

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 22 MAR 2023 | DAY: WEDNESDAY |
| OF TABLED BY: | Hon. Owen Barya, MP Deputy leader of Majority Party |
| CLERK-AT THE-TABLE: | A. Shitubo |

THE AUDITOR-GENERAL

ON

**TRANSFORMING HEALTH SYSTEMS FOR
UNIVERSAL CARE (THS-UC) PROJECT GRANT
IDA CREDIT NO. 5836 – KE, TFOA2561,
TFOA2792, AND CR. P152394**

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

MINISTRY OF HEALTH



**PROJECT NAME: TRANSFORMING HEALTH SYSTEMS FOR
UNIVERSAL CARE PROJECT
THS – UC PROJECT**

IMPLEMENTING ENTITY: MINISTRY OF HEALTH

PROJECT GRANT/CREDIT NUMBER 5836-KE, TFOA2561, TFOA 2792 AND P 152394

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

Reports and Financial Statements

For the financial year ended June 30, 2022

| CONTENTS | PAGE |
|--|-------------|
| 1. PROJECT INFORMATION AND OVERALL PERFORMANCE | iii |
| 2. STATEMENT OF PERFORMANCE AGAINST PROJECTS PREDETERMINED OBJECTIVES | viii |
| 3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING..... | ix |
| 4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES | xi |
| 5. REPORT OF THE INDEPENDENT AUDITORS TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL CARE (THS – UC PROJECT) | xiii |
| 6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 TH JUNE 2022 | 1 |
| 7. STATEMENT OF THE FINANCIAL ASSETS FOR THE YEAR ENDED 30 TH JUNE 2022..... | 2 |
| 8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 TH JUNE 2022..... | 3 |
| 9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2022 | 4 |
| 10. SIGNIFICANT ACCOUNTING POLICIES | 5 |
| 11. NOTES TO THE FINANCIAL STATEMENT..... | 12 |
| 12. OTHER IMPORTANT DISCLOSURES | 18 |
| 13. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS..... | 19 |
| 14. ANNEXES..... | 23 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Transforming Health Systems for Universal Health Care.

Objective: The Transforming Health Systems for Universal Care aims to improve the utilization and quality of primary health care (PHC) services by supporting a set of evidence-based interventions, which are expected to contribute to Universal Health Care with improved equity and enhanced efficiency.

Address: The project headquarters offices are Nairobi (city), Nairobi County, Kenya.
The address of its registered office is Ministry of Health
P.O. Box 30016-00100 Nairobi.

The project is partly based at the Ministry of Health and at the Council of Governors. The project support county governments and the Ministry of Health departments.

Contacts: The following are the project contacts

Telephone: (254) -020-2717077

E-mail: ps@health.go.ke

Website: www.health.go.ke

1.2 Project Information

| | |
|---------------------|--|
| Project Start Date: | The project start date is 15 th September, 2016 |
| Project End Date: | The project end date is 30 th September, 2023 |
| Project Manager: | The project manager is Dr Isaac Kimani |
| Project Sponsor: | The project sponsor is Toni Kuguru |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

Reports and Financial Statements

For the financial year ended June 30, 2022

1.3 Project Overview

| | |
|--|---|
| Line Ministry/State Department of the project | The project is under the supervision of the Ministry of Health. |
| Project number | IDA -58360 (THS – UC WA 1) IDA - 58360 (THS – UC MOH – WA 1) TF - A- 2561 (GFF – WA 1) TF - A -2561 (GFF – MOH –WA 1) TF - A- 2792 (PH RD WA 1) |
| Strategic goals of the project | The strategic goals of the project is to improve utilization and quality of primary health care services with a focus on reproductive, maternal, new-born, child and adolescent health services. |
| Achievement of strategic goals | The project management aims to achieve the goals through the following means: (i)Improving access to and demand for quality primary health care (PHC)services; (ii)Strengthening institutional capacity in selected key areas to improve utilization and quality of PHC services; and (iii)Supporting cross-country and intergovernmental collaboration in the recently devolved Kenyan health system. |
| Other important background information of the project | The project enhances focus on results by allocating resources to each county based on the improved coverage of essential services that are directly linked to the Project Development Objective (PDO) and other factors including equity. The project's support to strengthen the M&E systems, including the routine HIS, will improve the quality of data for monitoring progress toward the achievement of Project Development Objective. |
| Current situation that the project was formed to intervene | The Transforming Health Systems for Universal Care aims to improve the utilization and quality of Primary Health Care (PHC) services by supporting a set of evidence-based interventions which are expected to contribute to Universal Health Care with improved equity and enhanced efficiency. |
| Project duration | The project started on 15 th September 2016 and is expected to run until 30 th September 2023. |

1.4 Bankers

The following are the bankers for the current year for both the project account and designated account:

Central Bank of Kenya
P.O. Box 60000-00200
Nairobi

1.5 Auditors

Auditor- General
P.O Box 30084 – 00100
Nairobi.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

1.6 Roles and Responsibilities

List of the different people who are working on the project.

| Names | Title designation | Key qualification | Responsibilities |
|--------------------|-----------------------------------|----------------------------------|---|
| Dr. Isaac Kimani | Project Manager | MBChB | Project oversight and overall coordination of activities of the Project. |
| Dr Nancy Etiang | Deputy Project Manager | MBChB, MSc. Applied epidemiology | Assistant to the project Manager. |
| Dr Kiogora Gatimbu | Monitoring and evaluation officer | Bpharm MBA | M&E of project activities. |
| Caroline Ndungu | Project Accountant | Bcom, CPA(K) | Preparation of Financial reports as required from time to time e.g. IFR, Bank reconciliation, exchequer requisition, Vote book , preparation of project F/S , responding to Audit issues etc. |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

Reports and Financial Statements

For the financial year ended June 30, 2022

1.7 Funding summary

The total cost of the project is US \$ 191.1 million, of which US \$ 150 million will be financed by International Development Association (IDA) credit, a US \$ 40 million will be granted by the Global Financing Facility (GFF TF) and US \$ 1.1 million will be a grant by the Policy & Human Resource Development Fund (PHRD TF).

Below is the funding summary:

A. Source of Funds

| Source of funds | Donor Commitment- | | Amount received to date – (30 06 2022) | | Undrawn balance to date (30 06 2022) | |
|------------------|--------------------|-----------------------|--|-----------------------|--------------------------------------|----------------------|
| | Donor currency | KShs | Donor currency | KShs | Donor currency | KShs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A')-(B') |
| (i) Grant | | | | | | |
| TF – A 2561 | 40,000,000 | 4,120,000,000 | 26,641,669 | 2,730,854,297 | 13,358,331 | 1,389,145,703 |
| TF – A 2792 | 1,100,000 | 114,400,000 | 1,038,371 | 113,752,523 | 61,629 | 647,477 |
| (ii) Loan | | | | | | |
| IDA - 58360 | 150,000,000 | 15,450,000,000 | 145,110,039 | 15,373,093,018 | 4,889,961 | 76,906,982 |
| Total | 191,100,000 | 19,684,400,000 | 172,790,079 | 18,217,699,838 | 18,309,921 | 1,466,700,162 |

B. Application of Funds

| Source of funds | Amount received to date – (30 th June 2022) | | Cumulative amount paid to date – (30 th June 2022) | | Unutilised balance to date (30 th June 2022) | |
|------------------|--|-----------------------|---|-----------------------|---|--------------------|
| | Donor currency | KShs | Donor currency | KShs | Donor currency | KShs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A')-(B') |
| (i) Grant | | | | | | |
| TF – A 2561 | 26,641,669 | 2,730,854,297 | 24,310,919 | 2,649,890,139 | 2,330,750 | 80,964,158 |
| TF – A 2792 | 1,038,371 | 113,752,523 | 1,036,556 | 113,541,976 | 1,815 | 210,547 |
| (ii) Loan | | | | | | |
| IDA - 58360 | 145,110,039 | 15,373,138,049 | 137,278,082 | 14,963,310,906 | 7,831,957 | 409,827,143 |
| Total | 172,790,079 | 18,217,699,838 | 162,625,557 | 17,726,743,021 | 10,164,522 | 491,001,848 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

1.8 Summary of Overall Project Performance:

The key beneficiaries of the project are women of reproductive age, including adolescents and children under five who utilize Primary Health Care services most. The project supports counties in ensuring that the benefits reach the people at grass root level. The projects aim to ensure that;

- Children younger than one year are fully immunized;
- Pregnant women attend at least four Anti-Natal Care(ANC) visits;
- Births are attended by skilled health personnel; and
- Women of reproductive age are using a modern Family Planning method.

