

REPORT OF THE AUDITOR-GENERAL ON KENYA MARITIME AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Maritime Authority as set out on pages 1 to 46, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows, and statement of comparison of budget and actual amounts 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 respect, the financial position of the Kenya Maritime Authority as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Maritime Act, Cap 370 of the Laws of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

1.1. Kenya Commercial Bank Current Account

The statement of financial position reflects a cash and cash equivalents balance of Kshs.897,237,466 as at 30 June, 2020 which, as disclosed in Note 21 to the financial statements, included an amount of Kshs.841,941,248 held in a current account with a local commercial bank. However, and as previously reported, the June, 2020 bank reconciliation statement for the account reflected an amount of Kshs.4,344,000 in respect of payments in bank statement not recorded in cash book dating back to June, 2018. Available records indicated that the payment was made to a legal firm representing the Authority. However, the payment was not supported by a payment voucher, supporting documents used for the procurement of the services, evidence of services rendered and authorization of remittance of the funds to the law firm.

1.2. National Bank of Kenya -Dollar Account

The cash and cash equivalents balance of Kshs.897,237,466 also includes an amount of Kshs.9,801,466 in the National Bank of Kenya Current Account (USD) and whose bank reconciliation statement for the month of June, 2020 reflects a bank statement balance of USD 118,692.22. However, the certificate of bank confirmation as at 30 June, 2020 reflects an amount of USD 117,982.86, thus resulting in an unreconciled variance of USD 709.36.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.897,237,466 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Maritime Authority Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that the Authority had an approved budget of Kshs.1,602,000,000 compared to actual receipts of Kshs.1,580,953,742. Similarly, the Authority's actual expenditure amounted to Kshs. 822,004,874 against a budgeted expenditure of Kshs.1,049,261,000 resulting to an under-expenditure of Kshs.227,256,126 or 22% of the budgeted expenditure. The under-expenditure may have affected the planned activities of the Authority and could have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Audit Matters

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues.

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. Trade and Other Receivables from Exchange Transactions

As disclosed in Note 22 to the financial statements, the statement of financial position reflects a balance of Kshs.73,987,705 under trade and other receivables from exchange transactions. However, the following observations were made:

1.1. Trade Receivables

Included in the trade receivables balance of Kshs.73,987,705 is an amount of Kshs.13,713,210 in respect of trade receivables, out of which Kshs.6,604,812 has been outstanding since 1 July, 2015. The Management did not provide satisfactory explanations why the debts had not been collected and no evidence was provided to indicate that the matter had been referred to an agency for collection as provided in the credit policy. The policy provides that any amount outstanding for over forty-five (45) days should be referred to an agency to ensure follow up and subsequent settlement.

Consequently, the recoverability and validity of trade debtors balance of Kshs.6,604,812 could not be confirmed.

1.2. Other Non-Trade Receivables

1.2.1. Supply, Review and Installation of Enterprise Resource Planning

The trade receivables also includes an amount of Kshs.40,926,031 in respect of other non-trade receivables, out of which an amount of Kshs.2,275,749 related to a claim from a supplier for non-performance of contractual obligations. The payment represented 20% of the contract sum of Kshs.11,378,743 which was payable after first project meeting, contract sign off and signing of the project charter. The contract for supply, review, upgrade, installation and support of the Enterprise Resource Planning (ERP) system and integration with the electronic data management system and other systems was signed on 15 December, 2016 for a contract period of twelve (12) weeks. Available records showed that the Project stalled before reaching the second milestone and the Management indicated that efforts to recover the claim were ongoing. However, as at the

time of audit in the month of September, 2020, forty- four (44) months after the expiry of the contract period, the service provider had not completed the work.

Consequently, the recoverability of other trade debtors of Kshs.2,275,749 could not be confirmed.

