

# **REPORT OF THE AUDITOR-GENERAL ON KENYATTA INTERNATIONAL CONVENTION CENTRE FOR THE YEAR ENDED 30 JUNE, 2020**

---

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Qualified Opinion**

I have audited the accompanying financial statements of Kenyatta International Convention Centre set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2020, and the statement of comprehensive income, statement of changes in equity, 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 respects, the financial position of the Kenyatta International Convention Centre as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (Accrual Basis) and comply with the Tourism Act, No.28 of 2011 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Trade and Other Receivables**

##### **1.1 Long Outstanding Debts**

As previously reported, the statement of financial position reflects a balance of Kshs.829,479,034 under trade and other receivables which includes an amount of Kshs.742,236,842 or 90%, which has been outstanding for over one year and the bulk of which is owed by various Government Ministries and Departments. In particular, the National Assembly owes an amount of Kshs.47,311,344 which has been outstanding for a considerably long period of time.

Further, a balance of Kshs.60,646,813 of the debts is owed by defunct Government Ministries and Departments. However, an inquiry and comparison with financial statements of the reported debtors showed that the said debts were not recognized as payables or pending bills in those institutions. In addition, a substantial portion of the accounts receivables mostly arose when credit sales were extended to the conference

clients, Government and private tenants and leased parking. The Management efforts to recover these debts have not been fruitful.

## **1.2 Failure to Honor Tenancy Agreement**

Available information indicates that the 18th floor of Kenyatta International Convention Centre was occupied by the private secretary to the third President from 01 July, 2013 to 01 July, 2016 accruing a total debt of Kshs.36,096,972 though no lease agreement was provided for audit review. Recoverability of the debts remain doubtful despite there being a provision for bad and doubtful debts of Kshs.25,160,549, which appears inadequate

In the circumstances, recoverability of the debts is doubtful and it was not possible to confirm that the trade and other receivables balance of Kshs.829,479,034 as at 30 June, 2020 is fairly stated.

## **2. Trade and Other Payables**

The statement of financial position reflects a balance of Kshs.1,020,450,968 under trade and other payables which, as disclosed in Note 19 to the financial statements, includes trade payables amounting to Kshs.571,970,656. The latter balance include an amount of Kshs.338,514,062 or 60% that had been outstanding for over one year but is reflected as current liabilities. Further, the ledger and supporting schedules for the entire trade and other payables balance of Kshs.1,020,450,968 were not provided for audit verification.

Under the circumstances, the accuracy of the trade and other payables balance of Kshs.1,020,450,968 as at 30 June, 2020 could not be confirmed.

## **3. Property, Plant and Equipment**

The statement of financial position reflects a balance of Kshs.5,091,663,602 under property, plant and equipment which, as disclosed in Note 13 to the financial statements, includes an amount of Kshs.2,296,000,000 relating to land. As previously reported, the latter balance excludes land commonly referred to as COMESA parking area and Courtyard on which the first Kenya President's monument stands. Further, the land on which the Garden Square Restaurant stands is under dispute between the Corporation and the County Government of Nairobi. However, a letter from the Chief-of-Staff and Head of Public Service to the Cabinet Secretary, Ministry of Lands, Housing and Urban Development clarified that the land in dispute has since been gazetted as a national monument and a part of the Corporation.

In addition, the Cabinet Secretary was directed to urgently issue ownership documents to the Corporation. The above notwithstanding, Management has not provided any proof that such title documents have been acquired. It has also been noted that the land on which the Kenyatta International Convention Centre building stands is not registered in the name of the Corporation although its value has been included in the financial statements.

Consequently, it was not possible to confirm the accuracy and ownership of property, plant and equipment balance of Kshs.5,091,663,602 as at 30 June, 2020.

#### 4. Unsupported Work-In-Progress

As disclosed in Note 13 to the financial statements, the statement of financial position reflects a balance of Kshs.5,091,663,602 under property, plant and equipment which includes an amount of Kshs.1,117,342,484 in respect of capital work in progress. A special audit report by the Auditor-General on World Trade Organization Projects and pending bills at KICC carried out in 2018 recommended payment to various contractors amounting to Kshs.386,931,228 out of the initial costs of Kshs.1,053,391,228. The remaining claims from the suppliers, contractors and service providers were not recommended for payment due to lack of legitimacy of the law and also lack of adequate valid supporting documents.

Review of the work in progress schedule revealed that the Corporation still reflects part of the initial amounts totaling Kshs.153,086,005 instead of the amount of Kshs.74,238,410 approved for payments resulting to a variance of Kshs.78,847,595 as indicated below.

