

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

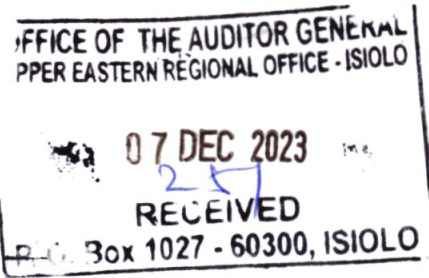
THE AUDITOR-GENERAL

ON

PAPERS LAID	
DATE	16/04/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CLERK AT THE TABLE	C-CHEROP

**LAIKIPIA COUNTY EDUCATION BURSARY
FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



LAIKIPIA COUNTY EDUCATION BURSARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

OFFICE OF THE DIRECTOR GENERAL
STATE DEPARTMENT
RECEIVED
JAN 20 1953

Laikipia County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2023

Table of Content

1.	Acronyms and Glossary of Terms	iii
2.	Key Entity Information and Management	iv
3.	Chairperson of the Laikipia County Education Bursary Fund	vii
4.	Key Management Team	viii
6.	Report of The Fund Administrator	x
7.	Statement Of Performance Against The County Fund's Predetermined Objectives	xiii
8.	Corporate Governance Statement	xiv
9.	Management Discussion And Analysis	xvi
10.	Environmental and Sustainability Reporting	xix
11.	Report of The Fund Administration	xx
12.	Statement of Management's Responsibilities	xxi
13.	Report of The Independent Auditor on the Financial Statements for Laikipia County Bursary Fund	xxii
14.	Statement of Financial Performance for the Year Ended 30 June 2023	1
15.	Statement of Financial Position As at 30 June 2023	2
16.	Statement Of Changes in Net Assets for the year ended 30 June 2023	3
17.	Statement of Cash Flows for The Year Ended 30 June 2023	4
18.	Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30 June 2023	5
19.	Notes to the Financial Statements	6
20.	Annexes	36

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

2. Key Entity Information and Management

a) Background information

The Laikipia County Education Bursary Fund is established by Laikipia County Education Bursary Fund Act, (2014) and amendment regulation of 2017.

The fund's principal activity is to provide education bursary and scholarship awards to vulnerable students who hail from the County in various education facilities across the Country.

The Fund objective is to;

- a) Increase access to education;
- b) Promote and increase enrolment, retention, completion and transition rates in schools;
- c) Improve education standards and literacy levels in the County; and
- d) Reduce poverty, disparities and inequality.

b) Principal Activities

The principal mission of the Fund is to provide education bursary and scholarship awards to students residing in Laikipia County.

c) Chairperson of the Laikipia County Education Bursary Fund

Ref	Position	Name
	Chairperson of the Fund	Stephen Biwott Kisorio

d) Key Management team

Ref	Position	Name
1	Fund Administrator	John Gichuki
2	Fund Accountant Operations	Angela Wahome
3	Fund Accountant Financial Reporting	Caleb Wanjohi

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Head of Internal Audit
2	County assembly of Laikipia	Clerk to County Assembly
3	Office of the Auditor -General	Auditor -General
4	Office of the Controller of Budget	Controller of Budget

f) Registered Offices

P.O. Box 1271 - 10400
Interim County Headquarter Building
Kenyatta Avenue
Nanyuki, KENYA

g) Fund Contacts

Telephone: (254) 0202352720
E-mail: reports.treasury@laikipia.go.ke
Website: www.laikipiacountygovernment.go.ke

h) Fund Bankers

Family bank
Nanyuki Branch
Nanyuki-Nyeri Road

i) Independent Auditors

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100

NAIROBI, KENYA

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

k) County Attorney

The county Attorney


Office of the governor Laikipia County

Mt Kenya Road- 10




P.O. Box 1271-10400

Nanyuki, Kenya

3. Chairperson of the Laikipia County Education Bursary Fund

Name	Details of qualifications and experience
<p data-bbox="247 376 555 409">Stephen Biwott Kisorio</p>  A black and white portrait of Stephen Biwott Kisorio, a man with a mustache, wearing a dark suit jacket, a light-colored shirt, and a patterned tie. He is looking slightly to the right of the camera. In the background, there is a banner with the words 'BLE', 'ENT', and 'LS' visible.	<p data-bbox="863 376 1485 701">Born on 12th August 1976, Mr. Stephen is the CECM-Trade, Tourism, Cooperatives and Enterprise development and acting CECM Education, Youth and sports. He has worked with UNHCR as education trainee and youth officer for 8 years and 15 years with TSC as a secondary school teacher. He holds a Bachelor of education (Arts) from Moi university.</p>

