailed an evaluation of the national legal and policy framework of TB in Kenya. It aimed at identifying and examining all important legal and human rights issues in TB affecting people. An environmental legal assessment led to the development of a TB isolation policy taking into consideration the issues of human rights raised and hence inclusion of human rights intervention in the National Strategic 2019-2023, for TB, Leprosy and Lung Health. The other environmental performance includes the funding landscape.

TB Gender environment assessment: TB affects men and women differently, epidemiologically, biologically and socially. In order to eliminate TB, the TB response must address the gender-related barriers to accessing TB services and include key and vulnerable populations. The TB and HIV Gender Assessment in Kenya aimed at determining gender related barriers to accessing TB services and ways of surmounting these. The assessment was carried out by KELIN and was adopted by National TB program for implementation.

3. Employee welfare

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

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

Principles of Public Service, human resource development audit and development of a monitoring, evaluation and reporting framework for human resource development programmes.

DNTLD-P is implementing the Occupational safety and health policy guidelines for the health sector In Kenya as developed by the Ministry of Health.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

DNTLD-P is a division within the Ministry of Health, being a government entity, the program does not participate or have any political affiliation(s) nor does it undertake any commercial activities. All the staff are duly trained and guided by the i) Code of Regulation, ii) Bribery Act 47 and framework for the implementation of values and principles in articles 10 and 232 of the constitution in the public service.

b) Responsible Supply chain and supplier relations-

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

4. Community Engagements

The role of communities and community-based organizations in TB work is limited and even if they played a role, it is mainly limited to a few tasks in service delivery. Lessons learnt from other public health responses, highlight the importance of community engagement and participation in all aspects of communication, advocacy, planning, implementation and monitoring of programs. In line with the call for paradigm shift articulated in the Global Plan for ending TB 2016- 2020, the Stop TB Partnership, Kenya started a work stream that focuses on communities and the related issues of rights and gender. Involvement of former TB patients and those affected has been very visible during national events like the world TB day planning meetings and implementations which has been most of time been on voluntary basis. Community health volunteers (CHVs) continues to provide essential services on contact tracing, tracing those who interrupt treatment and public health education at the community level particularly during this era of COVID 19 pandemic. During the Global Fund grant application, the TB champions among other community-based actors played a key in grant application process. Noted

here are the valuable man hours given by this group of community players. In this regard, the contribution of this community actors is part of their contribution to the society as part of CSR.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Grant project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30, 2021.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 (v) Making accounting estimates that are reasonable in the circumstances.

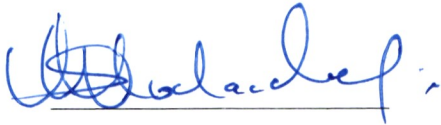
The *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Grant project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies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

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

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

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Health and the *Project Coordinator* for **Global Fund Tuberculosis Grant project** on 18-11-2021 2021 and signed by them.



Principal Secretary
Susan Mochache, CBS



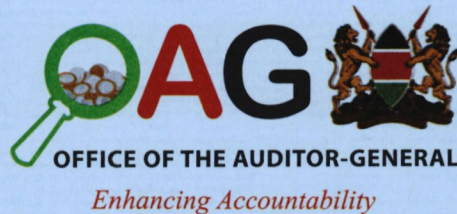
Project Coordinator
Dr. Andrew Mulwa



Project Accountant:
Silas Kamuren
ICPAK Member Number:24479

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GLOBAL FUND TUBERCULOSIS GRANT PROGRAMME (GRANT NO.KEN-T-TNT-854 AND KEN-T-TNT-1548) 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 control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Global Fund Tuberculosis Grant Programme (Grant No. KEN-T-TNT-854 and KEN-T-TNT-1548) set out on pages 1 to 27, 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 Global Fund Tuberculosis Grant Programme (Grant No. KEN-T-TNT-854 and KEN-T-TNT-1548) as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreements No. KEN-T-TNT-854 dated 1 October, 2015, and KEN-T-TNT-1548 dated 15 December, 2017 between Global Fund and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special accounts statement present fairly the special accounts transactions and the closing balance has been reconciled with the books of accounts.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts for the year ended 30 June, 2021 reflects final expenditure budget of Kshs.587,000,000 and actual expenditure of Kshs.446,779,164 resulting to underutilization figure of Kshs.140,220,836 (or 24%).

Failure to achieve the set targets may negatively impact on the objective of accelerating reduction of tuberculosis, leprosy and lung disease burden through provision of people-centered, universally accessible and affordable quality services in Kenya.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Long Outstanding Imprests

The statement of financial assets reflects accounts receivable-imprest and advances balance of Kshs.3,238,374 (2020 – Kshs.3,164,169) as disclosed under Note 8 to the financial statements. As previously reported, the total imprest and advances of Kshs.3,238,374 some dating back to 2012/2013 financial year were overdue as at 30 June, 2021. This is contrary to Section 93(5) of the Public Finance Management Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Further, Section 93(6) provides that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank rate.

Consequently, it has not been possible to ascertain the recoverability of the imprest and advances balance of Kshs.3,238,374 as at 30 June, 2021 and the Management is therefore in breach of the law.

