

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ENDEBESS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Endebess Constituency set out on pages 5 to 43, which comprise the statement of assets as at 30 June 2017, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund-Endebess Constituency as at 30 June 2017, 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 do not comply with National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, public money has not been applied lawfully and in an effective way.

Basis for Adverse Opinion

1.0 Presentation and Errors in the Financial Statements

1.1 Presentation

A review of the financial statements availed for audit review revealed that page numbers 9 to 23 are missing in the set of financial statements.

Under the circumstances, the financial statements are not in line with International Public Sector Accounting Standards (Cash Basis) as prescribed by Public Sector Accounting Standards Board.

1.2.0 Errors in the Financial Statements

1.2.1 Use of Goods and Services

The statement of receipts and payments reflect use of goods and services figure of Kshs.5,301,267 which is at variance with note 5 to the financial statements the figure of Kshs.7,394,545 resulting in unexplained variance of Kshs.2,093,278.

1.2.2 Irregular Charge

Included in the use of goods and services figure of Kshs.7,394,545 reflected note 5 to the financial statement is routine maintenance- vehicles and other transport equipment figure of Kshs.746,568. However, a review of records made available indicate that the routine maintenance - vehicles and other transport equipment expenditure of Kshs.746,568 include an expenditure of Kshs.400,000 incurred on purchase of fuel and lubricants. No explanation has been provided for charging of the expenditure on fuel and lubricants on routine maintenance- vehicles and other transport equipment. Under the circumstance, the validity and accuracy of routine maintenance- vehicles and other transport equipment expenditure of Kshs.746,568 could not be confirmed.

1.2.3 Comparative Figures

A review of the financial statements submitted for audit revealed various variances between the comparative figures in the financial statements with prior year certified financial statement figures as shown below:

Item	Comparative figure in the financial statements 2016/2017 (Kshs)	Comparative figure in the audited financial statements- 2015/2016 (Kshs)	Variance (Kshs)
Note 5 Routine maintenance- Vehicle and other transport equipment	788,565	288,565	500,000
Note 5 Fuel, oil and other lubricants	0	500,000	(500,000)
Note 7- Bursary Tertiary institutions	7,936,000	0	7,936,000
Note 7- Bursary secondary schools	11,062,000	0	11,062,000
Note 10B- Cash in hand	0	39,873,794	(39,873,794)

1.2.4 Summary Statement of Appropriation

The summary statement of appropriation reflects final budget for transfers to other government entities and other grants and transfers figures of Kshs.45,750,000 and Kshs.39,350,311 respectively which vary with their respective computed figures of Kshs.46,250,000 and Kshs.40,350,311. The resultant variances have not been explained or reconciled.

Under the circumstances, the financial statements are not accurately presented in accordance with International Public Sector Accounting Standards (Cash Basis) as prescribed by Public Sector Accounting Standards Board.

2.0 Transfer to Other Government Entities

2.1 Unconfirmed Expenditure

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other government units balance of Kshs.33,350,000 relating to funds disbursed to primary and secondary schools for various projects to be implemented by project management committees. However, actual expenditure returns from project management committees and acknowledgement letters from institutions that received funds were not availed for audit verification.

Under the circumstances, it was not possible to confirm whether the funds totaling Kshs.33,350,000 was actually received and utilized for the budgeted projects in the year under review.

2.2 Purchase of Buses

Included in the transfer to other government entities figure of Kshs.33,350,000 reflected in the statement of receipts and payments is an expenditure of Kshs.13,000,000 as shown below for the purchase of two 51 seater buses using request for quotation method.

Date	PV No.	Cheque Number	Project Name	Payee		Amount (Kshs)
1/9/2017	85	002577	Matumbei Secondary School	Central Farmers Garage Limited	002577	6,500,000
5/15/2017	135	003678	Korong Secondary School	Kenya Coach Industries Limited	003678	6,500,000
			Total			13,000,000

However, the procurement exceeds the threshold for use of quotations and no prequalification procedure was done contrary to Section 93 (1) of the Public Procurement and Assets Disposal Act, 2015 which stipulates that an accounting officer of a procuring entity where applicable, may conduct a pre-qualification procedure as a basic procedure prior to adopting an alternative procurement method other than open tender for the purpose of identifying the best few qualified firms for the subject procurement. In addition logbooks for the vehicles were not availed for audit review.

Under the circumstance, the management is in breach of the law and ownership status, validity and propriety of the expenditure Kshs.13,000, could not be confirmed.

