

# REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MALINDI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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## REPORT ON THE FINANCIAL STATEMENTS

### Disclaimer of Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Malindi Constituency set out on pages 6 to 28 which comprise the statement of assets as at 30 June 2018, and statement of receipts and payments, statement of cash flow and summary statement of appropriation: recurrent and development combined 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

#### 1. Presentation of Financial Statements

Review of financial statements for the year ended 30 June 2018 presented for audit revealed the following errors:

	<b>Page of Financial Statements</b>	<b>Observation</b>
1	cover page	Cover page has the word "revised template 30th June 2018" where as these are the actual financial statement and not a template.
2	3	Constituency banker details - item 2 has details of the bank, Equity Bank Malindi, Branch repeated twice.
3	5	Refers to Public Finance management Act of 2013 instead of Public Finance Management Act, 2012.
4	6 & 19	Other payments in statement of receipts and payments reflect Kshs.0 while note 9 discloses a balance of Kshs.1,500,000 resulting to unexplained variance of Kshs.1,500,00
	<b>Page of Financial Statements</b>	<b>Observation</b>
5	9	Summary statement of appropriation: recurrent and development combined - includes reversed cheques figure of Kshs.428,815 which the management has not explained.

6	27	Summary of fixed assets - construction of building balance reflects opening and closing balance of Kshs.18,000,000. Prior year audited financial statements indicate a balance of Kshs.15,000,000 resulting to unexplained variance of Kshs.3,000,000. The comparatives summary of the fixed asset register in Annex 4 reflects Kshs.46,946,708 but recasting results to a total of Kshs.54,770,425, again resulting to unexplained variance of Kshs.7,823,717.
7	27	Annex 4 - PMC bank balances has not been disclosed as required by template issued by Public Sector Accounting Standards Board.
8	28	Progress on follow up of auditor recommendations – No information has been availed.
9	24-28	The headings indicate the figures has been rounded off to KShs'000' while the figures have not been rounded off. The heading also does not indicate the name of the entity.
10	24-26	The heading indicates the financial statements are for year ended 30 June 2014.

Consequently, the financial statements do not comply with financial reporting framework requirement and guideline issued by Public Sector Accounting Standard Board and do not reflect true and fair view of the state of the books of account for the Malindi National Government Constituency Development Fund.

## 2. Inaccuracies in Financial Statements

Review of financial statements for the year ended 30 June 2018 presented for audit revealed the following inaccuracies;

- 2.1. The statement of cash flow reflects bank balance as at 30 June 2018 of Kshs.6,867,714 whereas statement of assets reflect a balance of Kshs.7,296,529 resulting to unexplained variance of Kshs.428,815
- 2.2. The statement of assets reflects prior year adjustments of Kshs.428,815 but note 14 on the same reflects a balance of Kshs.7,296,529 resulting to unexplained variance of Kshs.6,867,714.
- 2.3. The statement of receipts and payments reflects receipts of Kshs.80,353,447 as transfers from National Government Constituency Development Fund Board whereas summary statement of appropriation: recurrent and development combined reflects actual amount of Kshs.83,393,942 resulting to unreconciled variance of Kshs.3,040,495.
- 2.4. The statement of receipts and payments reflects a figure of nil balance for other receipt but note 3 to the financial statements for the year ended 30 June 2018 reflects a figure of Kshs.428,815 as other receipts resulting to an unexplained variance of Kshs.428,815.
- 2.5. The statement of receipts and payments reflects Kshs.22,789,379 as other grants and transfers while note 7 on the same has balance of Kshs.21,289,373 resulting to unexplained variance of Kshs.1,500,006.

Consequently, the accuracy and completeness of these financial statements for the year ended 30 June 2018 could not be ascertained.

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

The statement of assets as at 30 June 2018 reflects bank balance of Kshs.7,296,529. However, the bank reconciliation statement as at 30 June 2018 presented for audit had unrepresented cheques amounting to Kshs.3,276,764, out of which Kshs.10,000 relates to stale cheques not reversed in cash book as at the year end. Further, information on the dates of subsequent clearance of the other outstanding cheques totaling Kshs.3,266,764 was not availed for audit review. Further, the bank reconciliation statements as at 30 June 2018 revealed payments in bank statement not in cashbooks of Kshs.120,456. Included in these payments are bank charges of Kshs.33,056 which ought to have been expensed. In addition, the bank confirmation certificate of balance as at 30 June 2018 was not availed for audit review.