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 Grant Agreements No. KEN-T-TNT-854 dated 1 October, 2015, and KEN-T-TNT-1548 dated 15 December, 2017, 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 Project so far as appears from the examination of those records; and,
- iii. The financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain services, disclosing, as applicable, matters

related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intentions to terminate the Project or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act,

2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project'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

14 December, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE 2021.

	Note	2020/2021			2019/2020			Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		KShs	KShs		KShs	KShs		KShs
RECEIPTS								
Transfer from Government entities	1	-	-	-	-	-	-	35,295,710
Proceeds from domestic and foreign grants	2	246,649,357	-	246,649,357	417,710,009	-	417,710,009	4,638,395,114
Miscellaneous receipts	3	2,691,976	-	2,691,976	4,115,229	-	4,115,229	61,028,934
TOTAL RECEIPTS		249,341,333	-	249,341,333	421,825,238	-	421,825,238	4,734,719,758
PAYMENTS								
Compensation of employees	4	166,227,842	-	166,227,842	173,730,734	-	173,730,734	1,351,953,229
Purchase of goods and services	5	280,551,323	-	280,551,323	332,748,237	-	332,748,237	3,191,494,913
Acquisition of non-financial assets	6	-	-	-	-	-	-	44,378,452
TOTAL PAYMENTS		446,779,164	-	446,779,164	506,478,971	-	506,478,971	4,587,826,593
SURPLUS/ (DEFICIT)		(197,437,831)	-	(197,437,831)	(84,653,733)	-	(84,653,733)	146,893,165

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



Principal Secretary

Susan Mochache, CBS



Project Coordinator

Dr. Andrew Mulwa



Project Accountant

Silas Kamuren

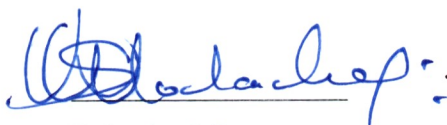
ICPAK Member Number:24479

Global Fund Tuberculosis Grant/Credit Number: KEN-T-TNT-1548
Reports and Financial Statements
for the financial year ended June 30, 2021

7. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2021


	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7.A	143,654,792	341,166,828
Total Cash and Cash Equivalents		143,654,792	341,166,828
Accounts Receivables	8	3,238,374	3,164,169
TOTAL FINANCIAL ASSETS		146,893,166	344,330,997
FINANCIAL LIABILITIES			
NET ASSETS		146,893,166	344,330,997
REPRESENTED BY			
Fund balance b/fwd	9	344,330,997	428,984,730
Prior year adjustments		-	-
Surplus/(Deficit) for the year		(197,437,831)	(84,653,733)
NET FINANCIAL POSITION		146,893,166	344,330,997

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 18-11- 2021 and signed by:



Principal Secretary

Date 19-11-2021



Project Coordinator

Date 18/11/21



Project Accountant

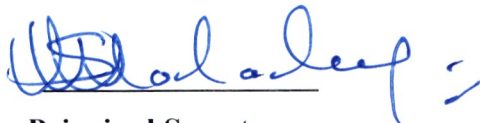
Date 18/11/2021

ICPAK Member No. 24479

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Proceeds from domestic and foreign grants	2	246,649,357	417,710,009
Miscellaneous receipts	3	2,691,976	4,115,229
Payments from operating activities			
Compensation of employees	4	(166,227,842)	(173,730,734)
Purchase of goods and services	5	(280,551,323)	(332,748,237)
Adjustments during the year			
Prior Year Adjustments		-	-
Decrease/(Increase) in Accounts Receivable	10	(74,205)	1,268,300
Net cash flow from operating activities		(197,512,036)	(83,385,433)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(197,512,036)	(83,385,433)
Cash and cash equivalent at BEGINNING of the year	7A	341,166,828	424,552,261
Cash and cash equivalent at END of the year	7A	143,654,792	341,166,828

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 18-11-2021 and signed by:



Principal Secretary

Date 19-12-2021



Project Coordinator

Date 18/11/21



Project Accountant

Date 18/11/2021


ICPAK Member No: 24479

For the financial year ended June 30, 2021

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	587,596,405	(596,405)	587,000,000	246,649,357	340,350,643	42%
Miscellaneous receipts	-	-	-	2,691,976	(2,691,976)	n/a
Total Receipts	587,596,405	(596,405)	587,000,000	249,341,333	337,658,667	42%
Payments						
Compensation of employees	174,226,162	0	174,226,162	166,227,842	7,998,320	95%
Purchase of goods and services	413,370,243	(596,405)	412,773,838	280,551,323	132,222,516	68%
Social security benefits						
Total Payments	587,596,405	(596,405)	587,000,000	446,779,164	140,220,836	76%

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


Principal Secretary

Date 19-11-2021


Project Coordinator

Date 18/11/21

Project Accountant

Date 18/11/2021

ICPAK Member No: 24479

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

The financial statements are for the Global Fund Tuberculosis Grant Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

Significant Accounting Policies (Continued)

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i)Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

j) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

k) Pending bills

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

l) Budget

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial period under review has been included in an annex to these financial statements.

m) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third party's column in the statement of receipts and payments.

During the year Kshs Nil billion being loan disbursements were received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

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

q) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

These represent counterpart funding and other receipts from government as follows:

	2020/21	2019/20	Cumulative to-date (from inception)
	KShs	KShs	
<i>Counterpart funding through Ministry Health</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	35,295,710
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total	-	-	<u>35,295,710</u>

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment *	Grants received in kind	Total amount in KShs	
						2020/21	2019/20
			KShs	KShs	KShs	KShs	KShs
Grants Received from Multilateral Donors (International Organizations)							
Global Fund to Fight Aids Malaria and Tuberculosis KEN-T-TNT-1584	17-02-21	2,253,353	246,649,357			246,649,357	417,710,009
Total		2,253,353	246,649,357			246,649,357	417,710,009

* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. MISCELLANEOUS RECEIPTS

	2020/21			2019/2020	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	
	KShs	KShs	KShs	KShs	KShs
Sale of Tender					462,574
Other receipts not classified elsewhere – Bank Interest (0112000540000)				206,547	50,974,853
Other receipts not classified elsewhere – Bank Interest (01141163732900)	2,691,976	-	2,691,976	3,908,682	9,591,507
Total	<u>2,691,976</u>	<u>=</u>	<u>2,691,976</u>	<u>4,115,229</u>	<u>61,028,934</u>

4. COMPENSATION OF EMPLOYEES

	2020/2021			2019/2020	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees	164,177,892	-	164,177,892	171,458,784	1,330,567,807
Compulsory national social security schemes	617,200	-	617,200	685,600	7,301,737
Compulsory national health insurance schemes	1,432,750	-	1,432,750	1,586,350	14,083,684
Total	<u>166,227,842</u>	<u>=</u>	<u>166,227,842</u>	<u>173,730,734</u>	<u>1,351,953,229</u>

Global Fund Tuberculosis Grant/Credit Number: KEN-T-TNT-1548
Reports and Financial Statements
For the financial year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PURCHASE OF GOODS AND SERVICES

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	1,296,000	-	1,296,000	1,325,608	6,341,636
Communication, supplies and services	2,940,200	-	2,940,200	3,915,947	21,670,292
Domestic travel and subsistence	110,934,300	-	110,934,300	106,290,441	1,365,825,634
Foreign travel and subsistence	-	-	-	-	11,625,642
Printing, advertising and information supplies	81,393,092	-	81,393,092	91,919,873	297,852,700
Rentals of produced assets	-	-	-	-	-
Training payments	61,626,038	-	61,626,038	55,598,707	1,109,454,779
Hospitality supplies and services	16,691,938	-	16,691,938	27,458,219	221,548,872
Insurance costs	1,330,802	-	1,330,802	5,220	10,745,323
Specialized materials and services	1,381,300	-	1,381,300	44,103,379	107,276,825
	465,922	-	465,922	835,682	1,921,433
Other operating payments	103,079	-	103,079	-	21,737,115
Routine maintenance – vehicles and other transport equipment	2,388,652	-	2,388,652	1,295,162	14,780,396
Routine maintenance - other assets	-	-	-	-	714,264
Exchange rate losses/gains (net)	-	-	-	-	-
Total	<u>280,551,323</u>	=	<u>280,551,323</u>	<u>332,748,237</u>	<u>3,191,494,913</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21		2019/20		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Purchase of vehicles & other transport equipment	-	-	-	-	26,462,622
Purchase of office furniture & general equipment	-	-	-	-	9,857,909
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	8,057,921
Total	=	=	=	=	44,378,452

7. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 8.13A)	143,654,792	341,166,828
Outstanding imprests and advances (Note 11D)	3,238,374	3,164,169
Total	146,893,166	344,330,997

The project has 1 number of project accounts spread within the project implementation area and Nil number of foreign currency designated accounts managed by the National Treasury as listed below:

7. A Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
Local Currency Accounts		
Co-operative Bank of Kenya [A/c No 01141163732900]	143,591,792	333,324,733
Grant No. KEN-T-TNT-1548	63,000	7,842,095
Total local currency balances	143,654,792	341,166,828
Total bank account balances	143,654,792	341,166,828

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

	2020/21 USD	2019/20 USD
(i) A/C Name- TB Grant KEN-T-TNT GA 1548 [A/c No 1000375124]		
Opening balance	1,949,420	6,993,864
Total amount deposited in the account	1,588,540	2,841,372
Total amount withdrawn (as per Statement of Receipts & Payments)	3,417,223	7,885,816
Closing balance (as per SDA bank account reconciliation attached)	<u>120,737</u>	<u>1,949,420</u>

The Special Deposit Account reconciliation statement has been attached as *Appendix iv* support these closing balances.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACCOUNTS RECEIVABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	3,238,374	3,164,169
Total	<u>3,238,374</u>	<u>3,164,169</u>

8 A: BREAKDOWN OF IMPRESTS AND ADVANCES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Amount Banked	Balance 2021	Balance 2020
GF TB Grant No. KEN-T-TNT-854						
Patrick Gawo	21,000	30/01/2015	18,000		3,000	
Benjamin Ontita -	30,000	30/06/2014	0		30,000	
Joseph Karimi	95,000	30/01/2015	0		95,000	
Nicholas Njeru	2,392,400	30/06/2014	0		2,392,400	
Eastern Province	7,441,500	30/12/2013	7,430,699	7661	3,140	
North Eastern Province	11,682,060	30/12/2013	11,332,110	330,000	19,950	
Nairobi Province	24,909,550	30/12/2013	24,391,739	330,844	186,967	
Nyanza Province	9,629,210	30/12/2013	9,537,790	32209	59,211	
Coast Province	15,168,150	30/12/2013	15,064,832	0	103,318	
Western Province	9,627,800	30/12/2013	9,459,227	0	168,573	
Rift Valley Province	9,752,100	30/12/2013	9,494,441	54,044	203,615	
Sub Total	90,748,770		86,728,838	754,758	3,265,174	
Central Province	8,131,700	30/12/2013	8,152,200	6,300	(26,800)	
Sub Total	8,131,700		8,152,200	6,300	(26,800)	
Grand Total	98,880,470		94,881,038	761,058	3,238,374	3,164,169

9. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	341,166,828	424,552,261
Outstanding imprests and advances	3,164,169	4,432,469
Total	<u>344,330,997</u>	<u>428,984,730</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. CHANGES IN RECEIVABLE

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Receivables as at 1 st July 2020	3,164,169	4,432,469
Closing account receivables as at 30 th June 2021	3,238,374	3,164,169
Change in Receivables	*(74,205)	1,268,300