1.9 Summary of Project Compliance:

The project complied with applicable laws and regulations, and essential external financing agreements/covenants and this helped us to achieve the objectives set.

2. STATEMENT OF PERFORMANCE AGAINST PROJECTS PREDETERMINED OBJECTIVES

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* plan are to:

- a) Improve the delivery, utilization, and quality of PHC services at the county level with a focus on (Reproductive, Maternal, Newborn, Child and Adolescent health services) RMNCAH. This also includes procurement of Family Planning commodities.
- b) Strengthen institutional capacity to better deliver quality PHC services
- c) Enhance cross-county and intergovernmental collaboration as well as facilitate and coordinate project implementation
- d) Contingency Emergency Response (CERC)- To fund immediate and short-term activities in the national COVID-19 Contingency Response Plan. It supports Emergency Operations Centre and procurement of health commodities to respond to Covid-19 Pandemic

Progress on attainment of Strategic development objectives

| | Objective | Outcome | Indicator | Performance |
|---|---|--|--|--|
| 1 | Improve the delivery, utilization, and quality of PHC services at the county level with a focus on RMNCAH. | <p>Increased no. Of children under 1yr who had received third dose of pentavalent vaccine</p> <p>Increased number of women attending at least 4 ANC visits</p> <p>Women between the ages of 15-49 years currently using a modern FP method</p> | <p>The year’s average for penta 3 coverage was 78.9%; skilled birth delivery year’s coverage stood at 67.4%; the fourth antenatal care year’s coverage was 48.4% and the family planning coverage stood at 44.4 %.</p> | <p>Increased immunization of children</p> <p>Continued increase in women attending ANC visits</p> <p>Increased uptake of FP commodities.</p> |
| 2 | Cross county and intergovernmental Collaboration and Project Management | <p>Mombasa County and Ministry of Education</p> <p>Embu and Kirinyaga Counties and Kenya National Blood Transfusion Service</p> | <p>Improvement of quality ASRH services with specific interest to young mothers in school and community level.</p> <p>Strengthening Blood transfusion services</p> | <p>functional youth friendly centre containers being delivered. Sensitisation of young mothers on MNH and outreaches done</p> <p>Equipment and supplies to strengthen transfusion services were purchased and delivered.</p> <p>Recruitment for blood donations commenced.</p> |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

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|--|--|--|--|--|

3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

The support makes full use of country systems delivering ‘on-budget’ support to counties and Ministry of Health. Disbursement of conditional grants is done through the Government system to National Treasury for onward disbursement through IFMIS to the health facilities in the 47 counties. These grants are given at county level according to the existing County Allocation of Revenue (CARA) formula and are allocated to facilities, based on a criteria agreed upon by the county and fully disclosed to the project team. This will improve public health service delivery as the funds will support operational and maintenance expenditure at primary health care facility level.

2. Environmental performance

During the year Environmental Social Impact Assessment(ESIA) was done in counties which had newly installed incinerators i.e. Lamu and Kajiado. In addition follow up was made to ensure that all counties had renewed the National Environmental Management Authority (NEMA) certificate for the incinerators. In addition, there was follow up on all counties that were doing renovations to ensure adherence to the set guidelines.

3. Employee welfare

The project follows the Government policies and procedures in the hiring process. The Ministry Human Resource department in collaboration with the Council of Governors(COG) conducts the interviews. In addition, the World Bank requirements are incorporated to ensure that the successful candidate has the necessary qualifications.

4. Market place practices-

a) Responsible Supply chain and supplier relations-

The organization encourages free flow of information during procurement processes to enable Suppliers gain complete understanding of the procurements being undertaken, and this allows them to both parties to meet each other’s’ needs more effectively.

b) Responsible ethical practices

- Continuous updating of the supplier register by registration of all qualified suppliers
- Ensure confidentiality is maintained during a procurement process. If Any information is to be given, ensure it is shared to all participating suppliers during a procurement process.
- The organization is a government entity and serves and treats all its clients equally.

c) Regulatory impact assessment

- All procurement processes are done in accordance to the procurement regulations of the donor, World Bank (WB) requires fairness in treatment of all citizens and stakeholders
- All procurement processes are to be open to all eligible participants

5. Community Engagements-

For the THS project, a social assessment was conducted and disclosed in 2018 and Vulnerable & Marginalized Groups (VMGPs) were drafted for 28 VMGs across 23 counties. The midwifery training at Kenya Medical Training College (KMTC) focuses on students from underserved areas including VMGs. 800 students received scholarships to study in Bomet, Loitokitok, Kabarnet, Kapenguria, Kitui, Kilifi, Msambweni, Lodwar. Most of the students who graduated are employed at the counties, national facilities and some in private thus improving services in the communities where they come from.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat accept responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

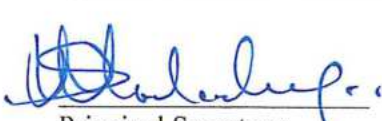
The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat are of the opinion that the Project’s financial statements give a true and fair view of the state of Project’s transactions during the financial year ended June 30, 2022 and of the Project’s financial position as at that date. The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care – (THS – UC Project) Secretariat 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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

Approval of the Project financial statements

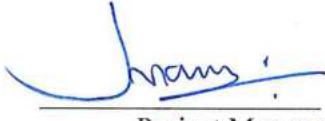
The Project financial statements were approved by The Principal Secretary for the Ministry of Health and the Project Manager for Transforming Health Systems for Universal Care (THS – UC Project) Secretariat on 01st November 2022 and signed by them.



Principal Secretary

Name Susan N. Mochache, CS

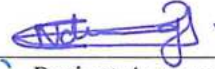
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Project Manager

Name Dr Isaac Kwar

01/11/2022



Project Accountant:

Name: Caroline W. Ndirigo

ICPAK Member Number: 9040

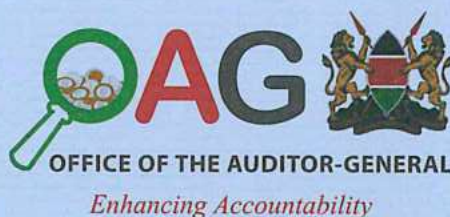
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TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

**5. REPORT OF THE INDEPENDENT AUDITORS TRANSFORMING HEALTH SYSTEMS
FOR UNIVERSAL CARE (THS – UC PROJECT)**

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL CARE (THS-UC) PROJECT GRANT IDA CREDIT NO. 5836 – KE, TFOA2561, TFOA2792, AND CR. P152394 FOR THE YEAR ENDED 30 JUNE, 2022 – MINISTRY OF HEALTH

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit NO. 5836 – KE, TFOA2561,

Report of the Auditor-General on Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit No. 5836 – KE, TFOA2561, TFOA2792, and CR. P152394 for the year ended 30 June, 2022 – Ministry of Health

TFOA2792, and CR. P152394 set out on pages 1 to 22, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of 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 the Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit NO. 5836 – KE, TFOA2561, TFOA2792, and CR. P152394 as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Grant Agreement No.5836-KE, TFOA2561 and TFOA2792 dated 04 July, 2016 between International Development Association 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 Transforming Health Systems for Universal Care (THS-UC) Project Grant IDA Credit NO. 5836 – KE, TFOA2561, TFOA2792, and CR. P152394 Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget of Kshs.4,516,799,990 and actual on comparable basis of Kshs.3,549,922,407 resulting to underfunding of Kshs.966,877,583 (or 21%). Similarly, the Project spent an amount of Kshs.3,388,832,347 out of the approved expenditure budget of Kshs.4,516,799,990 resulting in an under expenditure of Kshs.1,127,967,643 (or 25%).

