

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

DATE: 30 NOV 2023

DAY:

Thursday

TABLED  
BY:

Hon Kimani Ichunguach  
The Leader, majority party

**OF**

CLERK AT  
THE TABLE:

Inzopi mwale

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**MINISTRY OF HEALTH**



PROJECT NAME: EAST AFRICA'S CENTRE OF EXCELLENCE

IMPLEMENTING ENTITY: MINISTRY OF HEALTH (MOH)

PROJECT LOAN NUMBER: 2100150031997

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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

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## **1. Acronyms and Glossary of Terms**

CBK	Central Bank of Kenya
EACE	East Africa Centre of Excellence
EAKI	East Africa Kidney Institute
AfDB	African Development Bank
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
EAC	East African Community
KMTC	Kenya Medical Training College
KNH	Kenyatta National Hospital
MOH	Ministry of Health
NCD	Non – Communicable Diseases
UON	University of Nairobi
SDA	Special Deposit Account
GOK	Government of Kenya
Comparative FY	Financial year preceding the current financial year.

## **2. Project Information and Overall Performance**

Line Ministry/State Department of the project	The project is under the supervision of the Health Ministry.
Project number	<b>P-Z1-IBO-23    Loan Number 2100150031997</b>
Strategic goals of the project	The strategic goals of the project are as follows:  I.    Training II.    Research III.    Service delivery
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Training of public health workers (ii) Research and analysis of public health information
Project duration	The project started on 17 <sup>th</sup> December, 2014 and is expected to run until 31 <sup>st</sup> December 2023

### **2.1 Name and registered office**

**Name:**

East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences  
Phase 1 - Project Loan Number: 2100150031997

Afya House

AFDB Prefab offices

**Objective**

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

## Address

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

The address of its registered office is:

P.O Box 30016 – 00100

Afya House. Cathedral Road, Nairobi.

**Contacts:** The following are the project contacts

Telephone: (254) 0202717077

E-mail: pshealth.go.ke

## 2.2 Project Information

Project Start Date:	The project start date is 17-12-2014
Project End Date:	The project end date is 31/12/2023
Project Manager:	The project manager is Dr. Hossan Ajuck
Project Sponsor:	The project sponsor is AfDB and GOK

## 2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Health Ministry
Project number	<b>P-Z1-IBO-23    Loan Number 2100150031997</b>
Strategic goals of the project	The strategic goals of the project are as follows:  <ul style="list-style-type: none"> <li>I.    Training</li> <li>II.   Research</li> <li>III.   Service delivery</li> </ul>
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means:  <ul style="list-style-type: none"> <li>I.    Training of public health workers</li> <li>II.   Research and analysis of public health information</li> </ul>

Other important background information of the project	The project Phase I is coming to completion on 31 <sup>st</sup> December 2023 and Phase II will commence on 1 <sup>st</sup> January 2024.
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: <ul style="list-style-type: none"><li>(i) To address the challenge facing Kenya human resource in biomedical specialities.</li><li>(ii) To reduce migration of the skilled workers in urology and nephrology into countries in the region and internationally.</li></ul>
Project duration	5 Years but extension have been granted for 4 years.

#### **2.4. Bankers**

The following are the bankers for the project:

Central Bank of Kenya

P.o Box 6000 -0200

Nairobi

#### **2.5. Independent Auditor**

Auditor General

Office of Auditor General




Anniversary Towers, Institute Way



P.O. Box 30084

GPO 00100

Nairobi, Kenya

**2.6 Roles and Responsibilities of the Project Team**

Names	Title designation	Key qualification	Responsibilities
 <p><b>Dr. Elizabeth Wangia</b></p>	<p>Director Healthcare Financing.</p>	<p>MBCHB, MSC MEDICAL STATISTICS, IPPHL</p>	<p>Involved in the day to day running of Health infrastructure projects in the country. Reporting to the Ministry and the Financiers on the Projects</p>
 <p><b>Dr. Hossan Ajuck</b></p>	<p>Project Manager</p>	<p>DBA, MBA, MPH, BSDT, IPPHL, CMI, CIQ.</p>	<p>Involved in the day to day running of the EAKIP project. Reporting to the Ministry and the Financiers on the Project.</p>
 <p><b>Samuel Ndiang'ui</b></p>	<p>Project Accountant</p>	<p>B.COM, CPA(K)</p>	<p>Carrying out the accounting functions of the Project</p>

Names	Title designation	Key qualification	Responsibilities
 <p><b>Catherine Kimira</b></p>	Senior Supply Chain Management Officer	MSC(Procurement & Logistics)	Carrying out the procurement functions of the Project
 <p><b>Professor Mungai Ngugi</b></p>	Academic officer	MBChB, M.Ed. Urologist	In charge of academic programs

## 2.7 Funding summary

The Project is for duration of 5 years from 2014 to 2019 but was given an extension of 4years to December 2023 with an approved budget of UA27, 500,000 equivalent to Kshs. 3,674,000 ,000 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 <sup>th</sup> June 2023)		Undrawn balance to date	
	Donor currency (A)	Kshs (A')	Donor currency Kshs (B)	Kshs (B')	Donor currency Kshs (A)-(B)	Kshs (A')-(B')
(i) Loan						
ADB	25,000,000	3,340,000,000	2,365,990,934			974,009,066
(ii) Counterpart funds						
Government of Kenya	2,500,000	334,000,000	193,504,947			140,495,053
Miscellaneous			2,318,613			(2,318,613)
<b>Total</b>	27,500,000	3,674,000,000	2,561,814,494			1,112,185,506

Exchange rate 1 UA= KES 145.6

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**Project information and overall performance (continued)**

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2023)		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)		Unutilised balance to date (30 <sup>th</sup> June 2023)	
	Donor currency(UA) (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
<b>(i) Loan</b>						
AfDB		2,365,990,934		2,357,411,074		8,579,860
<b>(ii) Counterpart funds</b>						
Government of Kenya		193,504,947		193,393,030		111,917
Miscellaneous		2,318,613				2,318,613
<b>Total</b>		2,561,814,494		2,550,804,104		11,010,390

Exchange rate 1 UA= KES 145.6

**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

i) *Budget performance against actual amounts for current year and for cumulative to-date,*

AfDB – KES 3,340,000,000 (90.9%) GOK – KES 334,000,000 (9.1%)

Total – KES 3,674,000,000 (100%)

Expenditure of at 30<sup>th</sup> June 2023

AfDB – KES 2,357,411,074.00 (70%) GOK – KES 193,393,030.00 (57%)

ii) Physical progress based on outputs, outcomes, and impacts since project commencement,

1. Training of over 345 professionals who have supported all the renal units at the counties established under the Medical equipment services (MES) program.
2. Conducted over 250 Transplants at KNH.
3. Establishment of Histocompatibility and immunogenetics laboratory (HLA) at KNH.
4. Supported 5 regional conferences
5. Development of over 26 new Curricula in Urology and Nephrology

iii) Indicate the absorption rate for each category since the commencement of the project.

