

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MWINGI CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mwingi Central Constituency set out on pages 20 to 39 which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows 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 have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mwingi Central Constituency 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 (Cash Basis) and comply with the Public Finance Management Act 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the summary statement of appropriation-recurrent and development combined revealed the following anomalies;

- (i) The statement reflects amounts of Kshs.89,207,248, Kshs.12,920,000, Kshs.35,999,579 and Kshs.4,800,000 in respect of; transfers from NGCDF Board, transfers to other Government units, other grants and transfers and other payments respectively. However, the statement of receipts and payments reflects amounts of Kshs.55,000,000, Kshs.8,800,000, Kshs.44,219,579 and Kshs.700,000 on the four accounts respectively.
- (ii) No explanations have been provided under the statement of appropriation-recurrent and development combined on significant underutilization (below 90% of utilization) and overutilization (above 100%).
- (iii) The statement reflects final payments budget of Kshs.227,970,233 which differs with the Kshs.172,689,772 shown in the statement of budget execution by programmes and sub programmes with a resultant variance of Kshs.55,280,461 which has not been explained or reconciled.

- (iv) The statement reflects Kshs.165,321,551 as the budget utilization difference under payments. However, a casting error of Kshs.42,000 was noted and the correct total should be Kshs.165,363,551.

In view of the foregoing, the correctness and accuracy of the summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 could not be confirmed.

2. Unutilized Fund

Note 17.3 to the financial statements reflects Kshs.90,560,509 as comparative figure for unutilized fund which differs with the analysis given under Annex 3 to the financial statements which reflects a balance of Kshs.90,530,509 hence a resultant variance of Kshs.30,000.

In the circumstances, the accuracy of the unutilized funds as disclosed under Note 17.3 and annex 3 to the financial statements cannot be confirmed.

3. Unsupported Prior Year Adjustments

As disclosed in note 14 to the financial statements, the statement of assets and liabilities reflects prior year adjustments of Kshs1,114,800 and which have not been supported. However, prior year adjustment may arise either as a correction of an error in the financial statements reported for a prior period or change in accounting policy/ estimate from the previous year in accordance with the International Public Sector Accounting Standards (IPSAS) 3.

In the circumstances, the accuracy of the prior year adjustments of Kshs.1,114,800 in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

4. Understated Bank Balances

As disclosed in note 10A to the financial statements, the statement of assets and liabilities reflects Kshs.26,642,566 in respect of bank balances. Review of the bank reconciliation statements revealed that there were unrepresented cheques amounting to Kshs.19,066,491 which included stale cheques worth Kshs.10,598,487. No explanation was provided as to why the stale cheques were not written back to the cashbook.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.26,642,566 could not be ascertained.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The Summary statement of appropriation: recurrent and development combined reflects receipts budget and actual amount on comparable basis of Kshs.227,731,772 and Kshs.89,249,248 respectively resulting in underfunding of Kshs.138,482,524 or 61% of the approved budget. Further, out of the receipts amount of Kshs.89,249,248, only Kshs.62,606,682 was utilized resulting in under absorption of Kshs.26,642,566 or 30% of the available receipts.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents. Further, failure to implement projects fully and to absorb the funds disbursed may have denied the residents the benefits accruing from the planned projects, programmes and activities.

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 of Conclusion

1. Errors of Presentation and Disclosure in the Financial Statements

Review of the financial statements for the year ended 30 June, 2020 revealed errors of presentation and disclosures as outlined below:

- i) The corporate social responsibility (CSR) statement /sustainability reporting, did not indicate if any CSR activities were carried out during the year under audit. Further, a highlight on the achievements in each pillar of; sustainability strategy and profile, environmental performance, employee welfare, market place practices and community engagements were not indicated.
- ii) Report on progress on follow up of auditors' recommendations does not include the issues which were raised in the previous year's audit report.
- iii) Notes 10A, 11, 12A, 12B and 13 to the financial statements includes guidance notes which ought to have been removed.
- iv) Pages in the financial statement have not been serially numbered.

- v) Name of the entity was not indicated on top of Annex 1, 2, 3, 4 and 5. Instead, guidance information as given in the template have been retained.

