

# REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SOUTH IMENTI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

## 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 the 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

### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - South Imenti Constituency set out on pages 1 to 77, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material

respects, the financial position of National Government Constituencies Development Fund - South Imenti Constituency as at 30 June, 2022 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 National Government Constituencies Development Fund Act, 2015.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

The reconciliation of summary statement of appropriation to statement of assets and liabilities reflects Kshs.12,355,768. However, a recast gives Kshs.12,360,768 resulting to a variance of Kshs.5,000 which has not been reconciled.

In the circumstances, the accuracy of the reconciliation of summary statement of appropriation to statement of assets and liabilities balance could not be confirmed.

#### **2. Unsupported Project Management Committee (PMC) Bank Balances**

Note 17.4 and Annex 5 to the financial statements reflects Kshs.29,311,808 in respect to Project Management Committee (PMC) balances as at 30 June, 2022. However, Management has not provided respective cashbooks and bank reconciliation statements for audit review.

In the circumstances, the accuracy of PMC balances of Kshs.29,311,808 could not be confirmed.

#### **3. Inaccurate Cash and Cash Equivalents**

The statement of assets and liabilities and Note 10 to the financial statements reflects cash and cash equivalents balance of Kshs.12,360,768. The bank reconciliation statement however, includes unrepresented cheques totaling to Kshs.21,866,191 which further includes stale cheques amounting to Kshs.791,483 and which had not been written back to the cash book.

Further, the bank reconciliation statement reflects payments in the bank statement not yet recorded in the cashbook amounting to Kshs.27,800 that were not supported.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,360,768 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - South Imenti Constituency 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 qualified opinion.

### **Key Audit Matters**

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

## **Other Matter**

### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects total payments budget and actual amounts on comparable basis of Kshs.218,752,985 and Kshs.204,392,217 respectively resulting to a under expenditure of Kshs.14,360,769 or 7% of the budget.

The under-expenditure affected implementation of the planned activities and programs and impacted negatively on service delivery to the constituents.

### **2. Project Implementation Status**

Review of the project implementation status report as at 30 June, 2022 revealed that an amount of Kshs.165,471,517 was incurred on one hundred and twenty-three (123) projects during the year under review. Out of these projects, fifty-four (54) projects costing Kshs.45,309,454 were completed, sixty-six (66) projects costing Kshs.116,862,063 were ongoing and three (3) projects with an allocation of Kshs.3,300,000 had not started as at 30 June, 2022. The residents did get services and value for money from the projects which were both ongoing and not started, worthy Kshs.120,162,063, an indication of poor planning and project implementation mechanism.

The delays in project implementation impacted negatively on service delivery to the public.

### **3. Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised but, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of section 31(1) (a) of Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

## **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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Irregular Expenditure on Capacity Building**

The statement of receipts and payments reflects Kshs.9,288,950 in respect to use of goods and services which includes Kshs.97,000 and Kshs.5,456,410 in respect to other committee expenses and committee allowance respectively, as disclosed in Note 5 to the financial statements. The expenditure includes payment of Kshs.1,395,000, being subsistence allowance for capacity building held in Meru town for four (4) days. The training was for twenty-five (25) persons drawn from the Constituency Development Fund Committee members, oversight committee members, an officer from the Board, NGCDF staff, internal auditor and staff from procurement all from South Imenti Constituency. The National Treasury Circular Ref No ES 1/03 J(79) of 4 November, 2015 requires that all workshops and retreats with the majority of the participants drawn from one duty station are held within the precincts of the duty station.

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

### **2. Unsupported Expenditure on Emergency Projects**

The statement of receipts and payments reflects Kshs.112,606,806 in respect to other grants and other transfers which includes Kshs.9,460,000 in respect of emergency projects, as disclosed in Note 7 to the financial statements. The management did not however, provide evidence that the expenditure was emergency in nature and the use of the emergency reserves was reported to the Constituencies Development Fund Board within thirty (30) days, as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

### **3. Irregular Expenditure on Renovations of South Imenti NGCDF Office**

The statement of receipts and payments reflects Kshs.770,636 in respect of acquisition of assets, which includes payment of Kshs.600,000 for refurbishment of buildings, as disclosed in Note 8 to the financial statements. The contract sum was however, Kshs.568,000, resulting to an unexplained overpayment of Kshs.32,000. Further, there was no itemized bill of quantities provided with specifications on the works to be performed.

In addition, physical verification carried out in March, 2023 revealed that the roof was leaking in all the offices and corridors, ceiling had cracks between the joints, the gutter was only done on the front side of the office, the drainage was not repaired, doors were not repaired, padlocks for the whole office were not supplied and general works were not done.

In the circumstances, the value for money for the expenditure of Kshs.600,000 could not be confirmed.

