

REPORT OF THE AUDITOR-GENERAL ON THE JOMO KENYATTA FOUNDATION FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk Management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Jomo Kenyatta Foundation set out on pages 1 to 50, which comprise the statement of financial position as at 30 June, 2021, and the statement of comprehensive income, statement of changes in equity, statement of cash flows, statement of comparison of budget and actual amounts, 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 Jomo Kenyatta Foundation as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Public Finance Management Act, 2012 and the Companies Act, 2015.

Basis for Qualified Opinion

1.0 Trade and Other Payables

1.1 Unexplained Debit Balances

The statement of financial position reflects a balance of Kshs.965,197,000 in respect to trade and other payables and as disclosed in Note 22. However, review of the supporting schedule for other payables revealed that the schedule included unexplained four debit balances totalling Kshs.6,031,479 and described as salaries net pay suspense, NSSF employee control suspense, NHIF suspense account and KCB personal loans suspense.

In the circumstances, the accuracy of the balance of Kshs.965,197,000 in respect to trade and other payables could not be confirmed.

1.2 Unsupported Provision for Directors Fees

The statement of financial position reflects a trade and other payables balance of Kshs.965,197,000 and as disclosed in Note 22, comprised of trade payables amount of Kshs.852,496,000 and other payables of which Kshs.112,701,000 respectively. Review of payables records revealed that the other payables balance includes a provision of Kshs.4,500,000 being an annual allocation of Kshs.900,000 for five (5) years in respect of outstanding directors' fees. However, Management did not provide for audit, the source records and the reason for non-payment over the years.

In the circumstances, the completeness and accuracy of the provision for directors' fees balance of Kshs.4,500,000 could not be confirmed.

1.3 Unsupported Goods Received Notes (GRN) Stock Clearing Account

The statement of financial position reflects trade and other payables balance of Kshs.965,197,000 and as disclosed in Note 22 to the financial statements comprised of trade payables amounting to Kshs.852,496,000 and other payables of Kshs.112,701,000 respectively. Review of payables records revealed that the other payables balance includes a GRN stock clearing account totalling to Kshs.15,150,324. However, the balance was not supported with source documents including orders raised, related goods received notes, and inspection and acceptance reports.

In the circumstances, the completeness and accuracy of the GRN stock clearance account balance of Kshs.15,150,324 could not be confirmed.

1.4 Unsupported Accrued Expenses

The statement of financial position reflects a trade and other payables balance of Kshs.965,197,000 as disclosed in Note 22, comprised of trade payables amounting to Kshs.852,496,000 and other payables of Kshs.112,701,000 respectively. Included in the other payables balance is an amount of Kshs.5,018,446 in respect to accrued expenses that also includes Kshs.460,561 as amount payable VAT inclusive to a tax consultant. However, the supporting records for the transaction were not provided for audit .

In the circumstances, the completeness and accuracy of the accrued expenses balance of Kshs.5,018,446 could not be confirmed.

2.0 Unexplained Variances in Cash and Cash Equivalent

The statement of financial position reflects cash and cash equivalents balance of Kshs.106,718,000 as disclosed in Note 17 which includes four (4) bank accounts with a balance of Kshs.106,402,506, but whose bank reconciliation statements reflected an amount of Kshs.112,510,552 resulting to unexplained and unreconciled variances as shown below:-

Account Name	Financial Statement Amount Kshs.	Bank Reconciliation-Cashbook Amount Kshs.	Variance Kshs.
Head Office Account	100,263,686	109,745,024	(9,481,338)
Kijabe Collection Account	2,429,761	2,266,364	163,397
Scholarship Account	3,674,222	174,222	3,500,000
Rwanda Account	34,837	324,942	(290,105)

In the circumstances, the accuracy and validity of the cash and cash equivalent balance of Kshs.106,718,000 could not be confirmed.

3.0 Scholarship Fund

3.1 Unsupported Scholarship Applied

The statement of changes in equity reflects a balance of Kshs.10,020,000 in respect to scholarships applied during the year. However, review of the related bank account statements revealed withdrawals totalling to Kshs.11,549,366 resulting to unexplained and unreconciled variance of Kshs.1,529,366. The bank withdrawals were supported with a list of the schools that received the monies. However, Management did not provide for audit, the details of the beneficiaries' names and admission numbers, together with acknowledgment receipts from the recipient schools.

