

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TURKANA CENTRAL 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 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 National Government Constituencies Development Fund - Turkana Central Constituency set out on Pages 1 to 37, which comprise of the statement of assets and liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows, 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 the National Government Constituencies Development Fund - Turkana Central 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 National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Opinion

1. Inaccuracies in the Financial Statements

1.1 Variances Between Financial Statements and Supporting Schedules

Comparison of financial statements and supporting schedules revealed variances as indicated below;

Item	Amount as per Financial Statements (Kshs.)	Amount as per Schedule (Kshs.)	Variance (Kshs.)
Compensation of Employees	8,155,371	3,824,316	4,331,055
Transfers to Primary School	45,326,840	48,394,000	(3,067,160)
Bursary to Secondary and Tertiary schools	23,633,799	23,626,974	6,825
Emergency Projects	7,794,270	7,043,000	751,270
Acquisition of Assets	5,980,000	3,000,000	2,980,000
Total	90,890,280	85,888,290	5,001,990

1.2 Inaccuracies in the Budget Balances under the Summary Statement of Appropriation

Comparison of the budget amounts in the summary statement of appropriation with the approved project code list amounts reflects variances as detailed below;

Item	Statement of Appropriation (Kshs.)	Approved Code List Amount (Kshs.)	Variance (Kshs.)
Compensation of Employees	5,027,520	5,027,320	200
Transfer to Other Government Units	75,325,118	74,973,599	351,519
Other Grants and Transfers	46,425,762	44,976,662.16	1,449,100
Total	126,778,400	124,977,581	1,800,819

1.3 Variances Between Statement of Receipts and Payments and Statement of Budget Execution by Sectors and Projects

Comparison of amounts reflected in the statement of receipts and payments and statement of budget execution by sectors and projects amounts reflects variances as detailed below;

Item	Note	Balance as per Financial Statements (Kshs.)	Balance as per Budget Execution (Kshs.)	Variance (Kshs.)
Transfers to Primary Schools	6	45,326,839	46,914,000	(1,587,161)
Transfers to Secondary Schools	6	42,567,894	28,510,000	14,057,894
Security Projects	7	7,732,000	4,300,000	3,432,000
Total		95,626,733	79,724,000	15,902,733

1.4 Inaccuracies in the Statement of Budget Execution by Sectors and Projects

Re-computation of cumulative amounts in the statement of budget execution by sectors and projects reflects an unexplained variance as summarized below:

Item	Financial Statements Amount (Kshs.)	Correct Arithmetic Amount (Kshs.)	Variance (Kshs.)
Previous years Outstanding Disbursements	34,188,879	35,240,879	(1,052,000)
Final Budget	171,144,330	173,144,330	(2,000,000)
Actual on Comparable Basis	64,466,658	121,400,119	(56,933,461)
Budget Utilization Difference	63,903,933	51,744,211	(12,159,722)
Total	333,703,800	381,529,539	(72,145,183)

In the circumstances, the accuracy, completeness, presentation and disclosure of the amounts and balances in the financial statements could not be confirmed.

2. Undelivered Goods under Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.24,507,729 as disclosed in Note 5 to the financial statements which includes other committee expenses amount of Kshs.20,194,720. The expenditure of Kshs.20,194,720 includes payments totalling to Kshs.1,763,200 paid to various suppliers for supply and delivery of; furniture, laptops, computers and tablets, photocopier, printers and generator.

However, delivery notes, goods received notes and inspection and acceptance reports were not provided for audit review. Further, physical verification in the month of March, 2023 revealed that the assets were not physically available in the NG-CDF Turkana Central offices, an indication of non-delivery of goods contrary to Section 162(1) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, Management was in breach of law and the existence, accuracy and completeness of other committee expenses amounting to Kshs.1,763,200 could not be confirmed.

