

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

**OF**

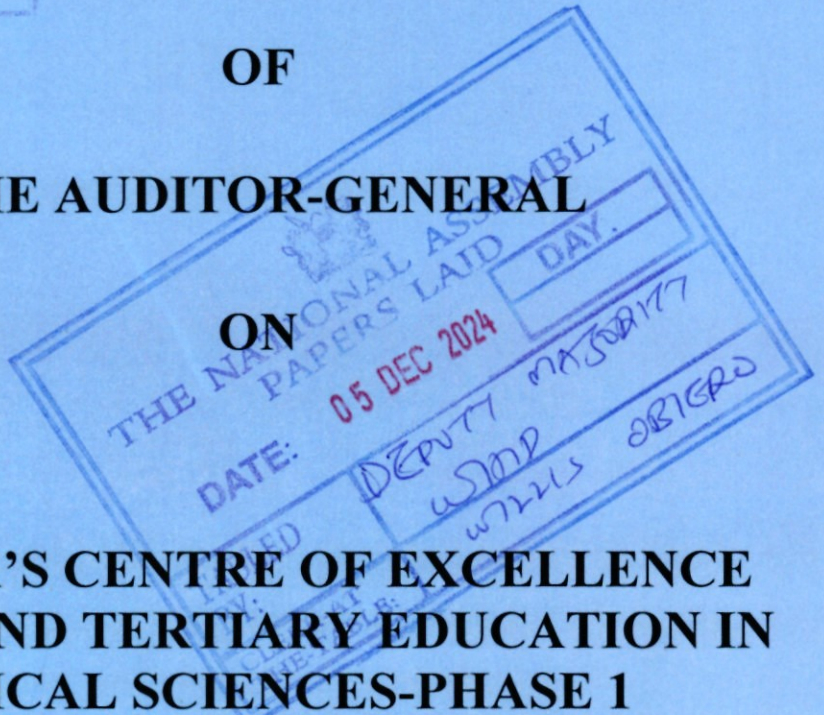
**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**MINISTRY OF HEALTH**





**PROJECT NAME: EAST AFRICA'S CENTRE OF EXCELLENCE**

**IMPLEMENTING ENTITY: MINISTRY OF HEALTH (MOH)**

**PROJECT LOAN NUMBER: 2100150031997**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2024**

---

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

## Table Contents

### Page

1. Acronyms and Glossary of Terms .....	ii
2. Project Information and Overall Performance .....	iii
3. Statement of Performance against Project's Predetermined Objectives .....	xii
4. Environmental and Sustainability reporting .....	xv
5. Statement of Project Management responsibilities .....	xviii
6. Report of the Independent Auditor on Financial Statements for East Africa's Centre Of Excellence Project .....	xx
7. Statement of Receipts and Payments for the year ended 30th June 2024 .....	1
8. Statement of Financial Assets as at 30th June 2024 .....	2
9. Statement of Cash flow for the year ended 30th June 2024 .....	3
10. Statement of Comparison of Budget and Actual amounts for year ended 30 <sup>th</sup> June 2024 .....	4
11. Significant Accounting Policies .....	5
12. Notes to the Financial Statements .....	11
13. Annexes .....	21

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

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

## 2. Project Information and Overall Performance

Line Ministry/State Department of the project	The project is under the supervision of the Health Ministry.
Project number	<b>P-Z1-IBO-23    Loan Number 2100150031997</b>
Strategic goals of the project	The strategic goals of the project are as follows:  I.    Training II.   Research III.  Service delivery
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i)    Training of public health workers (ii)   Research and analysis of public health information
Project duration	The project started on 17 <sup>th</sup> December 2014 and is expected to run until 31 <sup>st</sup> December 2024

### 2.1 Name and registered office

**Name:**

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

Afya House

AFDB Prefab offices

**Objective**

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

**Address**

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

The address of its registered office is:

P.O Box 30016 – 00100

Afya House. Cathedral Road, Nairobi.

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

Telephone: (254) 0202717077

E-mail: pshealth.go.ke

## 2.2 Project Information

Project Start Date:	The project start date is 17-12-2014
Project End Date:	The project end date is 31/12/2024
Project Manager:	The project manager is Dr. Hossan Ajuck
Project Sponsor:	The project sponsors are AfDB and GOK

## 2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Health, State Department of Medical Services.
Project number	<b>P-Z1-IBO-23    Loan Number 2100150031997</b>
Strategic goals of the project	The strategic goals of the project are as follows:  <ul style="list-style-type: none"> <li>I. Training</li> <li>II. Research</li> <li>III. Service delivery</li> </ul>
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means:  <ul style="list-style-type: none"> <li>I. Training of public health workers</li> <li>II. Research and analysis of public health information</li> <li>III. Offer specialized services in Urology and Nephrology</li> </ul>
Other important background information of the project	The project Phase I is coming to completion on 31 <sup>st</sup> December 2024.
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps:  <ul style="list-style-type: none"> <li>1. To improve expertise and strengthen specialized health</li> </ul>

	<p>care services to Kenyans and the East African Region.</p> <ol style="list-style-type: none"><li>2. To reduce the burden on chronic kidney disease through enhancement of promotive and preventive interventions.</li><li>3. To provide high quality regional based renal health services to stem outward referrals to foreign countries. To improve specialists teaching and training</li><li>4. To strengthen regional healthcare referral services and attract medical tourism to the country.</li><li>5. To promote quality research in medical specialties and maintain a registry on renal conditions.</li></ol>
Project duration	5 Years but extension have been granted for 5 years.

#### **2.4. Bankers**




The following are the bankers for the project:

Central Bank of Kenya  
P.o Box 6000 -0200  
Nairobi

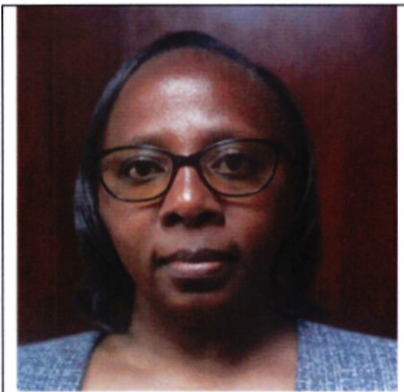
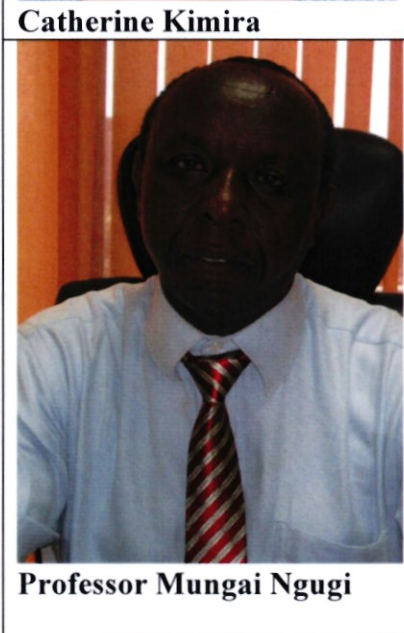
#### **2.5. Independent Auditor**