Consequently, the validity, accuracy and completeness of bank balance of Kshs.7,296,529 as at 30 June 2018 could not be ascertained.

#### **4.0. Other Receipts**

The statement of receipts and payments for the year ended 30 June 2018 reflects nil balances from other receipts. Scrutiny of the tender register revealed that during the financial year, the Fund sold tender documents amounting to Kshs.69,000. However, this amount has not been recognized as a receipt in the financial statements.

Further, scrutiny of the cashbook and bank statements revealed that the amounts were neither banked nor recorded in the cashbook contrary to Section 12(6) of the National Government Constituencies Development Fund Act, 2015 which states that all receipts, savings and accruals to the constituency account and the balances thereof at the end of each financial year shall be returned to the constituency account.

In consequence, the accuracy and completeness of other receipts nil balance for the year ended 30 June 2018 could not be confirmed.

#### **5.0. Compensation of Employees**

The statement of receipts and payments and note 4 to the financial statements reflects compensation of employees cost of Kshs.4,020,000 for the financial year ended 30 June 2018. However, the supporting schedule reflects Kshs.3,141,809 resulting to unexplained nor reconciled variance of Kshs.878,191. Further, payment voucher number 01148 of Kshs.1,098,475 listed in the support schedule was not availed for audit.

In the circumstances, the accuracy, regularity and completeness of compensation of employees amount of Kshs.4,020,000 for the year ended 30 June 2018 could not be ascertained.

## **6.0. Use of Goods and Services**

### **6.1. Variance Between Ledger and Financial Statement Amounts**

Note 5 to the financial statement for the year ended June 2018 reflects use of goods and services balance of Kshs.3,650,004. However, schedules availed for audit revealed payments for use of goods and services of Kshs.4,957,460 resulting to unexplained nor reconciled variance of Kshs.1,307,456.

In the circumstances, the accuracy and completeness of expenditure of Kshs.4,957,460 on use of goods and services could not be ascertained.

### **6.2. Committee Allowances**

Note 5 to the financial statement for the year ended 30 June 2018 reflects the use of goods and services amount of Kshs.3,650,004. Included in the figure is payment of Kshs.550,000 that was used to pay Constituency Development Fund Committee (CDFC) members allowances during the training at Kaskazi Beach Hotel for 5 days.

Review of the payment voucher and the minutes dated 12 February 2018 noted that each of the 10 members was paid allowance of Kshs.10,000 instead of Kshs.5,000 each, per day as per the budget and approved Constituency Development Fund Committee Minutes. This resulted to an excess and unapproved payment of Kshs.300,000.

In the circumstances, the regularity and propriety of committee allowance of Kshs.300,000 for the year ended 30 June 2018 could not be ascertained.

## **7.0. Transfers to Other Government Entities**

### **7.1. Transfers to Primary Schools**

Note 6 to the financial statements for the year ended 30 June 2018 reflects transfers to primary schools amount of Kshs.10,656,055. Included in this amount is Kshs.869,014 paid for the supply of 200 desks to Kasimbiji Primary School. However, during the financial year under review, the National Government Constituencies Development Fund Board approved Kshs.450,000 for the acquisition of 100 desks as evidenced by the project code list resulting to excess and unapproved expenditure of Kshs.419,014 that was not budgeted nor approved by the Constituency Development Fund Board.

Further, tender opening meeting minutes, adhoc evaluation meeting minutes, professional opinion, and notification of award and inspection committee meeting minutes were not availed for audit purposes.

In the circumstances, it could not be established how the supplier of the 200 desks to Kasimbiji Primary School at a cost of Kshs.869,014 was identified, evaluated, selected and awarded the contract to supply and deliver the desks.

In consequence, the regularity of the transfer to other Government entities amount of Kshs.869,014 for the year ended 30 June 2018 could not be confirmed.