3. Unsupported Transfers to Other Government Entities

The statement of receipts and payments reflects transfers to other Government entities amount of Kshs.87,894,734 as disclosed in Note 6 to the financial statements which comprises of transfers to primary and secondary schools' amount of Kshs.45,326,840 and Kshs.42,567,894, respectively.

However, disbursements amounting to Kshs.26,143,000 to various schools were not supported by; expenditure returns, PMC minutes, handover reports, work plans, bills of quantities, contract agreements, architectural designs, inspection report and certificate of works done as certified by a technical person contrary to Regulation 15(1)(b) of the National Government Constituencies Development Fund, 2016 which states, there shall be appointed a Project Management Committee for each project in a Constituency in accordance with Section 36 of the Act which shall maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented.

In the circumstances, Management was in breach of the law and accuracy, completeness and accountability of transfers to other Government entities amounting to Kshs.26,143,000 could not be confirmed.

4. Unsupported and Unconfirmed Purchase of School Bus– Loyo Secondary School

The Statement of receipts and payments reflects transfers to other Government units amount of Kshs.87,894,734 as disclosed in Note 6 to the financial statements which includes transfers to Secondary Schools' amount of Kshs.42,567,894. The expenditure includes an amount of Kshs.9,762,300 disbursed to Loyo Secondary School for purchase of fifty-one (51) seater bus budgeted for in 2021/2022 financial year.

However, Voucher No.71 dated 24 March, 2022 showed that an amount of Kshs.7,400,000 had been paid to a dealer by the Fund for purchase of a bus for Loyo Secondary School. It is not clear why the amount of Kshs.9,762,300 was transferred to the School for the same purpose. In addition, Loyo Secondary School had also received an amount of Kshs.7,452,250 for purchase of 51-seater school bus during the year ended 30 June, 2021. Further, analysis of payments revealed that a total of Kshs.24,877,894 was paid by the Fund to the dealer during the year. Physical inspection conducted in the month of March, 2023 revealed that the bus was yet to be delivered despite the payments.

There was no evidence of balance in PMC account for the disbursement amounting to Kshs.9,762,300.

In the circumstances, the occurrence, existence, completeness and accuracy of the expenditure on purchase of the school bus could not be confirmed.

5. Unsupported Project Management Committee Bank Balances

As disclosed in other important disclosures and Note 17.4 to the financial statements are Project Management Committee (PMC) bank balances of Kshs.909,517 held in ten (10) bank accounts in various commercial banks as disclosed in Annex 5 to the financial statements. However, cash books, bank reconciliation statements and bank statements for the ten (10) bank accounts were not provided for audit review.

In the circumstances, accuracy and completeness of Project Management Committee bank balance of Kshs.909,517 could not be confirmed.

6. Unconfirmed Fixed Asset Register

As disclosed in Annex 4 to the financial statements the summary of fixed assets register reflects cumulative historical asset balance of Kshs.22,980,000 as at 30 June, 2022. However, the land on which the building and structures are built has not been valued and included in the Fund's financial statements. Further, fixed assets register and land ownership documents in form of land title deed were not provided for audit review.

In the circumstances, completeness and accuracy of fixed assets historical cost balance of Kshs.27,980,000 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 - Turkana Central 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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the report on Financial Statements and report of Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations.

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. Incomplete Projects

During the financial year, twelve (12) projects with total budget and disbursements amount of Kshs.45,714,550 and Kshs.37,100,000, respectively were verified in the month of March, 2023. The projects had the following issues; poor workmanship, incomplete projects, projects not started and projects not labelled.

In the circumstances, regularity and value for money for the approved projects amounting to Kshs.45,714,550 may have impacted negatively on service delivery to the public.

2. Delay in Disbursement of Funds from the Board

The statement of receipts and payments reflects transfers from National Government Constituencies Development Fund Board amount of Kshs.167,477,140 as disclosed in Note 1 to the financial statements. However, the receipts includes an amount of Kshs.34,188,879 or 20% of total receipts budgeted for in the 2020/2021 financial year, further, the Board had not paid arrears amounting to Kshs.3,800,618 as at 30 June 2022 contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which states that the disbursement of funds to the Constituency Fund account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the allocation for the constituency and thereafter the Constituency Fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year and Section 40(1) which stipulates that the Board shall ensure that the list of projects forwarded to it by each constituency is, upon approval, funded in accordance with the Act.