4. Key Management Team

Name	Details of qualifications and experience
<p>John Gichuki</p> 	<p>Born in 1972, Mr Gichuki is the Chief Officer for Education and library services. He has worked with Teachers Service Commission for 20 years in various management capacities. He hold a Bachelor of Education (Arts) degree from Kenyatta university and Master of Education (Admin) from university of Nairobi.</p>
<p>Angela Wahome</p> 	<p>Born in 1991. She is the Accountant in charge of Operations for the Fund. She Holds a Bachelor’s Degree in Actuarial Science. She is a member of the Association of Certified Chartered Accountants and also is a member of the Institute of Internal Auditors of Kenya. She has experience working in both external and internal audit.</p>
<p>Caleb Mwangi</p> 	<p>Born in 1980. Mr Caleb is the Accountant in charge of Financial Reporting for the Fund. Holds Bachelor’s Degree in Commerce (Finance) and Post Graduate Diploma in Project Management (DKUT).He also a Certified Public Accountant of Kenya (CPA-K).</p>

5. Fund Chairperson's Report

The fund takes delight in presenting the 2022/23 annual financial statements and report. The fund operates under the ambit of the department of Education & Library Services. The fund is established under the Laikipia County Education Fund Act of (2014).

The Laikipia county bursary fund Act, 2014 is an act of county assembly of Laikipia to provide for the establishment of the county education bursary fund and administration of the fund for the purposes enacted by the county assembly of Laikipia

The purpose of the Act is to provide for the legal framework for establishing a County Education Bursary Fund for providing financial assistance to the poor and vulnerable students in the county in order to: increase access to education, promote and increase enrolment, retention, completion and transition rates in schools, improve education standards and literacy levels, reduce poverty, disparities and inequality.

During the 3rd Quarter of this financial year there were changes in the management that saw John Gichuki appointed to replace John Ngumba as the fund Administrator and the Chief Officer Education and Library Services Department.

The fund through the ward committees conducted the bursaries award processes. The fund proceeded with the disbursement and issuing of cheques. The fund was able to disburse fifty million shillings allocated to 9,533 students in secondary day and boarding schools, colleges and vte's, special schools and universities. The fund also awarded scholarships to bright needy students.

The fund continues to employ new ways and methods to make it more efficient and effective to address any gaps and bottlenecks realized during identification, verification, awarding, distribution and getting feedback from beneficiaries.

In conclusion the fund remains committed and emboldened in its objective of ensuring it supports the neediest students in their quest for education empowerment.



Stephen Biwott Kisorio

Chairperson of the Laikipia County Education Bursary Fund

Date: 21st November 2023

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of The Fund Administrator

The Fund aims to provide bursary awards to students enrolled in secondary schools, special needs schools, technical & vocational training Centre's, colleges and universities to most needy students who are residents of Laikipia County. The Fund is also used to provide scholarship awards for the most deserving and bright students from humble background who if not supported would drop from school. The fund also caters for any administrative expenses incurred in the course of implementation.

An amount totalling to seventy-five per cent of the total amount set aside for disbursement was allocated equally to all the Wards and the remaining twenty five per cent was allocated in accordance with the prescribed formula determined in accordance with the population of secondary school going children and poverty levels.

The bursary application and disbursement process runs starting with advertisement for bursary and applications are received at ward levels where vetting is done by ward bursary committee.

The award was categorised per school category as stipulated below;

No of category	School category	Amount
1	Day secondary school	3,000
2	Boarding secondary school	5,000
3	Special schools	6,500
4	Colleges, VTC's & universities	8,000
5	Scholarships	100,000 per ward

Table 1 Award per category

Transfers Received Since Inception

The following table and graph show the total transfers received since its inception in 2014 which totals to Kshs.317, 951,147.

YEAR	2014/15	2015/16	2016/17	2017/18	2018/19	2020/21	2021/22	2022/23
Kshs. (Million)	4.45	40	48.5	50	50	25	50	50