<b>Vendors</b>	<b>Description</b>	<b>Amount Kshs.</b>	<b>OAG Approved Payments Kshs.</b>	<b>Variance Kshs.</b>
Odermark investment Limited	AC	9,300,000	2,535,000	6,765,000
Metallica Merchantile Limited	Cabro	19,424,288	16,984,559	2,439,729
Lemina Limited	Carpets	17,334,400	11,019,942	6,314,458
Frumac Kenya	Media Booths	8,120,000	4,700,000	3,420,000
Bravo Limited	Refurbishment	6,250,000	3,945,433	2,304,567
Creativedge Solutions	Refurbishment	39,142,000	7,076,484	32,065,516
Dynacorp Logistics	Refurbishment	33,852,102	20,632,805	13,219,297
Kimbisa Agencies Limited	Refurbishment	19,663,215	7,344,187	12,319,028
<b>Total</b>		<b>153,086,005</b>	<b>74,238,410</b>	<b>78,847,595</b>

Further, the reported work in progress balance of Kshs.1,117,342,484 includes expenditure that is recurrent in nature amounting to Kshs.365,632,907.

Under the circumstances, the accuracy and fair statement of the work in progress balance of Kshs.1,117,342,484 as at 30 June, 2020 could not be confirmed.

#### 5. Cash and Bank Balances

As disclosed in Note 17 to the financial statements, the statement of financial position reflects a balance of Kshs.299,057,065 in respect of cash and bank balances as at 30 June, 2020. The Centre operated three (3) bank accounts in Kenya Shillings and one (1) dollar bank account. However, the cash balances as per the bank reconciliation statements presented for audit differed with the cash books balances as indicated below:

<b>Account No.</b>	<b>Type</b>	<b>Cash book Balance as per Bank Reconciliation Statement Kshs.</b>	<b>Balance as per Cash Book Kshs.</b>	<b>Balance as per Bank Statement Kshs.</b>
1102296147 - KCB	Development	33,213,773	(570,594)	33,213,648
1102302262- KCB	USD	93,496,036	44,331,436	93,496,036
1102294810 - KCB	Operations	3,528,796	46,843,633	5,060,470
1141093218300 - Co-op	Operations	168,551,217	34,961,962	167,286,910

Further, bank balances were used in preparation of the financial statements as opposed to the reconciled cash book balances as at 30 June, 2020. In addition, the exchange rate used of Kshs.105.5720 against the dollar was lower than the Central Bank of Kenya mean rate of Kshs.106.5224 as at 30 June, 2020 resulting in under reporting of the cash balance held in dollars by an amount of Kshs.841,653. Further, the bank reconciliation statements were not reviewed or approved by the designated officials.

Consequently, the accuracy of the cash and bank balance of Kshs.299,057,065 as at 30 June, 2020 could not be confirmed.

## **6. Double Payment**

On 7 May, 2020, a Country Club was paid an amount of Kshs.386,784 for the provision of catering services. Similarly, another Resort Club was on 25 May, 2019 paid an equivalent amount of Kshs.386,784 for the same service that had been offered by the Country Club. The double payment was noted and the Resort Club requested to refund the amount paid which was declined as the Centre owed the Resort Club.

Under the circumstances, recovery of the sum of Kshs.386,784 double paid is doubtful and the expenditure for the year is also overstated by the same amount.

## **7. Procurement of Parking Slots**

During the year under review, an amount of Kshs.2,376,000 was paid to a local firm for parking slots for the African Caribbean and Pacific (ACP) Summit of Heads of State and Government function, the charges therein being 600 slots per day for six days. However, no register or records to confirm the clients who parked during the six-day event was provided for audit verification.

Further, an amount of Kshs.1,980,000 was also paid for parking slots for an International Conference on Population and Development (ICPD) function held from 12 November, 2019 to 14 November, 2019. The Local Service Order (LSO) was dated 7 November, 2019 while the invoice was dated 6 November, 2019, an indication that the invoice had been issued before the function commenced. Further, the parking slots expenditure item was not provided for in the procurement plan and the contract for the ICPD function. In addition, the Procurement Department was not involved in the procurement process.

Under the circumstances, the accuracy and propriety of the expenditure incurred on parking slots totalling Kshs.4,356,000 could not be confirmed.

## **8. Unsupported Expenditure on Contracted Services**

Records indicates that KICC pays the National Youth Service (NYS) an amount of Kshs.3,100,000 monthly for the provision of security services. However, contract agreement specifying the contractual obligations of both parties was not provided for audit review.

Under the circumstances, the accuracy and propriety of the expenditure incurred on provision of security services from NYS could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenyatta International Convention Centre Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAIs 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.