In the circumstances, the Board was in breach of the law which resulted in delay in implementation of approved projects or programs and therefore denied the residents of Turkana Central Constituency the services and benefits accruing from completed projects.

3. Compensation of Employees

1.1 Late payment of Staff Salaries

The statement of receipts and payments reflects compensation of employees amount of Kshs.8,155,371 as disclosed in note 4 to the financial statements. However, review of Fund monthly payrolls and payment records for the year revealed that payment of staff salaries amounting to Kshs.3,333,477 was delayed for a period of between four (4) and eleven (11) months contrary to Regulation 18(4) National Government Constituencies Development Fund Regulations, 2016 which states that the officer of the Board seconded to the Constituency shall ensure that all employees are paid on time, and all statutory deductions are promptly remitted to the relevant authorities.

In the circumstances, Management was in breach of the law and is likely to cause pecuniary embarrassment to staff as they could not meet their immediate financial obligations.

1.2 Irregular Engagement of Casuals

The statement of receipts and payments reflects compensation of employees amount of Kshs.8,155,371 for the year ended 30 June, 2022. However, the Management engaged eight (8) casual employees continuously for a period of one year with effect from July, 2021 to June, 2022 contrary to Section 37(1) of the Employment Act, 2007 which states that notwithstanding any provisions of this Act, where a casual employee works for a period or a number of continuous working days which amount in the aggregate to the equivalent of not less than one month; or (b) performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and Section 35(1)(c) shall apply to that contract of service.

In the circumstances, the Management was in breach of the law and exposed itself to risk of litigations by the casuals.

2. Irregular Purchase of School Desks

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.87,894,734 as disclosed in Note 6 to the financial statements which includes transfers to primary schools' amount of Kshs.45,326,840. The transfer includes an amount of Kshs.1,700,000 paid to a construction and supplies company for supply and delivery of four hundred and twenty five (425) desks to various primary schools in the constituency. However, the funds were paid to the contractor instead of disbursing the funds to respective Project Management Committee accounts to implement the projects contrary to Regulation 15(1)(a) of the National Government Constituencies Development Fund Regulations, 2016 which states that there shall be appointed a Project Management Committee for each project in a Constituency in accordance with Section 36 of the Act which shall implement projects in consultation with the relevant Departments of Government. Further, delivery notes, inspection and acceptance committee reports,

distribution list to various schools and acknowledgement of receipt of the desks by the beneficiary schools were not provided for audit review.

In the circumstances, Management was in breach of the law and value for money for money from the expenditure amounting to Kshs.1,700,000 could not be confirmed.

3. Incomplete Construction of Classroom - Nakalale Primary School

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.87,894,734 as disclosed in Note 6 to the financial statements which includes transfers to primary schools' amount of Kshs.45,326,840. The transfer includes disbursement amounting to Kshs.980,000 to Nakalale Primary School for construction of one classroom to completion. However, physical verification conducted in the month of March, 2022 revealed that the project was incomplete; the classroom windows and doors had not been fixed, plastering, flooring and painting has not been done and the contractor was not on site. The classroom roof was also carried away by wind.

In the circumstances, value for money for the approved project amounting to Kshs.980,000 may have impacted negatively on service delivery to the public.

4. Unconfirmed Disbursement of Bursary to Schools

The statement of receipts and payment reflects other grants and other transfers amount of Kshs.43,460,6069 as disclosed in Note 7 to the financial statements which includes bursary disbursements to tertiary institutions and secondary schools amount of Kshs.14,664,077 and Kshs.8,969,722, respectively totalling to Kshs.23,633,799.