In view of the above, the presentations and disclosures in the financial statements do not fully comply with the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Irregular Expenditure on Committee Allowances

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects Kshs.6,435,627 in respect of use of goods and services which includes Kshs.1,293,400 for committee expenses out of which Kshs.47,000 was paid to bursary subcommittee members. Review of supporting documents revealed that there were six (6) members in attendance who were entitled to allowance at a rate of Kshs.500 per person each. However, the payment was made at the rate of Kshs.5,000 per person without any explanation. Further, two members whose names were not in the original attendance list, were included in the payment schedule and received a total of Kshs.17,000 without any explanation.

In the circumstances, the validity and regularity of Kshs.47,000 for committee allowances could not be confirmed.

3. Lack of Clear Bursary Award Process

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects Kshs.44,219,579 in respect of other grants and other payments which includes Kshs.35,772,100 for bursary disbursements to secondary schools, tertiary institutions and special schools. However, no adequate relevant supporting documents were provided for audit to show how applications for bursaries were invited and evaluated. It was therefore not possible to confirm whether, the bursaries were awarded to needy and deserving students through an open and transparent process.

Consequently, the regularity of bursary disbursements of Kshs.35,772,100 could not be confirmed.

4. Remuneration of an Information Communication Technology (ICT) Officer

During the year under review, the Fund recruited an ICT Officer for a three-year contract term. The engagement letter signed between the ICT Officer and the Fund indicated that he was to receive a basic salary of Kshs.24,662, a house allowance of Kshs.10,000 and a commuter allowance of Kshs.7,000. However, review of the payroll revealed that the Officer was instead being paid a house allowance of Kshs.3,000 and a commuter allowance of Kshs.3,000 which were less than the amount stipulated in the employment contract.

Consequently, the Fund is in violation of the terms of the employment contract which is a breach of the Employment Act, 2007.

5. Implementation of Projects

5.1 Project Implementation Status

The budget execution by programmes and sub-programmes for the year ended 30 June, 2020 reflected an amount of Kshs.137,367,724 for implementation of two hundred and fifty-four (254) projects out of which two hundred and forty-eight (248) were new while six (6) were on-going. However, the project implementation status report (PIS) presented for audit only had information on projects funded under 2018-19 budget and for the previous years. It was therefore not possible to tell the implementation status for the projects funded under the 2019/20 budget. In addition, review of project implementation records provided for audit revealed several incidences where the Fund management approved change of projects and implemented different projects from those initially planned. Further, incidences of inadequate allocation of funds to projects were noted which resulted to uncompleted projects.

This may be indicative of weaknesses in project planning and management and casts doubt on the involvement of the public in the process of project identification and prioritization.

In the circumstances, there is lack of accountability and weaknesses in project implementation and it has not been possible to ascertain if value for money was realized from the Kshs.137,367,724 allocated to projects.

5.2 Implementation of Emergency Projects

As disclosed under note 7 to the financial statements, the statement of receipts and payments reflects Kshs.44,219,579 in respect of other grants and other payments which includes Kshs.8,220,000 incurred on emergency projects. However, the Fund management did not report the funded emergencies to the Board as stipulated in Section 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

Further, a review of documents and physical verification of projects revealed the following anomalies:

5.2.1 Contract for Renovation of Dormitory at Mboru Primary School

During the year under review, the Fund disbursed Kshs.500,000 for renovation of a girls' dormitory at Mboru Primary School. The project was awarded as two separate contracts for labor and supply of construction materials. However, no bills of quantities from the sub county works office were provided for audit. Further, physical verification revealed that the project was incomplete and was being used as a store despite exhausting the allocated funds. In addition, four (4) windows costing Kshs.18,000, floor tiles valued at Kshs.49,000, painting works of Kshs.20,800 and plastering of the walls were not done.

In the circumstance, it was not possible to confirm if value for money was realized from the expenditure of Kshs.500,000 incurred on the project.

5.2.2 Contract for Completion of Classroom at Ukasi Boys Secondary School

During the year under review, the Fund disbursed Kshs.500,000 for completion of one classroom at Ukasi Boys Secondary School and the tender was awarded to a local

company under labor-based contract. However, review of the bid documents revealed that, the awarded contractor presented expired National Construction Authority and KRA PIN Certificates and was therefore not qualified for award.

Consequently, it was not possible confirm the regularity and value for money of the expenditure of Kshs.500,000 incurred on the project.