In the circumstances, the Project's key objectives of improving utilisation and quality of primary health care services with focus on reproductive, maternal, new-born, child and adolescent health care may not be achieved.

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

Delay in Disbursement of Funds

The statement of receipts and payments reflects transfers to other government entities of Kshs.2,878,953,881 as disclosed in Note 11.6 to the financial statements. Included in the amount is Kshs.1,445,456,881 transfers to county governments that were disbursed late in June, 2022, which was the last month of the financial year under review.

In the circumstances, implementation of the county governments annual work plans was delayed which may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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

Pending Bills

Other important disclosure reflects pending bills of Kshs.1,262,926 that were outstanding at the closure of the financial year. This was contrary to section 53 (8) of the Public Procurement and Disposal Act, 2015 which requires an accounting officer not to commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates and are available.

In the circumstances, Management was 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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement dated 04 July, 2016, I report based on my audit, that:

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 November, 2022

Reports and Financial Statements
For the financial year ended June 30, 2022

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

| Note | 2021-2022 | | TOTAL | 2020-2021 | | KShs | KShs | KShs | KShs | KShs |
|---|--|--------------------------------|----------------------|--|--------------------------------|------|------|------|------|-----------------------|
| | Receipts and payments controlled by the entity | Payments made by third parties | | Receipts and payments controlled by the entity | Payments made by third parties | | | | | |
| RECEIPTS | | | | | | | | | | |
| Grants from external development partners | 64,942,231 | 13,514,450 | 78,456,681 | 97,345,782 | 484,423,997 | | | | | 1,327,847,141 |
| Loan from external development partners | 3,439,434,757 | 32,030,969 | 3,471,465,726 | 280,860,818 | 3,785,830,501 | | | | | 16,889,852,697 |
| TOTAL RECEIPTS | 3,504,376,988 | 45,545,419 | 3,549,922,407 | 378,206,600 | 4,270,254,498 | | | | | 18,217,699,838 |
| PAYMENTS | | | | | | | | | | |
| Compensation of employees | 6,179,168 | | 6,179,168 | 8,139,813 | | | | | | 43,919,804 |
| Purchase of goods and services | 449,440,786 | 45,545,419 | 494,986,205 | 567,417,122 | 330,666,382 | | | | | 4,195,887,967 |
| Acquisition of non-financial assets | 8,713,093 | | 8,713,093 | 58,417,286 | | | | | | 146,572,687 |
| Transfers to other government entities | 2,878,953,881 | | 2,878,953,881 | 93,202,450 | 3,939,588,116 | | | | | 13,340,362,563 |
| TOTAL PAYMENTS | 3,343,286,928 | 45,545,419 | 3,388,832,347 | 727,176,671 | 4,270,254,498 | | | | | 17,726,743,021 |
| SURPLUS/(DEFICIT) | 161,090,060 | | 161,090,060 | (348,970,071) | | | | | | 490,956,817 |

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

S. Mochochi

Name
Susan N. Mochochi, CBS
Principal Secretary

01/11/2022

Caroline W. Ndungu

Name
Caroline W. Ndungu
Project Accountant

01/11/2022

ICPAK Member No: 9040

01/11/2022

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

Reports and Financial Statements

For the financial year ended June 30, 2022

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022

| Description | Note | 2021-2022 | 2020-2021 |
|---|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 11.7 | 489,181,917 | 328,091,857 |
| Total Cash and Cash Equivalents | | 489,181,917 | 328,091,857 |
| Accounts receivables – Imprest and Advances | 11.9 | 1,774,900 | 1,774,900 |
| TOTAL FINANCIAL ASSETS | | 490,956,817 | 329,866,757 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 11.10 | 329,866,757 | 678,836,828 |
| Surplus/(Deficit) for the year | | 161,090,060 | (348,970,071) |
| NET FINANCIAL POSITION | | 490,956,817 | 329,866,757 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 01/Nov/2022 and signed by:

| | | |
|--|---|--|
|  |  |  |
| Name <u>Susan N. Mochache, CBS</u> | Name <u>De Isaac Kmain</u> | Name <u>Caroline W. Ndungu</u> |
| Principal Secretary | Project Coordinator | Project Accountant |
| <u>01/11/2022</u> | <u>01/11/2022</u> | ICPAK Member No: <u>9040</u> |
| | | <u>01/11/2022</u> |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

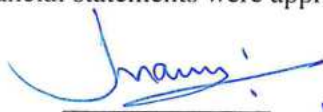
8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2022

| Description | Notes | 2021-2022 | 2020-2021 |
|--|-------|------------------------|----------------------|
| | | Kshs | Kshs |
| Receipts for operating activities | | | |
| Proceeds from domestic and foreign grants | 11.1 | 64,942,231 | 97,345,782 |
| Payments for operating activities | | | |
| Compensation of employees | 11.3 | (6,179,168) | (8,139,813) |
| Use of goods and services | 11.4 | (449,440,786) | (567,417,122) |
| Transfers to other government entities | 11.6 | (2,878,953,881) | (93,202,450) |
| Changes in Imprests & Advances | | | 158,600 |
| Net Cash flows from Operating Activities | | (3,269,631,604) | (571,255,003) |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of Assets | 11.5 | (8,713,093) | (58,417,286) |
| Net cash flows from Investing Activities | | (8,713,093) | (58,417,286) |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Loan from external development partners | 11.2 | 3,439,434,757 | 280,860,818 |
| Net cash flow from financing activities | | 3,439,434,757 | 280,860,818 |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 161,090,060 | (348,811,471) |
| Cash and cash equivalent at BEGINNING of the year | | 328,091,857 | 676,903,328 |
| Cash and cash equivalent at END of the year | | 489,181,917 | 328,091,857 |

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 01/Nov/2022 and signed by:



Principal Secretary
 Name Susan B. Mochache, BS
 Date 01/11/2022



Project Manager
 Name Dr. Isaac Khamu
 Date 01/11/2022



Project Accountant
 Name: Caroline Ndingu
 Date 01/11/22
 ICPAK Member No:9040

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

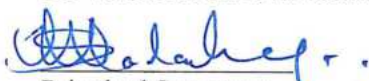
Reports and Financial Statements

For the financial year ended June 30, 2022

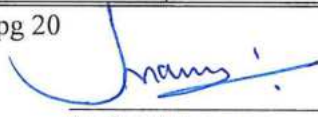
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

| Receipts/Payments Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---|----------------------|----------------------|----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| Receipts | | | | | | |
| Grants from external development partners | 937,316,545 | | 937,316,545 | 78,456,681 | 858,859,864 | 8.3% |
| Loan from external development partners | 2,179,483,445 | 1,400,000,000 | 3,579,483,445 | 3,471,465,726 | 108,017,719 | 97% |
| Total Receipts | 3,116,799,990 | 1,400,000,000 | 4,516,799,990 | 3,549,922,407 | 966,877,583 | 79% |
| Payments | | | | | | |
| Compensation of employees | 10,000,000 | | 10,000,000 | 6,179,168 | 3,820,832 | 62% |
| Purchase of goods and services | 721,799,990 | | 721,799,990 | 494,986,205 | 226,813,785 | 69% |
| Acquisition of non-financial assets | 85,000,000 | | 85,000,000 | 8,713,093 | 76,286,907 | 10% |
| Transfers to other Govt entities | 2,300,000,000 | 1,400,000,000 | 3,700,000,000 | 2,878,953,881 | 821,046,119 | 78% |
| Total Payments | 3,116,799,990 | 1,400,000,000 | 4,516,799,990 | 3,388,832,347 | 1,127,967,643 | 75% |
| Surplus/deficit | - | | | 161,090,060 | (161,090,060) | |

For variances refer to Annex 1 on pg 20



Principal Secretary
Name: Susan N. Mochache, CBS
Date: 21/11/2022



Project Manager
Name: De Saac Kwan
Date: 21/11/22



Project Accountant
Name: Caroline Ndungu
Date: 21/11/22
ICPAK Member No: 9040

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

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

10.1.1 Statement of compliance and basis of preparation

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

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

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

10.1.2 Reporting entity

The financial statements are for the Transforming Health Systems project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.1.3. Reporting currency

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

10.1 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.