Auditor General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

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

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



	<p>Senior Supply Chain Management Officer</p>	<p>MSC(Procurement &amp; Logistics)</p>	<p>Carrying out the procurement functions of the Project</p>
	<p>Academic officer</p>	<p>MBChB, M.Ed. Urologist</p>	<p>In charge of academic programs</p>

**2.7 Funding summary**

The Project is for duration of 5 years from 2014 to 2019 but was given an extension of 5years to December 2024 with an approved budget of UA 27, 500,000 equivalent to Kshs. 3,674,000 ,000 and Additional Financing of UA 15,500,000 equivalent to Kshs. 2,428,599,000 as highlighted in the table below:

*Annual Report East Africa Centre Of Excellence Project Loan Number .210050031997  
and Financial Statements for the financial year ended June 30, 2024*

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

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment		Amount received to date – (30 <sup>th</sup> June 2024)		Undrawn balance to date	
	Donor currency UA	Kshs	Donor currency UA	Kshs	Donor currency UA	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Loan</b>						
AfDB	25,000,000	3,340,000,000		2,562,607,985		777,392,015
<b>(ii) Counterpart funds</b>						
Government of Kenya	2,500,000	334,000,000		230,499,572		103,500,428
<b>Additional Financing</b>						
AfDB	14,000,000	2,186,520,000				2,186,520,000
<b>Counterpart funds</b>						
Government of Kenya	1,550,000	242,079,000				242,079,000
<b>Total</b>	<b>43,050,000</b>	<b>6,102,599,000</b>		<b>2,793,107,557</b>		<b>3,309,491,443</b>

Exchange rate 1 UA= KES 133.61 (**Loan 1**)

Exchange rate 1 UA= KES 156.18 (**Additional Loan**)

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

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2024)		Cumulative amount paid to date – (30 <sup>th</sup> June 2024)		Unutilised balance to date (30 <sup>th</sup> June 2024)	
	<i>Donor currency(UA)</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency(UA)</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
<b>(i) Loan</b>						
AfDB		2,562,607,985		2,561,867,317		740,668
<b>(ii) Counterpart funds</b>						
Government of Kenya		230,499,572		228,180,959		2,318,613
<b>Total</b>		<b>2,793,107,557</b>		<b>2,790,048,276</b>		<b>3,059,281</b>

Exchange rate 1 UA= KES 145.6

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

**2.8 Summary of Overall Project Performance:**

*i) Budget performance against actual amounts for current year and for cumulative to -  
30<sup>th</sup> June 2024,*

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

Total – KES 3,674,000,000 (100%)

Expenditure of at 30<sup>th</sup> June 2024

AfDB – KES 2,608,715,739.05 (78%) GOK – KES 239,779,268.35 (72%)

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

1. Training of over 345 professionals who have supported all the renal units at the counties established under the Medical Equipment Services (MES) program.
2. Conducted over 250 Transplants at KNH.
3. Establishment of Histocompatibility and immunogenetics laboratory (HLA) at KNH.
4. Supported 5 regional conferences
5. Development of over 26 new Curricula in Urology and Nephrology
6. Supply, delivery, installation, commissioning, testing, and training on use and maintenance of biomedical equipment LOT I – Imaging Equipment.
7. Supply, delivery, installation, commissioning, testing, training on use and maintenance of LOT 4 Renal/pharmacy/Holding room equipment.
8. Supply, delivery, installation, commissioning, testing, training on use and maintenance of LOT 5-Laboratory clinical/chemistry/immunology/transplantation and genetics Equipment
9. Development of the strategic plan for the Centre of excellence
10. Construction and equipping of Ground floor to second floor and shell on 3<sup>rd</sup> and 4<sup>th</sup> floor
11. Procurement of radiology equipment. The contract has been signed and the supplier is yet to deliver as per the schedule.

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

<b>FINANCING SOURCE/INSTRUMENT</b>	<b>TOTAL APPROVED AMOUNT</b>	<b>DISBURSED AMOUNT</b>	<b>DISBURSED AMOUNT (%)</b>
<b>i) Loan 1</b>			
<b>Works</b>	1,847,975,275.15	1,847,841,570.31	99.99
<b>Goods</b>	972,680,800.00	411,335,338.52	42.29
<b>Services</b>	420,722,524.85	276,140,705.04	65.63
<b>Operating costs (AfDB)</b>	98,621,400.00	73,398,125.18	74.42
<b>Operating Costs (GOK)</b>	334,000,000.00	239,779,268.35	71.79
<b>ii) Additional Financing</b>			
<b>Works</b>	842,400,000	0	0
<b>Goods</b>	973,440,000	0	0
<b>Services</b>	349,440,000	0	0
<b>Operating costs</b>	17,160,000	0	0
<b>TOTAL</b>	<b>5,858,000,000</b>	<b>2,848,495,007.40</b>	<b>77.53</b>

**iv) Implementation challenges.**

- a) Establishment of registry
- b) Payment to the lead consultant
- c) Payment of IPC 19 and 20 Dollar component
- d) Handing over of the site in readiness for additional financing
- e) Operationalization of phase 1

**v) Recommended Next Steps.**

- a) A Process has been initiated to recruit a consultant and UoN allowed to support
- b) Reallocation was done to allow payment for the lead consultant
- c) PDE has been corrected and the Payment process started
- d) The contractor is completing the snag and preparing the final accounts
- e) The strategic plan is yet to be concluded but the operationalization of phase 1 will be undertaken by PIU under the supervision of PSC as the process of approval of the SAGA is going on.

**2.9 Summary of Project Non-Compliance:**

The project requirements were compiled accordingly.

