

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

Adverse Opinion

I have audited the accompanying financial statements Ndiwa National Government Constituencies Development Fund set out on pages 12 to 38 which comprise the statement of assets as at 30 June 2018 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, 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 Ndiwa National Government Constituency Development Fund as at 30 June 2018, 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 the Public Finance Management Act, 2012 and NGCDF Act, 2015.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1 Misstatement of Cash and Cash Equivalents

The statement of assets as at 30 June 2018 reflects bank balance as per cash book of Kshs.17,766,574 out of which Kshs.16,165,134 was bank balance at Equity Bank while Kshs.1,601,440 at Cooperative bank. The bank reconciliations statement in support of this cash book balance reflects payment in bank statement not in cash book of Kshs.609,939.08 in respect to long outstanding bank commission. No explanation has been made for non-recording of the long outstanding commission payment in the cash book.

In the circumstances, the accuracy and validity of the cash and cash equivalents balance of Kshs.17,766,574 as at 30 June 2018 could not be confirm.

1.2 Unpresented Bursary Cheques

The statement of assets as at 30 June 2018 reflects bank balance as per cash book of Kshs.17,766,574 of which Kshs.16,165,134 was bank balance at Equity while Kshs1,601,440 from Cooperative bank. The bank reconciliation statement in support of this cash book balance reflects unpresented cheques of Kshs.4,796,162 for the two bank accounts which includes Kshs.2,973,000 for Bursary funds which were prepared between May-June 2018. It was not clear why the bursaries cheques were not issued to the needy students.

Consequently, the propriety of the expenditure totaling to Kshs.4,796,162 could not be confirmed.

1.3 Misstatement of Statement of Appropriation on Recurrent and Development

Included in the summary of statement of appropriation recurrent and development of the final budget of Kshs.99,229,239 is an adjustment of Kshs.12,418,894 less opening bank balance leaves a balance of Kshs.11,879,310 which is fully spent during the year and is not supported by any documentary evidence. As a result, the accuracy and propriety of the adjustment expenditure/receipt of Kshs.11,879,310 could not be ascertained.

1.4 Unexplained Variance

The statement of receipts and payments reflects Kshs.3,041,529 in respect to compensation of employees. However, analysis of the expenditure showed a balance of Kshs.2,471,086 resulting in an unexplained variance of Kshs.570,443 as shown below.

Item	Financial Statements Balance Kshs.	Ledger /Analysis Balance Kshs.	Variance Kshs.
Basic wages of employees	2,038,131	1,711,838	326,293
Employer contribution to NSSF, NHIF	190,440	26,690	163,570
Gratuity	812,958	732,558	80,400
Total	3,041,529	2,471,086	570,443

1.5 Non-Disclosure of Routine Maintenance of Motor Vehicle

Included in the receipts and payments is use of goods of Kshs.2,325,970 which includes Nil balance of routine maintenance-vehicles and other transport equipment. However, a review of the bank reconciliation statements of Equity Bank account reflects unrepresented cheque in favour of P. Njuguna Garage for routine maintenance of motor vehicle. This expenditure of Kshs.331,897 was not disclosed under use of goods and services. In the circumstances, the accuracy and completeness of use of goods and services expenditure of Kshs.2,325,970 as at 30 June 2018 could not be confirmed.

1.6 Fixed Assets Register

Included in annexure 4 to the financial statements is summary of fixed asset register which reflects a total balance of Kshs.32,836,333 as at 30 June 2018. However, it was noted that the fixed assets increased from Kshs.32,836,333 as at 30 June 2017 to Kshs.33,213,933 as at 30 June 2018 by Kshs.377,600. The years were erroneously transposed. Consequently, the accuracy and completeness of fixed assets register could not be confirmed.

1.7 Unutilized Funds from Budget

Significant Accounting Policies Note no.10 states that the unutilized funds should consist of opening bank balance in the constituency account and previous years' balance not yet disbursed by the board. However, from Note 15.3 the unutilized balance was Kshs.32,145,885. From the same note it was indicated that the undisbursed funds was Kshs.11,379,310 and opening cash balance is Kshs.539,584 amounting to a total of Kshs.11,918,894 therefore resulting to unreconciled and unexplained variance of Kshs.20,226,991. Under the circumstances, the accuracy and completeness of the unutilized balance of Kshs.32,145,885 as at 30 June 2018 cannot be confirmed.

In view of the foregoing, the accuracy and completeness of the financial statements for the year ended 30 June 2018 could not be ascertained.