## **7.2. Transfers to Secondary Schools**

Note 6 to the financial statements for the year ended 30 June 2018 reflects transfers to Secondary Schools amount of Kshs.33,235,796. Included in this figure is payments of Kshs.20,000,000 to Project Management Committee (PMC) for construction of sub-county education office. Review of payment documents in the project files revealed a sum of Kshs.1,292,500 that was paid as administration cost which is above the allowed 5% threshold (Kshs1,000,000), hence incurring administration costs above allowed costs. This is contrary to Section 9 of the National Government Constituencies Development Fund Act, 2015 which states that the Project Management Committee shall set aside a sum not exceeding five per centum of the total allocation for the project to cater for the administration expenses of the project.

Further, review of the project documentation did not reveal how the Project Management committee spent Kshs.1,292,500. This is contrary to Section 10 of National Government Constituencies Development Fund Act, 2015 which states that the sums set aside under sections 8 and 9 shall be properly accounted for and proper books of accounts shall be kept and returns made to the Constituency Committee for that constituency on how the sum has been used.

In the circumstances, regularity on expenditure of Kshs.1,292,500 on transfers to secondary schools for the year ended 30 June 2018 could not be ascertained.

## **8.0. Sports Projects**

Note 7 to the financial statements for the year ended 30 June 2018 reflects other grants and transfers of Kshs.21,289,373. Included in this figure is sports project of Kshs.1,337,930. However, documents availed for audit revealed that included in the sports project amount of Kshs.1,337,930, is an amount of Kshs.500,000 paid to Football Kenya Federation (FKF) as payments for FKF league participation fee for the year 2017/2018 for sixty-four (64) Malindi Constituency Clubs. However, the registration certificates of the sixty-four (64) clubs whom financial support was sought were not availed for audit review.

In the circumstances, the regularity and propriety of sports projects amount of Kshs.500,000 for the year ended 30 June 2018 could not be ascertained.

## **9.0. Other Payments**

The statement of receipts and payments reflects a nil balance whereas note 9 to the financial statements for the year ended 30 June 2018 reflects other payments balances of Kshs.1,500,000 on the Strategic Plan reflecting unexplained variance of Kshs.1,500,00. Further, during the year under review, the Fund budgeted for 5-year Strategic Plan at a cost of Kshs.3,500,000. Procurement was undertaken and the contract awarded to a consultant at a tender sum of Kshs.3,493,600. The Fund transferred to the Project Management Committee Bank account Kshs.1,500,000 from which Kshs.1,423,000 was paid to the consultant. However, this is despite the fact the Fund had made payments of Kshs.1,074,000 to another consultant on 7 September 2016 for preparation and submission of five (5) year strategic plan in financial year 2016/17 and charged as other operating expenses. There was no evidence availed to show that the strategic plan paid for in 2016/17

was delivered to the Fund after the payment and before contracting another consultant to prepare another plan in 2017/18.

Consequently, the validity and propriety of other payments balance of Kshs.2,574,000 for the year ended 30 June 2018 could not be ascertained.

## **10.0. Acquisition of Assets**

### **10.1. Asset Ownership**

The statement of receipts and payments for the year ended 30 June 2018 reflects acquisition of assets of Kshs.2,175,000. Included in this amount is a final payment of Kshs.2,075,000 to the supplier for the acquisition of the Fund's motor vehicle, Reg No.GKB 558R. However, the vehicle's log book was not availed for audit verification.

In the circumstances, ownership of Fund's motor vehicle as at 30 June 2018 could not be ascertained.

### **10.2 Misclassification of Fuel and Lubricants**

The statement of receipts and payments for the year ended 30 June 2018 reflects acquisition of assets of Kshs.2,175,000. Included in this amount is a payment of Kshs.100,000 to a supplier for the supply of fuel. The amount has wrongly been classified under acquisition of assets instead of use of goods and services.

In the circumstances, the accuracy of the balance of acquisition of assets of Kshs.2,175,000 as at 30 June 2018 could not be ascertained.

## **11.0. Retention Account**

Review of the Fund's main bank account reflected payment of Kshs.1,189,947 narrated as "retention amount for project works for the financial year 2016/2017". However, the same was not captured in the cashbook and purpose for payments and the beneficiary's account were not disclosed.