5.2.3 Renovation of Classroom at Kamuluyuni Primary School

During the year under audit, the Fund disbursed Kshs.300,000 to Kamuluyuni Primary School for renovation of one classroom to completion and a labor-based contract awarded at a contract sum of Kshs.194,000. It was however noted that, at the evaluation stage, the contractor had been recommended for award at a contract sum of Kshs.76,000. It was not clear why the contract was awarded at a higher contract sum of Kshs.194,000 and how the same was determined.

In the circumstances, regularity and value for money of the expenditure of Kshs.194,000 cannot be confirmed.

5.2.4 Contract for Roofing of Classroom at Kivou Secondary School

The Fund disbursed Kshs.250,000 to Kivou Secondary School for roofing of a classroom which was blown off by wind. However, the relevant documents indicate that, the school had requested for emergency funding for construction of four pit latrines and there was no request letter for the roofing of classroom. It was therefore not clear how the Fund management committee arrived at the decision for roofing the classroom instead of constructing a pit latrine as requested.

Consequently, the regularity and value for money for the expenditure of Kshs.250,000 may not have been realized.

5.3 Implementation of Sports Projects

As disclosed in Note 7 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.44,219,579 for other grants and other payments out of which Kshs.227,479 related to sports projects and which was incurred on purchase of various sports materials such as; games kits, volley balls and footballs for identified constituency teams. However, documents in support of the procurement process were not provided for audit. Further, no documents were provided to confirm whether the purchased sports items were requested for and how they were distributed.

In the circumstances, the regularity, occurrence and value for money of the expenditure of Kshs.227,479 could not be confirmed.

5.4 Implementation of Secondary School Projects

As disclosed in note 6 to the financial statements the statement of receipts and payments reflects transfers to other Government entities of Kshs.8,800,000 which includes transfers

to secondary schools of Kshs.6,100,000. Review of documents and physical verification of projects revealed the following anomalies;

5.4.1 Completion of Science Laboratory at Mulinde Secondary School

During the year under review, the Fund disbursed Kshs.500,000 to Mulinde Secondary School for completion of a science laboratory project with the scope of works being walling, roofing and plastering. However, review of the procurement documents revealed that the awarded Contractor did not have National Construction Authority registration certificate.

In the circumstances, the regularity of the expenditure of Kshs 500,000 could not be confirmed.

5.4.2 Completion of Science Laboratory and Construction of Administration Block at Kanzui Secondary School

During the year under review, Kshs.1,000,000 was disbursed to Kanzui Secondary School for completion of a science laboratory and construction of administration block at cost of Kshs.200,000 and Kshs.800,000 respectively. A labor-based contract was awarded for completion of the science laboratory at a contract sum of Kshs.240,000. However, it was noted that the awarded Contractor did not present a Tax Compliance Certificate and National Construction Authority (NCA) registration certificate. In addition, supply of construction materials was single sourced from a local hardware. Further, although the funds disbursed were for construction of an administration block, physical verification carried out on 4 February, 2021 revealed that there was change of activity to construction of 2 No. classrooms without approval from the Constituency Development Fund Committee and the Constituency Development Fund Board.

In the circumstances, it was not possible to confirm the regularity and value for money of the expenditure of Kshs.1,000,000 incurred on the project.

5.4.3 Purchase of School Bus at Kalisasi Secondary School

During the year under audit, the Fund disbursed Kshs.3,000,000 to Kalisasi Secondary School for purchase of a school bus which was a joint project between the Fund and the school parents. A contract was signed with a local motor vehicle dealer for purchase of the bus at a contract price of Kshs.5,100,000. The school made a down payment of Kshs.2,969,000 leaving a balance of Kshs.2,131,000. Physical carried out on 4 February, 2021 revealed that the bus was yet to be delivered.

Consequently, it was not clear if and when value for money will be realized from the payment of Kshs.2,969,000 incurred on the purchase of school bus.

5.4.4 Contract for Completion of a Dormitory at Ndiamumo Secondary School

During the year under review, the Fund disbursed Kshs.600,000 to Ndiamumo Secondary School for completion of a 120 students capacity dormitory. However, documents in

support of procurement process were not provided for audit and therefore it was not possible to determine how the tender was awarded.