Disclosure note: **The change in receivable represents amounts previously reflected as over surrenders reversed.*

11. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 3A)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Supply of goods	-	-	-	-
Supply of services	82,433,390	1,404,572	82,433,390	1,404,572
Total	82,433,390	1,404,572	82,433,390	1,404,572

OTHER IMPORTANT DISCLOSURES (Continued)

2. EXTERNAL ASSISTANCE

a) External assistance relating loans and grants

Description	FY 2020/2021 Kshs	FY 2019/2020 Kshs
External assistance received as grants	246,649,357.35	417,710,008.80
Total	246,649,357.35	417,710,008.80

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
		Kshs	Kshs
Undrawn external assistance - grants		207,320,795.34	442,137,380.00
Total		207,320,795.34	442,137,380.00

c) classes of providers of external assistance

Description	FY 2020/2021 Kshs	FY 2019/2020 Kshs
Multilateral donors	246,649,357.35	417,710,009
Total	246,649,357.35	417,710,009

12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY 2019/20	<p><u>Budget control and Performances</u> The Statement of comparative budget and actual amounts reveals that the Project had a budget of Kshs.859,847,389 from the External Development Partners but actual receipts amounted to Kshs.421,825,238 only, resulting to a shortfall of Kshs.438,022,151 or 51% of the budgeted receipts. Similarly, the Project had budgeted to spend an amount of Kshs 859,847,389 but only Kshs 506,478,971 or 59% was actually expended.</p>	<p>The management acknowledges the observations made by the auditors on the shortfall in the receipts and payments under the Project for the FY 2019/20 and wishes to clarify that;</p> <p>i) Receipts; There was incountry balance of Kshs 424,552,261 at the beginning of FY 2019/20 that formed part of the total projected receipt of Kshs 846,377,499 or 98%.</p> <p>ii) Expenditure: In the financial year 2019/2020 the Project spent Kshs 506,478,971 or 59% absorption rate of funds. The under-utilization of funds is majorly attributed to the COVID-19 pandemic that disrupted implementation of program activities for the months of March – June 2020.</p> <p>However adequate risk mitigation measures have been put in place to ensure patients continue to receive adequate treatment and care during this period and the activities postponed to be implemented in the next financial year 2020/2021.</p>	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY 2019/20	<p><u>Outstanding Imprest Balances</u> As previously reported, the statement of financial assets reflects accounts receivable imprests and advances balance of Kshs. 3,164,169 as at 30 June 2020. However, and as disclosed in note 9.10 to the financial statements, the total imprest and advances of Kshs. 3,164,169 some dating back to 2012/2013 Financial year were overdue as at 30 June 2020.</p>	<p>The management acknowledged the long outstanding imprest as reported in the Financial Statement. As at the end of FY 2019/20 the outstanding imprest of Kshs 3,164,169 relates to outstanding balances from the closed grant that has been reimbursed to The Global Fund. The Management is proposing to write off the amounts from the financial statements to have it resolved.</p>	Not Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to

National Treasury.

Principal Secretary

19-11-2021

Date

Project Coordinator

18/11/21

Date

13. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	587,000,000	246,649,357	340,350,643	42%	
Miscellaneous receipts	-	2,691,976	(2,691,976)	-	
Total Receipts	587,000,000	249,341,333	337,658,667	42%	
Payments					
Compensation of employees	174,226,162	166,227,842	7,998,320	95%	
Purchase of goods and services	412,773,838	280,551,323	132,222,516	68%	
Total payments	587,000,000	446,779,164	140,220,836	76%	

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME:		GLOBAL FUND TUBERCULOSIS GRANT	
Break down of Transfers from the Ministry of Health			
a. Others			
	<u>Bank Statement Date</u>		<u>Indicate the FY to which the amounts relate</u>
	MOH Exchequer disbursement	17-Feb-21	FY 2020/21
		Total	
		TOTAL	
		246,649,357.35	
		246,649,357.35	

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Coordinator

National Tuberculosis Leprosy and Lung Disease Program



Sign

Head of Accounting Unit
Ministry of Health



Sign

*Global Fund Tuberculosis Grant/Credit Number: KEN-T-TNT-1548
Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 3A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	a	b	c	d=a-c		
Supply of services				132,000.00		
1. BREEZ HOTEL BUSIA	132,000.00	21-05-21		92,172.42		
2. SUNSHINE HOTEL	92,172.42	18-06-21		132,000.00		
3. RIFT VALLEY HILLS RESORT	132,000.00	27-05-21		101,400.00		
4. GOLF HOTEL	101,400.00	08-04-21		99,000.00		
5. chanti ventures	99,000.00	22-06-21		132,000.00		
6. KEELU RESORT	132,000.00	27-05-21		148,000.00		
7. KATMA GENERAL SUPPLIES	148,000.00	various		304,000.00		
8. LEGEND HOTEL LIMITED	304,000.00	15-05-21		132,000.00		
9. MAIN RESORTD LTD	132,000.00	28-05-21		132,000.00		
10. UFANISI RESORT LTD	132,000.00	21-06-21		132,000.00		
1.						
Sub-Total	1,404,572.42			1,404,572.42		
Grand Total	1,404,572.42			1,404,572.42		

ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS

There are no pending bills for the FY 2020/2021

ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES

There are no other pending bills.

ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/21	Donations in form of assets (KShs) 2020/21	*Purchases/ Additions in the Year (KShs) 2020/21	** Disposals in the Year (KShs) 2020/21	Transfers in/(out) Kshs 2020/21	Closing Cost (KShs) 2021
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+(c)-(d)+(-)d
Buildings and structures	8,057,921	-	-	-	-	8,057,921
Transport equipment	26,462,622	-	-	-	-	26,462,622
Office equipment, furniture and fittings	9,857,909	-	-	-	-	9,857,909
Total	<u>44,378,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,378,452</u>

ANNEX 5 – CONTINGENT LIABILITIES REGISTER

There are no any contingent liabilities for the FY 2020/21

14. APPENDICES

- i. Bank Reconciliations statements as at 30th June 2021
- ii. Certificates of Balance
- iii. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. Board of Survey Report
- vi. Trial Balance
- vii. Global Fund USD Conversion Financial Statement
- viii. Acronyms and Abbreviations

Acronyms and Abbreviations

DNTLD-P-	Division of National Tuberculosis Leprosy and Lung Disease Program
GFATM -	Global Fund to Fight Aids Tuberculosis and Malaria
WHO -	World Health Organization
NHIF -	National Health Insurance Fund
TNT -	The National Treasury
KELIN-	Kenya Legal and Ethical Issues Network
SSF -	Single Stream Funding
NFM -	New Funding Model
TB -	Tuberculosis
NSP -	National Strategic Plan
IPSAS -	International Public Sector Accounting Standards
PSM -	Procurement Supply Management Plan
DMS -	Director Medical Services
M&E -	Monitoring and Evaluation
RSSH -	Resilient Sustainable Systems for Health
MOR -	Months of Treatment
PFM -	Public Financial Management
MDR-TB	Multi Drug Resistant Tuberculosis
RMNCH-	Reproductive Maternal, Neonatal, Child and Adolescent Health
iCCM -	Integrated Community Case Management
DRS -	Drug Resistance Survey
PR -	Principal Recipient
SR -	Sub Recipient
HCW -	Health Care Workers
CHV -	Community Health Volunteers
CSR -	Corporate Social Responsibility



CO-OPERATIVE BANK

We are you

The Co-operative Bank of Kenya Limited
Upper Hill Branch
Kuscco Centre
P.O.Box 30415-00100, Nairobi
Tel: 2713501
Mobile: 0713600804, 0733 343455
Fax: 2713508
Nairobi
Email: upperhillbr@co-opbank.co.ke

04TH AUGUST 2021

THE DIRECTOR
MOH TUBERCULOSIS GRANT
P O BOX 20781-- 00202,
Nairobi

Dear Sir,

RE: MOH TUBERCULOSIS GRANT CERTIFICATE OF BALANCE AS AT 30TH JUNE 2021.

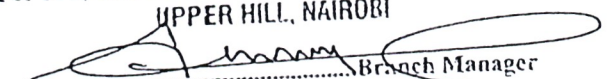
We acknowledge receipt of your request on the above subject matter.
Find below the balances of your accounts as at 30th June 2021.

ACCOUNT NO	BRANCH CODE	ACCOUNT NAME	BALANCES
01141163732900	11037	MOH TUBERCULOSIS GRANT	KES 189,133,519.70

Thank you for your support.

Yours faithfully,

Per Pro, THE CO-OPERATIVE BANK OF KENYA LTD.
UPPER HILL, NAIROBI


.....Branch Manager

HOSEA AWICH
BRANCH MANAGER
UPPERHILL BRANCH

An 88

BANK RECONCILIATION
AS AT 30th June 2021

(KSHS)

Cash Book Balance as at 1st June 2021	235,182,3
Total Receipt for June 2021	387,4
Total Payments for June 2021	91,977,995
Cash Book Balance as at 30th June 2021	143,591,7

RECONCILIATION

	Balance as per Bank Statement at 30th June 2021	Vch No.	Chq No.		
					189,133,520
SS:					
	1) Payments in Cash Book not Recorded in Bank Statement				
30/06/21	Manager Co-op Bank - Mpesa Transfer	0512	000857		740,560.00
30/06/21	Manager Co-op Bank - Stationery		000858		465,922.
30/06/21	Manager Co-op Bank - Printing		000861		2,164,051.
30/06/21	Manager Co-op Bank - Hotels		000860		6,846,350.29
30/06/21	NHIF Px	285-356	702-774		144,000.0
28/06/21	P/S MOH Salary & Gratuity June 2021	0451	000801		20,286,425.0
28/06/21	PAYE June 2021	0451	000802		7,388,460.00
28/06/21	NSSF June 2021	0451	000803		50,000.00
28/06/21	NHIF June 2021	0451	000804		116,150.0
28/06/21	HELB June 2021	0451	000805		10,748.0
28/06/21	PAYE Gratuity June 2021	0431	000806		20,733.00
28/06/21	MPESA Transfer	485	000808		6,481,527.0
30/06/21	NHIF Px	439	833-856		504,000.0
30/06/21	NHIF Px	366	809-832		108,000.0
30/06/21	NHIF Px	376	775-798		204,000.00
28/09/20	HELB Sept 2020	0050	000562		10,748.0
25/06/18	Rounding off	887			52.5
					45,541,728.0
	Balance as per Cash book				143,591,791.66

RECONCILED

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

SIGNATURE

Prepared By: SILAS KAMUREN

DESIGNATION

PFO

SIGN

[Signature]

DATE

01/07/2021

Checked By: John Mulegi

Accl.

[Signature]

01.07.2021

Date 02 July 2021

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

as at the close of

Business on 02 JULY 2021.

The Board, consisting of (Names and Official titles)

LITI WAMBUI

MICHAEL WANJICHU

MORAA MINTROU

assembled at the office of HLD-P

at 9:30 (time) on the 02 JULY 2021

and the following cash was produced:

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

It was 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.	143,591,791.66

The Bank Certificate of Balance showed a sum of Sh. 189,133,519.00

cts. 70 (Sh. cts)

Standing to the credit account on 30th JUNE 21

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.