In the circumstances, the validity, accuracy and completeness of retention payment of Kshs.1,189,947 as at 30 June 2018 could not be ascertained.

## **12. Outstanding Imprest**

As previously reported, the statement of financial statements as at 30 June 2018 reflects nil balance of outstanding imprest. However, the financial statements for the financial year 2016/2017 availed for audit reflected an opening balance of outstanding imprest of Kshs.468,000. Surrender vouchers used to surrender the imprest were not availed for audit review and no explanation was availed for the audit on how the imprest of Kshs.468,000 for the financial year 2015/2016 was cleared.

In the circumstances, the accuracy and completeness of nil outstanding imprest could not be ascertained.

## 13.0 Budgetary Controls and Performance

### 13.1 Revenue Budget Analysis

During the year under review, the National Government Constituencies Development Fund – Malindi Constituency had a final budget of Kshs.142,678,426 against actual disbursements of Kshs.83,393,942 resulting to a shortfall of Kshs.59,284,484 or 42%.

The Fund therefore received almost 60% of its budget and this may hinder the implementation of programmes and activities to the residents of Malindi Constituency.

### 13.2 Expenditure Budget Analysis

During the year under review, the National Government Constituencies Development Fund – Malindi Constituency had a final budget of Kshs.142,678,426 against actual expenditure of Kshs.76,526,228 resulting to an overall under-absorption of Kshs.66,152,198 or 46 % as summarized below:

Receipt/ Expense Item	Final Budget Kshs	Actual on Comparable Basis Kshs	Under Absorption in Kshs	% of Utilization	Under Absorption - %
Compensation of Employees	4,020,000	4,020,000	0	100%	0%
Use of goods and services	3,650,004	3,650,004	0	100%	0%
Transfers to Other Government Units	87,361,880	43,891,851	43,470,029	50%	50%
Other grants and transfers	45,471,542	22,789,373	22,682,169	50%	50%
Acquisition of Assets	2,175,000	2,175,000		100%	0%
<b>Total</b>	<b>142,678,426</b>	<b>76,526,228</b>	<b>66,152,198</b>	<b>54%</b>	<b>46%</b>

The under expenditure of Kshs.66,152,198 or 46% could be attributed to low disbursements of funds from the National Constituencies Development Fund Board. The slow pace of project implementation has resulted to delayed benefits to be derived from the projects by the residents of Malindi Constituency.

### 13.3 Project Implementation

The project status report indicated that a total of Kshs.98,189,654 was allocated for 49 projects during the financial year ended 30 June 2018. Scrutiny of the status report revealed as follows:

Status	Number of Projects	Allocation Kshs
Ongoing Projects	15	68,950,302
Not Started	7	10,911,207
Completed Projects	27	18,328,145
<b>Total</b>	<b>49</b>	<b>98,189,654</b>

From the above analysis, incomplete projects amounted to Kshs.79,861,509 which was attributed to non-disbursement of Kshs.59,284,483 by National Government Constituency Development Fund Board as at 30 June 2018.

This resulted to the budget not being fully implemented as envisaged. The slow progress on completion of projects may impact negatively on delivery of goods and services to the residents of Malindi Constituency.

### 13.4 Project Verification

During the year under review, eight (8) projects with a total allocation of Kshs.15,829,564 were visited for verification in the month of March 2019 and the following status of affairs of the specific projects were observed: -

Item No.	Project	Project Description	Allocation (Kshs)	Status as per Project Status Report	Auditors Observations
1	Sir Ali Primary School	Completion of new administration Block (Plastering, flooring, windows, painting, electrical ceiling and Plumbing)	3,381,034	Ongoing	Project incomplete. Windows, door and floor finishes not undertaken. Contractor has been paid 93% of amount tendered. Contractor was observed not to be on site. No signage.
2	Majivuni Primary School	Proposed Completion of Administration Block at Majivuni Primary School	2,000,000	Ongoing	Project incomplete. Floor finished, windows, wall finished, ceiling not undertaken. No signage. Project paid in full.
3	Kasimbiji Primary School	100 Desks @4,500 at Kasimbiji Primary School	450,000	Incomplete	Not confirmed during project visit. Further, Stock ledger card from Kasimbiji Primary School not availed for audit purposes.
4	Ganda Primary School	50 Desks @3984.06 at	400,000	Incomplete	Budgeted for purchase of 100 desks but only 50