Consequently, it was possible to confirm the regularity and the value for money realized from the expenditure of Kshs.600,000 disbursed for the project.

5.4.5 Renovation of Laboratory at Muthuka Secondary School

During the year under review, Kshs.400,000 was disbursed to Muthuka Secondary School for renovation of a laboratory. It was however, noted that a contract for construction of two classrooms was awarded instead the approved project of completion of a laboratory. No documents were provided to confirm that the change of project was approved by the Project Management Committee and Constituency Development Fund Board. Further, physical verification of the project carried out on 4 February, 2021 revealed that only one classroom had been completed.

In the circumstances, the regularity and value for money of the expenditure of Kshs.400,000 incurred on the project could not be confirmed.

5.5 Implementation of Primary School Projects

As disclosed in note 6 to the financial statements, the statement of receipts and payments reflects transfers to other Government entities of Kshs.8,800,000 which includes transfers to primary schools of Kshs.2,700,000. Review of documents and physical verification of projects revealed various anomalies as follows:

5.5.1 Renovation of 4. No Classrooms at Mwalili Primary School

During the year under review, the Fund disbursed Kshs.300,000 to Mwalili Primary School for renovation of four (4) classrooms. The labor services contract was awarded at a contract sum of Kshs.100,000. However, it was noted that the awarded Contractor did not quote any price on their quotation document hence it was not clear how the committee arrived at a contract sum of Kshs.100,000. In addition, other three bidders had quoted amounts of Kshs.80,000, Kshs.60,000 and Kshs.74,240, which were lower than the awarded amount.

Further, Management indicated that the construction materials were acquired directly from the community and paid for through cash transactions. However, it was not possible to confirm authenticity of the payments since no payment receipts or authenticated payment schedule were provided for audit.

In the circumstances, the regularity and value for money of the expenditure of Kshs.300,000 disbursed for the project could not be confirmed.

5.5.2 Renovation of One Classroom at Mulanga Primary School

During the year under audit, the Fund disbursed Kshs.300,000 to Mulanga Primary School for renovation of one classroom. It was however noted that, four bidders had tendered for supply of materials but the contract was awarded to a different supplier at a

cost of Kshs.117,600. It was not clear how the supplier was identified and the awarded amount determined.

In the circumstances, the regularity and value for money of the expenditure of Kshs.300,000 disbursed for the project could not be confirmed.

5.5.3 Renovation of Classroom at Syungii Primary School

During the year under review, the Fund disbursed Kshs.300,000 to Syungii Primary School for renovation of a classroom. A labor-based contract was awarded at a contract sum of Kshs.194,000. However, it was noted that the awarded Contractor did not have a Tax Compliance Certificate. In addition, all the quotations for supply of construction materials which were issued on 1 April, 2020 had the name of the school as the bidder. It was therefore not possible to determine the identity of the bidders who quoted for supply of construction materials.

Consequently, the regularity and value for money of the expenditure of Kshs.300,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy, Disaster Recovery and Business Continuity Plan

During the year under review, the Fund did not have a Risk Management Policy. This implies that the management lacked a framework for identification, assessment and mitigation of risks and hence exposed to risk of loss through fraud and other threats to its operations.

Further, the Fund did not have in place a Disaster Recovery and Business Continuity Plan and thus lacked a blue print for identifying, preventing and mitigating against disasters and ensuring that its operations are not interrupted.

This is contrary to the provisions of Section 165(a) and (b) of the Public Finance Management Act, Regulations 2015, which requires the Accounting Officer to ensure that the National Government Entity develops risk management strategies which include fraud prevention mechanisms and develop a system of risk management and internal control that builds robust business operations.

2. Lack of Human Resource Policy

Management did not have an approved Human Resource Policy Manual, Career Guidelines, Scheme of Service and approved Staff Establishment. It was therefore not possible to ascertain the compliance with the Human Resource Policy and Procedures Manual for Public Service, May, 2016.

3. Lack of Information Communication Technology (ICT) Policy

Review of the ICT environment revealed that the Fund did not have an approved ICT Policy which is necessary for management and optimization of the use of IT resources.

Consequently, the Fund may not make the best use of its IT resources and is also exposed to the risk of loss of data and confidentiality.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 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 overall governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 noncompliance. 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 Fund's 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 the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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

10 February, 2022