Table 2 Transfers received since its inception

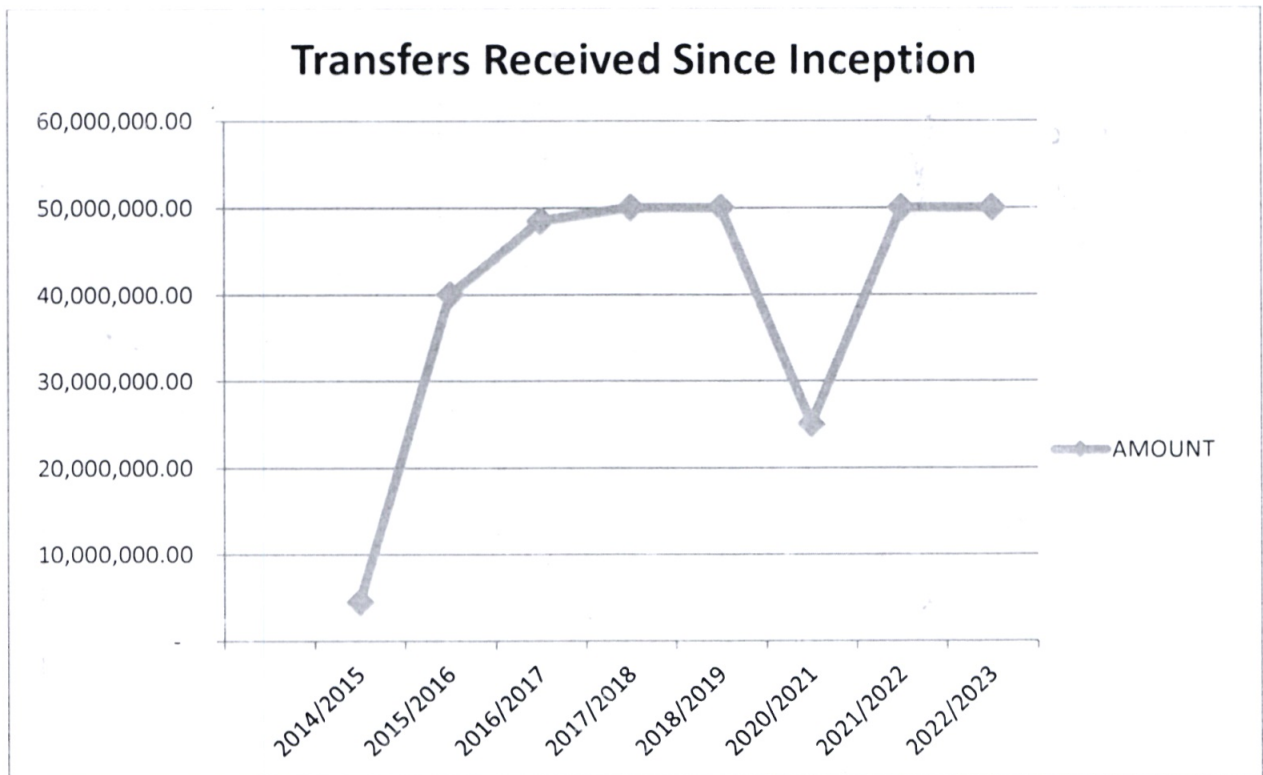


Figure 1 Transfers Received Since Inception

Budget performance against actual amounts

The following table and graph show the budget performance against actual amounts.

	Budget (Kshs)	Actual (Kshs)
Transfers from County Executive	50,000,000	50,000,000
Received from Department	-	800,000
Administration Expenses	1,500,000	1,399,692
Bursary and Scholarships	48,500,000	48,103,486