<b>FINANCING SOURCE</b>	<b>APPROVED AMOUNT</b>	<b>DISBURSED AMOUNT</b>	<b>% DISBURSED AMT</b>
<b>Works</b>	1,847,975,275.15	1,844,327,745.31	99.80
<b>Goods</b>	972,680,800.00	192,768,764.77	19.82
<b>Services</b>	420,722,524.85	272,424,215.04	64.75
<b>Operating costs (AfDB)</b>	98,621,400.00	58,900,918.88	59.72
<b>Operating Costs (GOK)</b>	334,000,000.00	193,392,850.00	57.90
<b>TOTAL</b>	<b>3,674,000,000.00</b>	<b>2,561,814,494.00</b>	<b>69.73</b>

**iv) Implementation challenges.**

Variation of design and variation of price. Currently, we require Ksh.525 million for Variation of Design and Variation of Price in order to conclude the contract for China Railway 10.

**v) Recommended Next Steps.**

- a. There is need to prepare and give provisions for pandemic in the future.
- b. Major projects should be given adequate time for implementation as opposed to requesting additional time for implementation.
- c. Stakeholders engagements has played a key role in the realization of the progress

**2.9 Summary of Project Non Compliance:**

The project requirements were compiled accordingly.

**3. Statement of Performance against Project's Predetermined Objectives**

**Introduction**

The Government of Kenya is committed to attain her health agenda guided by the health Policy 2014 – 2030, Vision 2030 and the 2010 constitution. The health Policy has an overarching goal of 'attaining the highest possible health standards in a manner responsive to the population needs' which is to be achieved through supporting provision of equitable, affordable, and quality health and related services at the highest attainable standards to all Kenyans. The target of the policy is to attain a level and distribution of health at a level commensurate with that of a middle-income country. It focuses on attaining two critical obligations of the health sector: A rights-based approach and ensuring health contribution to the Country's development.

The key development objectives of the *project's agreement/* plan are,

1. To improve expertise and strengthen specialized health care services to Kenyans and the East African Region.
2. To reduce the burden on chronic kidney disease through enhancement of promotive and preventive interventions.

3. To provide high quality regional based renal health services to stem outward referrals to foreign countries. To improve specialists teaching and training
4. To strengthen regional healthcare referral services and attract medical tourism to the country.
5. To promote quality research in medical specialties and maintain a registry on renal conditions.

**Progress on attainment of Strategic development objectives**

PROJECT	OBJECTIVES	OUTCOME	INDICATORS	PERFORMANCE
EAKI	Policy formulation and	. Hire a consultant . Workshops	. ToRs /Expression of Interest/Advertisement	. Contract . Workshop
	Strategic planning	convened to develop the operational plan	. Final operational plan submitted to MOH	Reports and Strategic plan is the development process
		Strategic Plan and Operational Guidelines and Labor market policy	ToRs /Expression of Interest/Advertisement	Contract and Strategic Documents
	Coordination and partnerships	Project Managers salaries	status of implementation	Project manager reported.
		Office Consumables and communication support	Professional Opinion/Purchased airtime	S13
		Repairs and Servicing of Project Vehicles and Fuel	Motor Vehicle Inspection reports and Repair invoices	Motor Vehicle Inspection Report
		Monitoring and Evaluation Officer Salaries	status of implementation	Recruited but did not report
		Repair of ADB office block	BoQ's and RFQ's	Final Certificate on Repairs (done)

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		Carry out service of Office Printers and Photocopiers	Service report	Service Report
		Support UON Research office	Hire Statistician/epidemiologist and office assistant	Hire Consultant and hold Stakeholders workshops
			Develop Research strategy and platform	Hire Consultant and hold Stakeholders (not done)

Below we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
East Africa centre of excellence project.	To develop a Centre of Excellence in Urology and Nephrology (world-class institution) that will facilitate the realization of the vision to strengthen health training, research capacity, and provision of services to Kenyans, the East African community, and beyond.	❖ Training of over 345 professionals who have supported all the renal units at the counties established under the Medical equipment services (MES) program.	Successful completion and awarding of certificates.	Good
		❖ Conducted over 250 Transplants at KNH. Establishment of Histocompatibility and immunogenetics laboratory (HLA) at KNH	Successful kidney transplants	Good
		❖ Supported 5 regional conferences	Full attendance by delegates.	Good
		❖ Published 8 papers	Printed in medical Journals	Good
		❖ Construction of the EAKI	Plan underway	

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		<p>complex in a record time 2 years</p> <p>❖ Development of over 26 new Curricula in Urology and Nephrology.</p>	<p>for commissioning by the Head of state.</p> <p>Students learning from the curriculum.</p>	<p>Good</p> <p>Good</p>
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#### 4. Environmental and Sustainability reporting

##### 1. Sustainability strategy and profile

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

Potential Impact	Mitigation measures
Land Pollution	<ul style="list-style-type: none"> <li>• Establish a robust solid waste management system</li> </ul>
Air pollution	<ul style="list-style-type: none"> <li>• Preventive maintenance of emergency diesel generator</li> <li>• Incorporation of renewable energy technologies</li> <li>• Landscaping &amp; tree planting along site boundary</li> </ul>
Land Use conflict	<p>Apply for extension of use for the plot – for institutional and recreational purpose)</p> <ul style="list-style-type: none"> <li>• Extension of use approval for the EAKIP plot from physical planning department NCC</li> <li>• Seek approval from KCAA for the project as the site is adjacent to KNH heliport (helicopter landing area)</li> <li>• Relocation &amp; upgrade of recreational facilities</li> </ul>
Water and Ecosystem pollution	<ul style="list-style-type: none"> <li>• Connect the facility to the existing public sewer line</li> <li>• Seek WRMA approval for drilling proposed borehole</li> <li>• Abstraction of ground water much permitted by WRMA</li> <li>• Wastewater &amp; storm water collection &amp; treatment prior to discharge to environment</li> </ul>

Occupational safety & health concerns	Undertake risk assessment of facility; <ul style="list-style-type: none"> <li>• Continuous training of workers on hazards &amp; emerging workplace risks</li> <li>• Provision of appropriate PPE</li> <li>• Effective management of waste including hazardous medical waste.</li> </ul>
Potential increase in HIV/AIDs infections	Contractor should undertake HIV/AIDs education & awareness in partnership with the local administration & religious institutions.