### **4. Stalled Projects**

The statement of receipts and payments reflects Kshs.78,000,000 in respect to transfer to other government units, which includes Kshs.40,100,000 and Kshs.34,400,000, being transfers to primary and secondary schools respectively as disclosed in Note 6 to the financial statements. Physical verification of sampled projects revealed the following anomalies:

**i)** The Fund transferred Kshs.2,000,000 to Kigarine Day Secondary School Project Management Committee for the construction of an administration block with 9 offices at the ground floor, a Board room and a computer lab on the first floor and walling and erection of columns on the second floor. The project was co-funded by the Ministry of Education.

The project was started in the financial year 2014/2015 with an initial budget of Kshs.11,543,508 and an expenditure of Kshs.3,400,000 has already been incurred on the project which includes Kshs.2,000,000 for the year under review. The project has been done on the ground floor with doors and windows fitted and plastering done. The project has not been put to use despite being complete on the ground floor.

Further, the remaining phases of the project have not been completed eight (8) years from the time it was started contrary to Regulation 11(j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency Committee shall be to ensure that all projects receive adequate funding and are completed within three years.

In addition, the memorandum of understanding between the collaborating partners has not been provided contrary to Regulation 11(h) of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency Committee shall, subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding.

In the circumstances, the value for money for the expenditure of Kshs.3,400,000 has not been obtained

**ii)** The Fund transferred Kshs.4,000,000 to Kothine Day Secondary School Project Management Committee for the construction of a two storied laboratory with 14 benches for 26 students, 2 offices, a store, 4 classrooms, erection of columns, walling, roofing, plaster works, flooring, key pointing, fixing of doors and windows, painting and a stair case on the second floor.

The project was started in the year 2011/2012 with an initial budget of Kshs.13,054,429 and an expenditure of Kshs.6,800,000 has already been incurred on the project which includes Kshs.4,000,000 for the year under review.

Physical verification conducted in the month of March, 2023, revealed that the project had been done up to walling and roofing of the second floor, but is yet to be completed eleven (11) years from the time it was started contrary to Regulation 11 (j) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, the value for money for the expenditure of Kshs.6,800,000 has not been obtained

**iii)** The Fund transferred an amount of Kshs.4,000,000 to Nkumari Day Secondary School Project Management Committee for the construction of a multi-purpose hall to accommodate 600 students. The Phase I included roof work, installation of doors and steel casement windows, walls plastering, floor screed, window panes, key pointing and painting.

The project was started in the financial year 2017/2018 with an initial budget of Kshs.15,490,693 and an expenditure of Kshs.4,800,000 has already been incurred on the project which includes Kshs.4,000,000 for the year under review.

Physical verification conducted in the month of March, 2023, revealed that the project has been done up to walling and roofing on the second floor. The project has not been completed six (6) years from the time it was started contrary to Regulation 11 (j) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, the value for money for the expenditure of Kshs.4,800,000 has not been obtained

**iv)** The Fund transferred an amount of Kshs.1,700,000 to Nkubu Day Secondary School Project Management Committee for the construction of an administration block, casting of the slab for the storied administration block, plastering, windows and doors for ground floor. The project was started in the financial year 2014/2015 with an initial budget of Kshs.13,500,000 and an expenditure of Kshs.5,400,000 has already been incurred in the project which includes Kshs.1,700,000 for the year under review.

Physical verification conducted in March, 2023, revealed that the project has been done up to the first floor and plastering and doors and windows done on the ground floor.

The project has not been completed eight years from the time it was started contrary to Regulation 11 (j) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, the value for money for the expenditure amount of Kshs.5,400,000 has not been obtained.

**v)** The Fund transferred an amount of Kshs.2,500,000 to Kithangari Boys Secondary School Project Management Committee for the construction of a dining hall with a capacity of 500 students, casting floor slab, superstructure walling, roofing, fixing of doors and casement windows. The project was started in the financial year 2015/2016 with an initial budget of Kshs.11,827,887 and an expenditure of Kshs.5,300,000 has already been incurred on the project which includes Kshs.2,500,000 for the year under review.

Physical verification conducted in the month of March, 2023 revealed that the hall has not been roofed and the project has stalled. The project has not been completed seven years from the time it was started contrary to Regulation 11 (j) of the National Government Constituencies Development Fund Regulations, 2016.

In the circumstances, the value for money for the expenditure of Kshs.5,300,000 has not been obtained

**vi)** The Fund transferred an amount of Kshs.2,000,000 to Rurama Mixed Secondary School Project Management Committee for the grading, levelling and filling the play-field to completion. Physical verification conducted in March, 2023 however, revealed that the ground was not properly levelled. Further, the project bank statement was not provided for audit review.

In the circumstances, the value for money for the expenditure of Kshs.2,000,000 has not been obtained and the payment to the contractor could not be confirmed.

**vii)** The Fund transferred an amount of Kshs.2,000,000 to Mutokiama Primary School Project Management Committee for the grading, levelling and filling the play-field to completion. Physical verification conducted in March, 2023 revealed that the field was not properly levelled. Further the site minutes, bank statements, bill of quantities, list of prequalified suppliers, the bids of both successful and unsuccessful bidders, certificate of completion, certificate of payment, award letter, letter of regret, letter of notification and letter of acceptance were not provided for audit review.