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

#### **Introduction**

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

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

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

#### **Progress on the attainment of Strategic development objectives**

PROJECT	OBJECTIVES	OUTCOME	INDICATORS	PERFORMANCE
EAKI	Policy formulation and	. Hire a consultant . Workshops	. ToRs /Expression of Interest/Advertisement	. Contract . Workshop
	Strategic planning	convened to develop the operational plan	. Final operational plan submitted to MOH	Reports and Strategic plan is the development process
		Strategic Plan and Operational	ToRs /Expression of Interest/Advertisement	Contract and Strategic Documents

*East Africa's Centre Of Excellence Project Loan Number 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2024*

		Guidelines and Labor market policy		
Coordination and partnerships	Project Managers salaries	status of implementation	Project manager reported.	
	Office Consumables and communication support	Professional Opinion/Purchased airtime	S13	
	Repairs and Servicing of Project Vehicles and Fuel	Motor Vehicle Inspection reports and Repair invoices	Motor Vehicle Inspection Report	
	Monitoring and Evaluation Officer Salaries	status of implementation	Recruited but did not report	
	Repair of ADB office block	BoQ's and RFQ's	Final Certificate on Repairs (done)	
	Carry out service of Office Printers and Photocopiers	Service report	Service Report	
	Support UON Research office	Hire Statistician/epidemiologist and office assistant		Hire Consultant and hold Stakeholders workshops
		Develop Research strategy and platform		Hire Consultant and hold Stakeholders (not done)

**Annual Report East Africa Centre Of Excellence Project Loan Number .210050031997  
and Financial Statements for the financial year ended June 30, 2024**

Below we provide the progress on attaining the stated objectives:

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



		❖ Published 8 papers	Printed in medical Journals	Good
		❖ Construction of the EAKI complex in a record time 2 years	Plan underway for commissioning by the Head of state.	Good
		❖ Development of over 26 new Curricula in Urology and Nephrology.	Students learning from the curriculum.	Good

#### **4. Environmental and Sustainability reporting**

##### **1. Sustainability strategy and profile**

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

Potential Impact	Mitigation measures
Land Pollution	<ul style="list-style-type: none"> <li>• Establish a robust solid waste management system</li> </ul>
Air pollution	<ul style="list-style-type: none"> <li>• Preventive maintenance of emergency diesel generator</li> <li>• Incorporation of renewable energy technologies</li> <li>• Landscaping &amp; tree planting along site boundary</li> </ul>

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

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

report recommends that the EAKI project should be approved by NEMA subject to conditions deemed necessary by the Authority to advance sustainable development.

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

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

## **2. Environmental performance**

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

## **3. Employee welfare**

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

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

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

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

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

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

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

The Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2024

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

The Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the Project Financial Statements**

The Project financial statements were approved by the Principal Secretary Ministry of Health and the Project Manager for East Africa's Centre of Excellence Project on 28/10/24 and signed by:



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



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



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

# REPUBLIC OF KENYA

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



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

*Enhancing Accountability*

## REPORT OF THE AUDITOR-GENERAL ON EAST AFRICA'S CENTRE OF EXCELLENCE FOR SKILLS AND TERTIARY EDUCATION IN BIOMEDICAL SCIENCES-PHASE 1 (LOAN NO.2100150031997) PROJECT FOR THE YEAR ENDED 30 JUNE, 2024 – 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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, risk management environment and 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, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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

#### Qualified Opinion

I have audited the accompanying financial statements of East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 (Loan No.2100150031997) set out on pages 1 to 23, which comprise of the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual

---

*Report of the Auditor-General on East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences-Phase 1 (Loan No.2100150031997) Project for the year ended 30 June, 2024 – Ministry of Health*

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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 (Loan No.2100150031997) as at 30 June, 2024 and of 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 the Financing Agreement No.2100150031997 dated 17 December, 2014 between African Development Fund and the Republic of Kenya.

### **Basis for Qualified Opinion**

#### **Variance in Counterpart Funding**

The statement of receipts and payments reflects an amount of Kshs.28,130,914 in respect to transfer from Government entities being counterpart funding. However, review of the project's Integrated Financial Management Information System (IFMIS) vote book revealed counterpart payments of Kshs.47,233,337 resulting to an unreconciled and unexplained variance of Kshs.19,102,423.

In the circumstances, the accuracy and completeness of transfer from Government entities amount of Kshs.28,130,914 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the East Africa's Centre of Excellence for Skills and Tertiary Education in Biomedical Sciences - Phase 1 (Loan No.2100150031997) Management in accordance with ISSAI 130 on the 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 qualified opinion.

### **Emphasis of the Matters**

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

The statement of comparison of budget and actual amounts reflects final budget amount of Kshs.622,500,000 and actual on comparable basis amount of Kshs.231,293,062 resulting to under-funding of Kshs.391,206,938 or 63%.

The under-funding, affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## **Other Matter**

### **1. Undrawn Loan Balances**

The funding summary under the project information and overall performance reflects lender's loan commitment amount of Kshs.3,340,000,000 over the Project life, 17 December 2014 to 31 December, 2024. However, only Kshs.2,562,607,985 had been drawn as at 30 June, 2024 resulting to undrawn balance of Kshs.777,392,015 or 23% of the funding.

In the circumstances, the low absorption hinders achievement of the Project's objective of focusing on public health problems including infectious diseases.

### **2. Undisbursed Additional Loan Financing**

The funding summary under the project information and overall performance reflects additional loan financing amount of Kshs.2,186,520,000 acquired on 5 April, 2023. However, these funds had not been disbursed by 30 June, 2024 since the project foreign currency and the local currency accounts had not been opened. This exposed the government to loan commitment charges as per Section 2.03 of the additional loan agreement which requires the borrower to pay commitment charges at a rate of 0.5% per annum of the undisbursed loan balance which accrue one hundred and twenty days after the loan agreement is signed.

In the circumstances, the delayed account opening exposed the Government to loan commitment charges which also hinders the achievement of the Project's objective.

## **Other Information**

### **Conclusion**

The Management is responsible for the other information set out on page iii to xix which comprise of project information and overall performance, statement of performance against project's predetermined objectives, environmental and sustainability reporting and statement of project management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

In connection with my audit on the Project, financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.



# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

### **1. Failure to Channel Counterpart Funds to the Project Account**

The statement of receipts and payments reflects an amount of Kshs.28,130,914 in respect to transfer from Government entities as disclosed in Note 1 to the financial statements. The amount relates to counterpart funds paid directly by the Ministry of Health instead of being channeled to the project implementation account. This was contrary to Paragraph 4.3.7 of the Technical Annexes to the Loan Appraisal Report of 2014 which requires transactions be paid from the Project implementation account.

In the circumstances, Management was in breach of the law.

### **2. Interest on Delayed Performance**

The statement of receipts and payments reflects an amount of Kshs.2,287,248,682 in respect to cumulative acquisition of non-financial assets as disclosed in Note 5 to the financial statements out of which Kshs.1,896,550,620 was incurred on the construction of East Africa Centre of Excellence. The contract was for a period of twenty-four (24) months from 27 April, 2020 to 26 April, 2022 which was later extended for additional twenty (20) months up to 31 December, 2023. However, as at 30 June, 2024 six (6) months after the lapse of the extension period, the project remained incomplete while interest on delayed performance by the contractor was not being charged. This was contrary to Section 140 (b) of the Public Procurement and Asset Disposal Act, 2015 which states that 'the contractor shall be liable to liquidated damages for delayed performance'

In the circumstances, Management was in breach of law.