The findings of the ESIA based on the disclosed project details and the baseline site assessment indicated that the project is desirable and will support the realization of national and regional development goals. The project design has incorporated good environmental practice by adopting key green building design criteria such as storm water harvesting, use of natural lighting strategies & solar water heating technologies in line with existing national laws and regulations. The project design also specifies high standards for designs of key project elements including the civil works, mechanical systems and electrical systems. The project is therefore deemed feasible from environmental and social view point when implemented alongside the Environmental Management plan developed for this project. The report recommends that the EAKI project should be approved by NEMA subject to conditions deemed necessary by the Authority to advance sustainable development.

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

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

## **2. Environmental performance**

Key Environmental Issues & Potential Impacts The proposed EAKI is expected to have net positive benefits to the country and the East African Community. The positive impacts include: land use optimization, improved access to specialized public medical care; and improvement of biomedical research & knowledge on renal diseases.

## **3. Employee welfare**

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

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

## **4. Market place practices-**

### **a) Responsible Supply chain and supplier relations-**

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

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

## **5. Statement of Project Management responsibilities**

The Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023

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

The Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project on 17<sup>th</sup>/October/23 and signed by:



.....  
**Harry Kimtai, CBS**  
**Principal Secretary**



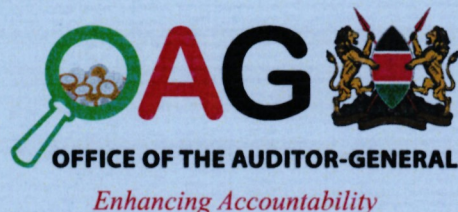
.....  
**Dr. Hossan Ajuck**  
**Project Manager**



.....  
**Samuel Ndiang'ui**  
**Project Accountant**  
**ICPAK NO. 14495**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA'S CENTRE OF EXCELLENCE FOR SKILLS AND TERTIARY EDUCATION IN BIOMEDICAL SCIENCES - PHASE 1 (LOAN NO.2100150031997) PROJECT FOR THE YEAR ENDED 30 JUNE, 2023 - MINISTRY OF HEALTH**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal control, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal control, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 (Loan No.2100150031997) Project set out on pages 1 to 30, which comprise of the statement of financial assets as at 30 June, 2023 and the statement of receipts and payments,

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*Report of the Auditor-General on East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 (Loan No.2100150031997) Project for the year ended 30 June, 2023 - Ministry of Health*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 (Loan No.2100150031997) Project as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Financing Agreement No.2100150031997 dated 17 December, 2014 between African Development Fund and the Republic of Kenya.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis of Kshs.1,182,000,000 and Kshs.651,825,579 respectively resulting to an under-funding of Kshs.530,174,421 or 45% of the budget. Similarly, the Project spent Kshs.644,682,516 against an approved budget of Kshs.1,182,000,000 resulting to an under-expenditure of Kshs.537,317,484 or 45% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

## **2.0 Unutilized/Undrawn Balances**

The funding summary in Note 2.7 under the project information and overall performance reflect that the project had a total donor commitment of Kshs.3,674,000,000 but had received disbursements of Kshs.2,561,814,494 as at 30 June, 2023 leading to undrawn balances of Kshs.1,112,185,506, an indication that the project had attained an absorption rate of 70% since commencement, with the project end date indicated as 31 December, 2023.

Further, from the amount received of Kshs.2,561,814,494, the project had cumulative payments of Kshs.2,550,804,104 as at 30 June, 2023 leading to the unutilized balance of Kshs.11,010,390 that is reported under Note 7 to the financial statements as total cash and cash equivalents.

In the circumstances, failure to absorb the funds may lead to the project not attaining its objective of focusing on public health problems affecting the Country, including infectious diseases, use of scientific evidence for policy formulation, and program implementation. In addition, failure to spend funds already released to the project may have denied the beneficiaries of the project critical services.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

#### **Basis for Conclusion**

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

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

#### **Conclusion**

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

## **Basis for Conclusion**

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

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

As required by Financing Agreement dated 17 December, 2014 between African Development Fund and the Republic of Kenya, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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**

**07 November, 2023**

**Annual Report East Africa Centre Of Excellence Project Loan Number .210050031997  
and Financial Statements for the financial year ended June 30, 2023**

**7. Statement of Receipts and Payments for the year ended 30th June 2023**

Note	Receipt and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
	F/Y 2022/2023	F/Y 2022/2023	F/Y 2022/2023	F/Y 2021/2022	F/Y 2021/2022	F/Y 2021/2022	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Receipts</b>							
Transfer from Government entities	18,588,184		18,588,184		68,700,929	68,700,929	193,504,947
Loan from External Development Partners		632,629,195	632,629,195	30,461,181	455,168,960	485,630,141	2,365,990,934
Miscellaneous receipts	608,200		608,200			1,710,413	2,318,613
<b>Total receipts</b>	<b>19,196,384</b>	<b>632,629,195</b>	<b>651,825,579</b>	<b>30,461,181</b>	<b>523,869,889</b>	<b>554,331,070</b>	<b>2,561,814,494</b>
<b>Payments</b>							
Compensation to employees	6,565,040	7,144,500	13,709,540	7,214,391	1,030,526	8,244,917	52,333,383
Purchase of goods and services	5,488,281	34,435,401	39,923,682	20,671,300	42,539,375	63,210,675	410,040,091
Acquisition of non-financial assets		591,049,294	591,049,294		480,299,988	480,299,988	2,088,430,631
<b>Total payments</b>	<b>12,053,321</b>	<b>632,629,195</b>	<b>644,682,516</b>	<b>27,885,691</b>	<b>523,869,889</b>	<b>551,755,580</b>	<b>2,550,804,104</b>
<b>Surplus</b>	<b>7,143,063</b>		<b>7,143,063</b>	<b>2,575,490</b>		<b>2,575,490</b>	<b>11,010,390</b>

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

.....  
Harry Kimtai, CBS  
Principal Secretary

.....  
Dr. Hossan Ajuck  
Project Manager


.....  
Samuel Ndiang'ui  
Project Accountant  
ICPAK NO. 14495  
Date .....17/10/2023

Date .....17.10.2023


8. Statement of Financial Assets as at 30<sup>th</sup> June 2023

Description	Note	FY2022/2023 Kshs	FY2021/2022 Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	7.A	11,011,390	3,868,327
<b>Total Cash and Cash equivalents</b>		<b>11,011,390</b>	<b>3,868,327</b>
<b>Total Financial Assets</b>		<b>11,011,390</b>	<b>3,868,327</b>
<b>Net Assets Represented By</b>		<b>11,011,390</b>	<b>3,868,327</b>
Fund Balance B/fwd.		3,868,327	1,292,837
Surplus for the Year	8	7,143,063	2,575,490
<b>Net Financial Position</b>		<b>11,011,390</b>	<b>3,868,327</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 14<sup>th</sup> October 2023 and signed by:

.....  
  