Table 3 Budget Performance Against Actual Amounts

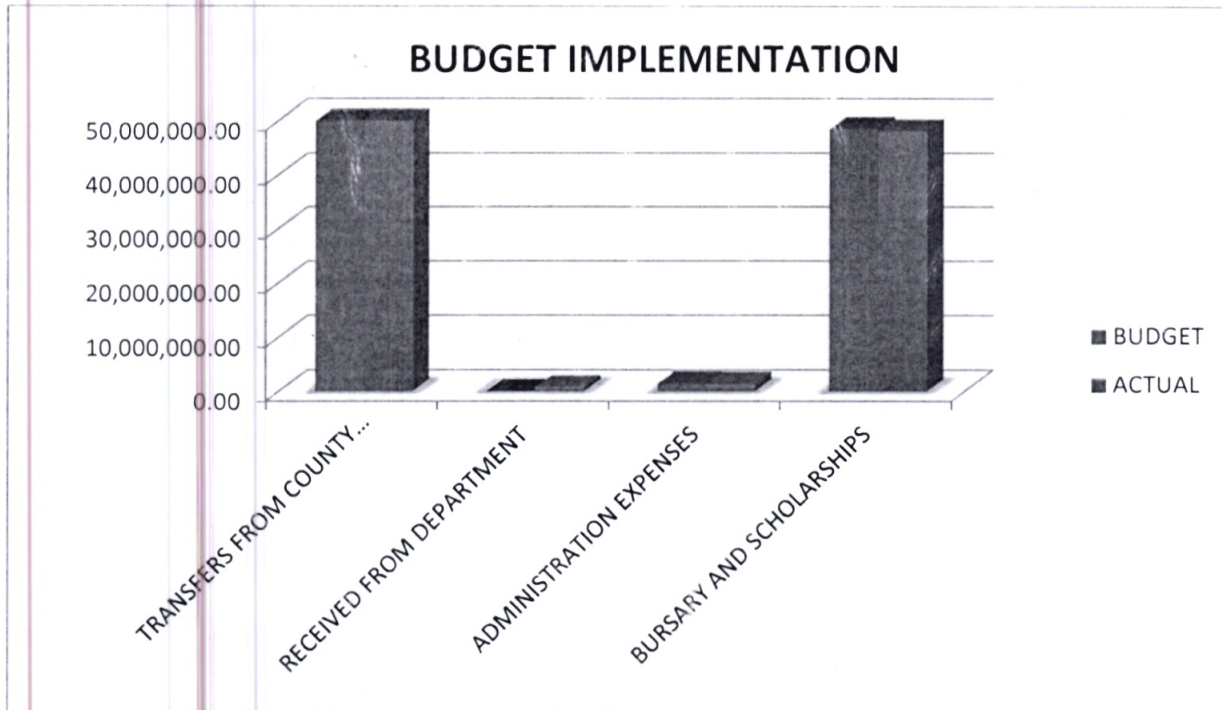


Figure 2 Budget Implementation

Future Outlook of the Fund

The bursary fund budget allocation for the year 2023/2024 is Kshs.75,000,000; this is an increment of amount Kshs.25,000,000 from the year 2022/2023. In the financial year 2022/2023 there were 26,864 applications for bursary from all wards and the fund only managed to allocate bursary to 9,533 needy students. The gap between the beneficiaries and applicants was too huge thus creating a necessity to increase the total amount disbursed as shown in figure 3.

7. Statement Of Performance Against The County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objective of the Fund as per the strategic plan for the financial year 2023-2027 are to:

- a) Increase access to education for all students residing in Laikipia county
- b) Promote and increase enrolment, retention, completion and transition rates in schools
- c) Improve education standards and literacy levels in the County
- d) Reduce poverty, disparities and inequality.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Education Empowerment	1. Increase access to education.	Enhanced literacy	Number of beneficiaries	During FY 2022/23, 9,533 students in secondary school VTCs Colleges, universities and special schools were awarded bursaries and scholarships to enable continue with their studies
	2. Promote and increase enrolment, retention, completion and transition rates in schools	Enhanced literate population	Number of students beneficiaries transitioned	
	3. Improve education standards and literacy levels in the county	Enhanced literate population	Number of most needy students completing various levels of education	
	4. Reduce poverty, disparities and inequality	Innovative and inventive minds	Number of innovations and inventions	Increased intake to VTCs

8. Corporate Governance Statement

The CECM Education appoints the Ward Education Bursary Committee.

There is established for each ward the Ward Education Bursary Committee.

The committee consists of seven members who include;

- a) Ward administrator
- b) County officer in charge of education in the ward who is the secretary
- c) One person representing FBO involved in education in the ward
- d) One person representing NGO involved in education in the ward
- e) One ward resident representing PWDs
- f) One ward resident representing Youth
- g) One person nominated by teachers' associations

Functions of the Ward Education Bursary Committee

- a) Creating awareness among residents of the ward about the fund
- b) Receiving reviewing and approving applications for bursary
- c) Determining amount of bursary to be awarded to each approved application
- d) Monitoring and evaluation progress of performance

Ward Education Bursary Committee Remuneration

The allowances for members of the committee is determined by county Treasury which is primarily determined by the SRC.

Vacation of office schedule provisions as to the conduct of Business and affairs of the committee

A member of the committee may vacate the office if:

- a) Has been absent from three consecutive meetings of the committee without permission of the chairperson
- b) Is convicted of a criminal offence and sentenced to imprisonment for term exceeding six months or to a fine exceeding ten thousand shillings
- c) Is convicted of an offence involving dishonesty or fraud

- d) Is incapacitated by prolonged physical or mental illness
- e) Fails to comply with provisions of the act relating to disclosure

Meetings schedule provisions as to the conduct of Business and affairs of the Ward Education Bursary Committee

- (1) The Committees meets not more than twelve times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.
- (2) Notwithstanding the provisions of subparagraph (1) of the Act, the chairperson may, and upon requisition in writing by at least seven members with the approval of the executive member Convene a special meeting of the Committee at any time for the transaction of the business of the Committee
- (3) Unless three quarters of the total members of the Committee otherwise agree, at least fourteen days written notice of every meeting of the Committee shall be given to every member of the Committee
- (4) The quorum for the conduct of the business of the Committee is five members including the chairperson or the person presiding
- (5) The chairperson presides at every meeting of the Committee at which he is present but, in his absence, the members present shall elect one of their numbers to preside, who shall, with respect to that meeting and the business transacted thereat, have all the powers of the chairperson.
- (6) Unless a unanimous decision is reached, a decision on any matter before the Committee is by a majority of votes of the members present and voting and, in the case of an equality of votes, the chairperson or the person presiding shall have a casting vote.