- **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.

- **External Assistance**

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

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.

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.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

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

• **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) **Recognition of payments**

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

• **Compensation of employees**

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

• **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.

• **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **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.

• **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.

c) 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.

d) 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

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

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.

e) 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.

f) 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' items to provide a sense of the overall net cash position of the Project at the end of the year. 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.

g) 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 under review has been included in an annex to these financial statements.

h) 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 45,514,419 million being loan disbursements were received in form of direct payments from third parties.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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 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.

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30,2022.

l) 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.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

11. NOTES TO THE FINANCIAL STATEMENTS

11.1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During 12 months to 30 June 2022 we received grants from donors as detailed in the table below:

| Name of Donor | Date received | Amount received in donor currency | Grants received in cash | Grants received as direct payment* | Total amount in KShs | |
|---|---------------|-----------------------------------|-------------------------|------------------------------------|----------------------|--------------------|
| | | | Kshs | Kshs | FY 21/22 | FY20/21 |
| Grants Received from organizations | | | | | | |
| Global Financing Facility | 3-Nov-2021 | 73,143.13 | 8,083,047 | | 8,083,047 | 74,489,371 |
| | 22-Jun-22 | 210,050.23 | 24,533,867 | | 24,533,867 | |
| Direct Payment | 20-Aug-2021 | 125,133.80 | | 13,514,450 | 13,514,450 | 159,542,979 |
| 3 rd party-counties | | | | | | 324,881,018 |
| Policy & Human Resources Dvnt Fund | 3-Nov-2021 | 39,307.68 | 4,343,892 | | 4,343,892 | 22,856,411 |
| | 22-Jun-22 | 239,567.00 | 27,981,425 | | 27,981,425 | |
| Total | | | 64,942,231 | 13,514,450 | 78,456,681 | 581,769,778 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

11.2 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2022 we received funding from development partners in form of Loans negotiated by the National Treasury donors as detailed in the table below:

| Name of Donor | Date received | Amount in loan currency | Loans received in cash | Loans received as direct payment | Total amount in KShs | |
|--|---------------|-------------------------|------------------------|----------------------------------|----------------------|----------------------|
| | | USD | KShs | KShs | FY 21/22 | FY 20/21 |
| Loans Received from Multilateral Donors (International Organisations) | | | | | | |
| International Development Association | | | | | | 280,860,818 |
| | 3-Nov-2021 | 3,139,310 | 346,925,178 | | 346,925,178 | |
| | 18-May-22 | 12,500,000 | 1,446,750,000 | | 1,446,750,000 | |
| | 22-Jun-22 | 12,348,000 | 1,445,456,880 | | 1,445,456,880 | |
| | 22-Jun-22 | 1,714,920 | 200,302,699 | | 200,302,699 | |
| Direct Payment | 20-Aug-2021 | 297,000 | | 32,030,969 | 32,030,969 | 171,123,403 |
| | | | | | | 3,614,707,098 |
| Total | | | 3,439,434,757 | 32,030,969 | 3,471,465,726 | 4,066,691,319 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

11.3 COMPENSATION OF EMPLOYEES

| | Payments made in Cash | Payments made by third parties | Total payments | Total payments | Cumulative to-date |
|---------------------------------------|-----------------------|--------------------------------|----------------|----------------|--------------------|
| | 2021/2022 | | | 2020/2021 | |
| | KShs | KShs | KShs | KShs | KShs |
| Basic salaries of permanent employees | 6,179,168 | | 6,179,168 | 8,139,813 | 43,919,804 |
| Total | 6,179,168 | | 6,179,168 | 8,139,813 | 43,919,804 |

11.4 PURCHASE OF GOODS AND SERVICES

| | Payments made in Cash | Payments made by third parties | Total payments | Total payments | Cumulative to-date |
|------------------------------------|-----------------------|--------------------------------|--------------------|--------------------|----------------------|
| | 2021/2022 | | | 2020/2021 | |
| | KShs | KShs | KShs | KShs | KShs |
| Utilities, supplies and services | 22,493,238 | | 22,493,238 | 4,847,643 | 129,634,771 |
| Communication | 1,979,992 | | 1,979,992 | 3,020,997 | 12,813,783 |
| Domestic travel and subsistence | 157,554,191 | | 157,554,191 | 120,897,649 | 682,911,575 |
| Training | 8,088,653 | | 8,088,653 | 3,846,537 | 33,129,998 |
| Printing services | | | | | 8,338,000 |
| Hospitality supplies and services | 25,321,018 | | 25,321,018 | 15,849,688 | 83,223,467 |
| Insurance | 2,065,541 | | 2,065,541 | | 6,304,975 |
| Specialised materials and services | 151,522,210 | | 151,522,210 | 283,539,315 | 875,086,950 |
| Other operating costs | | | | 1,200,000 | 1,304,400 |
| Office supplies | | | | 9,564,245 | 9,564,245 |
| Routine maintenance – vehicles | 1,230,735 | | 1,230,735 | 791,283 | 7,719,705 |
| Consultancy services | 79,185,208 | | 79,185,208 | 123,859,765 | 308,441,893 |
| Direct Payments | | 45,545,419 | 45,545,419 | 330,666,382 | 2,037,414,205 |
| TOTAL | 449,440,786 | 45,545,419 | 494,986,205 | 898,083,504 | 4,195,887,967 |

11.5 ACQUISITION OF NON-FINANCIAL ASSETS

| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | FY 2020/21 | Cumulative to-date |
|--|-------------------------------------|--------------------------------|------------------|-------------------|--------------------|
| | | | | FY 2021/22 | |
| | KShs | KShs | KShs | KShs | KShs |
| Purchase of motor vehicles & other transport equipment | | | | | 57,755,071 |
| Purchase of office furniture & general equipment | | | | 1,126,308 | 22,813,545 |
| Purchase of ICT equipment | 323,828 | | 323,828 | 3,215,250 | 3,539,078 |
| Purchase of specialised equipment | 8,389,265 | | 8,389,265 | 54,075,728 | 62,464,993 |
| Total | 8,713,093 | | 8,713,093 | 58,417,286 | 146,572,687 |

11.6 TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2022, we transferred funds to reporting government entities as shown below:

| | Payments made in Cash | Payments made by third parties | Total payments | Total payments | Cumulative to-date |
|---|-----------------------|--------------------------------|----------------------|----------------------|-----------------------|
| | | | | 2020-2021 | |
| | KShs | KShs | KShs | KShs | KShs |
| Transfers to National Government Entities- Ministry of Health | 1,400,000,000 | | 1,400,000,000 | | 1,400,000,000 |
| Kenya Medical Training College K.M.T.C | 18,517,000 | | 18,517,000 | 49,440,000 | 585,484,150 |
| Civil Registration Services Dept | 14,980,000 | | 14,980,000 | 43,762,450 | 58,742,450 |
| Transfers to County Government | 1,445,456,881 | | 1,445,456,881 | 3,939,588,116 | 11,250,409,548 |
| Kisumu County | | | | | 20,159,586 |
| Mombasa county | | | | | 11,823,500 |
| Embu County | | | | | 13,743,329 |
| Total | 2,878,953,881 | | 2,878,953,881 | 4,032,790,566 | 13,340,362,563 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE

Reports and Financial Statements

For the financial year ended June 30, 2022

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

11.7 CASH AND CASH EQUIVALENTS

| | 2021/22 | 2020/21 |
|---------------------------|---------------------------|---------------------------|
| | KShs | KShs |
| Bank accounts (Note 8.8A) | 489,181,917 | 328,091,857 |
| TOTAL | <u>489,181,917</u> | <u>328,091,857</u> |

The project has one project account maintained within the Ministry of Health and two foreign currency designated accounts managed by the National Treasury as listed below:

11.8 Bank Accounts

Project Bank Accounts

| | 2021/22 | 2020/21 |
|--|----------------------------|----------------------------|
| <u>Foreign Currency Accounts</u> | | |
| Central Bank of Kenya [A/c No 1000308621) | 2,182,249.39 | 6,513,156.17 |
| Central Bank of Kenya [A/c No 1000308637) | 1,714,920.93 | 3,251,761.08 |
| Total Foreign Currency balances(USD) | <u>3,897,170.32</u> | <u>9,764,917.25</u> |
| | | |
| <u>Local Currency Accounts</u> | | |
| Central Bank of Kenya [A/c No 1000313878.....] | 489,181,917 | 328,091,857 |
| Total local currency balances(KSHS) | <u>489,181,917</u> | 328,091,857 |

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.