2. Unsupported Emergency Project

Included in other grants and other payments balance of Kshs.52,343,456 is emergency projects out of which Kshs.5,658,456 was spent on various projects from the emergency reserve. However, no documentary evidence was provided to demonstrate that the projects were eligible for funding as emergencies as provided for in Section 8 (3) and Section 10 of the NG-CDF Act 2015. Consequently, the propriety of Kshs.5,658,456 cannot not be confirmed.

3. Unaccounted for Cash Withdrawals

Included in the statement of receipts and payments is use of goods of Kshs.2,325,970. However a review of the bank statements at Cooperative and Equity Bank accounts reflects cash withdrawals of Kshs.3,394,700 and Kshs.1,415,456 respectively resulting to total cash withdrawals for the period of Kshs.4,810,156, therefore unexplained variance of Kshs.2,484,186.

In the circumstance, the propriety of the use of goods and services amount of Kshs.2,325,970 for the year ended 30 June 2018 could not be confirmed.

4. Irregular Land Purchase for Tom Mboya University

A review of financial record at Ndhiwa NG-CDF, revealed that a Sale Agreement was made between NG-CDF Ndhiwa as the purchaser and Tom Obunga Guga holder of ID Card No 3503296 as the vendor in respect of construction of the proposed construction of Tom Mboya University in Ndhiwa. The land Parcel No KANYAMWA/KABONYO/KWANDIKU/1005 in Kologi ward in Mirogi of 17.7Ha (45 Acres) was valued at Kshs.24,750,000. Terms of the contract are:

Terms of the Contract

The Vendor was to be paid Kshs.2.5 Million on signing of the sale agreement done on 20 June 2018. A sum of Kshs.10 Million will be paid in November 2019 and balance of Kshs.12.25 Million will be paid in May 2020. However audit verification revealed the following anomalies in relation purchase of the said land:

- Minutes by the university council approving the proposal to open a University at Ndhiwa.

- No application/approval by the Commission of University Education to open a university at Ndhiwa.
- An expression of interest to secure Land by Tom Mboya University College Principal was dated 2nd January 2018 after the first payment had been made on 20 June 2018.
- A request for Land valuation for the said parcel was dated 30th October 2018 by the Fund Manager, NG-CDF Ndhiwa after a payment of 2.5 Million was already made to the vendor on 26 June 2018. TOM OBUNGA GUGA Land Purchase Payment voucher.
- The valuation report by the office of the valuer, Ministry of Lands, Housing and urban Development Kisii/Nyamira/Homa bay & Migori was dated 31 October 2018, after signing of the sale agreement.
- Certificate of official Search was dated 31 October 2018, after signing a sale agreement, this was irregular as the search precedes the sale agreement.
- There was not official receipt paid in respect to the search availed for audit review in order to establish if the search was actually conducted and was genuine, further the person who applied for the search had only a name called "Silas", no ID Number or phone number was shown on the official search thus giving rise to very minimal disclosure of the person who applied for the official search.
- The budget proposal for 2017/2018, an amount of Kshs.2.5 Million was approved by the CDF Board in respect to Jaramogi Oginga Odinga University and not Tom Mboya University College under tertiary Institutions.
- Further the expression of interest was done by the Acting Principal of Tom Mboya University whereas the sale agreement is for the purpose of building the proposed Jaramogi Oginga Odinga University thus difficult to ascertain the exact university the project was in respect.

Project Physical Verification

Physical verification was carried out on 27 March 2019 and the following was noted:

The site was an irregular shaped piece of land with a small stream at the slopping end of the land.

Beacons were present on one side of the land which was accessible to the audit team as the land was bushy with overgrown shrubs.

In the vicinity there were human settlements, thus it was difficult to determine the exact demarcation as the area was bushy with shrubs.

In view of these anomalies, the propriety and validity of the expenditure of Kshs.2,500,000 in respect to the purchase of land could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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.

Emphasis of Matter

1. Budgetary Control and Performance

Budget Performance Analysis

Ndhiwa NG-CDF constituency was allocated a total of Kshs.86,810,345 and a further Kshs.11,379,310 under the supplementary budget and prior year unutilized funds of Kshs.1,039,584 bringing the total allocation in the year to Kshs.99,229,239. It was further noted that the actual expenditures in the year was Kshs.67,083,355 against the final budgeted amount of Kshs.99,229,239 resulting in an under absorption by Kshs.32,145,884 or approximately 32 % of the budget as indicated below;

Item	Current year Final Budget Figures Kshs	Current Year Actual Figures Kshs	Variance Kshs
Compensation of employees	4,228,018	3,041,529	1,186,489
Use of Goods and Services	5,129,345	2,325,970	2,803,375
Transfer to Other Government Units	22,019,800	8,994,800	13,025,000
Other Grants and Transfers	60,659,202	52,343,456	8,315,746
Acquisition of Assets	1,515,848	377,600	1,138,248
Other Payments	5,677,027	0	5,677,027
Totals	99,229,239	67,083,355	32,145,884

Consequently, the under absorption indicates that the citizens of the constituency failed to get timely delivery of services, works and goods.