 Harry Kimtai, (CBS)  
 Principal Secretary

.....  
  
 Hossan Ajuck  
 Project Manager

.....  
  
 Samuel Ndiang'ui  
 ICPAK Member No:14495



**East Africa's Centre Of Excellence Project Loan Number 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**10. Statement of Comparison of Budget and Actual amounts for year ended 30<sup>th</sup> June 2023**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	100,000,000	0	100,000,000	18,588,184	81,411,816	19%
Proceeds from borrowings	1,082,000,000	0	1,082,000,000	632,629,195	449,370,805	58%
Miscellaneous receipts				608,200	(608,200)	
<b>Total Receipts</b>	<b>1,182,000,000</b>	<b>-</b>	<b>1,182,000,000</b>	<b>651,825,579</b>	<b>530,174,421</b>	<b>55%</b>
<b>Payments</b>						
Compensation to employees	15,000,000	-	15,000,000	13,709,540	1,290,461	91%
Purchase of goods and services	185,000,000	-	185,000,000	39,923,682	145,076,318	22%
Acquisition of non-financial assets	982,000,000	-	982,000,000	591,049,294	390,950,706	60%
<b>Total Payments</b>	<b>1,182,000,000</b>	<b>-</b>	<b>1,182,000,000</b>	<b>644,682,516</b>	<b>537,317,484</b>	<b>55%</b>
Surplus	-	-	-	7,143,063	(7,143,063)	

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

.....  


**Harry Kimtai, (CBS)**  
Principal Secretary

.....  


**Hossan Ajuck**  
Project Manager

.....  


**Samuel Ndiang'ui**  
Project Accountant  
ICPAK Member No:14495

### **11. Significant Accounting Policies**

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

#### **a) Statement of compliance and basis of preparation**

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

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

#### **b) Reporting entity**

The financial statements are for *East African Centre Of Excellence Project* under the State Department of Medical services. The financial statements are for as required by Section 81 of the PFM Act, 2012 .

#### **c) 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.

#### **d) Recognition of receipts**

*East African Centre of Excellence Project* recognises all receipts from the various sources when the event occurs, and the related cash has been received.

**Significant Accounting Policies Continued**

- i) Transfers from the Exchequer**
- ii) Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity. **Significant Accounting Policies (continued)**

- iii) External Assistance**

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

- iv) Other receipts**

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

- v) 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.

- vi) Proceeds from borrowing.**

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

**vii) 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 been paid out by the Project.

**i) Compensation to employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

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

**v) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**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.

**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.

**h) 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.

**i) Imprests and Advances**

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

**j) Contingent Assets**

EACE 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 EACE 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.

**k) Pending bills**

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

balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**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 year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements.*

**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 parties' column in the statement of receipts and payments.

**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 year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such

transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

**o) Comparative figures**

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

**p) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023

**q) Prior period adjustments**

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

**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

Description	FY2022/2023					FY2021/2022		Cumulative to date
	Name of Donor	Date received	Amount in loan currency (USD)	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	Total amount in Kshs	
Counterpart Funding Through Ministry Of Health		18/05/2023	135,908	18,588,184	-	18,588,184	68,700,929	193,504,947
<b>Total</b>			<b>135,908</b>	<b>18,588,184</b>	<b>-</b>	<b>18,588,184</b>	<b>68,700,929</b>	<b>193,504,947</b>

**2. Loan from Eternal Development Partners**

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	FY2022/2023		FY2021/2022		Cumulative to-date (from inception)
	Kshs		Kshs		
Loans received from bilateral Donors (Foreign Governments)					
African Development Bank Fund(ADBF)		632,629,195		485,630,141	2,365,990,934
<b>Total</b>		<b>632,629,195</b>		<b>485,630,141</b>	<b>2,365,990,934</b>

*East Africa's Centre Of Excellence Project Loan Number 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**3. Miscellaneous receipts**

Description	FY2022/2023			FY2021/2022		Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Other receipts not classified elsewhere*	608,200		608,200	1,710,413		2,318,613
<b>Total</b>	<b>608,200</b>		<b>608,200</b>	<b>1,710,413</b>		<b>2,318,613</b>

**4. Compensation to Employees**

Description	FY 2022/2023			FY2021/2022		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	6,545,840	7,144,500	13,690,340	8,244,917		52,314,183
Compulsory national health insurance schemes	17,000		17,000			17,000
Compulsory national social security schemes	2,200		2,200			2,200
<b>Total</b>	<b>6,565,040</b>	<b>7,144,500</b>	<b>13,709,540</b>	<b>8,244,917</b>		<b>52,333,383</b>

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

5. Purchase of Goods and Services

Description	FY2022/2023		Payments made by third parties	FY 2021/2022		Cumulative to-date
	Payments made in Cash	Payments made by third parties		Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Office Supplies		525,000	525,000	1,837,652	9,825,123	
Conference services	3,777,720	2,157,503	5,935,224	7,914,160	33,298,057	
Domestic travel and subsistence		2,704,865	2,704,865	15,921,920	93,016,815	
Foreign travel and subsistence					3,394,575	
Printing, advertising, and information supplies		5,057,940	5,057,940		6,877,534	
Consultancy services		17,153,143	17,153,143	16,055,143	103,190,742	
Training payments	1,710,561	5,022,000	6,732,561	21,481,800	116,751,381	
Hospitality supplies and services					1,440,602	
Specialized materials and services					31,512,882	
Routine maintenance – vehicles and other transport equipment		1,814,950	1,814,950		10,732,380	
<b>Total</b>	<b>5,488,281</b>	<b>34,435,401</b>	<b>39,923,682</b>	<b>63,210,675</b>	<b>410,040,091</b>	