In addition, the statement of cash flows reflects an amount of Kshs.10,038,000 as scholarship applied resulting to an unexplained variance of Kshs.18,000.

In the circumstances, the accuracy and completeness of the scholarship applied balance of Kshs.10,020,000 could not be confirmed.

3.2 Unsupported Scholarship Appropriation Fund

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The statement of changes in equity reflects a balance of Kshs.24,000,000 in respect to scholarships appropriation funds during the year. However, Management did not provide for audit, the basis of how the amount was arrived at, the Scholarship Fund Policy, the Board minutes supporting the appropriation of the fund and the monthly transfers of Kshs.2,000,000 to the fund account.

In the circumstances, the accuracy and validity of the scholarship appropriation account balance of Kshs.24,000,000 could not be confirmed.

3.3 Unreconciled Scholarship Fund Balance

The statement of financial position reflects scholarship fund balance of Kshs.16,855,000 and as disclosed in Note 21. However, the balance differed with the scholarship bank account balance of Kshs.3,674,222 disclosed in Note 17, resulting to unexplained and unreconciled variance of Kshs.13,180,778.

Further, the opening cash balance of Kshs.764,896 could not be reconciled to the closing cash balance of Kshs.3,674,222, resulting to unexplained and unreconciled variance of Kshs.11,070,674 as shown in the table below:

Details	Amount (Kshs.)
Opening Balance	764,896
Receipts	24,000,000
Sub Total	24,764,896
Less Payments	(10,020,000)
Expected Closing Balance	14,744,896
Financial Statement Balance	3,674,222
Unreconciled Variance	11,070,674

In the circumstances, the accuracy and validity of the Kshs.16,855,000 in respect to the scholarships fund account balance could not be confirmed.

4.0 Unsupported Inventories

The statement of financial position as at 30 June, 2021 reflects Kshs.156,271,000 in respect to inventory cost as disclosed in Note 15 comprised of amounts of Kshs.298,734,000 in respect of finished goods, Kshs.7,078,000 for consumable and provision for obsolescence amounting to Kshs.149,541,000. However, review of inventory records revealed unexplained and unreconciled variance totalling to Kshs.1,299,425 between system generated stock balance and the physical count stock balance as at 30 June, 2021. Further, the inventory balance of Kshs.156,271,000 was not supported with appropriate records.

In the circumstances, the accuracy and completeness of the inventories balance of Kshs.156,271,000 could not be confirmed.

5.0 Selling and Distribution Expenses

5.1. Unsupported Freight and Distribution Expenses

The statement of comprehensive income reflects selling and distribution expenses amount of Kshs.194,954,000 out of which Kshs.87,557,000 relates to freight and distribution as disclosed in Note 7 to the financial statements. Review of freight and distribution expenses revealed that payments amounting to Kshs.39,252,886 were not based on a valid contract agreement. It was therefore not possible to confirm how the payments were arrived at.

In the circumstances, the accuracy and completeness of the freight and distribution expenses of Kshs.87,557,000 could not be confirmed.

5.2 Unsupported Royalties to Authors

The statement of comprehensive income reflects selling and distribution expenses amount of Kshs.194,954,000 as disclosed in Note 7. Included in the expense is royalties paid to authors totalling to Kshs.30,995,000 which were not supported by names of authors and the respective amounts they received.

In the circumstance, the completeness and accuracy of the royalties to authors expenditure of Kshs.30,995,000 could not be confirmed.

6.0 Trade and Other Receivables

6.1 Unsupported Staff Receivables

The statement of financial position reflects a balance of Kshs.830,598,000 in respect to trade and other receivables which includes Kshs.5,021,000 relating to staff receivables as disclosed in Note 16. However, Management did not provide for audit, supporting documents for 47 members of staff debtors amounting to Kshs.113,693 that have been outstanding since 1 July, 2020. Further, the staff receivables includes a balance of Kshs.1,077,433 in respect of salary advances to staff for which, no recoveries were made during the year under review.

In the circumstances, the accuracy and recoverability of staff receivables of Kshs.5,021,000 could not be confirmed.