### **3. Irregular Contract Variation**

The statement of receipts and payments reflects acquisition of non-financial assets cumulative amount paid of Kshs.2,287,248,682 as disclosed in Note 5 to the financial statements. The amount includes Kshs.298,396,698 being price variation for the construction of East Africa's Kidney Institute Centre of Excellence. However, the contract variation was not reviewed by a contract implementation team or an evaluation committee before approval by the accounting officer. This was contrary to Regulation 132 (1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020. In addition, the variation amount includes Kshs.23,111,833 which was varied within one year of contract signing contrary to Section 139 (3) of the Public Procurement and Asset Disposal Act,

2015 which states that, "No contract price shall be varied upwards within twelve months from the date of the signing of the contract"

In the circumstances, Management was in breach of the law.

#### **4. Delayed Project Completion**

The statement of receipts and payments reflects cumulative payments on purchase of goods and services of Kshs.2,790,048,277 incurred to set up East Africa's Kidney Institute Centre of Excellence. The project was for five (5) years from 17 December, 2014 financed through a loan of Kshs.3,340,000,000 and additional Government counterpart funding amount of Kshs.334,000,000 totalling Kshs.3,674,000,000. However, as at 30 June, 2024 four years later than the completion date, the project was incomplete despite the Government having started loan repayments and the project's benefits are yet to be realized.

In the circumstances, citizens may not have received value for money due to the delayed project implementation and the project's objective of focusing on health problems including infectious diseases may not have been realized.

#### **5. Loan Commitment Charges**

The statement of receipts and payments reflects cumulative loan received amount of Kshs.2,562,607,985 as disclosed in Note 2 to the financial statements whose agreement was signed on 17 December, 2014. According to Section 3.03 and 3.04 of the loan agreement, the Government is required to pay commitment charges at a rate of 0.5% per annum of the undisbursed loan balance semi-annually on 1 April and 1 October every year. A trend analysis for nine (9) years from 2015/2016 financial year indicated commitment charges of Kshs.119,093,103 due to huge undisbursed balances which could have been avoided had management adhered to the project timelines.

In the circumstances, the citizens will not enjoy value for money on the undisbursed loan balances.

The audit was conducted in accordance with the International ISSAIs 3000 and 4000. The Standards 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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with the ISSAIs 2315 and 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**

### **Conclusion**

As required by African Development Fund, I report based on my audit that 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:

- i. Information given in the Management report on pages iii to xix is consistent with the financial statements;
- ii. 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.

### **Basis for Conclusion**

The African Development Fund requires that, I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Projects' compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, Management is responsible for assessing the Project's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I also I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

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

**Nairobi**


**29 October, 2024**

**Annual Report East Africa Centre Of Excellence Project Loan Number .210050031997  
and Financial Statements for the financial year ended June 30, 2024**

**7. Statement of Receipts and Payments for the year ended 30th June 2024**

	Note	F/Y 2023/2024			F/Y 2022/2023			Cumulative to-date (From inception)
		Receipt and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Receipts</b>								
Transfer from Government entities	1	-	28,130,914	28,130,914	19,196,384		19,196,384	230,499,573
Loan from External Development Partners	2	6,545,097	196,617,051	203,162,148		632,629,195	632,629,195	2,562,607,985
<b>Total receipts</b>		<b>6,545,097</b>	<b>224,747,965</b>	<b>231,293,062</b>	<b>19,196,384</b>	<b>632,629,195</b>	<b>651,825,579</b>	<b>2,793,107,558</b>
<b>Payments</b>								
Compensation to employees	3	8,034,206	-	8,034,206	6,565,040	7,144,500	13,709,540	60,366,589
Purchase of goods and services	4	6,463,000	25,929,915	32,392,915	5,488,281	34,435,401	39,923,682	442,433,006
Acquisition of non-financial assets	5	-	198,818,051	198,818,051		591,049,294	591,049,294	2,287,248,682
<b>Total payments</b>		<b>14,497,206</b>	<b>224,747,965</b>	<b>239,245,172</b>	<b>12,053,321</b>	<b>632,629,195</b>	<b>644,682,516</b>	<b>2,790,048,277</b>
<b>Surplus</b>		<b>(7,952,109)</b>	<b>-</b>	<b>(7,952,110)</b>	<b>7,143,063</b>	<b>-</b>	<b>7,143,063</b>	<b>3,059,281</b>

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

  
 Harry Kimtai, CBS  
 Principal Secretary  
 Date 28/10/24

  
 Dr. Hossan Ajuck  
 Project Manager  
 Date 28/10/24

  
 Samuel Ndiangui  
 Project Accountant  
 ICPAK NO. 14495  
 Date 28/10/24

*Annual Report East Africa Centre Of Excellence Project Loan Number .210050031997  
and Financial Statements for the financial year ended June 30, 2024*

**8. Statement of Financial Assets as at 30th June 2024**

Description	Note	FY2023/2024 Kshs	FY2022/2023 Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	7.A	3,059,281	11,011,390
<b>Total Cash and Cash equivalents</b>		<b>3,059,281</b>	<b>11,011,390</b>
<b>Total Financial Assets</b>		<b>3,059,281</b>	<b>11,011,390</b>
<b>Net Assets</b>		<b>3,059,281</b>	<b>11,011,390</b>
<b>Represented By</b>			
Fund Balance B/fwd.	8	11,011,390	3,868,327
Surplus for the Year		(7,952,109)	7,143,063
<b>Net Financial Position</b>		<b>3,059,281</b>	<b>11,011,390</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26<sup>th</sup> October 2024 and signed by:



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



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





.....  
**Samuel Ndiangui**  
ICPAK Member No:14495

**9. Statement of Cash flow for the year ended 30th June 2024**

Description	Notes	FY2023/2024 Kshs	FY 2022/2023 Kshs
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Receipts from Government of Kenya	1	6,545,097	19,196,384
<b>Total receipts</b>		<b>6,545,097</b>	<b>19,196,384</b>
<b>Payments</b>			
Compensation of employees	3	8,034,206	13,709,540
Purchase of goods and services	4	6,463,000	39,923,682
<b>Total Payments</b>		<b>14,497,206</b>	<b>53,633,222</b>
<b>Net receipts/(payments)</b>		<b>(7,952,109)</b>	<b>(34,436,838)</b>
<b>Net cash flow from operating activities</b>		<b>(7,952,109)</b>	<b>(34,436,838)</b>
<b>Cash flow from investing activities</b>			
Acquisition of non-financial assets	5	-	591,049,294
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>591,049,294</b>
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings	2	-	632,629,195
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>632,629,195</b>
Net increase in cash and cash equivalents		(7,952,109)	7,143,063
<b>Cash and cash equivalent at beginning of the year</b>	<b>6</b>	<b>11,011,390</b>	<b>3,868,327</b>
<b>Cash and cash equivalent at end of the year</b>	<b>6</b>	<b>3,059,281</b>	<b>11,011,390</b>