**Notes to the Financial Statements (Continued)**

**6. Acquisition of Non-Financial Assets**

Description	FY2022/2023	Payments made by third parties	Total payments	FY2021/2022	Cumulative to-date
	Payments made in Cash			Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of office furniture & general equipment	-	570,000	570,000	469,600	3,531,597
Construction of buildings	-	-	-	476,825,388	476,825,388
Purchase of computers , laptops, and accessories,	-	4,228,000	4,228,000	2,435,000	8,717,930
Construction of civil works	-	586,251,294	586,251,294	-	1,313,525,136
Overhaul & refurbishment of construction and civil works	-	-	-	-	2,245,630
Purchase of Equipment	-	-	-	-	283,014,950
Purchase of specialised plant, equipment and machinery	-	-	-	570,000	570,000
<b>Total</b>	<b>-</b>	<b>591,049,294</b>	<b>591,049,294</b>	<b>480,299,988</b>	<b>2,088,430,631</b>

**7.Cash And Cash equivalents**

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
Bank accounts (Note 7A)	11,011,390	3,868,327
<b>Total</b>	<b>11,011,390</b>	<b>3,868,327</b>

Notes to the Financial Statements (Continued)

7. A. Bank Accounts

Project Bank Accounts

Details	FY2022/2023	FY2021/2022
	Kshs	Kshs
<b>Foreign Currency Accounts</b>		
Central Bank of Kenya (EA COE -SKILLS A/C 1000233998)	.91	.91
<b>Local Currency Accounts</b>		
Central Bank of Kenya (EA COE -SKILLS A/C 1000258756)	11,011,390	3,868,327
<b>Total local currency balances</b>	<b>11,011,390</b>	<b>3,868,327</b>
<b>Total bank account balances</b>	<b>11,011,390</b>	<b>3,868,327</b>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2023 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**

Description	FY2022/2023	FY2021/2022
	Kshs	Kshs
(i) Central Bank of Kenya (EA COE -SKILLS A/C 1000258756)		
Opening balance	3,868,327	1,292,837
Total amount deposited in the account	19,196,384	30,461,181
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>12,053,321</u>	<u>27,885,691</u>
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>11,011,390</u></b>	<b><u>3,868,327</u></b>

**8. Fund Balance Brought Forward**

<b>Description</b>	<b>FY2022/2023</b>	<b>FY2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	3,868,327	1,292,837
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
<b>Total</b>	<b>3,868,327</b>	<b>1,292,837</b>

**Other Important Disclosures**

**1. External Assistance**

	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as grants		
External assistance received as loans	18,588,184	68,700,929
External assistance received in kind- as payment by third parties	632,629,195	485,630,141
<b>Total</b>	<b>651,217,379</b>	<b>554,331,070</b>

*a). External assistance relating loans and grants*

	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	632,629,195	485,630,141
External assistance received as grants	-	-
<b>Total</b>	<b>632,629,195</b>	<b>485,630,141</b>

*b) Undrawn external assistance*

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>		<b>Kshs</b>	<b>Kshs</b>
Undrawn external assistance - loans		974,009,066	-
Undrawn external assistance - grants		138,176,440	-
<b>Total</b>		<b>1,112,185,506</b>	<b>-</b>

*(This is a disclosure of the assistance not yet received as per donor agreements)*

**Other Important Disclosures (Continued)**

*c) Classes of providers of external assistance*

	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bilateral donors	18,588,184	485,630,141
<b>Total</b>	<b>18,588,184</b>	<b>485,630,141</b>

**Other Important Disclosures (Continued)**

*d) Purpose and use of external assistance*

<b>Payments made by third parties</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation to employees	7,144,500	1,030,526
Use of goods and services	34,435,401	42,539,375
Acquisition of assets	591,049,294	480,299,988
<b>Total</b>	<b>632,629,195</b>	<b>523,869,889</b>

*e. External Assistance paid by third parties on behalf of EACE by Source*

	<b>Insert Current FY</b>	<b>Insert Comparative FY</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bilateral donors	632,629,195	523,869,889
<b>Total</b>	<b>632,629,195</b>	<b>523,869,889</b>

**Other Important Disclosures (Continued)**

**2. Payments By Third Party on Behalf of The Project**

*2.1 Classification by Source*

	<b>FY 2022/2023</b>	<b>FY2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	18,588,184	68,700,929
Bilateral donors	632,629,195	455,168,960
<b>Total</b>	<b>651,217,379</b>	<b>523,869,889</b>

*2.2 Classification of payments made by Third Parties by Nature of expenses*

<b>Payments made by third parties</b>	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	7,144,500	1,030,526
Use of goods and services	34,435,401	42,539,375
Acquisition of assets	591,049,294	480,299,988
<b>Total</b>	<b>632,629,195</b>	<b>523,869,889</b>

**Other Important Disclosures (Continued)**

**3. Related Party Disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

**Related party transactions:**

	<b>FY 2022/2023</b>	<b>FY 2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Compensation to Key Management</b>		
Compensation to the program manager/ director	9,485,521	8,244,917
<b>Total Compensation to Key Management</b>	<b>9,485,521</b>	<b>8,244,917</b>
<b>Transfers from related parties</b>		
Transfers from the Ministry/ department	18,588,184	68,700,929
<b>Total Transfers from related parties</b>	<b>18,588,184</b>	<b>68,700,929</b>

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
S/No.1.0 2021/2022 audit report	<p><b>Budgetary Control and Performance</b></p> <p>The statement of comparative budget and actual amounts reflects final receipts budget of Kshs.1,160,000,000 and actual on comparable basis of Kshs.554,331,070, resulting in an under-funding of Kshs.605,668,930 (or 52%) of the budget. Similarly, the Project spent Kshs.551,755,580 out of the approved expenditure budget of Kshs.1,160,000,000, resulting in an under-absorption of Kshs.608,244,420 (or 52%) of the budget.</p> <p>The underfunding and under absorption affected the planned activities and may have impacted</p>	<p>It is true there was underfunding of Ksh. 605,668,930(or 52%) of the budget. This was caused by delayed approvals from other government entities, hence slowing absorption of funds.</p>	Resolved	N/A

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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)
	negatively on service delivery to the public.			
S/No 2.0 2021/2022 audit report	<p><b>Unutilized Balance</b></p> <p>The project information and overall performance underfunding summary at paragraph 1.7 reflects total commitment of Kshs.3,674,000,000 and amount received to date (30 June, 2022) of Kshs.1,908,278,502 resulting to a difference of Kshs.1,765,721,498 (or 48%). Meaning the Project had attained 52% performance level with project end date indicated as 31 December, 2022.</p> <p>In the circumstances, the primary objective of focusing on public health problems affecting the country, including infectious diseases, use of scientific</p>	<p>This was caused by delay in project implementation due to late approvals for construction from other government entities. The project activities have since progressed and the project duration has been extended and closing date will be 31<sup>st</sup> December 2023</p>	Resolved	N/A

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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)
	evidence for policy formulation and program implementation may not be realized.			