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

9. Management Discussion And Analysis

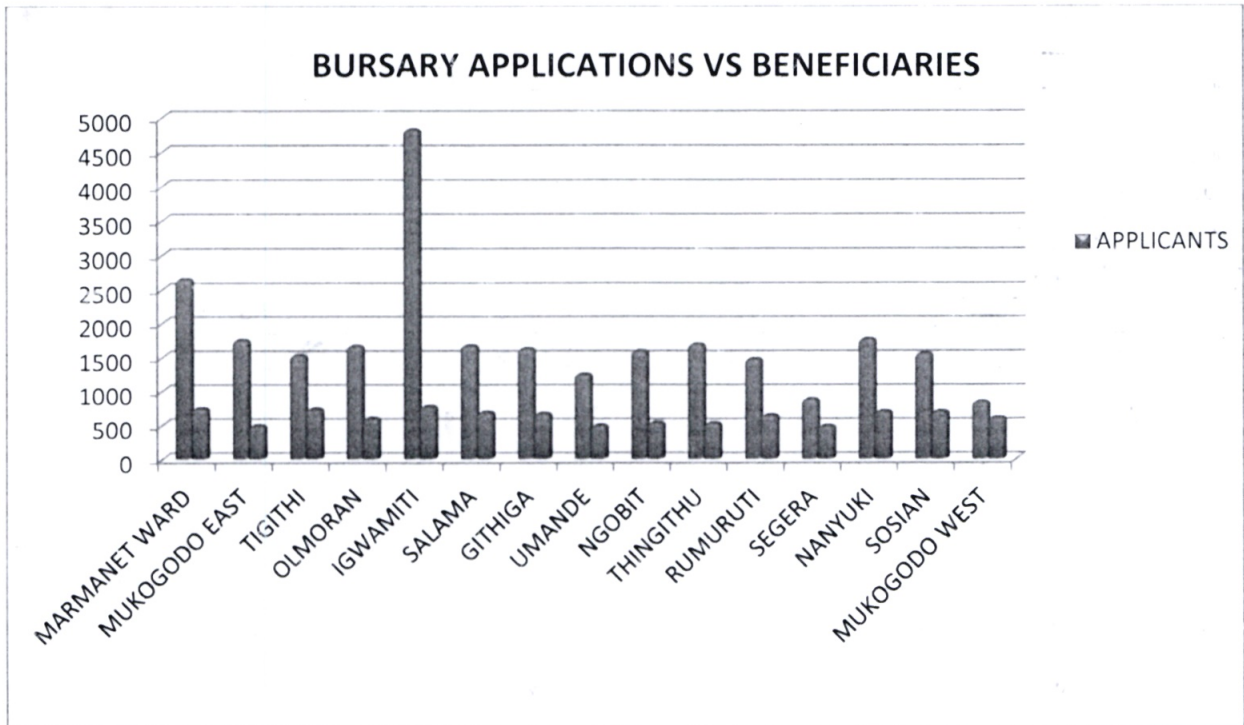
Operational performance

The fund operates under the ambit of the department of Education and library Services. The fund is established under the Laikipia County Education Fund Act (2014) and amendment Act 2017 in an effort to reduce the financial burden of poor families in financing the transition from primary education to secondary education and further to tertiary institutions. Since the implementation of the bursary fund the county has experienced higher transition rates from primary to secondary schools and less cases of dropouts. A total number of 9,533 needy students who hail from Laikipia County benefited from the bursary fund in the financial year as analyzed here-below:

Bursary Applications Vs Beneficiaries

WARD	APPLICANTS	BENEFICIARIES
MARMANET	2655	752
MUKOGODO EAST	1758	504
TIGITHI	1537	745
OLMORAN	1671	607
IGWAMITI	4826	784
SALAMA	1678	697
GITHIGA	1635	678
UMANDE	1256	505
NGOBI	1603	546
THINGITHU	1697	537
RUMURUTI	1482	651
SEGERA	886	495
NANYUKI	1773	709
SOSIAN	1561	709
MUKOGODO WEST	846	614
	26,864	9,533

Table 4 Bursary Applications Vs Beneficiaries



Major Risks Facing the Fund

Inherently, the Fund encounters different risks including political risk, and economic risk such as interest fluctuation risk or inflation risk in its operations.

Risk categories

The Fund has identified and categorised risks as follows:

- a) **Financial risks:** They are associated with the financial operations of the Fund.
- b) **Operational risks:** These are risks associated with the operations of the Fund.
- c) **Legal and regulatory risks:** Legal risks can arise from non-compliance with the legal and regulatory requirements.

Financial performance

In the Financial Year 2022/2023 the bursary fund managed to disburse Kshs. 48,103,486. The fund incurred administration expenses amounting to Kshs. 1,348,500. Human capital investment is important in economic development and therefore completion of school will equip learners with necessary skills for work.