3.0 Other Grants and Transfers

3.1 Road Projects

Included in the other grants and transfers payments figure of Kshs.40,502,214 reflected in note 7 to the financial statements is a disbursement to road projects figure of Kshs.3,807,974. Available information revealed the amount of Kshs.3,807,974 was paid to a construction firm for the construction of Twiga - Amana road. However, procurement records such bill of quantities, tender advertisement, tender evaluation and award minutes, letter of offer, contract agreement, and minutes of site/inspection meetings were not availed for audit review.

Under the circumstances, the validity and regularity of road projects expenditure of Kshs.3,807,974 could not be confirmed.

3.2 Security Projects

The other grants and transfers figure of Kshs.40,502,214 also include security expenditure of Kshs.3,807,974 out of which two payments amounting to Kshs.2,373,000 was to made to a company but no evidence was provided to confirm what services or goods the company offered/ supplied and the procurement method used. It was therefore not possible to confirm that the procurement of the services was subjected to a competitive bidding process.

Consequently, the validity and propriety of Kshs.2,373,000 on security projects for the year ended 30 June 2017 could not be confirmed.

3.3 Unsupported Expenditure on Emergency Funds

The statement of receipts and payments for the year ended 30 June 2017 reflects grants and transfers figure of Kshs.40,502,214 which include emergency project expenditure of Kshs.8,120,000 out of which an expenditure of Kshs.3,870,000 does not qualify as an emergency by nature as stipulated in Section 6(3) of the National Government Constituencies Development Fund Act, 2015 which state that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

Under the circumstances, the management is in breach of the law and the propriety of the expenditure of Kshs.3,870,000 could not be confirmed.

3.4 Irregular Expenditure

Included in the emergency projects expenditure Kshs.8,120,000 is an amount of Kshs.4,650,000 on various projects. However, available information revealed that these projects were not included in the list of approved projects by the National Government Constituencies Development Fund committee as required by Section 8(2)

of the National Government Constituencies Development Fund Act, 2015 which states that the National Government Constituencies Development Fund committee shall determine the allocation of emergency reserves.

Under the circumstance, the validity and propriety of emergency projects expenditure of. Kshs.4,650,000 could not be confirmed.

4.0 Construction of NG-CDF Office

The statement of receipts and payment reflects acquisition of assets figure of Kshs.7,204,000 relating to the construction of National Government Constituencies Development Fund office at Endebess. However, procurement records such as bill of quantities, tender advertisement, tender evaluation and award minutes, letter of offer, contract agreement, minutes of site/inspection meetings and interim/completion certificates were not availed for audit review.

Under the circumstances, the validity and propriety of construction of National Government Constituencies Development Fund office expenditure of Kshs.7,204,000 could not be confirmed.

5.0 Cash and Cash Equivalent

The Statement of financial statement reflects bank balance of Kshs.2,370,913 but an audit review of bank reconciliation statement for the month of June 2017 revealed bank charges not yet recorded in the Cash book of Kshs.25,879. However, no explanation has been availed for not taking charge of the bank charges expenditure. Under the circumstance, the validity and accuracy of bank balance of Kshs.2,370,913 could not confirmed.

6.0 Unsupported Project Management Committee Bank Balances

Annex 4 of the financial statements reflects Project Management Committee (PMC) bank balances totalling to Kshs.596,042 as at 30 June 2017. However, cash books, bank confirmation certificates, bank statements and bank reconciliation statements of the project management committee balance said bank accounts were not provided for audit review.

Consequently, the existence, accuracy, validity and completeness of the project management committee bank balance of Kshs.596,042 as at 30 June 2017 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund –Endebess Constituency in accordance with ISSAI 30 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 adverse 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. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1.0 Budget Control and Performance

1.1 Budget Absorption

During the year under review, the Constituency had a total budget of Kshs.123,270,347 but incurred expenditure of Kshs.88,951,159 resulting in under-expenditure of Kshs.34,819,188 or 28% of the budget as summarized below:

ITEM	Budget 2016/2017 (Kshs)	Actual Expenditure 2016/2017 (Kshs)	Under /Over Absorption (Kshs)	% Under Absorption
Compensation of Employees	4,254,136	2,093,278	2,160,858	51
Use of goods and services	11,426,450	5,301,267	6,125,183	54
Transfer to other Government units	46,250,000	33,350,000	12,900,000	28
Other grants and transfers	40,350,311	40,502,214	(-151,903)	(0)
Acquisition of Assets	20,489,450	7,204,400	13,285,050	65
Other payments	500,000	0	500,000	100
Total	123,270,347	88,451,159	34,819,188	28

Funds not utilized imply that approved programs were not implemented, and thus the budget did not fully meet the objectives of improving delivery of services to the residents.