6.2 Inaccurate Rent Receivable

The statement of financial position reflects trade and other receivable balance of Kshs.830,598,000 which includes net other receivables of Kshs.1,186,000 (Gross of Kshs.1,274,317) as disclosed in Note 16. The balance includes rent receivable of Kshs.1,229,317, which differed with the balance of Kshs.629,160 as per the statement from the rent collecting agent as at 30 June, 2021, resulting to unexplained and unreconciled balance of Kshs.600,157.

In the circumstance, the accuracy and completeness of the rent receivable amount of Kshs.1,229,317 could not be confirmed.

7.0 Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.769,435,000 as disclosed in Note 13 to the financial statements. However, the assets were last valued in the year 2014. This is contrary to the requirement of Paragraph 49 of the International Public Sector Accounting Standards (IPSAS) No.17, which provides that the frequency of revaluations depends upon the changes in the fair values of the items of property, plant, and equipment being revalued, and it may be necessary to revalue the items only every three (3) or five (5) years. Further, it violates the Company's Assets Management Policy, which recommends frequency of revaluation to be done after every 5 years.

Further, the balance includes a balance of Kshs.1,200,000 being the cost of a motor vehicle which was transferred to a local insurance company in May, 2019.

In the circumstances, it was not possible to confirm the accuracy validity and completeness of the property, plant and equipment balance of Kshs.769,435,000 as at 30 June, 2021.

8.0 Unsupported Rental Income

The statement of comprehensive income reflects an amount of Kshs.5,406,000 as other operating income, which includes Kshs.3,478,000 in respect of rental income as is disclosed in Note 6(b) to the financial statements. The rent was earned from the Foundation's property situated in Nairobi - Kijabe Street, and collected through a local property management agent. However, review of rent records revealed that the contract between the Foundation and its property management agent had expired on 30 June, 2020 without renewal and therefore, the basis of charging rent could not be established

In the circumstances, the completeness, validity and accuracy of the rental income amount of Kshs.3,478,000 could not be confirmed.

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

The Directors are responsible for the other information, which comprises key entity information, chief executive officer's report, corporate governance statement, corporate social responsibility, the report of management, and the statement of the management's responsibilities which are obtained prior to the date of this report, and the annual report which is expected to be made available after that date.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance thereon.

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

1.0 Staff Costs

The statement of comprehensive income as disclosed in Note 12 reflects an amount of Kshs.228,793,000 as staff cost which includes salaries and allowances totalling to Kshs.209,336,000. Review of documents provided for audit revealed the following anomalies;

1.1 Irregular Payment of Allowances

Expenditure on allowances amounting to Kshs.7,653,578 were not approved by the Salaries and Remuneration Commission(SRC) as required by Section 11(b) and (f) of the Salaries and Remuneration Commission Act, 2011 which provides that the function of the Commission includes among others, keeping under review all matters relating to the salaries and remuneration of public officers including making recommendations on matters relating to the salary and remuneration of a particular state or public officer.

1.2 Irregular Meal Allowances

Expenditure of Kshs.1,176,000 in respect of meal allowance paid as part of salary to officers while on their duty station. This is contrary to Clause 3.5.7.5 of the Jomo Kenyatta Foundation Terms and Conditions of Service, 2018 which provides that meal allowance will only be paid to officers travelling on duty within the country but who are not required to spend a night away from the permanent duty station.

1.3 Irregular Payment of Acting Allowance

Expenditure of Kshs.322,181 was incurred on (3) employees as acting allowance for periods exceeding six (6) months contrary to Section C14(1) of the Public Service

Commission Human Resource Policies and Procedures Manual of May, 2016, which provides that when an officer is eligible for appointment to a higher post and is called upon to act in that post pending advertisement of the post, he or she is eligible for payment of acting allowance at the rate of twenty percent (20%) of his substantive basic salary and acting allowance will not be payable to an officer for more than six (6) months.

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

2.0 Remuneration of Directors

The statement of comprehensive income reflects administrative expenses balance of Kshs.168,665,000 which includes Kshs.5,996,000 in respect of Directors remuneration expenses as disclosed in Note 8 to the financial statements. Review of documents provided for audit revealed the following anomalies:

2.1 Irregular Composition of Board Committees

Three board sub-committees had a composition of between six (6) and seven (7) members, exceeding the allowable number of four (4), being the one third of the full Board as prescribed by the Head of Public Service Circular on Management of State Corporations referenced OP/CAB.9/14, 2020 which provides that the number of members to any Board Committee should be no more than one third (1/3) of the full Board. Further, it was observed that three (3) Board members sat in more than two (2) Committees, while three (3) board members sat in both audit committee and in finance committee contrary to the Head of Public Service Circular on Management of State Corporations referenced OP/CAB.9/14, 2020 which provides that members can sit in only two committees.