.....  
**Harry. Kimtai,(CBS)**  
**Principal Secretary**



.....  
**Hossan Ajuck**  
**Project Manager**

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 2: Variance explanations - Comparative Budget and Actual amounts for FY 2022/2023**

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 %
<b>Receipts</b>						
Transfer from Government entities	100,000,000	0	100,000,000	18,588,184	81,411,816	19%
Proceeds from borrowings	1,082,000,000	0	1,082,000,000	632,629,195	449,370,805	58%
Miscellaneous receipts				608,200	(608,200)	
<b>Total Receipts</b>	<b>1,182,000,000</b>	<b>-</b>	<b>1,182,000,000</b>	<b>651,825,579</b>	<b>530,174,421</b>	<b>55%</b>
<b>Payments</b>						
Compensation to employees	15,000,000	-	15,000,000	13,709,540	1,290,461	91%
Purchase of goods and services	185,000,000	-	185,000,000	39,923,682	145,076,318	22%
Acquisition of non-financial assets	982,000,000	-	982,000,000	591,049,294	390,950,706	60%
<b>Total Payments</b>	<b>1,182,000,000</b>	<b>-</b>	<b>1,182,000,000</b>	<b>644,682,516</b>	<b>533,317,484</b>	<b>55%</b>
Surplus	-		-	7,143,063	(7,143,063)	

**Variations**

The under absorption and realisation of funds is due to decreased funding from development partners and less transfers from GoK counter funding

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 3: Reconciliation of inter-entity transfers**

<b>Project Name:</b>				
<b>Break down of transfers from the State Department of Medical Services.</b>				
<b>a. Government Counterpart funding</b>	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
Central Bank Of Kenya	19/05/2023	18,588,184	2022/2023	
<b>Total</b>		18,588,184		
<b>B. Direct payments</b>	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate	
African Development Bank	27/07/2022	66,389,408.00	2022/2023	
African Development Bank	31/10/2022	45,480,699.43	2022/2023	
African Development Bank	7/11/2022	68,222,936.19	2022/2023	
African Development Bank	25/11/2022	107,642,819.27	2022/2023	
African Development Bank	28/11/2022	161,468,752.00	2022/2023	
African Development Bank	28/11/2022	7,428,159.59	2022/2023	
African Development Bank	21/12/2022	1,098,000.00	2022/2023	
African Development Bank	22/12/2022	5,022,000.00	2022/2023	
African Development Bank	22/02/2023	12,660,570.04	2022/2023	
African Development Bank	22/02/2023	2,532,114.01	2022/2023	
African Development Bank	17/04/2023	19,599,140.30	2022/2023	
African Development Bank	18/04/2023	29,399,555.00	2022/2023	
African Development Bank	21/04/2023	17,637,057.57	2022/2023	
African Development Bank	2/6/2023	35,218,625.61	2022/2023	
African Development Bank	6/6/2023	52,829,358.00	2022/2023	
<b>Total</b>		<b>632,629,195</b>		

**East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

C. Others	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
Central Bank Of Kenya		608,200	2022/2023
<b>Total</b>			
<b>Total (A+B+C)</b>			

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

**Project Manager  
East African Centre of excellence**

Sign -----

**Head of Accounting Unit  
Ministry of Health; State department for Medical services**

  
Sign-----

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 4: Analysis of other Pending Payables**

<b>Name</b>	<b>Brief Description</b>	<b>Date Payable Contracted</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
<b>Others (specify)</b>							
1. Akotsi Adelide	Renal dialysis Preceptor ship training		135,000		135,000	135,000	Payment done but bounced back due to capturing of wrong bank account in the system
<b>Sub-Total</b>			<b>135,000</b>	<b>0</b>	<b>135,000</b>	<b>135,000</b>	
<b>Grand Total</b>			<b>135,000</b>	<b>0</b>	<b>135,000</b>	<b>135,000</b>	

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Annex 5: Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2022/2023	Donations in form of assets (KShs) 2022/23	*Purchases/ Additions in the Year (KShs) 2022/23	**Disposals in the Year (KShs) 2022/23	Transfers in/(out) Kshs 2022/23	Closing Cost (KShs) 20023
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Buildings and structures	1,206,344,860		586,251,294			1,792,596,154
Office equipment, furniture and fittings	2,961,597		570,000			3,531,597
ICT Equipment,	4,489,930		4,228,000			8,717,930
Other Machinery and Equipment	283,584,951					283,584,951
<b>Total</b>	<b>1,497,381,338</b>		<b>591,049,294</b>			<b>2,088,430,632</b>

Annex 6: Other Support Documents

i. GOK IFMIS comparison Trial Balance

TRIAL BALANCE FOR THE YEAR ENDED 30TH JUNE 2023		
ITEM	DR	CR
	Ksh	Ksh
Bal b/f		3,868,327
Exchequer Receipts		18,588,184
Miscellaneous receipts		608,200
Receipts from other Government entities		632,629,195
Basic salaries of permanent employees	13,690,340	
Compulsory national health insurance schemes	17,000	
Compulsory national social security schemes	2,200	
Office Supplies	525,000	
Conference services	5,935,224	
Domestic travel and subsistence	2,704,865	
Printing, advertising, and information supplies	5,057,940	
Consultancy services	17,153,143	
Training payments	6,732,561	
Routine maintenance – vehicles and other transport equipment	1,814,950	
Purchase of office furniture & general equipment	570,000	
Purchase of computers, laptops, and accessories,	4,228,000	
Construction of civil works	586,251,294	
Bal c/d (Special Deposit A/C Balance)	11,011,390	-
<b>Total</b>	<b>655,693,906</b>	<b>655,693,906</b>

- ii. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- iii. Bank Reconciliations statement as at 30<sup>th</sup> June 2023
- iv. Board of Survey Report
- v. Special Deposit Account(s) reconciliation statement(s)

REPUBLIC OF KENYA  
BANK RECONCILIATION

M.O.HE.A.C.E


30TH JUNE 2023

MINISTRY OF HEALTH - CBK A/CACCOUNT NO. 1000258756

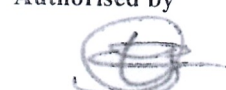
	KSH	KSH	KSH
Balance as per Bank Certificate			11,011,390.05
Less---			
1. Payments in Cash Book not yet recorded in Bank Statement			-
2. Receipts in Bank Statement not yet recorded in Cash Book			-
Add---			
3. Payments in Bank Statement not yet recorded in Cash Book			-
4. Receipts in Cash Book not yet recorded in Bank Statement			-
<b>Bank balance as per cash book ..</b>			<b>11,011,390.05</b>

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

Prepared by:

  
.....  
Samuel Githae  
Project Accountant.