Item No.	Project	Project Description	Allocation (Kshs)	Status as per Project Status Report	Auditors Observations
		Ganda Primary School			desks were purchased and delivered.
5	Maziwani secondary	2 classroom blocks	2,498,530.00	Complete	Classroom completed and in use. Electrical work of Kshs.77,152 not done. The classrooms are not labelled to have been funded by CDF (signage).
6	Malindi Mere Police post	Renovation of buildings	4,000,000	ongoing	The project had been queried in 2016/17 as work was incomplete. Outstanding work not done.
7	Malindi AP Line	Construction of boundary wall	1,500,000	complete	No CDF Board signboard or labeling of project.
8	Langobaya Chiefs office	Construction of chiefs office plus 2 door toilet	2,000,000	complete	Work not done as per BQ-Works of Kshs.422,774 not yet done.
	<b>Total</b>		<b>15,829,564</b>		

There is need for the management to ensure that all projects are properly supervised to ensure satisfactory completion of all projects.

#### 14.0 Failure to Prioritize On-going Projects

Included in statement of receipts and payments and as disclosed in Note 7 to the financial statements for the year ended 30 June 2018 is payments of Kshs.21,289,373 for other grants and transfers. Included in this figure are payments of Kshs.6,999,343 for security projects, out of which Kshs.4,053,415 was paid for projects which have been on-going for the last three years as detailed below:

Project Description	Payee/ Project	Contract Award Date	Contract Price in Kshs	Payment in 2017/18 Kshs	Total Payment to Date Kshs	Balance Kshs	Observation
Renovation of buildings	Malindi Mere Police post	16 Sep 2015	4,923,409	1,000,000	4,000,000	923,409	The project was reported in 2015/16 Audit report as having works amounting to Kshs.931,610 not having been done despite being reported as

Project Description	Payee/ Project	Contract Award Date	Contract Price in Kshs	Payment in 2017/18 Kshs	Total Payment to Date Kshs	Balance Kshs	Observation
							complete. The outstanding work has not been completed since then
Construction of 6 units - 5 staff houses and 1 unit as office for police post	Kakuyuni AP - Police Post	16 Sep 2015	7,992,626	2,053,415	5,053,415	2,939,211	Project first funded in financial year 2014/15. The building map had 6 identical units - 5 staff houses and 1 unit to be used as office. The building was not done as per drawing/plan with 4 units' staff houses and 1 block of four rooms done.
Construction of chiefs office plus 2 door toilet	Langobaya Chiefs office	17 Oct 2016	2,617,742	1,000,000	2,000,000	617,742	Though the office is in use, works amounting to Kshs.422,774 is still outstanding
<b>Total</b>			<b>15,533,777</b>	<b>4,053,415</b>	<b>11,053,415</b>	<b>4,480,362</b>	

The projects have been ongoing for three financial years and physical verification revealed the projects has not been completed. The projects have also not been fully funded contrary to Section 46(2) of National Government Constituencies Development Fund Act, 2015 which requires ongoing projects to be given priority.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

## **Basis for Conclusion**

### **Implementation of Project Without Project Management Committee (PMC)**

Review of project files revealed that projects amounting to Kshs.10,804,023 were implemented during the year under review without formation of Project Management Committee. This is contrary to Section 36(1) of National Government Constituencies Development Act,2015 which states projects under this Act shall be implemented by the Project Management Committee appointed in accordance with the regulations made under section 57, with the assistance of the relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with government regulations for the time being in force.

The management was therefore 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**

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7 (1) (a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Conclusion of Internal Controls, Risk Management and Governance section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standard requires 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 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 governance.

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituency Development Fund – Malindi Constituency to continue to 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 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.

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 financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

My responsibility is to conduct an audit of the National Government Constituency Development Fund – Malindi Constituency financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of National Government Constituency Development Fund – Malindi 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.



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

**Nairobi**

**8 May 2019**