1.2.2. Advance Payment for Construction of Headquarters

Included in the other non-trade receivables balance of Kshs.40,926,031 is an amount of Kshs.36,157,869 in respect to an advance payment to a contractor for construction of the Authority's Headquarters. However, the validity of the advance payment security lapsed on 31 January, 2018 and had not been renewed as at 30 June, 2020. Further, the Management provided a partial advance security of Kshs.11,569,634 issued by a Bank on 05 November, 2019 and valid up to 02 February, 2020. The balance of Kshs.24,588,235 or 68% of the advance payment was therefore not secured. The payment was therefore, contrary to Section 147(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that under exceptional circumstances, advance payment may be granted and should not exceed twenty per cent (20 %) of the price of the tender and should be paid upon submission by the successful tenderer to the procuring entity of an advance payment security equivalent to the advance itself and that security should be given by a reputable bank or any authorized financial institution issued by a corresponding bank in Kenya recognized by the Central Bank of Kenya, in case the successful tenderer is a foreigner.

In the circumstances, the validity, regularity and recoverability of other non-trade receivables balance of Kshs.24,588,235 could not be confirmed.

1.3 Provision for Doubtful Debts

As disclosed in Note 22 to the financial statements, the Authority made a provision for doubtful debts amounting to Kshs.11,148,096 representing 81% of the trade receivables balance of Kshs.13,713,210. As previously reported, according to the Authority's policy on provision for bad and doubtful debts, receivables outstanding for more than 100 days qualify to be provided for. However, there was no evidence of the debt collection strategies implemented by the Authority.

Under the circumstances, the reasonableness of the policy to provide for all debts outstanding for one hundred (100) days and above could not be confirmed.

2. Capital Work in Progress

As disclosed in Note 27 to the financial statements, the property, plant and equipment balance of Kshs.1,670,688,495 includes an amount of Kshs.1,375,156,053 in respect of capital work in progress being the cumulative cost of the ongoing works on Kenya Maritime Authority Headquarters Project at a total cost of Kshs.1,728,176,418. The works

consists of main building works, electrical, plumbing and drainage, air conditioning and elevator installation works. The following observations were made:

2.1 Payment of General Preliminaries

As previously reported, the capital work in progress balance of Kshs.1,375,156,053 includes an amount of Kshs.539,431,019, being payments for interim certificate numbers 2, 3 and 4. Audit review of the interim certificates indicated that, the payments were made by the Authority for particular preliminaries included in the Bill of Quantities, at a cost of Kshs.3,500,000 which was paid in full plus 15% or Kshs.525,000 profit for groundbreaking ceremony. The preliminaries, being provisional amounts, are reimbursed on production of evidence of actual costs incurred. However, the Authority paid the contractor the full amount without evidence of actual cost incurred.

Consequently, the propriety and validity of ground-breaking ceremony cost of Kshs.3,500,000 could not be confirmed.

2.2 Payment of Rent

Included in the capital work in progress balance of Kshs.1,375,156,053 are payments for rent amounting to Kshs.2,070,000, being costs incurred by the Kenya Maritime Authority to temporarily resettle tenants of Reef Apartment Building whose stability was compromised during excavation for the foundation of the Headquarters building. However, the capitalization of the rent expense is contrary to Paragraph 30 (b) of International Public Sector Accounting Standard No. 17 – Property, Plant and Equipment - which provides that the cost of an item of property, plant, and equipment comprises: any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management’.

Further, Paragraph 30.3 of the conditions of contract under liability and insurance provides that, ‘the contractor shall provide in joint names insurance cover that should have covered loss or damage to property in connection with the contract’. Therefore, the cost of rent should have been catered for by the cover. Also, the Appendix to the conditions of contract clearly provided Kshs.5,000,000 as the minimum for insurance of other property.

Consequently, the validity of Kshs.2,070,000 in respect of work in progress could not be confirmed.

2.3 Construction of Headquarters Subcontracts

Included in the contract sum of Kshs.1,728,176,418 for construction of Kenya Maritime Authority Headquarters, are prime costs and provisional sums amounting to Kshs.390,452,000 or 22.6%, contrary to the guidelines provided by the Public Procurement Oversight Authority, which provides under Section VII Bills of Quantities

Paragraph 3.0(d)(ii) that 'Provisional Sums to cover specialized works normally carried out by Nominated Sub Contractors should be avoided and instead Bills of Quantities of the specialized works should be included as a section of the main Bill of Quantities to be priced by the main contractor. The main contractor should be required to indicate the name (s) of the specialized firms he proposes to engage to carry out the specialized Works as his approved domestic subcontractors. Only provisional sums to cover specialized works by statutory authorities should be included in the Bills of Quantities'.