The graph below shows bursary allocations per ward:

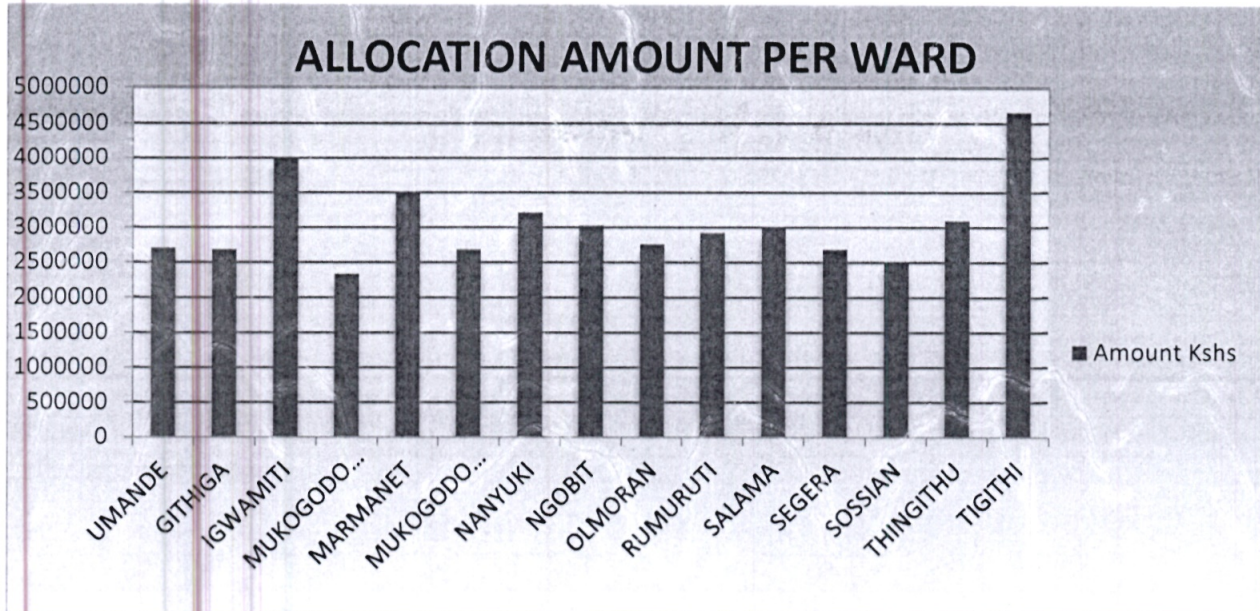


Figure 3 Bursary Allocation Amount Per Ward

The graph below shows the number of beneficiaries per ward.

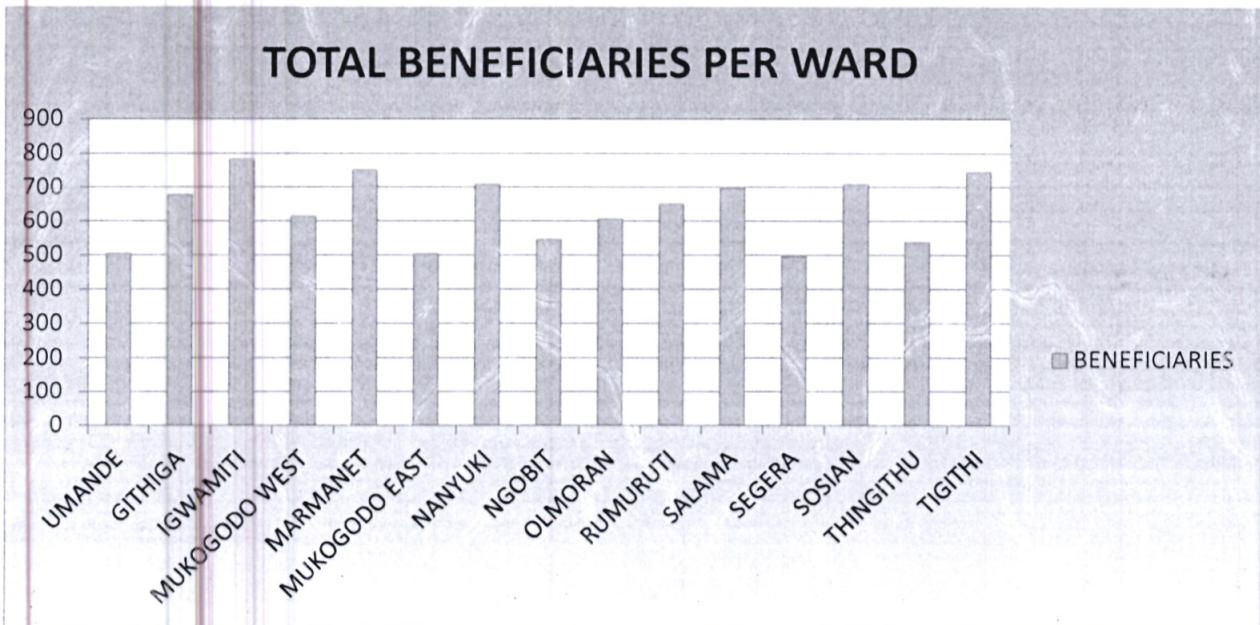


Figure 4 Total Beneficiaries Per Ward

10. Environmental and Sustainability Reporting

a) Community Engagements

The fund has been involved in public engagements to create awareness of the fund as well as gather information on emerging needs. The Fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its budgetary allocations and resource mobilization through lobbying to increase its financing capabilities with an objective of ensuring that the Fund's going concern is secured.