1.2 Project implementation

During the financial year an amount of Kshs.70,431,035 was allocated to implement 82 projects as detailed in the attached list below:

	Project	Activity	Allocation	Disbursement	% Completion	Status
	Completed					
1	Secondary Schools	Payment of bursary to needy students	11,505,173	11,505,173	100%	Completed
2	Tertiary Institution	Payment of bursary to needy students	9,000,000	9,000,000	100%	Completed
3	Chepnyalil primary school	Construction of 1 No. Classroom	500,000	500,000	100%	Completed
4	Moss memorial primary school	Purchase of additional 2 acres of land	1,050,000	1,050,000	100%	Completed
5	Keben primary school	Construction of 1 No. Classroom	500,000	500,000	100%	Completed
6	Kapkures primary school	Purchase of school land	500,000	500,000	100%	Completed
7	St.Barnabas Girls secondary School	Additional funds towards purchase of 51 seater school bus	500,000	500,000	100%	Completed
8	Matumbei Secondary School	Purchase of school bus	6,500,000	6,500,000	100%	Completed
9	Mubere Secondary School	Additional funds towards purchase of 51 seater sch bus	500,000	500,000	100%	Completed
10	St.Francis of Asis Koronga Secondary School	Purchase of school bus	6,500,000	6,500,000	100%	Completed
		Sub Total	37,055,173	37,055,173		
	On going					
1	Labot Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	95%	on-going
2	Feedlot Primary School	Construction of 1 No. Classroom	500,000	500,000	90%	on-going
3	Nabeki Primary School	Construction of 1 No. Classroom	500,000	500,000	90%	on-going
4	Naminit Primary School	Construction of 1 No. Classroom	500,000	500,000	90%	On-going
5	Nawiyapong Primary School	Construction of 1 No. Classroom	500,000	500,000	85%	On-going

6	Tulwop kesis Primary School	Construction of 1 No. Classroom	500,000	500,000	80%	On-going
7	Nabakwana Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	80%	On-going
8	Rwanda Primary School	Construction of 1 No. Classroom	500,000	500,000	80%	On-going
9	Imbuye Primary School	Construction of 1 No. Classroom	500,000	500,000	80%	On-going
10	Moss memorial Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	70%	On-going
11	Chesitia Primary School	Construction of 2 No. Classrooms	1,000,000	500,000	70%	On-going
12	AIC Cheberem Primary School	Construction of 1 No. Classroom	500,000	500,000	70%	On-going
13	Kamaroko Primary School	Construction of 1 No. Classroom	500,000	500,000	60%	On-going
14	NG-CDF OFFICE BLOCK	Construction of Endebeess NG-CDF Office Block	13,000,000	6,500,000	50%	On-going
		Sub Total	21,500,000	14,500,000		
						Not started
1	Sports	Carry out constituency sports tournament	1,637,931	-	0%	Not started
2	Tulwop Kesis Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
3	Amani Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
4	Kitinda Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
5	Chepnyalil Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
6	Chepkwirot Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
7	AIC Cheberem Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
8	Moss Memorial Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started

9	Nabakwana Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
10	Labot Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
11	Mahali Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
12	Chepatantan Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
13	Imbuye Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
14	Nabeki Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
15	Rwanda Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
16	Koronga Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
17	Andersen Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
18	Feedlot Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
19	Suam Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
20	Chepsalei Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
21	Cheberem Primary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
22	Engakha Dispensary	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
23	Titimet Secondary Sch	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
24	Kitum Girls Secondary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
25	Nai Girls Secondary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
26	Lutaso Secondary Sch	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started
27	Cheptantan Secondary School	Purchase and Planting of Tree Seedlings	60,664	-	0%	Not started

28	Endebess TTI	Purchase and Planting of Tree Seedlings	60,667	-	0%	Not started
29	Kiboi Primary School	Construction of 2 No classroom	1,000,000	-	0%	Not started
30	Chepkwirot Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
31	Kapkures Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
32	Koibei Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
33	Kitinda Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
34	Suam Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
35	Lutaso Primary School	Construction of 1 No. Classroom	500,000	-	0%	Not started
36	Amani Primary School	Construction of 2 No. Classrooms	1,000,000	-	0%	Not started
37	AIC Cheberem Primary School	additional funds towards purchase of land	300,000	-	0%	Not started
38	Robinson Primary School	Construction of 2 No. Classrooms	1,000,000	1,000,000	0%	Not started
39	Mahali Primary School	Construction of 1 No. Classrooms	500,000	500,000	0%	Not started
40	Tulwop kesis Primary School	Supply of 20 desks	57,000	-	0%	Not started
41	Amani Primary School	Supply of 20 desks	57,000	-	0%	Not started
42	Kaishaber Primary School	Supply of 20 desks	57,000	-	0%	Not started
43	Kitinda Primary School	Supply of 20 desks	57,000	-	0%	Not started
44	Chepnyalil primary sch	Supply of 20 desks	57,000	-	0%	Not started
45	Chepkwirot Primary School	Supply of 20 desks	57,000	-	0%	Not started
46	Moss memorial Primary School	Supply of 20 desks	57,000	-	0%	Not started