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

Special Deposit Accounts Movement Schedule

| | 2021/22 | 2020/21 |
|--|---------------------|---------------------|
| | USD | USD |
| (i) A/C Name [A/c No 1000308637] | | |
| Opening balance | 3,251,761.08 | 3,458,047.24 |
| Total amount deposited in the account | 2,164,538.16 | 3,251,761.08 |
| Total amount withdrawn (as per Statement of Receipts & Payments) | (3,701,378.31) | (3,458,047.24) |
| Closing balance (as per SDA bank account reconciliation attached) | 1,714,920.93 | 3,251,761.08 |
| (ii) A/c Name [A/c No 1000308621.....] | | |
| Opening balance (as per the SDA reconciliation) | 6,513,156.17 | 4,312,432.65 |
| Total amount deposited in the account | 22,232,013.59 | 38,491,897.35 |
| Total amount withdrawn (as per Statement of Receipts & Payments) | (26,562,920.37) | (36,291,173.83) |
| Closing balance (as per SDA bank account reconciliation attached) | 2,182,249.39 | 6,513,156.17 |

11.9 OUTSTANDING IMPRESTS AND ADVANCES

| DATE issued | PAYEE/Officers Name | Warrant no. | Due Date of Surrender | 2021/22 AMOUNT(Kshs) | 2020/21 AMOUNT(Kshs) |
|-------------|---------------------|-------------|-----------------------|----------------------|----------------------|
| 20/Jun/17 | Gaudecia Mokaya | 2856904 | 30/6/2017 | 1,774,900.00 | 1,774,900.00 |
| | TOTAL | | | 1,774,900.00 | 1,774,900.00 |

11.10 FUND BALANCE BROUGHT FORWARD

| | 2021/22 | 2020/21 |
|--------------------|--------------------|--------------------|
| | KShs | KShs |
| Balance B/F | 329,866,757 | 678,836,828 |
| Surplus/Deficit | 161,090,060 | (348,970,071) |
| Balance c/d | 490,956,817 | 329,866,757 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

12 OTHER IMPORTANT DISCLOSURE

12.1 PENDING BILLS

| S/no | Name Supplier | Item description | Amount |
|-------------|------------------------------------|---|------------------|
| 7 | Spicers (Eastern Africa) Limited | Provision of Service and repair of printing machine | 114,000.00 |
| 8 | Jumuia Conference and Beach Resort | Provision of conference package | 295,000.00 |
| 12 | Silver Africa | Provision of return air tickets | 228,120 |
| 13 | Silver Africa | Provision of return air tickets | 16,500 |
| 14 | Silver Africa | Provision of return air tickets | 551,686 |
| 15 | Silver Africa | Provision of return air tickets | 28,810 |
| 16 | Silver Africa | Provision of return air tickets | 28,810 |
| | Total | | 1,262,926 |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

13 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|--|-----------------------------------|--|
| 1 | <p>Variance of Donor Receipts: The special account statement reflects total amount withdrawn from Central Bank of Kenya project bank account of Kshs 4,317,236,086 while the actual total amount reflected in the Project statement of receipts and payments as receipts controlled by the entity, payments by third parties and direct payments for the year under review is Kshs 4,648,461,098 resulting to an unexplained overstatement of donor receipts of Kshs 331,225,012.</p> | <p>The difference between the amounts reflected in the statement of receipts and payments and that in the special account statement of Kshs 331,225 021 is payments made directly by the World Bank to suppliers for supply of family planning commodities.</p> | | Resolved | |
| 2 | Budget Control and Performance | The utilisation variance comprised amounts not disbursed to Nairobi Metropolitan Services (NMS) and Isiolo County as they had not met the minimum conditions. | | Resolved | |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022


| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|--|---|--|--|-----------------------------------|---|
| 3 | <p>Emergency Procurement of Ventilators and Masks: Included in the unpaid bills of Kshs.190,793,450 was Kshs.59,000,000 for Covid-19 ventilators and masks that were procured using retrospective direct procurement but there was no evidence of contract negotiation and award. In addition, physical verification on 24 September, 2021 revealed that out of the twenty (20) ventilators, thirteen (13) of them valued at Kshs 33,800,000 were still at the KEMSA warehouses seventeen (17) months after emergency procurement to mitigate the effects of Covid-19.</p> | <p>The emergency situation caused by the pandemic and urgent need for the items in order to adequately respond to the pandemic necessitated the use of direct method of procurement.</p> <p>The 20 ventilators were delivered to KEMSA warehouse in July 2020. During the same period, EACC launched investigations in KEMSA which resulted in halting of the procurement payment and distribution process of all COVID-19 related processes. This led to the delay in conclusion of the negotiation process.</p> <p>The procurement process has been concluded in the current FY 2021/22.</p> | | Resolved | |
| 4 | <p>Cost variance in purchase price of masks Included in transfers to KEMSA is Kshs.16,420,000 for four (4) suppliers of</p> | <p>It is true that various items were procured from various suppliers who had quoted different prices. The difference in price</p> | | Resolved | |

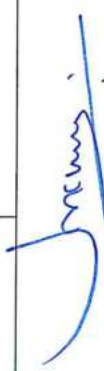
TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| | <p>The audit noted that specifications for the masks were the same but one (1) supplied at unit price of Kshs.250 while three (3) at unit price of Kshs.700 representing 64.3% difference. All the supplies were inspected to meet set specifications and accepted on 16 April, 2020. In addition, there was no evidence of carrying out market survey; this is contrary to the Public Procurement and Asset Disposal Regulations, 2020 section 33(3)</p> | <p>occurred due to suppliers who already had in stock items that had been procured before the pandemic therefore quoting a lower price for the same item than suppliers importing the items at the time of the pandemic where prices had escalated due to high demand and scarcity in the world market.</p> | | | |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe (Put a date when you expect the issue to be resolved) |
|--|--|---|--|-----------------------------------|---|
| 5 | <p>Family Planning Commodities: Audit verification in sampled counties revealed that funds were utilized to purchase family planning commodities including Implant (2-ROD), intra-uterine contraceptive device (IUCD) Copper T among others. Some of these commodities were distributed to private facilities and were not inscribed "GOK and NOT FOR SALE", making difficult to monitor.</p> | <p>It is the government's policy to avail family planning commodities to all, both in private and public health facilities at no cost. The commodities are supposed to be inscribed "GOK and NOT FOR SALE" to ensure that the commodities are not sold to clients in any of the facilities. The ministry is following up with the two counties to provide explanations as to why the commodities were not inscribed "GOK and NOT FOR SALE" as required to ensure they are not sold.</p> | | Resolved | |