However, the Constituency Development Committee minutes approving the disbursements were not provided for audit review. Further, the bursary payments of Kshs.23,633,799 were not supported by acknowledgement receipts contrary to Regulation 104(1) of Public Finance Management Regulations, 2015 which states that all receipts and payments of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, Management was breach of the law and there was no assurance that the bursary disbursements benefitted deserving students.

5. Unsupported Security Projects

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.43,460,069 as disclosed in Note 7 to the financial statements which includes transfers to security projects amount of Kshs.7,732,000. However, disbursements amounting to Kshs.4,980,000 were not supported by; expenditure returns, Project Management Committee minutes, handover reports, work plans, bills of quantities, contract agreements, architectural designs, inspection report and certificate of works done as certified by a technical person contrary to Regulation 15(1)(b) of the National Government Constituencies Development Fund, 2016 which states that, there shall be appointed a Project Management Committee for each project in a Constituency in

accordance with Section 36 of the Act which shall maintain proper records of all minutes, accounting documents and other records in relation to projects being implemented.

In the circumstances, Management was in breach of the law and there was no accountability for the expenditure of Kshs.4,980,000.

6. Unsupported Sports Projects

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.43,460,069 as disclosed in Note 7 to the financial statements which includes transfers to sports projects amount of Kshs.2,700,000. However, the payments of Kshs.2,700,000 were not supported by; requests for quotations, evaluation committee minutes, LPOs, invoices, delivery notes and report of the inspection and acceptance committee contrary to Section 27(1) of The Constituencies Development Fund Act, 2015 which states that the public procurement and disposal laws shall apply with respect to any procurement by a Constituency Committee or Project Management Committee. Further, distribution list to show how the items were issued to the players, a formal request from the various teams and an acknowledgement receipt of the items by the recipients or beneficiaries were also not provided for audit.

In the circumstances, Management was in breach of the law and there was no accountability for the expenditure of Kshs.2,700,000.

7. Irregular Procurement of Foodstuff under Emergency Fund

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.43,460,069 as disclosed in Note 7 to the financial statements which includes emergency projects payments of Kshs.7,794,270. The expenditure includes payment of Kshs.4,767,000 to two (2) companies for supply of various food stuffs to residents affected by drought in the Constituency through request for quotations.

However, there was no evidence that professional opinion was given by Sub-County procurement officer before tenders were awarded contrary to Section 84(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.

Further, the supplies were not supported by; delivery notes, receipt and issuance notes and signed schedules by respective beneficiaries as evidence of receipt contrary to Section 162(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity shall ensure that all inventory, stores and assets purchased are received, but shall not be used until taken on charge and as a basis for ensuring that all procured items are properly accounted for and put in proper use as intended by the procuring entity.

In the circumstances, Management was in breach of the law and value for money was obtained for the expenditure of Kshs.4,767,000 could not be confirmed.

8. Unsupported Procurement in the Construction of NG-CDF Office

The statement of receipts and payments reflects acquisition of assets amount of Kshs.5,980,000 as disclosed in Note 8 to the financial statements which relates to construction of buildings. The Fund was allocated an amount of Kshs.3,000,000 in 2020/2021 financial year and Kshs.3,000,000 in 2021/2022 financial year towards completion of 6 roomed NG-CDF office extension of veranda, fixing of cistern to 2 door flush door toilet, roofing, walling, fixing of doors and windows, tiling and painting. A total of Kshs.5,980,000 had been transferred to project account as at 30 June, 2022. However, project file, procurements records including; advertisements, tender opening and evaluation minutes, awards notices and contract agreement were not provided for audit review. This is contrary to Section 27(1) of The Constituencies Development Fund Act, 2015 which states that the public procurement and disposal laws shall apply with respect to any procurement by a Constituency Committee or Project Management Committee.

In the circumstances, Management was in breach of the law and value for money amounting to Kshs.5,980,000 spent on the project could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal 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 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 controls.
- 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 controls that are identified during the audit.

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 June, 2023