## **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 the 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. Flawed Procurement Process - World Trade Organization (WTO) Conference**

As previously reported, during the 10th WTO Ministerial Conference held between 13 -19 December, 2015 at the Kenyatta International Convention Centre, the Corporation made tender awards for goods and services and works to various firms. Review of the procurement processes however revealed that it was executed in total disregard of the then Public Procurement and Disposal Act, 2005 and Public Procurement and Disposal Regulations, 2006 as enumerated hereunder: -

- (i) Key procurement records including minutes of Tender Committee meetings that deliberated on some of the procurements, contract documents and local purchase orders/local service orders were not provided for audit verification. No supervision reports and completion certificates were provided for the completed works which were carried out to ascertain whether the works were carried out as per the specifications.
- (ii) The Tender Committee was not procedurally constituted in compliance with the Second Schedule of the then Public Procurement and Disposal Regulations, 2006 and in most cases was not involved in the procurement process for projects which were directly procured. The Corporation made several procurements for goods and services worth Kshs.70,823,765 without going through competitive bidding as required by the Public Procurement laws and regulations. Further, there was no evidence of any report submitted to the Public Procurement Oversight Authority for direct procurements contrary to Section 62(3) of the then Public Procurement and Disposal Regulations, 2006 which stipulated that any direct procurement of value exceeding Kshs.500,000 has to be reported to the Authority within 14 days after notification of award.
- (iii) Seventeen (17) projects were implemented during the period. However, only five (5) projects had invitation for bids to participate in tenders through the restricted tendering method. Out of the five, only two (2) were considered by the Tender Committee. Available information indicated that the awards for fifteen (15) tenders was done singly by the then Chief Executive Officer through single sourcing while making references to non-existent bids for tenders by fictitious companies in total disregard of the Tender Committee. The awards to the fifteen (15) different companies was done on diverse dates between 13 July, 2015 and 30 September, 2015 for a total sum of Kshs.1,432,333,345.
- (iv) Available information further revealed that six (6) of the above tenders were cancelled due to delay in release of funds. In some instances, award letters were terminated but the signed contracts were not terminated hence exposing the Corporation to litigations and resultant costs. Only five of the fifteen companies had signed contracts, which amounted to Kshs.894,976,341.
- (v) Further examination of records revealed that a local company, had signed a contract worth Kshs.64,976,341 even though it had not been issued with an award letter for a tender. Another company undertook some partial works and submitted a claim of Kshs.9,946,420 despite the fact that there was no letter of award of tender, no signed contract and the company was not registered with the Registrar of Companies.

- (vi) The Board of Directors was also directly involved in the flawed procurement process whereby they participated in the revision of cost of the design, supply and installation of computerized conference management system tender. Although the Board had constituted an ad-hoc committee to oversee the implementation of the WTO projects, no report was prepared for consideration by the full board despite the many meetings held. Thus, the Committee may not have carried out its oversight role as expected given the haphazard manner in which the projects were initiated and implemented or not implemented at all.
- (vii) The Corporation has so far received claims amounting to Kshs.701,031,000 from various suppliers for the works which have not been paid for due to lack of or inadequate documentation.
- (viii) In addition, supporting documents availed for audit review revealed that vendors amounting to Kshs.55,784,840 relating to WTO projects were not provided for in the financial statements for 2017/2018 yet the Centre is yet to resolve issues relating to WTO expenditure.
- (ix) Further review of the letter from the Office of the Attorney General and Department of Justice dated 8 March, 2018, Reference AG/CIV/MLG/20/18 addressed to the Chief Executive Officer-KICC in relation to an arbitration between Dimensions Data Solutions, one of the firms contracted to provide services during the WTO conference and Kenyatta International Conference Centre, found the matter to be lacking in merit and ignored the issue raised by the Chief Executive Officer, KICC touching on the illegality, validity and irregularity in the award and possibility of a collusion during procurement award process.
- (x) It is important to note that the Board did approve for restricted tendering which was not adhered to and instead the Management chose single sourcing which was not approved thus rendering the whole process a violation of the provision Section 73 of the then Public Procurement and Disposal Act, 2005 on restrictive tendering.
- (xi) The arbitrator did not confirm whether such firm(s) were in the list of prequalified suppliers.
- (xii) They did not also confirm whether the process was legal and enforceable.
- (xiii) The interests of the taxpayers was not taken into consideration.

- (xiv) The arbitrator further stated “the procurement process was in the purview of the procuring entity (KICC) and it was up to the Respondent (Dimension Data) to adhere to the provisions of the Act and not the claimant’s responsibility to investigate whether the process was in line with the then Public Procurement and Disposal Act, 2005. This sets a bad precedent which may not be sustainable as the law is binding to both the contractor/vendor and the procuring entity.

From the foregoing, the Corporation was clearly in breach of the Public Procurement and Disposal Act, 2005 and Regulations, 2006 and may not have received value for money from WTO projects due to the flawed procurement process.