b) Market place practices

- Responsible marketing and advertisement - The Laikipia County Education Bursary Fund also practices responsible marketing and advertisement using County Government social media platforms and print media well as respecting payment practices.
- Product stewardship - The fund has the Act that guides on how this fund allows applicants to Individuals with needy cases.
- Responsible competition practice- the Fund ensures that only the needy Laikipia citizenry are identified and have equal access to the bursary fund.

c) Sustainability strategy and profile

The LCEBF is keen on posterity; The County's top management has activated various sustainability strategies for the County including but not limited to:

- Ensuring continuous compliance with government laws, regulations, policies and standards.
- Ensuring that substantial proportion of the county budget is allocated to the bursary fund
- Completed the formulation of a County Risk Management Framework Policy that help the County identify and mitigate risks.
- Engaging citizens through public participation to incorporate their ideas and contributions on County development matters

d) Employees' welfare

The Laikipia County Education Bursary Fund relies on the County Public Service Board that is charged with the hiring and empowering of employees in the County. The Fund has been allocated employees who serve in the 15 ward committees.

e) Corporate Social Responsibility and Community Engagements

The Laikipia County Education Bursary Fund has been engaging citizens to identify their demands and needs, holding social community activities e.g. leaders and elders' engagements. This reasonably aided most beneficiaries to be identified and access the bursary.

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Laikipia County Education Bursary Act 2014 section 4(1) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

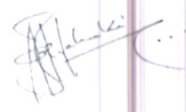
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Laikipia County Education Bursary Fund Act 2014 applicable legislation establishing the County Public Fund). The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2023, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Fund manager on 29th August 2023 and signed on its behalf by:



.....

John Gichuki

Administrator of the Laikipia County Education Bursary Fund

11. Report of The Fund Administration

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to provide education bursary and scholarship awards to vulnerable students who hail from the County in various education facilities across the Country.

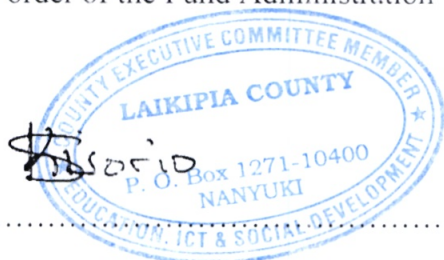
Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1 to 6.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By order of the Fund Administration



Stephen Biwott Kisorio

Date: 21st November 2023

Chair of the Laikipia County Education Bursary Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the 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, risk management environment and 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 Laikipia County Education Bursary Fund set out on pages 1 to 38, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia County Education Bursary Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Laikipia County Education Bursary Fund Act, 2014.

Basis for Qualified Opinion

Doubtful Bursary Disbursements

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects use of goods and services expenses of Kshs.49,503,178, which includes Kshs.48,068,000 on bursaries and scholarships disbursed to various secondary schools and tertiary institutions for the benefit of needy students. However, no acknowledgement receipts to support the disbursements were provided for audit review.

In the circumstances, the accuracy and validity of the disbursements on bursaries and scholarships of Kshs.48,068,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia County Education Bursary Fund 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (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 (Accrual Basis) and for maintaining effective internal controls 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 its services, disclosing, as applicable, matters related to sustainability of services and using the basis of accounting unless Management is aware of the intention to terminate 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 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.

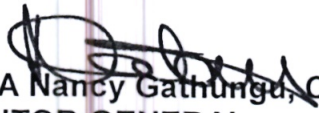
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the 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 Management.
- Conclude on the appropriateness of 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 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 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

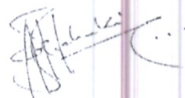
25 January, 2024

Laikipia County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/22
		Kshs	Kshs
Revenues			
Revenue From Non-Exchange Transactions			
Transfers From the County Government	2	50,000,000	25,000,000
Total Revenue		50,000,000	25,000,000
Expenses			
Use of goods and services	7	49,503,178	35,131,720
Total Expenses		49,503,178	35,131,720
Other Gains/Losses		-	-
Surplus/(Deficit) for the Period		496,822	(10,131,720)

The notes set out on pages 23 to 26 form an integral part of these Financial Statements



.....
John Gichuki
Administrator of the Fund



.....
Caleb Mwangi
Fund Accountant
ICPAK Member Number: 10187

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

15. Statement of Financial Position As at 30 June 2023

Description	Note	FY 2022/2023	FY 2021/22
		Kshs	Kshs
Assets			
Current Assets		-	
Cash and Cash Equivalents	12	1,339,046	42,224
Current Portion of Long- Term Receivables From non-Exchange Transactions	13	-	800,000
Total current assets		1,339,046	842,224
Total Assets		1,339,046	842,224
Liabilities			
Total Liabilities		-	-
Net Assets		1,339,046	842,224
Accumulated Surplus		1,339,044	842,222
Total Net Assets and Liabilities		1,339,046	842,224