 Principal Secretary
 Susan N. Mochache, CBS
 01/11/2022


 Project Manager
 Dr. Isaac Kinani
 01/11/2022

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

| | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization | Comments on Variance |
|---|----------------------|----------------------------|-------------------------------|------------------|--|
| | a | b | c=a-b | d=b/a % | |
| Grants from external development partners | 937,316,545 | 78,456,681 | 858,859,864 | 8.3% | The project utilized the unspent balances in the previous financial year. Not all counties received funds as budgeted as they did not meet the minimum conditions. In addition one of the grant was coming to an end on May 2022 . |
| Loan from external development partners | 3,579,483,445 | 3,471,465,726 | 108,017,719 | 97% | |
| Total Receipts | 4,516,799,990 | 3,549,922,407 | 966,877,583 | 79% | |
| Payments | | | | | |
| Compensation of employees | 10,000,000 | 6,179,168 | 3,820,832 | 62% | One of the co-ordinators and a driver resigned within the financial year |
| Purchase of goods and services | 721,799,990 | 494,986,205 | 226,813,785 | 69% | The project utilized the unspent balances in the previous financial year .There was a reduction in the number of approved activities since one grant was coming to an end . |
| Acquisition of non-financial assets | 60,832,657 | 8,713,093 | 76,286,907 | 10% | The items had been budgeted as assets but later realised they were specialized consumables . |
| Transfers to Counties | 3,700,000,000 | 2,878,953,881 | 821,046,119 | 78% | The funds were disbursed only to 30 counties as the others did not meet the minimum conditions |
| Total Payments | 5,327,429,185 | 3,388,832,347 | 1,127,967,634 | 75% | |
| Surplus/Deficit | - | (161,090,060) | 161,090,060 | | |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Opening Cost (KShs) 2022 (a) | *Purchases/Additions in the Year (KShs) 2022 (b) | **Disposals in the Year (KShs) 2022 (c) | Closing Cost (KShs) 2021 (d)= (a)+ (b)-(c) |
|---|---------------------------------------|--|--|---|
| Transport equipment | 57,755,071 | | | 57,755,071 |
| Office equipment, furniture and fittings | 22,813,545 | | | 22,813,545 |
| Purchase of ICT equipments | 3,215,250 | 323,828 | | 3,539,078 |
| Purchase of specialised equipment | 54,075,728 | 8,389,265 | | 62,464,993 |
| Total | 137,859,594 | 8,713,093 | | <u>146,572,687</u> |

TRANSFORMING HEALTH SYSTEMS FOR UNIVERSAL HEALTH CARE
Reports and Financial Statements
For the financial year ended June 30, 2022

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities (i)
- ii. Bank Reconciliations (ii)
- iii. Special Deposit Account statement(s) (iiia) and (iiib)

RESERVE
BANK OF
KENYA

STATE
OF
KENYA

10th Station Avenue
P.O. Box 10000 - 00200 Nairobi, Kenya
Telephone: 254 20 200, Fax: 254 20 201

July 29, 2022

CERTIFICATE OF BALANCES

Customer : 120374

MINISTRY OF HEALTH

Balance Date: 30-Jun-22

| Account No | Account Name | Currency | Balance |
|------------|-------------------------------------|----------|----------------|
| 1000181478 | REC-MINISTRY OF HEALTH | KES | 511,845,346.02 |
| 1000181688 | DEV-MINISTRY OF HEALTH | KES | 556,931,493.90 |
| 1000182156 | DEP-MINISTRY OF HEALTH | KES | 244,057,877.31 |
| 1000182601 | CBK165-MINISTRY OF HEALTH | KES | 0.00 |
| 1000198858 | E.A PUBLIC HEALTH LAB. NETWORK PROJ | KES | 50.11 |
| 1000258756 | EA CENT.OF EXC.-SKILLED -BIOMED S | KES | 7,424,327.20 |
| 1000298488 | KENYA ITALY DEBT FOR DEV (KIDDP) | KES | 30,112,829.40 |
| 1000313878 | TRANSFORM.HEALTH SYST. UNIVERSAL C | KES | 619,884,731.75 |
| 1000327979 | DANIDA PRO SUP UNIV HEALTH CARE UHC | KES | 0.00 |
| 1000328037 | MINISTRY OF HEALTH EQUA FUND OPER | KES | 583,596,177.65 |
| 1000340614 | THS UC GFF GRANT TFOA2561 KE | KES | 0.00 |
| 1000340649 | THS UC PHRD GRANT TFOA2792 KE | KES | 0.00 |
| 1000429437 | SPORTS,ART,SOCIAL DEV. FUND-HEALTH | KES | 986,272,499.40 |
| 1000446684 | COVID 19 EMERGENCY RESPONSE PROJECT | KES | 258,513,454.40 |
| 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 | 800,311,701.65 |
| 1000596562 | DANIDA SUPPORTED PRI H C PROGRAMME | KES | 1,624,992.00 |



Lawrence Rweria
Authorised Signatory
Banking Services Division



Joyce Nasieku
Authorised Signatory
Banking Services Division

REPUBLIC OF KENYA
MINISTRY OF HEALTH

THIS

BANK RECONCILIATION AS AT 30TH JUNE, 2022

| | Sh. | cts. | Sh. | cts. | Sh. | cts. |
|---|-----|------|----------------|------|-----|------|
| Balance as per Bank Statement | | | 619,884,731.75 | | | |
| Less | | | | | | |
| 1. Payments in cash book not yet recorded in Bank statement (unpresented Cheques) | | | 130,702,815.25 | | | |
| 2. Receipts in Bank statement not yet recorded in Cash book..... | | | | | | |
| Add | | | | | | |
| 3. Payments in Bank statement not yet recorded in Cash book..... | | | | | | |
| 4 Receipt in cash book not yet recorded in Bank statement | | | | | | |
| Bank balance as per cash book | | | 489,181,916.50 | | | |
| Balance as per Bank Statement | | | | | | |
| I certify that I have verified Bank balance in above reconciliation is correct. | | | | | | |

| | | | | | | | | | |
|-----------|--------------------------------|-------------|-------|--------------|----------|--|--|--|--|
| 6/30/2022 | Nayalungna Investment | Payment | 02303 | 210,015.50 | 7/6/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment-VAT | 02304 | 961.30 | 7/5/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02304 | 54,793.70 | 7/6/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment-VAT | 02305 | 31,344.85 | 7/5/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment | 02305 | 1,786,655.15 | 7/6/2022 | | | | |
| 6/30/2022 | 67 Airport Hotel | Payment-VAT | 02306 | 1,706.90 | 7/5/2022 | | | | |
| 6/30/2022 | 67 Airport Hotel | Payment | 02306 | 97,293.10 | 7/6/2022 | | | | |
| 6/30/2022 | Sun Africa Hotels | Payment-VAT | 02307 | 9,232.75 | 7/5/2022 | | | | |
| 6/30/2022 | Sun Africa Hotels | Payment | 02307 | 526,267.25 | 7/6/2022 | | | | |
| 6/30/2022 | Eton Holdings Limited | Payment-VAT | 02308 | 1,998.30 | 7/5/2022 | | | | |
| 6/30/2022 | Eton Holdings Limited | Payment | 02308 | 113,901.70 | 7/6/2022 | | | | |
| 6/30/2022 | Cascade Company Limited | Payment-VAT | 02309 | 5,568.95 | 7/5/2022 | | | | |
| 6/30/2022 | Cascade Company Limited | Payment | 02309 | 317,431.05 | 7/6/2022 | | | | |
| 6/30/2022 | Iznak Walton Inn | Payment-VAT | 02310 | 8,003.45 | 7/5/2022 | | | | |
| 6/30/2022 | Iznak Walton Inn | Payment | 02310 | 456,196.55 | 7/6/2022 | | | | |
| 6/30/2022 | Attic Tours and Travel Ltd | Payment | 02311 | 200,200.00 | 7/6/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment-VAT | 02312 | 2,534.50 | 7/8/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment | 02312 | 144,465.50 | 7/6/2022 | | | | |
| 6/30/2022 | Eleon Inn Limited | Payment-VAT | 02313 | 825.00 | 7/5/2022 | | | | |
| 6/30/2022 | Eleon Inn Limited | Payment | 02313 | 47,025.00 | 7/6/2022 | | | | |
| 6/30/2022 | Isiolo Landmark Hotel | Payment-VAT | 02314 | 4,396.55 | 7/5/2022 | | | | |
| 6/30/2022 | Isiolo Landmark Hotel | Payment | 02314 | 250,603.45 | 7/6/2022 | | | | |
| 6/30/2022 | Eserian Resort Limited | Payment-VAT | 02315 | 3,103.45 | 7/5/2022 | | | | |
| 6/30/2022 | Eserian Resort Limited | Payment | 02315 | 176,896.55 | 7/6/2022 | | | | |
| 6/30/2022 | Jehrock Commercial Agencies | Payment | 02316 | 2,188,900.00 | 7/6/2022 | | | | |
| 6/30/2022 | Flight Center Travel Limited | Payment | 02317 | 116,700.00 | 7/6/2022 | | | | |
| 6/30/2022 | Eserian Resort Limited | Payment-VAT | 02318 | 6,336.20 | 7/5/2022 | | | | |
| 6/30/2022 | Eserian Resort Limited | Payment | 02318 | 361,163.80 | 7/6/2022 | | | | |
| 6/30/2022 | Institute of Internal Auditors | Payment | 02319 | 1,136,800.00 | 7/6/2022 | | | | |
| 6/30/2022 | Flight Center Travel Limited | Payment | 02320 | 297,900.00 | 7/6/2022 | | | | |
| 6/30/2022 | Semara Hotels Limited | Payment-VAT | 02321 | 5,379.30 | 7/5/2022 | | | | |
| 6/30/2022 | Semara Hotels Limited | Payment | 02321 | 306,620.70 | 7/6/2022 | | | | |
| 6/30/2022 | Civistructs Ltd | Payment-VAT | 02322 | 1,594.50 | 7/5/2022 | | | | |
| 6/30/2022 | Civistructs Ltd | Payment | 02322 | 90,886.50 | 7/6/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment-VAT | 02323 | 12,117.25 | 7/5/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment | 02323 | 690,682.75 | 7/6/2022 | | | | |
| 6/30/2022 | Kenya Safari Lodges and Hotel | Payment-VAT | 02324 | 6,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Kenya Safari Lodges and Hotel | Payment | 02324 | 370,500.00 | 7/6/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment-VAT | 02325 | 9,094.15 | 7/5/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02325 | 518,363.85 | 7/6/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment-VAT | 02326 | 2,017.25 | 7/5/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment | 02326 | 114,982.75 | 7/6/2022 | | | | |
| 6/30/2022 | Winstar Hotel Ltd | Payment-VAT | 02327 | 10,786.20 | 7/5/2022 | | | | |
| 6/30/2022 | Winstar Hotel Ltd | Payment | 02327 | 614,813.80 | 7/6/2022 | | | | |
| 6/30/2022 | Astorian Grand Hotel | Payment-VAT | 02328 | 10,655.15 | 7/5/2022 | | | | |
| 6/30/2022 | Astorian Grand Hotel | Payment | 02328 | 607,344.85 | 7/6/2022 | | | | |
| 6/30/2022 | Attic Tours and Travel Ltd | Payment | 02329 | 75,800.00 | 7/6/2022 | | | | |
| 6/30/2022 | Winstar Hotel Ltd | Payment | 02330 | 6,508.60 | 7/5/2022 | | | | |