Authorised by

  
.....  
Moses Gitari  
Head Of Accounting Unit

**1. PAYMENTS IN THE CASH BOOK NOT YET RECORDED IN THE BANK STATEMENT**

PAYEE	DATE	DETAILS	AMOUNT KSH
			-
<b>TOTAL KSH.</b>			-

**2. RECEIPTS IN THE BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

DETAILS	DATE	DETAILS	AMOUNT KSHS
			-
			-
			-

**3. PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

DETAILS	DATE	DETAILS	AMOUNT KSH.
			-
			-
<b>TOTAL KSH.</b>			-

**4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT**

DETAILS	DATE		AMOUNT KSH.
<b>TOTAL KSH.</b>			

STATEMEN Rundate : 30 JUN 2023

CENTRAL B Runtime : 08:35:57

BANKI KUU Customer number : 120374

P.O.BOX 60 Account number : 1000258756

NAIROBI. Account name : EA CENT.OF EXC.-SKILL,ED -BIOMED S-KES

STATEMEN Opening Balance : 15,053,153.05

No.	Txn. Date	Value	Date	Reference No.	Transaction Details	Dr. Amount	Cr. Amount	Balance
1	29-Jun-23		29-Jun-23	FT23180QYFXP	TRFS Payments	148,583.00		0 14,904,570.05
					80000470			
					1081063220			
2	30-Jun-23		30-Jun-23	FT23181T9TC5	Outward RTGS Payment MT 102	200		0 14,904,370.05
					80000469			
					MINISTRY OF HEALTH:CBK			
					DIRECTOR NSSF			
					/REC/0080000469			
					1081063224			
3	30-Jun-23		30-Jun-23	FT23181PPSSH	Outward RTGS Payment MT 103	1,700.00		0 14,902,670.05
					80000468			
					MINISTRY OF HEALTH:999999			
					MANAGING DIRECTOR NHIF			
					80000468			
					1081063222			
4	30-Jun-23		30-Jun-23	FT23181JGQ5N	Outward RTGS Payment MT 103	364,780.00		0 14,537,890.05
					80000471			
					MINISTRY OF HEALTH:999999			
					DENNIS HOSSAN AJUK			
					80000471			
					1081063211			
5	30-Jun-23		30-Jun-23	FT231811C2TW	Outward RTGS Payment MT 102	1,522,500.00		0 13,015,390.05
					80000478			
					MINISTRY OF HEALTH:CBK			
					Kenya Nephrology Nurses Association			
					/REC/0080000478			
					1081063226			
6	30-Jun-23		30-Jun-23	FT231819ZD9J	Outward RTGS Payment MT 103	2,004,000.00		0 11,011,390.05
					80000477			
					MINISTRY OF HEALTH:999999			
					KENYA RENAL ASSOCIATION			
					80000477			
					1081063261			
					Totals	4,041,763.00	0	
								Closing Balance : 11,011,390.05



REPUBLIC OF KENYA

F.O 51

Date 30<sup>th</sup> JUNE 2023

Report of the Board of Survey on the Cash and Bank Balances of EAST AFRICAN CENTRE OF EXCELLENCE as at the close of

Business on 30<sup>th</sup> June 2023

The Board, Consisting of (Names and Official titles)

SAMUEL GICHUHI : PRINCIPAL ACCOUNTANT- : CHAIRMAN

SAMUEL KARIUKI : FINANCE OFFICER 1 : SECRETARY

SABINA WANJIRU: ACCOUNTANT 1 : MEMBER

Assembled at the office EDB Cash Office

At 10.30am time) on the

And the following cash was produced:

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

It was overserved that cheques amounting to shs.....L.....cts.....  
 Had been oh hand for more than 14 days prior to the date of survey  
 The cash consists of East African currency and does not contain any demonetized coin or notes.  
 The cash Book reflected the following balances as at the close of business on the

Cash on hand	..	..	..	..	..	..	.. Sh.....NIL.....
Bank Balance	..	..	..	..	..	..	..Sh.....11,011,390.05.....
							<u>11,011.390.05</u>

The Bank Certificate of Balances showed a sum of KShs ELEVEN MILLION AND EVELEVEN THOUSAND THREE HUNDRED AND NINETY Cents.....FIVE.....  
 KShs. 11,011,390 .....cts ...05.....

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

Chair Person

Member of the Board

Member of the Board

Date .....30/6/2023.....

July 19, 2023

Halla Belushi Avenue  
P.O. Box 60060 - 00100 Nairobi, Kenya  
Telephone: 254 20 233 4000, Fax: 233 401 22