Consequently, the Authority contravened the law and the validity and propriety of prime costs and provisional sums amounting to Kshs.390,452,000 could not be confirmed.

2.4 Electrical Works Sub-Contract

The Authority evaluated sub-contractors to carry out works listed in provisional sums and prime costs under the supervision of the main works contractor. However, review of the procurement of the electrical works contractor revealed that the lowest evaluated bidder had quoted Kshs.115,976,976 which was corrected to Kshs.224,292,876 at evaluation stage, contrary to Section 82 of the Public Procurement and Asset Disposal Act, 2015 which states that 'the tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment or amendment in any way by any person or entity'.

Further, records provided for audit indicated that the Authority disengaged from the subcontract on 5 November, 2019 and the subcontractor acknowledged the disengagement on 19 November, 2019. However, based on the professional advice by the Solicitor-General on 1 November, 2019, the Kenya Maritime Authority has no contractual relationship with the subcontractor, but the main contractor.

Consequently, the Management was in breach of the law. Further, the validity and regularity of the electrical contract price of Kshs.224,292,876 could not be confirmed.

3. Employee Costs

As disclosed in Note 13 to the financial statements, the statement of financial performance reflects an expenditure of Kshs.384,364,234 relating to employees costs. The following observations were made:

3.1 Employee Above the Age of Sixty (60) Years

Audit of the payrolls for the year ended 30 June, 2020 indicated that the Authority engaged one (1) employee on a three (3) year contract running from 28 March, 2020. However, the employee was above the mandatory retirement age of sixty (60) years. This is contrary to Paragraph D.21 of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which provides that all officers shall retire from the Service

on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities or as may be prescribed by the government from time to time.

Consequently, the Management was in breach of the law.

3.2. Employees With Net Salaries Less than One Third of Basic Salary

Audit of the payrolls for the year ended 30 June, 2020 revealed that the net pay for three (3) employees totalling to Kshs.204,004 was less than a third of their corresponding basic pay of Kshs.270,150, contrary to Section 19(3) of the Employment Act, 2007 which states that the total amount of all deductions made by an employer from the wages of his employee at any one time, shall not exceed two-thirds of such wages.

Consequently, the Management was in breach of the law.

4. General Office Expenditure

As disclosed in Note 17 to the financial statements, the statement of financial performance reflects an amount of Kshs.306,444,750 under general office expenditure. The following observations were made:

4.1 Irregular Procurement of Motor Vehicles and Boat Insurance

The general office expenditure includes insurance expenses of Kshs.5,704,482 out of which an amount of Kshs.3,003,788 was in respect of motor vehicles and boat insurance. However, the following anomalies were noted:

- i. Requests for quotations provided for audit review did not specify the risks to be covered and limits of cover. Further, review of documents submitted by bidders revealed that each bidder quoted for different cover limits and risks, hence the bid prices were not comparable.
- ii. Audit review of tender evaluation minutes revealed that no technical evaluation of the bids was done.
- iii. Audit review of the quotations revealed that only two (2) bidders responded out of the six (6) invited. However, the quotations were evaluated, contrary to Section 106 (2)(d) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to ensure that at least three (3) persons shall submit their quotations prior to evaluation.
- iv. The Authority used requests for quotations procurement method. However, a list of the insurance providers and details on how the bidders were identified were not provided for audit verification.

In the circumstances, the validity, regularity and propriety of the expenditure on motor vehicles and boat insurance services amounting to Kshs.3,003,788 could not be confirmed.

4.2. Irregular Procurement of Branded Promotional Items

Included in the general office expenditure of Kshs.306,444,750 is an amount of Kshs.51,260,930 in respect of publicity and awareness. The latter balance includes an amount of Kshs.5,360,500 in respect of branded promotional items including water bottles, umbrellas, notepads, brochures and booklets procured through restricted tendering. The Management sent tender invitations to eight (8) firms from the prequalified list of fifty-three (53) suppliers. This was contrary to Regulation 54(3) of the Public Procurement and Disposals Regulations, 2006 which requires a procuring entity to invite tenders from at least ten persons selected from the prequalified list maintained for restricted tendering method. Further, the tender was not advertised in the Kenya Maritime Authority website as per Regulation 54 (3)(d) of the Public Procurement and Disposal Regulations, 2006.