In the circumstances, the value for money for the expenditure of Kshs.2,000,000 could not be confirmed.

## **5. Payment for Incomplete Project**

The statement of receipts and payments reflects an amount of Kshs.112,606,806 in respect of other grants and other transfers which includes Kshs.30,492,000 being expenditure on youth empowerment centres. The expenditure includes transfer of Kshs.2,727,067 to Mutunguru Resource Centre Project Management Committee for the completion of the centre.

Physical verification conducted in March, 2023 revealed that, pavement around the building was not done, some windows did not have window panes, the ceiling was hanging loosely and almost falling off, the paintwork was incomplete with only undercoat applied, the internal doors have a rough surface and un-levelled bottom, the steel doors are not smooth and have sharp edges, the tiles were not properly fixed and the sockets were hanging loosely and some falling off. This is contrary to Section 139(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a contractor shall satisfactorily perform contractual obligations prior to any payment by a procuring entity.

In the circumstances, the value for money for the expenditure of Kshs.2,727,067 has not been obtained.

## **6. Abandoned Security Projects**

The statement of receipts and payments reflects an amount of Kshs.112,606,806 in respect of other grants and other transfers which includes Kshs.30,408,898 in respect of security projects as disclosed in Note 7 to the financial statements. Physical verification of sampled projects however, revealed the following anomalies.

i) The Fund transferred an amount of Kshs.1,000,000 to Kinoro Police Station Project Management Committee for the completion of the Station. Physical verification conducted in March, 2023 revealed that the station is in a dilapidating state and abandoned since it was not constructed as per the Kenya Police Service specifications. Further, the building was leaking and the backside is falling off, the wooden frames were rotting and destroyed by termites, the doors were not lockable, the paint was peeling off and the walls had cracks.

In the circumstances, the value for money for the expenditure of Kshs.1,000,000 could not be confirmed.

ii) The Fund transferred an amount of Kshs.150,000 to Kinoro Police Post for the completion of a toilet at the police post. Physical verification conducted in March, 2023 revealed that the toilet was in dilapidating state and abandoned. The doors could not lock and the walls had cracks.

In the circumstances, the value for money for the expenditure of Kshs.150,000 could not be confirmed.

## **7. Unsupported Emergency Project**

The statement of receipts and payments reflects an amount of Kshs.112,606,806 in respect of other grants and other transfers which includes Kshs.9,460,000 being emergency projects expenditure as disclosed in Note 7 to the financial statements. The emergency projects amount includes Kshs.1,100,000 for the construction of Iraru bridge.

Physical verification conducted in March, 2023 revealed that the project was complete. The bill of quantities, a list of prequalified suppliers, bids for both successful and unsuccessful bidders, the site minutes, certificate of completion, certificate of payment, award letter, letter of regrets, letter of notification, letter of acceptance and bank statement were however, not provided for audit review.

In the circumstances, the value for money for the expenditure of Kshs.1,100,000 could not be confirmed.

## **8. Unsupported Expenditure on Environment Projects**

The statement of receipts and payments reflects an amount of Kshs.112,606,806 in respect of other grants and other transfers, which includes Kshs.2,691,778 for environmental projects as disclosed in Note 7 to the financial statements. The expenditure includes amount incurred in planting of 6,000 seedlings at a cost of Kshs.597,944 along river Iraru. There was however, no evidence of environmental impact assessment done before the inception of the project and authority from the Director General of the National Environment Management Authority (NEMA) sanctioning the project contrary to Section 42 (d) of the Environmental and Management Co-ordination Act No. 8 of 1999. Further, physical verification conducted in March, 2023 revealed that the project was not labeled and the success rate was minimal with no sustainability of the project and the seedlings were not being manned.

In the circumstances, the Fund 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 audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Vetting of Needy Students**

The statement of receipts and payments reflects an amount of Kshs.112,606,806 in respect of other grants and other transfers, which includes Kshs.25,444,042 and Kshs.11,368,311, being bursary to secondary schools and tertiary institutions respectively and both totaling to Kshs.36,812,353. The expenditure of Kshs.36,812,353, includes Kshs.1,084,000, being amount issued to 285 disabled students. The students' registration with the National Council of Persons Living with Disabilities (NCPWD) certificates were not provided and most of the students attended normal schools. This is contrary to section 5(b) of the CDF Board Circulars/Vol 1/111 dated 13 September, 2010 on the proposed standard procedure for the administration of the CDF bursary scheme which states that the terms of reference of the bursary committee is to vet, identify and categorize needy students using established criteria. Further, the minutes from the wards on how the needy and deserving students were vetted were not provided for audit review.

In the circumstances, the controls on issuance of bursary are weak and the bursary funds are exposed to risk of fraud.

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

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

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

In preparing the financial statements, Management is responsible for assessing the Fund'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 Fund 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**10 July, 2023**