2. Project Implementation Status

In the Financial year 2017/2018, the Ndhiwa NG-CDF was to implement a total of 60 project valued at Kshs.86,810,345. Further analysis indicates that Nine (9) projects valued at Kshs.22,143,768 were not yet started, fifteen (15) project valued at Kshs.14,424,086 were ongoing, twenty-one (21) projects valued at Kshs.34,255,478 were completed as analyzed below:

Sector	Completed Value		On-Going		Not Yet Started	
	No.	Value (Kshs.)	No.	Value (Kshs)	No.	Value (Kshs.)

Emergency	5	4,568,965				
Environment			1	885,252	1	836,206
Sports			1	800,321		456,296
Bursary	1	14,638,000		800,000		
Education	5	9,810,000	16	8,500,000		13,025,000
Other grants	8	2,900,000	5	1,100,000	7	3,605,079
Constituency ICT hub	2	2,338,513	2	2,338,513	1	4,677,027
Total	21	34,255,478	25	14,424,086	9	22,143,768

The stalled projects were approved and partly funded between 2013 - 2017 but have remained uncompleted. Our verification on 21 March 2019, also confirmed that some of the stalled projects such as classrooms, health facilities and dispensaries, water services building bridges among others are at foundation, walling, window, ring beam and Lintel level. We also noted that some projects were allocated too little funds which may contribute to the projects taking too long before completion. This contravenes Sec 44(1) of the National Government CDF Act 2015 that requires consultations with the relevant Government departments to ensure the cost estimates for the projects are realistic. Consequently, the value for money from the expenditure already incurred on these projects could not be confirmed.

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 matter(s) described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

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 matter(s) described in the Basis for [Conclusion on Lawfulness and Effectiveness in Use of Public Resources/ Qualified Opinion] 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

5. Unaccounted for Expenditure

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund - Ndiwa Constituency for the year ended 30 June 2018

Included in the receipts and payments is other grants and other payments of Kshs.52,343,456 which includes Kshs.19,324,000 for Roads and Bridges which in turn includes Kshs.5,100,000 for completion of the Lwanda-Ndaria Bridge. However, records including payments vouchers indicated that projects was implemented by CDFC awarding contracts to a local firm M/s Jovtec Enterprise Limited contrary to the NG-CDF Act 2015 Sec 36 which states that CDF Projects should be implemented by PMCs. The contract was above the prescribed maximum value for using requests for quotations as prescribed in Sec 105 of the procurement regulations. In addition, the following anomalies were noted:

- i. Jovtec was not pre-qualified contractor for 2017-2018
- ii. Jovtec address on contract agreement of P O Box 48 - 40300 Homabay, while payment voucher is P O Box 407 - Homabay.
- iii. Contract was signed on 10 May 2018 and inspection and acceptance was approved on 14 May 2018 in the absence of a representative from KERRA. It is not clear how the concrete works in the inspection report for the bridge was completed in 3 days.
- iv. The project had been funded during fiscal years 2014-2015 and 2015-2016 at Kshs.6,000,000 and Kshs.7,800,000 respectively giving total expenditure of Kshs.13,800,000. An additional expenditure in 2017/2018 raises doubt especially where no variation of prices is indicated.
- v. Physical verification revealed that there was no current concrete works on the bridge except what was constructed and paid for in the previous years. The records also indicated that the contract agreement was signed on 10 May 2018 and the committee of inspection and acceptance report on 14 May 2018 confirming the work was done in 3 days casting doubt on how the concrete works worth Kshs.5,100,000 was satisfactorily completed in 3 days.

Consequently, the propriety of Kshs.5,100,000 cannot not be confirmed.

6. Transfer to other Government Units

i) Secondary Schools

Included in the receipts and payments is transfers to other government entities of Kshs.8,994,800 which in turn includes Kshs.3,000,000 transfers to secondary schools at note 6. Expenditure of Kshs.3,000,000 was incurred to erect flood lights in six secondary schools. However, the project was implemented by CDFC awarding contracts to a local firms Zitex Enterprise Limited contrary to the NG-CDF Act 2015 Section 36 which states that CDF Projects should be implemented by Project Management Committees.