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 28<sup>th</sup> October 2024 and signed by:

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

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

  
.....  
**Samuel Ndiangui**  
ICPAK Member No:14495

**10. Statement of Comparison of Budget and Actual amounts for year ended 30<sup>th</sup> June 2024**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	105,000,000	(2,500,000)	102,500,000	28,130,914	74,369,086	27%
Proceeds from borrowings	1,403,000,000	(883,000,000)	520,000,000	203,162,148	316,837,852	39%
Miscellaneous receipts				-	-	
<b>Total Receipts</b>	<b>1,508,000,000</b>	<b>(885,500,000)</b>	<b>622,500,000</b>	<b>231,293,062</b>	<b>391,206,938</b>	<b>37%</b>
<b>Payments</b>						
Compensation to employees	8,200,000	-	8,200,000	8,034,206	165,794	98%
Purchase of goods and services	59,300,000	(2,500,000)	56,800,000	32,392,915	24,407,085	57%
Acquisition of non-financial assets	1,440,500,000	(883,000,000)	557,500,000	198,818,051	358,681,949	36%
<b>Total Payments</b>	<b>1,508,000,000</b>	<b>(885,500,000)</b>	<b>622,500,000</b>	<b>239,245,172</b>	<b>383,254,828</b>	<b>38%</b>
Surplus	-	-	-	(7,952,110)	7,952,110	

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



Harry Kimtai,(CBS)  
Principal Secretary



Dr. Hossan Ajuck  
Project Manager



Samuel Ndiangui  
Project Accountant  
ICPAK Member No:14495



## **11. Significant Accounting Policies**

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

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

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

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

### **b) Reporting entity**

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

### **c) Reporting currency**

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

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

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

## **Significant Accounting Policies Continued**

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

**iii) External Assistance**

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

**iv) Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents.

These are recognized in the financial statements at the time associated cash is received.

**v) Donations and grants**

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

**vi) Proceeds from borrowing.**

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

**vii) Undrawn external assistance**

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

**e) Recognition of payments**

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

**i) Compensation to employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

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

**f) In-kind donations**

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

**g) Cash and cash equivalents**

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

**h) Restriction on cash**

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

**i) Imprests and Advances**

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

**j) Contingent Assets**

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

**k) Pending bills**

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

**l) Budget**

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

**m) Third party payments**

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

**n) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the

exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

**o) Comparative figures**

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

**p) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024

**q) Prior period adjustments**

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

**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

Description  Name of Donor	FY2023/2024					FY2022/2023	Cumulative to date
	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	Total amount in Kshs	
		(UA)	Kshs	Kshs	Kshs	Kshs	
Counterpart Funding Through Ministry Of Health			28,130,914		28,130,914	-	28,130,914
<b>Total</b>		-	<b>28,130,914</b>	-	<b>28,130,914</b>	-	<b>28,130,914</b>

**2. Loan from External Development Partners**

During the financial period to 30 June 2024, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	FY2023/2024	FY2022/2023	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
African Development Bank Fund(ADBF)	6,545,097	18,588,184	200,050,044
Loans received from bilateral Donors (Foreign Governments) African Development Bank Fund(ADBF)	196,617,051	632,629,195	2,562,607,985
<b>Total</b>	<b><u>203,162,148</u></b>	<b><u>651,217,379</u></b>	<b><u>2,762,658,029</u></b>

**3.Compensation to Employees**

Description	FY 2023/2024			FY2022/2023	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
-					
Basic salaries of permanent employees	8,011,866	-	8,011,866	13,690,340	60,326,049
Compulsory national health insurance schemes	18,700		18,700	17,000	34,700
Compulsory national social security schemes	3,640	-	3,640	2,200	5,840
<b>Total</b>	<b>8,034,206</b>	<b>-</b>	<b>8,034,206</b>	<b>13,709,540</b>	<b>60,366,589</b>



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

**4. Purchase of Goods and Services**

<b>Description</b>	<b>FY2023/2024</b>			<b>FY 2022/2023</b>	<b>Cumulative to- date</b>
	<b>Payments made in Cash</b>	<b>Payments made by third parties</b>	<b>Total payments</b>	<b>Total payments</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Office Supplies	-	958,750	958,750	525,000	10,783,873
Conference services	6,463,000	2,557,500	9,020,500	5,935,224	42,318,557
Domestic travel and subsistence	-	11,481,929	11,481,929	2,704,865	104,498,744
Foreign travel and subsistence	-	1,283,090	1,283,090	-	4,677,665
Printing, advertising, and information supplies		1,445,500	1,445,500	5,057,940	8,323,034
Consultancy services		3,716,490	3,716,490	17,153,143	106,907,232
Training payments	-	2,849,656	2,849,656	6,732,561	119,601,037
Hospitality supplies and services	-	-	-	-	1,440,602
Specialized materials and services	-	-	-	-	31,512,882
Routine maintenance – vehicles and other transport equipment	-	1,637,000	1,637,000	1,814,950	12,369,380
<b>Total</b>	<b><u>6,463,000</u></b>	<b><u>25,929,915</u></b>	<b><u>32,392,915</u></b>	<b><u>39,923,683</u></b>	<b><u>442,433,006</u></b>

Notes to the Financial Statements (Continued)

5. Acquisition of Non-Financial Assets

	FY2023/2024			FY2022/2023	Cumulative to-date
Description	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of office furniture & general equipment	-	536,000	536,000	570,000	4,067,597
Construction of buildings	-	196,617,051	196,617,051	586,251,294	1,896,550,620
Purchase of computers , laptops, and accessories,	-	1,665,000	1,665,000	4,228,000	10,382,930
Overhaul & refurbishment of construction and civil works	-	-	-	-	92,662,585
Purchase of Medical Equipment	-	-	-	-	283,014,950
Purchase of specialized plant, equipment and machinery	-	-	-	-	570,000
<b>Total</b>	<b>=</b>	<b><u>198,818,051</u></b>	<b><u>198,818,051</u></b>	<b><u>591,049,294</u></b>	<b><u>2,287,248,682</u></b>

6. Cash And Cash equivalents

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Bank accounts (Note 7A)	3,059,281	11,011,390
<b>Total</b>	<b><u>3,059,281</u></b>	<b><u>11,011,390</u></b>