In addition, it was observed that five (5) members in finance and general-purpose committee, six (6) members of staff committee, and four (4) members of audit committee sat in these committees continuously for a period in excess of twelve (12) months contrary to the Paragraph 6 of the Head of Public Service Circular on Management of State Corporations referenced OP/CAB.9/14, 2020 which provides that committee members shall serve for a continuous period of up to twelve (12) months and thereafter be subjected to rotation except for The National Treasury and parent Ministry representatives.

2.2 Field Inspection Visits Expenditure Incurred by the Board

The Directors remuneration expenses of Kshs.5,996,000 as disclosed in Note 8 includes Kshs.277,708 paid to the Board of Directors for field inspection visits held during the year. This is contrary to Paragraph D(2) of the Head of Public Service Circular on Management of State Corporations referenced OP/CAB.9/14, 2020 which provides that field inspection visits, as well as international engagement are an executive function that shall be in a domain of executive team led by the chief executive officer and the Board involvement should therefore be minimized since the executive team or the Board's internal audit brings up required reports to the Board.

2.3 Unauthorized Remuneration of Directors

The Board's annual work plan was not approved by the Cabinet Secretary after consultation with State Corporations Advisory Committee contrary to the Head of Public Service Circular on Management of State Corporations referenced OP/CAB9/14, 2020 which requires Boards of Directors to submit their annual ALMANAC to SCAC through their parent Ministry by 30 June, every year.

Further, Board expenditure totalling Kshs.2,488,719 was not included in the Board's annual work plan. In addition, an expenditure of Kshs.1,114,687 was incurred on a Board workshop at Naivasha without a Cabinet Secretary's approval.

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

3.0 Irregular Procurement of Printing Services

The statement of comprehensive income reflects cost of sales of Kshs.655,841,000 as disclosed in Note 5, which includes Kshs.593,567,911 paid to three (3) firms contracted to offer printing services for standard 5 and 6 titles. However, review of procurement documents revealed that the services were sourced through direct procurement method from the suppliers who had carried out the works in the previous year instead of open tender as required by section 91(1) and (2) of the Public Procurement and Asset Disposals Act, 2015 which provides that open tendering shall be the preferred procurement method for procurement of goods, works and services and a procuring entity may use an alternative procurement procedure only if that procedure is allowed and satisfies the conditions.

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

4.0 Budget Over-Expenditure

Review of the statement of comparison of budget and actual amounts for the period ended 30 June, 2021 revealed material over expenditures on four (4) items as summarized in the table below:

Component	Account Balance Kshs.	Budgeted Amount Kshs.	Variance Kshs.	%
Cost of Sales	655,841,000	560,017,000	(95,824,000)	17
Other Operating Expenses	10,869,000	4,408,000	6,461,000	47
Administrative Expenses	168,665,000	206,067,000	(37,402,000)	18
Distribution Expenses	194,954,000	221,756,000	(26,802,000)	12

However, the over and under expenditures were not supported by board approvals and the Foundation may have incurred unauthorized expenditure.

In the circumstance, Management was in breach of the law

4.1 Unbalanced Budget

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.539,557,000. against final expenditure budget of Kshs.432,231,000. resulting to an unexplained variance of Kshs.107,326,000. This is contrary to Public Finance Management Regulation 33(c) that states that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, the following guidelines shall be observed at all times during budget formulation and approval, the budget shall be balanced

In the circumstance, 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, 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 Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Companies Act, 2015, I report based on my audit, that:

- i. 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;
- ii. in my opinion, adequate accounting records have been kept by the Foundation, so far as appears from the examination of those records; and,
- iii. The Foundation's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and the Board of Directors

Report of the Auditor-General on The Jomo Kenyatta Foundation for the year ended 30 June, 2021

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 Foundation's ability to continue to as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Foundation 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 Foundation's financial reporting process, reviewing the effectiveness of how the Management 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 overall 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. 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 Foundation to cease to continue as a going concern.
- 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 Foundation 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

27 July, 2022