LITI WAMBUI (Signature)
Chairman
Michael Mbayori (Signature)



Safaricom Ltd
PO Box 66827 – 00800
Westlands, Nairobi.
Kenya.

September, 13, 2021

To

TB-KEN-T-TNT-NLTP
P.O. BOX
Nairobi – Kenya
info@nltp.co.ke
Your Ref:

M-PESA Account: TB-KEN-T-TNT-NLTP

Please find below M-PESA balances (in KSH) held for the below organization(s) as at 30th June 2021.

<u>Organization</u>	<u>Utility Account</u>	<u>Working Account</u>	<u>Charges Paid Account</u>	<u>Organization Settlement Account</u>
<u>467926 - TB-KEN-T-TNT-NLTP</u>	<u>181,333.00</u>	0.00	0.00	0.00

Daniel Githiga

Manager – M-PESA Accounting

When we come together, **great things happen.**

National TB, Leprosy and Lung Diseases Unit- Global Fund TB Grant

BANK : SAFARICOM

MPESA RECONCILIATION

AS AT 30 June 2021

Cash Book Mpesa Opening Balance		10,647,651
Receipts		36,749,827
		<u>47,397,478</u>
Payments		
Jun-21		47,334,478
Total Payments (as per PVs posted)		47,334,478
Balance as per Cashbook		63,000.00
Balance - Utility account		181,333
Balance - MMF account		-
Balance in Mpesa Account 30 June 2021		<u>181,333</u>
Receipts in C/B not in MPESA		
MPESA Transfer		7,222,087
		<u>7,222,087</u>
Payments in C/B not in MPESA		
P/S MOH TA	455	2,463,900
P/S MOH Childhood TB Training	459	1,045,600
P/S MOH Childhood TB Training	460	1,187,500
P/S MOH Childhood TB Training	461	1,143,800
P/S MOH ADSM Report writing	464	1,249,500
P/S MOH Sub County Supervision	490	57,580
P/S MOH CRM	491	41,000
P/S MOH Various	492	322,540
		<u>7,511,420</u>
Payments in MPESA not in C/B		
Double Payment _ Kisii		140,000
Double Payment _ Kisii Refunded to bank		31,000
		<u>171,000</u>
Reconciled Balance		<u>63,000</u>

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

SIGNATURE
Prepared By: SILAS KAMUREN

DESIGNATION
PFO

SIGN

DATE

01/07/2021

Checked By: John Mutegi

Acct

[Signature]

01-07-2021

MPESA

REPUBLIC OF KENYA

F.O. 51

Date 02 JULY 2021

Report of the Board of Survey on the Cash and Bank Balances of ~~THE HILP~~ HILP

..... as at the close of

Business on 02 JULY 2021

The Board, consisting of (Names and Official titles)

LITI WAMBUA
MICHAEL WATJOHI
MORAA WINNROSE

assembled at the office of HILP

at 9:30 (time) on the 02 JULY 2021
and the following cash was produced:

Notes	sh.	HIL
Silver	sh.	HIL
Copper	sh.	HIL
Cheque (as per details on reverse)	sh.	HIL

It was observed that cheques amounting to sh. HIL 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 JULY 2021

Cash on hand	sh.	HIL
Bank Balance	sh.	6,300,000 6,300,000 6,300,000 6,300,000

The Bank Certificate of Balance showed a sum of Sh. 181,333 cts. HIL (Sh. cts.)

Standing to the credit account on 30th JULY 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.

LITI WAMBUA

Chairman

Michael Watjohi

MORAA WINNROSE

Date 02 JULY 2021



MINISTRY OF HEALTH

National Tuberculosis, Leprosy and Lung Disease Program
New NASCOP Building, Kenyatta National Hospital, Hospital Road
P.O. Box 20781 – 00202 NAIROBI - Tel (254) 20-713198/721890
Email : info@nltp.co.ke

REF: FIN/NLTP/1/3

Date: 16th August 2021

Ministry of Health
P.O. Box 30016 - 00100
Afya house, Cathedral Road,
Nairobi, Kenya

Confirmation of amounts received by NTLDP, GF TB Grant as at 30 June 2020

Reference Number	Date Disbursed/Received	Amounts Disbursed to/Received by NTLDP, GF TB Grant as at 30 June 2021			Amount Disbursed from Ministry of Health as at 30 June 2021 (KShs) (D)	Difference (KShs) (E)=(C-D)
		Development (KShs) (A)	Inter – Project (KShs) (B)	Total (KShs) (C)=(A+B)		
DE:18/02/15/20	17-Feb-21	246,649,357.35		246,649,357.35	246,649,357.35	-
Total		246,649,357.35		246,649,357.35	246,649,357.35	

We confirm that the amounts shown above are correct as of the date indicated.