Notes to the Financial Statements (Continued)

7. A. Bank Accounts

Project Bank Accounts

Details	FY2023/2024	FY2022/2023
	Kshs	Kshs
<b>Foreign Currency Accounts</b>		
Central Bank of Kenya (EA COE -SKILLS A/C 1000233998)	0.00	0.91
<b>Local Currency Accounts</b>		
Central Bank of Kenya (EA COE -SKILLS A/C 1000258756)	3,059,281	11,011,390
<b>Total local currency balances</b>	<b>3,059,281</b>	<b>11,011,390</b>
<b>Total bank account balances</b>	<b>3,059,281</b>	<b>11,011,390</b>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2024 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

**Special Deposit Accounts Movement Schedule**

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
(i) Central Bank of Kenya (EA COE -SKILLS A/C 1000258756)		
Opening balance	11,011,390	3,868,327
Total amount deposited in the account	6,545,097	19,196,384
Total amount withdrawn (as per Statement of Receipts & Payments)	14,497,206	12,053,321
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>3,059,281</u></b>	<b><u>11,011,390</u></b>

**8. Fund Balance Brought Forward**

<b>Description</b>	<b>FY2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	3,059,281	11,011,390
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
<b>Total</b>	<b>3,059,281</b>	<b>11,011,390</b>

**Other Important Disclosures**

**1. External Assistance**

	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as grants		
External assistance received as loans	6,545,097	18,588,184
External assistance received in kind- as payment by third parties	196,617,051	632,629,195
<b>Total</b>	<b>203,162,148</b>	<b>651,217,379</b>

*a). External assistance relating loans and grants*

	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	196,617,051	632,629,195
External assistance received as grants	-	-
<b>Total</b>	<b>196,617,051</b>	<b>632,629,195</b>

*b) Undrawn external assistance*

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
<b>Description</b>		<b>Kshs</b>	<b>Kshs</b>
Undrawn external assistance - loans		2,963,912,015	974,009,066
Undrawn external assistance – counterpart		345,579,428	138,176,440
<b>Total</b>		<b>3,309,491,443</b>	<b>1,112,185,506</b>

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

**Other Important Disclosures (Continued)**

*c) Classes of providers of external assistance*

	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bilateral donors	6,545,097	18,588,184
<b>Total</b>	<b>6,545,097</b>	<b>18,588,184</b>

*d) Purpose and use of external assistance*

<b>Payments made by third parties</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation to employees	8,034,206	7,144,500
Use of goods and services	32,392,915	34,435,401
Acquisition of assets	198,818,051	591,049,294
<b>Total</b>	<b>239,245,172</b>	<b>632,629,195</b>

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

	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Bilateral donors	196,617,051	632,629,195
<b>Total</b>	<b>196,617,051</b>	<b>632,629,195</b>

**Other Important Disclosures (Continued)**

**2. Payments by Third Party on Behalf of the Project**

*2.1 Classification by Source*

	<b>FY 2023/2024</b>	<b>FY2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	28,130,914	18,588,184
Bilateral donors	196,617,051	632,629,195
<b>Total</b>	<b>224,747,965</b>	<b>651,217,379</b>

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

<b>Payments made by third parties</b>	<b>FY 2023/2024</b>	<b>FY2022/2023</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	8,034,206	7,144,500
Use of goods and services	32,392,915	34,435,401
Acquisition of assets	198,818,051	591,049,294
<b>Total</b>	<b>239,245,172</b>	<b>632,629,195</b>

**Other Important Disclosures (Continued)**

**3. Related Party Disclosures**

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

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

**Related party transactions:**

	<b>FY 2023/2024</b>	<b>FY2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Compensation to Key Management</b>		
Compensation to the program manager/ director	8,034,206	9,485,521
<b>Total Compensation to Key Management</b>	<b>8,034,206</b>	<b>9,485,521</b>
<b>Transfers from related parties</b>		
Transfers from the Ministry/ department	28,130,914	18,588,184
<b>Total Transfers from related parties</b>	<b>28,130,914</b>	<b>18,588,184</b>



13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	delivery to the public.			
S/No 2.0 2021/2022 audit report	<p><b>Unutilized Balance</b></p> <p>The project information and overall performance underfunding summary at paragraph 1.7 reflects total commitment of Kshs.3,674,000,000 and amount received to date (30 June, 2022) of Kshs.1,908,278,502 resulting to a difference of Kshs.1,765,721,498 (or 48%). Meaning the Project had attained 52% performance level with project end date indicated as 31 December, 2023.</p> <p>In the circumstances, the primary objective of focusing on public health problems affecting the country, including infectious diseases, use of scientific evidence for policy formulation and program</p>	<p>This was caused by delay in project implementation due to late approvals for construction from other government entities. The project activities have since progressed and the project duration has been extended and closing date will be 31<sup>st</sup> December 2024</p>	Resolved	N/A

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	implementation may not be realized.			



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



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

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997*  
*Annual Report and Financial Statements for the financial year ended June 30, 2024*

**Annex 2: Variance explanations - Comparative Budget and Actual amounts for FY 2023/2024**

<b>Receipts/Payments Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>D</b>	<b>e=c-d</b>	<b>f=d/c %</b>
<b>Receipts</b>						
Transfer from Government entities						
Proceeds from borrowings	105,000,000	(2,500,000)	102,500,000	28,130,914	74,369,086	27%
Miscellaneous receipts	1,403,000,000	(883,000,000)	520,000,000	203,162,148	316,837,852	39%
<b>Total Receipts</b>				-	-	
<b>Payments</b>	<b>1,508,000,000</b>	<b>(885,500,000)</b>	<b>622,500,000</b>	<b>231,293,062</b>	<b>391,206,938</b>	<b>37%</b>
Compensation to employees			-		-	
Purchase of goods and services	8,200,000	0	8,200,000	8,034,206	165,794	98%
Acquisition of non-financial assets	59,300,000	(2,500,000)	56,800,000	32,392,915	24,407,085	57%
<b>Total Payments</b>	<b>1,440,500,000</b>	<b>(883,000,000)</b>	<b>557,500,000</b>	<b>198,818,051</b>	<b>358,681,949</b>	<b>36%</b>
<b>Surplus</b>	<b>1,508,000,000</b>	<b>(885,500,000)</b>	<b>622,500,000</b>	<b>239,245,172</b>	<b>383,254,828</b>	<b>38%</b>

**Variations**

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

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997*  
*Annual Report and Financial Statements for the financial year ended June 30, 2024*