## CERTIFICATE OF BALANCES

Customer : 120374

Balance

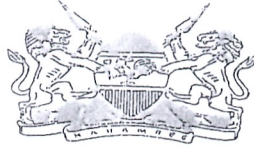
Date: 19-Jun-23

MINISTRY OF HEALTH

Account No	Account Name	Currency	Balance
1000181478	HEC-MINISTRY OF HEALTH	KES	4,109,132,454.52
1000181655	DEV-MINISTRY OF HEALTH	KES	3,785,734,913.65
1000182156	DEP-MINISTRY OF HEALTH	KES	298,394,333.01
1000182601	CBK165-MINISTRY OF HEALTH	KES	0.00
1000193855	EIA PUBLIC HEALTH LAB. NETWORK PROJ	KES	50.11
1000293455	KENYA ITALY DEBT FOR DEV (KIDDP)	KES	30,112,829.40
1000313875	TRANSFORM.HEALTH SYST. UNIVERSAL C	KES	394,625,666.10
1000327979	DANIDA PRO SUP UNIV HEALTH CARE UHC	KES	0.00
1000328037	MINISTRY OF HEALTH EQUA FUND OPER	KES	340,049,478.00
1000340614	THIS UC GFF GRANT TFOA2561 KE	KES	0.00
1000340649	THIS UC PHRD GRANT TFOA2792 KE	KES	0.00
1000429437	SPORTS ART,SOCIAL DEV. FUND-HEALTH	KES	337,991,454.40
1000446684	COVID 19 EMERGENCY RESPONSE PROJECT	KES	761,888,291.75
1000453176	TOBACCO CONTROL FUND	KES	480,766,238.25
1000516879	KEPSA PRIVATE SECTR INITI COVID VAC	KES	0.00
1000565705	KENYA COVID-19 HEALTH EMERGENCY RES	KES	541,359.90
1000596562	DANIDA SUPPORTED PRI H C PROGRAMME	KES	10,802,985.00

  
Leonard Kipsanui  
Senior Manager  
Banking Services Division

  
Joyce Nasieku  
Authorised Signatory  
Banking Services Division



MINISTRY OF HEALTH  
Office of the Principal Secretary  
State Department for Medical Services

INTERNAL MEMO

---

FROM : Principal Secretary

TO : Samuel Gichui - Principal Accountant - Chair  
: Samuel Kariuki - Finance Officer - Secretary  
: Sabina Wanjiru - Accountant I - Member

REF : MOH/ACCT/BOS/ VOL I

DATE : 17<sup>th</sup> July 2023

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**BOARD OF SURVEY FINANCIAL YEAR 2022/2023**

You have all been appointed as a Board of Survey Committee for checking of cashbooks in **EACE and EDB cash Office**. This exercise should be held on Wednesday 20<sup>th</sup> July 2023 at 9.00 a.m.

The report should be handed over to the Head of Accounting Unit after inspection.

  
Harry K. Kimtai, CBS  
PRINCIPAL SECRETARY

42

EAST AFRICA CENTERS OF EXCELLENCE PROJECT  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30TH JUNE 2023  
 PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 2100150031997

Bank Account No.1000233998 Held with Central Bank of Kenya

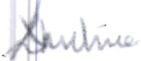
	NOTES	AMOUNT USD	AMOUNT USD
1 Amount advanced by ADB			1,674,561.52
Less			
2 Total amount justified to ADB			1,432,251.14
3 Outstanding amount advanced to Designated Account			242,310.38
<b>Represented by:</b>			
4 Ending Designated Account Balance at 30.06.2023			
5 Amount claimed but not credited at 30.06.2023			0.91
6 Amount withdrawn and not claimed as at 30.06.2023			-
7 Service charges (if not included in 5 & 6 above)			242,309.47
Less			-
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2023			242,310.38

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 ADB and provide reasons for not claiming the expenditures

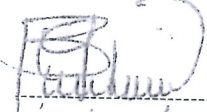
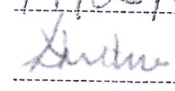
The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs



AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 24-08-2023

**SPECIAL ACCOUNT STATEMENT**

For period ending	30th JUNE, 2023
Account No.	1000233998
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	(EA) COE FOR SKILLS&T-2100150031997
Credit Agreement	
Currency	USD
<b><u>Part A - Account Activity</u></b>	
Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	0.91
<b>Add:</b>	
Total Amount deposited by World Bank	135,908.34
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
<b>Deduct:</b>	
Total amount withdrawn	135,908.34
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June,2023	0.91
<b>AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA</b>	SIGNATURE: 
	DATE: 17/08/2023
<b>AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY</b>	SIGNATURE: 
	DATE: 24-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June,2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Print Date: 17/02/2023  
 CENTRAL BANK OF KENYA  
 BANKI KUUYA KENYA  
 P.O. BOX 60000-0200  
 NAIROBI  
 STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000233998

ACCOUNT TITLE : (EA) COE FOR SKILLS&T-2100150031987  
 30/06/2023

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL:			0.91			
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	24/04/2023	FT23114N7S9L	FUNDING	0.00	135,908.34	135909.25
2	12/05/2023	FT23132JQ1Y5	PA129928	-135,908.34	0.00	0.91

CLOSING BALANCE: 0.91

END OF ACCOUNT STATEMENT

Favourites

TAM.E STMT OF ACCT.EPRM

[More Options](#)  
[Clear Selection](#)

- Account equals ▼ 1000233998
- Statement From equals ▼ 20220701
- Statement To equals ▼ 20230630

TAM.E STMT OF ACCT.EPRM

African Development Fund  
 Summary of Revolving Funds By Loan ( In Paid Currency )  
 Public sector As at 14.06.2023  
 Loan Number : 2100150031997  
 Project ID : P-21-IB0-023  
 Project Title : EAST AFRICA CENTERS OF EXCELLENCE KENYA  
 Borrower : GOVERNMENT OF KENYA

Printing Date : 14.06.2023  
 Page : 1  
 System : PRD / 400  
 Loan Contract Currency : UAC  
 Closing Date : 31.12.2023  
 Commitment Capital : 25,000,000.00  
 Available Balance : 0.00

IDV Number	Reference	Curr	Amount Approved Approval Currency	Amount Justified Approval Currency	Balance to Justify Approval Currency	Amount Disbursed UAC	Amount Justified UAC	Balance to Justify UAC	%Justified F = D / C	Disburs. Value Date	Last Just. Date
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)		(G)	(H)
2100150031997											
1 All activities											
1/KE/2015/08860	RF N00001	USD	520,592.00	520,592.00	0.00	371,596.62	371,596.62	0.00	100.00	07.10.2015	15.03.2019
1/KE/2018/49668	RF N00028	USD	748,683.91	748,683.91	0.00	538,606.02	538,606.02	0.00	100.00	26.10.2018	02.03.2023
1/KE/2021/98807	RF N00070	USD	269,377.27	162,975.23	106,402.04	192,481.08	116,452.47	76,028.61	60.50	06.12.2021	02.03.2023
1/KE/2023/23649	RF N00092	USD	135,908.34	0.00	135,908.34	100,733.28	0.00	100,733.28	0.00	21.04.2023	00.00.0000
Total 2100150031997 All activities											
	2100150031997					1,203,417.00	1,026,655.11	176,761.89	85.31		
						1,203,417.00	1,026,655.11	176,761.89	85.31		