Head National Tuberculosis Leprosy and Lung Disease Program

Name Dr. Wasu Egeya

Signature 

Date 30/08/2021

Head of Accounts Unit

Name Pamela Njuguna

Signature 

Date 30-08-2021



ISO 9001:2015 Certified

GLOBAL FUND TUBERCULOSIS GRANT

TRIAL BALANCE

30TH JUNE 2021

Cash Balance B/F		341,166,828
Cash Balance C/D	143,654,792	
Grants Received Global Fund		246,649,357
Interest Earnings		2,691,976
Prepaid and Regional Advances B/F		3,164,169
Prepaid and Regional Advances C/D	3,238,374	
Non-Financial Asset	-	
Salaries of employees	166,227,842	
Utilities, supplies and services	1,296,000	
Communication, supplies and services	2,940,200	
Domestic travel and subsistence	110,934,300	
Foreign travel and subsistence	-	
Printing, advertising and information supplies & services	81,393,092	
Rentals of produced assets	-	
Training expenses	61,626,038	
Accommodation, supplies and services	16,691,938	
Insurance costs	1,330,802	
Specialised materials and services	1,381,300	
Office and General Supplies and Services	465,922	
Other operating expenses	103,079	
Routine maintenance – vehicles and other transport assets	2,388,652	
Routine maintenance – other assets	-	
Routine maintenance – vehicles and other transport assets	593,672,330	593,672,330

2

TB GRANT KEN-T-TNT-GA1548
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30TH JUNE 2021
 PART B

Bank Account No.0100005345272 Held with Stanbic Bank

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by Global Fund		23,432,276.46
	Less		
2	Total amount justified to Global Fund		23,753,011.82
3	Outstanding amount advanced to Designated Account		(320,735.36)
	Represented by:		
4	Ending Designated Account Balance at 30.06.2021		120,737.30
5	Amount claimed but not credited at 30.06.2021		-
6	Amount withdrawn and not claimed as at 30.06.2021		(441,472.66)
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	Total advance to Designated Account year ended 30.06.2021		(320,735.36)

Discrepancy between total appearing on lines 3 and 9 -

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by Global Fund and provide reasons for not claiming the expenditures

Signature

AUTHORIZED REPRESENTATIVE
 RESOURCES MOBILIZATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 30.07.2021

2

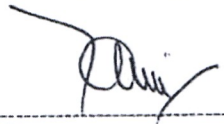
SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2021
Account No.	100005345272
Depository Bank	STANBIC BANK-NAIROBI
Address	WAIYAKI WAY, WESTLANDS,NAIROBI.
Related Loan	TB GRANT KEN-T-TNT GA 1548-MAIN
Credit Agreement	NO. 4568-KE
Currency	USD

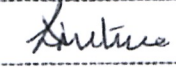
Account Activity

Beginning balance of 1ST July, 2020 as per C.B.K. Ledger Account	1,949,419.94
Add:	
Total Amount deposited by ADB GLOBAL FUNDS	1,588,540.02
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	3,417,222.66
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June,2021	120,737.30

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 
DATE: **26.07.2021**

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 
DATE: **30.07.2021**

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June,2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

CENTRAL BANK OF KENYA - RECONCILIATION

OFF-SHORE A/C NO:0100005345272
DETAILS

STATEMENT AS AT : 30.06.2021
G.L A/C NO : 1000375124
TB GRANT KEN-T-TNT GA 1548-MAIN
REMARKS ACTION TAKEN

	CURRENCY	AMOUNTS
1.BALANCE AS PER OFFSHORE STATEMENT:	USD	120,737.30
2.ADD DEBITS NOT IN NRB		
3.LESS CREDITS NOT IN NRB		
4.ADD DEBITS NOT IN OFFSHORE		
5.LESS CREDITS NOT IN OFFSHORE		
6.BALANCE AS PER CBK LEDGER		

(120,737.30) 120,737.30

Prepared By: SIMIYU T.K.

Checked by: [Signature]

Approved By: [Signature]

Date: 08.07.2021

Date: [Signature]

Date: 12.07 2021

NOSTRO RECONCILIATION STATEMENTS

[Reroute Hold](#)

Manual Input of NR Statement 1000375124.20210701.S.999.1

Transaction Ref Number (Tag20)	20210630-999	
Account Identification (Tag25)	1000375124	TB GRANT KEN-T-TNT GA 1548-MAIN
Account Currency	<input type="text" value="USD"/> US Dollar	
Opening Bal Indicator (Tag60a)	C	
Opening Bal Date (Tag60a)	29 JUN 2021 29 JUN 2021	
Opening Bal Amount (Tag60a)	120.737.30	
Closing Bal Indicator (Tag62a)	C	
Closing Bal Date (Tag62a)	30 JUN 2021 30 JUN 2021	
Closing Bal Amount (Tag62a)	120.737.30	

Statement Complete, Y

Entry Details Audit

SWIFT Tag.1
SWIFT Tag content.1.1 C210630USD120737.30

Statement Complete, Y

Geneva Switzerland

GLOBAL FUND TUBERCULOSIS GRANT

Implementing Entity.

**MINISTRY OF HEALTH - NATIONAL
TUBERCULOSIS, LEPROSY AND LUNG**

DONOR ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED

JUNE 30, 2021

NAIROBI, KENYA

Figure 1: Income and Expenditures Statement

Grant Number	KEN-T-TNT 1548
Accounting Methodology	Cash
Grant's Currency	KES
Implementation Period Start Date	01-July 20
Implementation Period End Date	30-June-20

Period of Financial Reporting	Beginning Date:	01-Jan-18	End Date:	30-June-21
Cumulative Period of Financial Reporting	Beginning Date:	01-Jan-18	End Date:	30-June-21

Financial Statements (all figures are in US\$ unless otherwise stated)