47	Nabakwana Primary School	Supply of 20 desks	57,000	-	0%	Not started
48	Labot Primary School	Supply of 20 desks	57,000	-	0%	Not started
49	Rwanda Primary School	Supply of 20 desks	57,000	-	0%	Not started
50	Mahali Primary School	Supply of 20 desks	57,000	-	0%	Not started
51	Kamaroko Primary School	Supply of 20 desks	57,000	-	0%	Not started
52	Imbuye Primary School	Supply of 20 desks	57,000	-	0%	Not started
53	AIC Cheberem Primary School	Supply of 20 desks	57,000	-	0%	Not started
54	Kiboi Primary School	Supply of 18 desks	52,000	-	0%	Not started
55	Kitum Girls Secondary School	Supply of 25 sets lockers	150,000	-	0%	Not started
56	Nalulingo Secondary School	Supply of 25 sets lockers	150,000	-	0%	Not started
57	Kimwondo Secondary School	Additional funds towards purchase of 51 seater sch bus	500,000	-	0%	Not started
58	Nai Girls Secondary School	Supply of 25 sets lockers	150,000	-	0%	Not started
		Sub Total	11,875,862	1,500,000		
		Grand Total	70,431,035	53,055,173		

According to the status report ,ten (10) projects with a budget of Kshs.37,055,173 were completed, fourteen (14) projects with a budget of Kshs.21,500,000 were on going and fifty-eight (58) with a budget of Kshs.11,875,862 had not started as at 30 June 2017. As a result, the residents of Endebess National Government Constituency Development Fund did not benefit from the projects that were not implemented as budgeted.

1.3 Project verification

Out of 82 projects costing Kshs.70,431,035, the following observations were made regarding thirteen (13) projects worth Kshs.32,710,127 that were physically verified during the audit for the year under review:

	Date	Payment Voucher Number	Payee	Activity	Amount (Kshs)	Remarks
1	7/12/2016	16	Lutaso Primary School	Construction of two classroom	1,000,000	The project was complete but not done to standard.
2	2/15/2017	94	Moss Memorial Primary School	Construction of two classroom	1,000,000	Painting not done, Glazing not done and project not labelled
3	3/2/2017	114	Moss Memorial Primary School	Purchase of land	1,050,000	The project was complete but no evidence of transfer of land to the school
5	2/15/2017	102	Labot Primary School	Construction of two classroom	1,000,000	The project was complete but not labelled as required by NG-CDF Act
6	1/9/2017	91	Savory Agencies Ltd	Construction of road	3,282,736	The project was complete but not labelled as required by NG-CDF Act
7	3/30/2017	120	Tasco Enterprises	CDF office	7,204,391	The project is at 95% complete
8	9/27/2016	41	Maendeleo Kwa Wote	Fencing of Endebess TTI	1,700,000	The project was complete but the project was not labelled as required by NG-CDF Act
9	1/9/2017	81	Endebess Dcc Office Pmc	Renovation of DCC office	600,000	Completed and in use but returns were not availed for audit

10	1/9/2017	84	Mowlem Market Association CBO	Construction of public toilet	500,000	The project has stalled for almost 6 months and it was financed under emergency vote
11	5/15/2017	135	Koronga Secondary School	Purchase a 51 seater Bus	6,500,000	Purchase and used but no justification on the procurement method used
12	1/9/2017	85	Matumbei Secondary School	Purchase a 51 seater Bus	6,500,000	Purchase and is being used
13	2/27/2017	108	M/S Zadkip Enterprise Ltd	Construction of AP staff houses	2,373,000	Completed and in use
				Total	32,710,127	

Incomplete projects is an indication of projects not implemented as planned. The people of Endebess Constituency failed to receive services from the planned projects hence no value for money on such uncompleted projects.

Responsibilities of Management and those charged with Governance for the Financial Statements

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 such 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund's or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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.

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 going concern 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's 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's 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

02 August 2018