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

<b>Project Name:</b>				
<b>Break down of transfers from the State Department of Medical Services.</b>				
<b>a.</b>	<b>Government Counterpart funding</b>	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Central Bank Of Kenya	08/11/2023	8,469,739.40	2023/2024
	Central Bank Of Kenya	27/09/2023	7,737,200.00	2023/2024
	Central Bank Of Kenya	22/01/2024	2,342,200.00	2023/2024
	Central Bank Of Kenya	25/01/2024	9,581,775.00	2023/2024
		<b>Total</b>	<b>28,130,914.40</b>	
<b>B.</b>	<b>Direct payments</b>	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	African Development Bank	11/9/2023	75,323,581.00	2023/2024
	African Development Bank	11/9/2023	47,005,457.07	2023/2024
	African Development Bank	22/9/2023	750,000.00	2023/2024
	African Development Bank	5/10/2023	1,044,990.00	2023/2024
	African Development Bank	23/11/2023	1,921,500.00	2023/2024
	African Development Bank	28/12/2023	70,571,523.00	2023/2024
			<b>196,617,051.07</b>	
		<b>Total</b>		
<b>C.</b>	<b>Others</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate

**East Africa's Centre Of Excellence Project Loan Number: 2100150031997**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

	Central Bank Of Kenya			
		<b>Total</b>		
		<b>Total (A+B+C)</b>	<b>224,747,965.47</b>	

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

**Project Manager**  
**East African Centre of Excellence**

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

Sign:  .....

Sign:  .....

**East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2024**

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

<b>Name</b>	<b>Brief Description</b>	<b>Date Payable Contracted</b>	<b>Original Amount</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
<b>Others (specify)</b>							
1.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

*East Africa's Centre Of Excellence Project Loan Number: 2100150031997  
Annual Report and Financial Statements for the financial year ended June 30, 2024*

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

Asset class	Opening Cost (KShs) 2023/2024	Donations in form of assets (KShs) 2023/2024	*Purchases/ Additions in the Year (KShs) 2023/2024	**Disposals in the Year (KShs) 2023/2024	Transfers in/(out) Kshs 2023/2024	Closing Cost (KShs) 2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Buildings and structures	1,792,596,154		196,617,051			1,989,213,205
Office equipment, furniture and fittings	3,531,597		536,000			4,067,597
ICT Equipment,	8,717,930		1,665,000			10,382,930
Medical equipment	277,366,199					277,316,199
Transport Equipment	6,218,752					6,218,752
<b>Total</b>	<b>2,088,430,632</b>		<b>198,818,051</b>			<b>2,287,248,683</b>



**Annex 6: Other Support Documents**

**i. GOK IFMIS comparison Trial Balance**

<b>TRIAL BALANCE FOR THE YEAR ENDED 30TH JUNE 2024</b>		
<b>ITEM</b>	<b>DR</b>	<b>CR</b>
	<b>Ksh</b>	<b>Ksh</b>
Bal b/f		<b>11,011,390</b>
Exchequer Receipts		34,676,012
Receipts from other Government entities		196,617,051
Basic salaries of permanent employees	8,011,866	
Compulsory national health insurance schemes	18,700	
Compulsory national social security schemes	3,640	
Office Supplies	958,750	
Conference services	9,020,500	
Domestic travel and subsistence	11,481,929	
Foreign Travel and sunsistence	1,283,090	
Printing, advertising, and information supplies	1,445,500	
Consultancy services	3,716,490	
Training payments	2,849,656.00	
Routine maintenance – vehicles and other transport equipment	1,637,000	
Purchase of office furniture & general equipment	536,000	
Purchase of computers , laptops, and accessories,	1,665,000	
Construction of civil works	196,617,051	
<b>Bal c/d (special Deposit A/C Balance)</b>	<b><u>3,059,281</u></b>	<b>=</b>
<b>Total</b>	<b><u>242,304,453</u></b>	<b><u>242,304,453</u></b>

- ii. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- iii. Bank Reconciliations statement as at 30<sup>th</sup> June 2024
- iv. Board of Survey Report
- v. Special Deposit Account(s) reconciliation statement(s)



EAST AFRICA CENTERS OF EXCELLENCE PROJECT  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30TH JUNE 2024  
 PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 2100150031997

Bank Account No.1000233998 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1 Amount advanced by ADB			1,715,356.58
Less			
2 Total amount justified to ADB			1,657,544.38
3 <b>Outstanding amount advanced to Designated Account</b>			<b>57,812.20</b>
<b>Represented by:</b>			
4 Ending Designated Account Balance at 30.06.2024			-
5 Amount claimed but not credited at 30.06.2024			-
6 Amount withdrawn and not claimed as at 30.06.2024			57,812.20
7 Service charges (if not included in 5 & 6 above)			-
Less			
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2024			<b>57,812.20</b>

Discrepancy between total appearing on lines 3 and 9

-

Notes:

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

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

  
 AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 02 08 2024

## SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2024
Account No.	1000233998
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	(EA) COE FOR SKILLS&T-2100150031997
Credit Agreement	
Currency	USD

### Part A - Account Activity

Beginning balance of 1st July, 2023  
as per C.B.K. Ledger Account 0.91

#### **Add:**

Total Amount deposited by World Bank 40,795.06

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible  
expenditure

#### **Deduct:**

Total amount withdrawn 40,795.97

Total service charges if not included above in  
amount withdrawn

Ending balance on 30th June, 2024 0.00

**AUTHORISED REPRESENTATIVE**  
**CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

01.08.2024

**AUTHORISED REPRESENTATIVE**  
**EXTERNAL RESOURCES**  
**DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

02.08.2024

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

African Development Fund

Summary of Revolving Funds By Loan ( In Paid Currency )

Public sector As at 03.07.2024  
 Loan Number : 2100150031997  
 Project ID : P-21-IBO-023  
 Project Title : EAST AFRICA CENTERS OF EXCELLENCE KENYA  
 Borrower : GOVERNEMENT OF KENYA

Printing Date : 03.07.2024  
 Page : 1  
 System : PRD / 400  
 Loan Contract Currency : UAC  
 Closing Date : 31.12.2024  
 Commitment Capital : 25,000,000.00  
 Available Balance : 0.00

LDV Number	Reference	Curr	Amount Approved Approval Currency	Amount Justified Approval Currency	Balance to Justify Approval Currency	Amount Disbursed UAC	Amount Justified UAC	Balance to Justify UAC	%Justified	Disburs. Value Date	Last Just. Date
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)	F = D / C	(G)	(H)
2100150031997											
1 All activitie											
1/KE/2015/08860	RF NO0001	USD	520,592.00	520,592.00	0.00	371,596.62	371,596.62	0.00	100.00	07.10.2015	15.03.2019
1/KE/2018/49668	RF NO0028	USD	748,683.91	748,683.91	0.00	538,606.02	538,606.02	0.00	100.00	26.10.2018	02.03.2023
1/KE/2021/98807	RF NO0070	USD	269,377.27	269,377.27	0.00	192,481.08	192,481.08	0.00	100.00	06.12.2021	27.07.2023
1/KE/2023/23649	RF NO0092	USD	135,908.34	118,891.20	17,017.14	100,733.28	88,120.42	12,612.86	87.48	21.04.2023	12.06.2024
1/KE/2023/35201	RF NO0098	USD	40,795.06	0.00	40,795.06	31,044.11	0.00	31,044.11	0.00	13.10.2023	00.00.0000
Total 2100150031997 All activities											
						1,234,461.11	1,190,804.14	43,656.97	96.46		
2100150031997						1,234,461.11	1,190,804.14	43,656.97	96.46		

1,715,356.58    1,657,544.38    57,812.20



REPUBLIC OF KENYA

F.O 51

Date ...19<sup>TH</sup> JULY 2024.....