	Current Period			Cumulative Period			Previous year		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Sources of Grant funds									
Opening cash balance		3,202,785			17,581,873	3,618,250	4,014,093		
Receipts from Global fund	3,105,659	2,253,353	1,912,988	21,200,123	1,836,730	(1,836,730)	3,979,521	4,064,652	
NFM1 Transfer to NFM2							146,034		(146,034)
Interest earnings		24,882	(24,882)		93,121	(93,121)	38,181		(38,181)
Total sources of Grant Funds	3,105,659	5,481,020	1,888,106	21,200,123	19,511,724	1,688,399	8,177,829	8,177,829	3,880,437
Uses of Grant Funds									
1.0 Human Resources (HR)	1,798,733	1,608,633	190,100	6,480,862	6,195,420	285,241	1,908,062	1,750,612	157,450
2.0 Travel related costs (TRC)	1,675,906	1,726,473	(50,567)	10,877,568	9,263,247	1,614,321	3,882,096	2,328,410	1,553,686
3.0 External Professional services	15,628	0	15,628	16,245	4,039	12,206	617	4,039	(3,422)
4.0 Health Products (HPPP)	0	0	0	0	0	0	0	0	0
5.0 Health Products (HPNP)	0	0	0	0	0	0	0	0	0
6.0 Health Products (HPE)	0	0	0	0	0	0	0	0	0
7.0 Procurement and Supply-Chain	35,860	0	35,860	104,955	36,309	68,647	55,538	22,751	32,787
8.0 Infrastructure (INF)	0	0	0	0	0	0	0	0	0
9.0 Non-health equipment (NHP)	0	0	0	0	0	0	0	0	0
10.0 Communication Material	568,149	771,398	(203,249)	3,485,795	2,362,715	1,123,080	2,095,902	767,231	1,328,671
11.0 Program Administration	0	0	0	0	0	0	0	0	0
12.0 Living support (LSCPT)	72,065	11,754	60,311	234,898	95,066	139,833	101,958	22,421	79,537
13.0 Payment for Results	0	0	0	0	0	0	0	0	0
Total uses of Grant Funds	4,166,341	4,116,268	45,082	21,200,123	17,966,795	3,243,328	8,044,173	4,895,464	3,148,709
Total commitments at 30.06.2021				13,023.39					
Net exchange gain/loss		(30,776)			(222,942.01)			(79,579.69)	
Net sources (uses) of Grant Funds		1,331,986		1,331,986	1,331,986		3,202,785	3,202,785	

Annex 2: GF TB (USD) Annual Financial Statements cash basis and commitments reconciliation, As at 30 June 2021

Notes to the financial statements

All amounts are in US\$ unless otherwise stated

Note 1: Basis of accounting

The Annual Financial Report is prepared on a cash receipts and disbursements basis. A column on commitments or outstanding payables has been added as required by the AFR guidelines.

Note 2: Disbursements/Receipts

Receipts comprises amounts advanced and reimbursed by the Global Fund under the grant agreement during the period [July 1, 2020 to June 30, 2021] to the Principal Recipient and to third parties. Receipts from Global Fund were in United States Dollars.

Note 3:

Expenditure represents amounts disbursed and costs incurred denominated in Kenya Shillings (KES).

Note 4:

Transactions in KES are translated to US dollars at the average exchange rate for the period applicable every quarter. For the purpose of this report, balances denominated in KES have been translated to US dollars based on the closing exchange rate applied by the Ministry of Health during the period which stood at KES. 107.85 to the US dollar.

Note 5: Receipts from Global Fund

Description	Current period US\$	Prior period US\$	Cumulative US\$
Disbursement 1	2,253,353	3,979,521	17,581,873
	<u>2,253,353</u>	<u>3,979,521</u>	<u>17,581,873</u>
	=====	=====	=====

Note 6: Human Resources

This represents salaries and other staff related costs for the sub recipients.

Description	Current period US\$	Prior period US\$	Cumulative US\$
Salaries and Allowance	1,529,924	1,673,368	5,938,441
Other Office Cost	78,708.80	77,243.84	256,979
	<u>1,608,633</u>	<u>1,750,612</u>	<u>6,195,420</u>
	=====	=====	=====

Note 7: Travel Related Costs

	Amount
Conference Hire and Air Travel	153,830
Daily subsistence allowance	1,572,643
Living Support to Patients	11,754
Communication (TV/Radio spots & Printed Materials)	771,398
	2,509,625
	=====

Note 8: Cash balances**Amount US\$**

Bank balance held at Co-operative Bank of Kenya [A/c No 01141163732900]	1,331,402
Bank balance held at Safaricom MPESA KEN-T-TNT-1548 A/C 467926	584
Net sources of Grant Funds	1,331,986
	=====

Note 9: Supplemental schedule of commitments at 30.06.2021

Commitments at 01.07.2020	774,078
Paid in current year (2020/21)	774,078
Outstanding from previous year	Nil
Commitments 2019	13,023
Total commitments at 30.06.2021	13,023

Outstanding commitments from previous year relates to outstanding payments to hotels for conference hire.

Note 10: Principal Recipient advances

The PR made an advance of US\$2,253,353.38 to the Ministry of Health- Division of National Tuberculosis Leprosy and Lung Disease Program for the implementation of Tuberculosis programmatic interventions during the period. While the interest earned was US\$ 24,882.

Note 11: Sub-recipient advances

	MOH - DNTLDP
Unliquidated advances (prior year)	3,202,785
Add advances from PR (current year)	2,278,235
Less SR justified advances	4,118,258
Adjust; Exchange Gain/Loss	(30,776)
	1,331,986
	=====

Note 12: Schedule of fixed assets

Categories	Opening balances (cost)	Additions (cost)	Disposals through sale (cost)	Closing balance (cost)
Intangible assets	Nil	Nil	Nil	Nil
Constructions	Nil	Nil	Nil	Nil
Rehabilitation/ Renovation	Nil	Nil	Nil	Nil
Health Equipment	Nil	Nil	Nil	Nil
Other non-Health Equipment	Nil	Nil	Nil	Nil
Vehicles/ Motorcycles	Nil	Nil	Nil	Nil
IT Equipment (Hardware)	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

As the above financial statements are illustrative, the Principal Recipient should provide any other relevant information or notes to the statements.