In addition, the following anomalies were noted:

- i) A review of tender documents availed indicated that four (4) firms bided, for the contract as follows:

Company's Name	Amount (Kshs)
Covasco Engineering Co. Ltd	3,930,000
Colleah Enterprises Co. Ltd	4,000,000
Zitex Enterprises Limited	3,000,000
Essy Agencies Limited	3,650,000

Zitex Enterprises Limited was awarded the contract (Contract No NG/CDF/NDH/SEC/06/2017-2018) being the lowest bidder having quoted Kshs.3,000,000 to erect 2 single arm solar flood lights 5 secondary schools in various wards in Ndhiwa constituency.

- ii) From the list of prequalified suppliers only Zitex Enterprises limited was prequalified, the other 3 firms were not prequalified contrary to requirement of the Act.
- iii) Further no regret letters were availed for the losing bidders contrary to Section 87(3) of the Public Procurement and Disposal Act, 2015 which states that, the accounting officer of the of the procuring entity shall also notify in writing all other persons submitting tenders that, their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof.
- iv) Physical verifications visit to the school on 27 March 2019 revealed that, the flood light was not marked or labelled thus difficult to ascertain the financial year done and the financier. Interaction with the school management, we noted that only one arm of the flood light was working while the other arm had stopped working.

Consequently the propriety of Kshs.3,000,000 cannot be confirmed.

ii) Primary Schools

Included in the statement of receipts and payments is transfers to other government entities of Kshs.8,994,800 which include Kshs.3,494,800 transfer to primary schools at Note 6 which in turn includes expenditure of Kshs.2,400,000 to renovate classroom in thirty (30) primary schools. However, project physical verification on 28 March 2019 we noted that some classrooms had floor which was poorly done with cracks due poor workmanship. Consequently, no value for money may have been achieved.

7. Non Remittance of Taxes

From the availed records the Constituency Fund management awarded contracts to several local companies to construct several roads. However payments remittance of withholding value tax of 6% of Kshs.1,274,110 and 3% withholding tax of Kshs.653,440 to KRA was not deducted. As result the KRA might have lost

Kshs.1,927,550 on non-payment of withholding tax. Therefore the management was in breach of the law.

8. Irregular Procurement Procedures on Road Contracts

Included in other grants and other payments balance of Kshs.52,343,456 out of which Kshs.19,324,000 was spent on roads and bridges projects. However, review of the records including payments vouchers indicated that projects were implemented by CDFC awarding contracts to different firms contrary to the NG-CDF Act 2015 Sec 36 which states that CDF Projects should be implemented by PMCs. In addition, the anomalies were noted in some road projects as expenditure in the year under review as shown below.

From the availed records the Constituency fund management awarded contracts to several local companies to construct several roads. However, some contracts awarded were above the prescribed maximum value for using requests for quotations as prescribed in Regulations. It was not clear why the management did not comply to the sections of the procurement act. We also noted that most of the acceptance and agreement were signed over the weekend. Further, the inspection and acceptance reports for majority of roads constructed were dated 21 February 2018.

Name of Roads	Contractor	Amount	Observations
Got – Kojowi – Kabondo-Nyandoto-13Kms	Jovtec Enterprise	3,000,000	-Jovtec not prequalified acceptance and contract on 17 February 2018 weekend. Inspection on 21 Feb 2018
Kodiero-Ongeng-13Km	Elgibor Ventures Ltd	2,000,000	Acceptance and contract on 17 February 2018 weekend. Inspection on 21 Feb 2018
Manera –Omako Koth	Roland Ventures Ltd	1,724,000	Acceptance & contract on 06 February. Inspection on 13 Feb 2018.
Ndiwa - Sigama	Oghati Enterprise	2,100,000	Acceptance and contract on 18 February 2018 weekend. Inspection on 21 Feb 2018
Okok – Malela-	Roland Ventures Ltd	4,000,000	Acceptance 18 February 2018. Contract on 16 February 2018 before acceptance. Inspection on 18 February 2018
Ototo-Junction-Ogada	Alton Construction Ltd	1,200,000	Acceptance & contract on 17 February. Inspection on 02 March 2018.

Sec 24(a) of the CDF Act 2015 requires that project under this Act shall-(a) only be in respect of works and services falling within the functions of the national government under the Constitution. Construction and maintenance of roads fall under the devolve functions. No explanation was given for breach of 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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

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.

Basis for Conclusion

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

In preparing the financial statements, management is responsible for assessing the projects ability 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 Ndhwa National Government Constituencies Development Fund 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Ndhiwa National Government Constituencies Development Fund 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

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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 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 the Ndhiwa National Government Constituencies Development Fund 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 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 Ndhiwa National Government Constituencies Development Fund ability to continue as a going concern or 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 Ndhiwa National Government Constituencies Development 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 Ndhiwa National Government Constituencies Development 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.



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

Nairobi

23 August 2019