Report of the Board of Survey on the Cash and Bank Balances of.....East Africa Centre of Excellence.....as at the close of Business on..... 30<sup>th</sup> June ..... 2024.....

The Board, Consisting of (Names and Official titles)

1. LAWRENCE MWENDA. PRINCIPAL ACCOUNTANT - CHAIRMAN
2. Caroline Chemungor. ACCOUNTANT - MEMBER
3. Purity M. L. ASSISTANT ACCOUNTANT - MEMBER

Assembled at the office ..... EAST AFRICA CENTRE OF EXCELLENCE - ACCOUNT OFFICE

At 9.30 a.m. (time) on the 19<sup>th</sup> July 2024

And the following cash was produced:

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

It was overserved that cheques amounting to shs..... NIL ..... cts..... Had been oh hand for more than 14 days prior to the date of survey

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

The cash Book reflected the following balances as at the close of business on the

Cash on hand .. .. .	.. Sh.....	<u>NIL</u>
Bank Balance .. .. .	.. Sh.....	<u>3,059,281.10</u>
		<u><u>3,059,281.10</u></u>

The Bank Certificate of Balances showed a sum of Shs.

3,059,281.10 ..... cts ..... Fifty Six ..... (Sh.....) cts .....

Standing to the credit account on .....

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

Chair Person

Member of the Board

Member of the Board

Member of the Board

Date .....

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amount

GPK

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

Harle Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2860000, Fax: 3340192

July 29, 2024

## CERTIFICATE OF BALANCES

Customer:

STATE DEPART FOR  
MEDICAL SERVICES

Balance Date:

171622  
30-Jun-24

Account No	Account Name	Currency	Balance
1000733748	REC-STATE DEPT FOR MEDICAL SERVICES	KES	4,118,199,927.60
1000733764	DEV-STATE DEPT FOR MEDICAL SERVICES	KES	536,022,054.25
1000733799	CBK165-STATE DEPT FOR MEDIC SERV	KES	0.00
1000733888	DEP-STATE DEPT FOR MEDICAL SERVICES	KES	202,394,385.96
1000736569	E.A CENT. OG EXC. SKILLED-BIOMEDS	KES	3,059,281.10
1000736577	KENYA ITALY DEBT FOR DEV (KIDDP)	KES	0.00
1000736585	TRANSFORM. HEALTH SYST. UNIVERSAL C	KES	0.00
1000736593	DANIDA PRO SUP UNIV HEALTH CARE SER	KES	0.00
1000736607	STATE DEP FOR MED SERV-EQUALIZATION	KES	203,666,278.40
1000736615	THE UC GFF GRANT TFOA2561 KE	KES	0.00
1000736623	THS UC PHRD GRANT TFOA2792 KE	KES	0.00
1000736631	SPORTS, ART, SOCIAL DEV. FUND-HEALTH	KES	0.00
1000736647	COVID 19 EMERGENCY RESPONSE PROJECT	KES	956,273,948.05
1000736658	KENYA COVID-19 HEALTH EMERGENCY RES	KES	59,798,311.45
1000736666	DANIDA SUPPORTED PRI H C PROGRAMME	KES	32,526,223.00
1000736674	KEPSA PRIVATE SECTOR INTI COVID VAC	KES	0.00

Priscilla Keitany (Mrs)  
Authorised Signatory  
Banking Services Division

Micah Nabori  
Authorised Signatory  
Banking Services Division



**REPUBLIC OF KENYA  
BANK RECONCILIATION  
M.O.H**

E.A.C.E

**30TH JUNE 2024  
MINISTRY OF HEALTH - CBK A/C**

ACCOUNT NO. 1000258756

**Balance as per Bank Certificate**  
Less---  
1. Payments in Cash Book not yet recorded in Bank Statement  
2. Receipts in Bank Statement not yet recorded in Cash Book  
**Add---**  
3. Payments in Bank Statement not yet recorded in Cash Book  
4. Receipts in Cash Book not yet recorded in Bank Statement

	KSH	KSH	KSH
			3,059,281.10
			-
			-
			-
			-
<b>Bank balance as per cash book ..</b>			<b>3,059,281.10</b>

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

Prepared by:



Samuel Githae  
Project Accountant.

Authorised by



Moses Gitari  
Head Of Accounting Unit

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

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

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

DETAILS	DATE	DETAILS	AMOUNT KSHS
			-
			-

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

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

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

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

STATEMENT OF ACCOUNT  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA,  
 P.O.BOX 60000-0200,  
 NAIROBI.

STATEMENT PERIOD : From 01 MAY 2024 To 31 MAY 2024

No.	Value Date	Reference No.	Transaction Details	Dr. Amount	Cr. Amount	Balance
1	24-May-24	FT2414507LV4	TRFS Payments	148,583.00		0 3,426,121.10
			1000104			
			0			
			1082012323			
2	27-May-24	FT241485HDCR	Outward RTGS Payment MT 103		360	0 3,425,761.10
			1000106			
			STATE DEPART FOR MEDICAL SERVICES:999999			
			DIRECTOR NSSF			
			1000106			
			1082012325			
3	27-May-24	FT24148ZV3XV	Outward RTGS Payment MT 103	1,700.00		0 3,424,061.10
			1000105			
			STATE DEPART FOR MEDICAL SERVICES:999999			
			MANAGING DIRECTOR NHIF			
			1000105			
			1082012324			
4	27-May-24	FT241487W63L	Outward RTGS Payment MT 103	364,780.00		0 3,059,281.10
			1000107			
			STATE DEPART FOR MEDICAL SERVICES:999999			
			DENNIS HOSSAN AJUK			
			1000107			
			1082012322			
			Totals	515,423.00		0
						Closing Balance : 3,059,281.10