In addition, the use of the restricted tendering method for the supply of branded promotional items and brochures was not justified as the goods and services procured were readily available and not of a complex nature. This was done contrary to Section 102(1) of the Public Procurement and Asset Disposal Act, 2015 which prescribes conditions for the use of restricted tendering including (a) competition for contract, because of the complex or specialized nature of the goods, works and (b) if there is evidence to the effect that there are only a few known suppliers of the whole market of the goods, works or services.

The Management was in breach of the law.

5. Outstanding Imprests

The statement of financial position reflects a balance of Kshs.144,081,571 under receivables from non-exchange transactions which, as disclosed in Note 23 to the financial statements, includes an amount of Kshs.175,297 in respect of other receivables. The latter balance includes an amount of Kshs.56,000 relating to an imprest issued to a former staff of the Authority but has been outstanding since 2015. This is contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

The Management was, therefore, in breach of the law.

6. Loans to Members of Staff Beyond Approved Limit

During the year under review, two (2) employees of the Authority were provided with car loan benefits through a scheme administered by a bank on behalf of the Authority. However, scrutiny of the loan beneficiaries revealed that car loans were advanced to two

(2) employees in excess of the approved Salaries and Remuneration Commission limits as summarized below:

Kenya Maritime Authority Job Group	Civil Service Job Group	Maximum Loan Limit (Kshs.)	Principal Loan Amount Advanced (Kshs.)	Excess Loan Advanced (Kshs.)
8	H	800,000	1,349,634	549,634
3	R	3,000,000	3,576,000	576,000
Total		3,800,000	4,925,634	1,125,634

The excess car loan of Kshs.1,125,634 is contrary to Salaries and Remuneration Commission Circular No. SRC/023/12/2014 of 17 December, 2014 which provides the thresholds for car loan and Mortgage Scheme benefits for various cadres of public officers in the Public Service.

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

7. Interest Rate on Un-Utilized Car Loan Guarantee Fund

The statement of financial position reflects a balance of Kshs.215,926,050 under mortgage guarantees which, as disclosed in Note 25 to the financial statements, includes a car loan guarantee of Kshs.30,934,067. The latter balance includes an amount of Kshs.434,067 being interest earned during the year. However, no records were provided to show that the interest rate had been set during the previous four (4) years that the car loan guarantee Fund had been in operation (from 27 June, 2015 to September, 2019). This is contrary to Paragraph 6(a) of the Service Agreement between the Authority and the bank operating the Scheme requires the parties to set interest rate for unutilized deposits held by the bank.

Consequently, the Management was in breach of the law and the Service Agreement.

8. Local Purchase Orders Committed After 31 May

During the year under review, the Management committed Local Purchase Orders (LPOs) for supply of goods and services amounting to Kshs.7,490,377 after 31 May, 2020. This is contrary to Regulation 51(1) of the Public Finance Management (National Government) Regulations, 2015 which states that all commitments for supply of goods or services shall be done not later than May 31st each year except with the express approval of the accounting officer in writing.

9. Long Outstanding Creditors

The statement of financial position reflects a balance of Kshs.118,740,605 under trade and other payables from exchange transactions which, as disclosed in Note 28 to the financial statements, includes an amount is Kshs.3,161,941 in respect of suppliers for various goods and services supplied more than two (2) years ago. The Management has

not provided an explanation on why the amounts had not been paid. This is contrary to Section 156(4)(d) of the Public Finance Management Act, 2012 which states that an Accounting Officer engages in improper conduct if the officer fails without reasonable cause to pay eligible and approved bills promptly in circumstances where funds are provided for. It is also contrary to Authority's terms and condition (5) of Local Purchase Orders and Local Service Orders which states that, 'provided the conditions of purchase have been fulfilled, payment will be made within 45 days from date of invoice.

The Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 2315 and ISSAI 2330. 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Authority or to cease operations.

Management is also responsible for the submission of 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.

The Board of Directors is responsible for overseeing financial reporting process, reviewing the effectiveness of how the Authority 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 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 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 controls 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Authority'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 Authority 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 Authority to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2021