## **2. Retreat to Mauritius**

As previously reported, some Board Members and staff of the Corporation went to Mauritius to attend the World Travel Award. However, the following anomalies were noted: -

- a) Through payment voucher No.721 dated 20 May, 2019, the Corporation made irregular payment of USD 14,816 equivalent of Kshs.1,506,639 to an accountant and it was noted that the said person is not a Board Member nor was he among the staff nominated to represent the Corporation in the award ceremony.
- b) It was also noted that the Board Members were paid their per diem in cash instead of making payments through their respective bank accounts and no evidence was available to show that indeed the members acknowledged the receipts of the money.
- c) It was further, noted that all the per diem requisition forms supporting the payment voucher were not signed and dated by the head of the relevant department but were only signed by the Financial Controller and Chief Executive Officer and no explanation was provided as to why the user department did not approve the per diem.
- d) No invitation from the host supporting the payment voucher was provided for audit review.
- e) Further, it was noted that twelve (12) members of staff and eight (8) Board members were paid per diem allowances totalling Kshs.6,805,650 to represent the Corporation to attend the award ceremony in Mauritius. It is not clear why the Corporation incurred such high expenses in sending a huge delegation of staff members in a single award ceremony when less members could have represented the Corporation adequately and reduce such expenses.

The Management therefore breached Section 68(1) of the Public Finance Management Act, 2012 that requires an Accounting Officer for a national government entity to ensure that resources are used in a lawful and authorised manner which is also effective, efficient, economical and transparent.

### **3. Grant from the Ministry**

As previously reported, a review of the documents and correspondence between the Ministry and the Corporation revealed the following;

- In a letter Ref. MOT/1/97 dated 24 February, 2016 from the Principal Secretary, Ministry of Tourism and addressed to Ag. Managing Director, the Ministry requested transfer of Kshs.480,000,000 meant for the World Trade Organization Conference from KICC to the Ministry. It is not clear why the Ministry had to request the transfer of the same money they had transferred to the Corporation for the furtherance of the conference activities.
- Further, details of the actual amount received from the conferences, total expenditure incurred and bank balance were not provided for audit review.

In view of the above, the transactions relating to transfer of Kshs.480,000,000 and the related expenditure at the Ministry for the year 2015/2016 could not be confirmed.

### **4. Non-Remittance of Statutory Tax Deductions**

As disclosed in Note 16 to the financial statements, the statement of financial position reflects a balance of Kshs.157,436,354 under tax payables representing outstanding corporation tax as at 30 June, 2020. Further, and as disclosed in Note 19 to the financial statements, the Centre had an outstanding Value Added Tax (VAT) liability of Kshs.191,479,748 as at 30 June, 2020. However, no explanation has been provided on why the amounts remained un-remitted to the Kenya Revenue Authority as required by the Income Tax Act.

The Management was in breach of the Law, to this extent.

### **5. Staff Car Loan and Advances**

The statement of financial position reflects a balance of Kshs.4,782,677 under staff receivables which, as disclosed in Note 15 to the financial statements, relates to staff car loans and advances. However, and as previously reported, some of the staff who resigned or had their services terminated left without being cleared by the Corporation leaving uncleared car loans and advances debts. The outstanding car loan balance stood at Kshs.4,644,510 as at 30 June, 2020 and the Corporation is exposed to the risk of non-recovery of the car loans and advances due from staff who left the organization.

The Management violated the Human Resource Manual which requires employees to obtain clearance certificates on resignation, termination or dismissal of appointment or retirement from the service.

## **6. Staff Receivables-Outstanding Imprest**

As previously reported, the statement of financial position reflects a balance of Kshs.644,014 in respect of staff imprests which was outstanding as at 30 June, 2020. This is contrary to Section 93(5) of the Public Finance Management (National Government) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within 7 working days after returning to duty station.

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 matter 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 overall governance were not effective.

#### **Basis for Conclusion**

##### **Engagement of Temporary Employees**

During the year under review, an amount of Kshs.3,729,183 was paid to temporary employees engaged by the Corporation. However, there was no documented procedure for inviting, identifying and appointment of the temporary employees. The Centre did not maintain personal details of all the temporary employees engaged. Further, though the Centre maintained an attendance register for temporary employees, not all the temporary employees recorded their attendance. In particular, forty (40) temporary employees engaged for the International Conference on Population and Development (ICPD) summit held between 12 to 14 November, 2019 for 10 days did not sign the attendance register an indication of weak internal control.

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 the Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (Accrual 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Centre'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 intention terminate the Centre 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.

The Board of Directors is responsible for overseeing the Centre'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 of the Financial Statements**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 the audit of compliance, I consider internal control in order to give an assurance on 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 the 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 the Centre'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 Centre 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 Centre 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**