| | | | | | | | | | |
|-----------|-------------------------------|---------------|-------|--------------|-----------|--|--|--|--|
| 6/30/2022 | Flight Center Travel Limited | Payment | 02293 | 195,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment-VAT | 02294 | 2,339.65 | 7/4/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02294 | 133,360.35 | 7/5/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment-VAT | 02295 | 21,206.90 | 7/4/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment | 02295 | 1,208,793.10 | 7/5/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment-VAT | 02296 | 5,482.75 | 7/4/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment | 02296 | 312,517.25 | 7/5/2022 | | | | |
| 6/30/2022 | Flight Center Travel Limited | Payment | 02297 | 38,750.00 | 7/5/2022 | | | | |
| 6/30/2022 | Comfort Hotels and Lodges Ltd | Payment-VAT | 02298 | 4,758.60 | 7/4/2022 | | | | |
| 6/30/2022 | Comfort Hotels and Lodges Ltd | Payment | 02298 | 271,241.40 | 7/5/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment-VAT | 02299 | 2,563.45 | 7/4/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02299 | 146,116.55 | 7/5/2022 | | | | |
| 6/30/2022 | Flight Center Travel Limited | Payment | 02300 | 47,900.00 | 7/5/2022 | | | | |
| 6/30/2022 | Winstar Hotel Ltd | Payment-VAT | 02301 | 7,072.40 | 7/4/2022 | | | | |
| 6/30/2022 | Winstar Hotel Ltd | Payment | 02301 | 403,127.60 | 7/5/2022 | | | | |
| 6/30/2022 | Jacob Bustenjei | Payment-Claim | 02302 | 24,500.00 | 7/6/2022 | | | | |
| 6/30/2022 | Oscar Omari | Payment-Claim | 02302 | 24,500.00 | 7/6/2022 | | | | |
| 6/30/2022 | Tipis Kuya | Payment-Claim | 02302 | 24,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Joan Simotwo | Payment-Claim | 02302 | 24,500.00 | 7/6/2022 | | | | |
| 6/30/2022 | Wycliff Nyakundi | Payment-Claim | 02302 | 24,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Francisca Tabu | Payment-Claim | 02302 | 24,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Dnusilla Wairimu | Payment-Claim | 02302 | 42,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Jacinta Omariba | Payment-Claim | 02302 | 42,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Elizabeth Ochanda | Payment-Claim | 02302 | 42,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Dorcas Wambui Mwanu | Payment-Claim | 02302 | 42,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Cyrus Murithi | Payment-Claim | 02302 | 42,000.00 | 7/6/2022 | | | | |
| 6/30/2022 | Rhova Dhidha | Payment-Claim | 02302 | 42,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Ken Mbori | Payment-Claim | 02302 | 42,000.00 | 7/6/2022 | | | | |
| 6/30/2022 | Paul Ogoye Ochieng | Payment-Claim | 02302 | 43,200.00 | 7/5/2022 | | | | |
| 6/30/2022 | Susan Kariuki | Payment-Claim | 02302 | 52,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Benson Murimi | Payment-Claim | 02302 | 52,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Grace Mainye | Payment-Claim | 02302 | 52,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Yabesh Nyakundi | Payment-Claim | 02302 | 63,700.00 | 7/14/2022 | | | | |
| 6/30/2022 | Timothy Muchiri Ruku | Payment-Claim | 02302 | 67,200.00 | 7/5/2022 | | | | |
| 6/30/2022 | Elphas Okwako Akulima | Payment-Claim | 02302 | 67,900.00 | 7/5/2022 | | | | |
| 6/30/2022 | Tobias Oati Abonyo | Payment-Claim | 02302 | 79,600.00 | 7/5/2022 | | | | |
| 6/30/2022 | Michael Deche Nyale | Payment-Claim | 02302 | 79,600.00 | 7/6/2022 | | | | |
| 6/30/2022 | Nancy Etiang | Payment-Claim | 02302 | 84,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Catherine Ndiiso | Payment-Claim | 02302 | 84,000.00 | 7/6/2022 | | | | |
| 6/30/2022 | Maureen Adira Khaniri | Payment-Claim | 02302 | 84,000.00 | 7/5/2022 | | | | |
| 6/30/2022 | Caroline Nduung'u | Payment-Claim | 02302 | 84,000.00 | 7/6/2022 | | | | |
| 6/30/2022 | Kiogora Gatumbu | Payment-Claim | 02302 | 98,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Isaac Kimani | Payment-Claim | 02302 | 98,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Vincent Odini Aden | Payment-Claim | 02302 | 98,500.00 | 7/5/2022 | | | | |
| 6/30/2022 | Esther Muthoni | Payment-Claim | 02302 | 105,700.00 | 7/5/2022 | | | | |
| 6/30/2022 | Paul Kijrop Bartoloi | Payment-Claim | 02302 | 109,200.00 | 7/6/2022 | | | | |
| 6/30/2022 | Margaret Gitau | Payment-Claim | 02302 | 125,600.00 | 7/6/2022 | | | | |
| 6/30/2022 | Nayalungina Investment | Payment-VAT | 02303 | 3,684.50 | 7/5/2022 | | | | |


PAYMENTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT


PAYMENTS IN BANK STATEMENT NOT RECORDED IN CASHBOOK

| DATE | TO WHOM PAID | DESCRIPTION OF PAYMENT | VOUCHER NUMBER | AMOUNT | DATE CLEARED | DATE | TO WHOM PAID | DESCRIPTION OF PAYMENT | BANK |
|-----------|-----------------------------------|------------------------|----------------|---------------|--------------|------|--------------|------------------------|------|
| 6/7/2022 | Lumut Investment | Payment-Tax | 02050 | 8,070.00 | 7/5/2022 | | | | |
| 6/7/2022 | Toyota Kenya Limited | Payment-VAT | 02100 | 6,966.80 | 7/5/2022 | | | | |
| 6/30/2022 | Africa Biosystems Limited | Payment | 02263 | 1,501,654.55 | 7/1/2022 | | | | |
| 6/30/2022 | Africa Biosystems Limited | Payment | 02264 | 61,689,347.00 | 7/1/2022 | | | | |
| 6/30/2022 | Hotel Waterbuck Ltd | Payment | 02265 | 275,172.40 | 1/1/2022 | | | | |
| 6/30/2022 | Pollyfly Tours and Travel Limited | Payment | 02266 | 89,250.00 | 1/1/2022 | | | | |
| 6/30/2022 | Mavuno Automasters | Payment | 02267 | 377,340.00 | 1/1/2022 | | | | |
| 7/1/2022 | Pollyfly Tours and Travel Limited | Payment | 02268 | 99,565.00 | 1/1/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment | 02269 | 383,275.85 | 1/1/2022 | | | | |
| 6/30/2022 | Eserian Resort Limited | Payment | 02270 | 457,474.15 | 1/1/2022 | | | | |
| 6/30/2022 | 67 Airport Hotel | Payment | 02271 | 235,518.10 | 1/1/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment | 02272 | 387,993.10 | 1/1/2022 | | | | |
| 6/30/2022 | The Kyaka Hotel | Payment | 02275 | 348,260.15 | 1/1/2022 | | | | |
| 6/30/2022 | Engle Palace Hotel | Payment | 02276 | 9,714.65 | 7/4/2022 | | | | |
| 6/30/2022 | Engle Palace Hotel | Payment | 02276 | 553,735.35 | 7/5/2022 | | | | |
| 6/30/2022 | Esance Company Limited | Payment-VAT | 02277 | 10,370.70 | 7/4/2022 | | | | |
| 6/30/2022 | Esance Company Limited | Payment | 02277 | 591,129.30 | 7/5/2022 | | | | |
| 6/30/2022 | HillCourt Resort and SPA | Payment-VAT | 02278 | 28,582.75 | 7/4/2022 | | | | |
| 6/30/2022 | HillCourt Resort and SPA | Payment | 02278 | 1,629,217.25 | 7/5/2022 | | | | |
| 6/30/2022 | Sosa Cottages Limited | Payment-VAT | 02279 | 4,784.50 | 7/4/2022 | | | | |
| 6/30/2022 | Sosa Cottages Limited | Payment | 02279 | 272,715.50 | 7/5/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment-VAT | 02280 | 6,227.60 | 7/4/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment | 02280 | 354,972.40 | 7/5/2022 | | | | |
| 6/30/2022 | BIO-ZEQ Limited | Payment-VAT | 02281 | 93,793.10 | 7/4/2022 | | | | |
| 6/30/2022 | BIO-ZEQ Limited | Payment | 02281 | 5,346,206.90 | 7/5/2022 | | | | |
| 6/30/2022 | Countryview Hotel Ltd | Payment-VAT | 02282 | 4,482.75 | 7/4/2022 | | | | |
| 6/30/2022 | Countryview Hotel Ltd | Payment | 02282 | 253,517.25 | 7/5/2022 | | | | |
| 6/30/2022 | HillCourt Resort and SPA | Payment-VAT | 02283 | 7,724.15 | 7/4/2022 | | | | |
| 6/30/2022 | HillCourt Resort and SPA | Payment | 02283 | 440,275.85 | 7/5/2022 | | | | |
| 6/30/2022 | Flight Center Travel Limited | Payment | 02284 | 195,760.00 | 7/5/2022 | | | | |
| 6/30/2022 | HillCourt Resort and SPA | Payment-VAT | 02285 | 10,344.85 | 7/4/2022 | | | | |
| 6/30/2022 | HillCourt Resort and SPA | Payment | 02285 | 589,655.15 | 7/5/2022 | | | | |
| 6/30/2022 | Sunset Hotel Ltd | Payment-VAT | 02286 | 6,206.90 | 7/4/2022 | | | | |
| 6/30/2022 | Sunset Hotel Ltd | Payment | 02286 | 353,793.10 | 7/5/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment-VAT | 02287 | 3,186.20 | 7/4/2022 | | | | |
| 6/30/2022 | Lysak Haven Park Ltd | Payment | 02287 | 181,613.80 | 7/5/2022 | | | | |
| 6/30/2022 | Engle Palace Hotel | Payment-VAT | 02288 | 6,459.50 | 7/4/2022 | | | | |
| 6/30/2022 | Engle Palace Hotel | Payment | 02288 | 368,190.50 | 7/5/2022 | | | | |
| 6/30/2022 | Attic Tours and Travel Ltd | Payment | 02289 | 40,900.00 | 7/5/2022 | | | | |
| 6/30/2022 | Flight Center Travel Limited | Payment | 02290 | 277,940.00 | 7/5/2022 | | | | |
| 6/30/2022 | Chester Hotels (K) Ltd | Payment-VAT | 02291 | 5,517.25 | 7/4/2022 | | | | |
| 6/30/2022 | Chester Hotels (K) Ltd | Payment | 02291 | 314,482.75 | 7/5/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment-VAT | 02292 | 2,819.80 | 7/4/2022 | | | | |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02292 | 160,728.20 | 7/5/2022 | | | | |

| | | | | | |
|-----------|-------------------------------|-------------|-------|----------------|-----------|
| 6/30/2022 | Winstar Hotel Ltd | Payment-VAT | 02330 | 370,991.40 | 7/6/2022 |
| 6/30/2022 | Izaak Walton Inn | Payment-VAT | 02331 | 4,741.40 | 7/5/2022 |
| 6/30/2022 | Izaak Walton Inn | Payment-VAT | 02331 | 270,258.60 | 7/6/2022 |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02332 | 2,433.25 | 7/5/2022 |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02332 | 138,694.75 | 7/6/2022 |
| 6/30/2022 | Julius Kipkemai Korir | Payment-VAT | 02333 | 20,689.65 | 7/5/2022 |
| 6/30/2022 | Julius Kipkemai Korir | Payment | 02333 | 60,000.00 | 7/5/2022 |
| 6/30/2022 | PKF Consulting Limited | Payment-VAT | 02334 | 1,119,310.35 | 7/6/2022 |
| 6/30/2022 | PKF Consulting Limited | Payment | 02334 | 562,506.55 | 7/8/2022 |
| 6/30/2022 | Reef Hotel Mombasa | Payment-VAT | 02335 | 32,062,873.45 | 7/7/2022 |
| 6/30/2022 | Reef Hotel Mombasa | Payment | 02335 | 8,648.30 | 7/12/2022 |
| 6/30/2022 | Oasi Beach Management Limited | Payment-VAT | 02336 | 492,951.70 | 7/13/2022 |
| 6/30/2022 | Oasi Beach Management Limited | Payment | 02336 | 8,119.15 | 7/12/2022 |
| 6/30/2022 | MovenPick Caterers Ltd | Payment-VAT | 02337 | 462,790.85 | 7/13/2022 |
| 6/30/2022 | MovenPick Caterers Ltd | Payment | 02337 | 561.30 | 7/12/2022 |
| 6/30/2022 | Hellen Kiarie | Payment-VAT | 02338 | 32,006.30 | 7/13/2022 |
| 6/30/2022 | Parmit General Supplies Ltd | Payment | 02339 | 170,836.00 | 7/11/2022 |
| 6/30/2022 | Parmit General Supplies Ltd | Payment | 02339 | 2,068.95 | 7/5/2022 |
| | TOTAL | | | 130,702,815.35 | |

Prepared by
DORCIAS **Mwanu**
 Signature: 
 Designation: **ASSISTANT ACC: 15/07/2022**

Reviewed by
Caroline Ndingu
 Signature: 
 Designation: **Direct. Accountant 15/7/22**

Approved By
Peninah Njuguna
 Signature: 
 Designation: **DAG 15/7/22**