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on August 29th 2023 and signed by:



.....
John Gichuki
Administrator of the Fund



.....
Caleb Mwangi
Fund Accountant
ICPAK Member Number: 10187

Laikipia County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement Of Changes in Net Assets for the year ended 30 June 2023

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021		-	10,505,942	10,505,942
Surplus/(Deficit) For the Period		-	(10,131,720)	(10,131,720)
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Prior year adjustment	-	-	468,000	468,000
Balance As At 30 June 2022		-	842,222	842,222
Balance As At 1 July 2022		-	842,222	842,222
Surplus/(Deficit) For the Period			496,822	496,822
Funds Received During the Year				
Transfers				
Revaluation Gain				
Balance As At 30 June 2023		-	1,339,044	1,339,044



.....
John Gichuki
Administrator of the Fund



.....
Caleb Mwangi
Fund Accountant
ICPAK Member Number: 10187

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	2	50,000,000	50,000,000
Accounts Receivables from exchange and Non -exchange transactions	13	800,000	-
Interest received		-	-
Receipts from other operating activities			-
Total receipts		50,800,000	50,000,000
Payments			
Use of goods and services	7	49,503,178	35,131,720
Accounts payables from exchange transactions	20	-	12,661,499
Accounts Receivables from exchange and Non -exchange transactions	13	-	800,000
Net cash flows from operating activities	25	1,296,822	1,406,781
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Repayment of borrowings	22	-	(1,100,000)
Net cash flows used in financing activities		-	(1,100,000)
Net increase/(decrease) in cash & cash Equivalents		1,296,822	306,781
Cash and cash equivalents at 1 July 2022	12	42,223	(264,558)
Cash and cash equivalents at 30 June 2023	12	1,339,045	42,223

Notes

Due to the change of method of cash flow preparation/ presentation from indirect to direct method that PSASB has prescribed for all entities under the IPSAS accrual basis of accounting, following has been done:

- i. For consistency in comparability of the figures for FY 2021/2022 with FY 2022/2023, have restated comparative payment items deriving the 'Net Cash Flows From Operating as per Note 20. This has however not changed the substance of the Statement of the cashflows.*
- ii. For FY 2021/2022, have re-categorized item "changes in accounts receivables" to "Accounts Receivables from Non -exchange transactions" for figure Kshs. 800,000 as per Note 13.*

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30 June 2023

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
Revenue	KShs	KShs	KShs	KShs	KShs	
Transfers from County Govt. FY 22/23	52,200,000	(2,200,000)	50,000,000	50,000,000	-	100%
Opening cash and cash equivalent	42,224	-	42,224	42,224	-	100%
Total Revenue	52,242,224	(2,200,000)	50,042,224	50,042,224	-	
Expenses						
Use of Goods and Services	52,200,000	(2,200,000)	50,000,000	49,503,178	496,822	99%
Total expenditure	52,200,000	(2,200,000)	50,000,000	49,503,178	496,822	
Surplus (Deficit) for the period	-	-	42,224	539,046	(496,822)	

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

Laikipia County Bursary Fund is established by and derives its authority and accountability from Education Bursary Fund Act. The entity is wholly owned by the Laikipia County Government and is domiciled in Kenya. The entity's principal activity is to provide education bursary and scholarship awards to students residing in Laikipia County.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS</p>

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p>

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year .

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly of Laikipia on 29th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded no additional appropriations on the FY 2022/2023 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

Summary of Significant Accounting Policies (Continued)

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. There are no Critical estimates and significant judgments made by management in determining the expected credit loss.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity does not create nor maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	50,000,000	25,000,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	50,000,000	25,000,000

This relates to the Transfers from County executive earned. The transfers from the County Government were received.

3. Fines, penalties and other levies

Description	2022-2023	2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Income From Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Total Interest Income	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

5. Other income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Total	-	-

7. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursaries and scholarships	48,068,000	33,596,292
Administration Fees	1,348,500	1,500,000
Bank Charges	86,678	35,428
Total	49,503,178	35,131,720

This relates to fund expenditure in operations. The expenses were paid for.

8. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

9. Finance costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant And Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	1,339,046	42,224
Others	-	-
Total Cash And Cash Equivalents	1,339,046	42,224

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Family Bank	064000065823	1,339,046	42,224
Sub- Total		-	-
Grand Total		1,339,046	42,224

13. Receivables from Non-exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Balance B/F	800,000	25,000,000
Account Receivable from non-exchange transactions (money lent to department)	-	800,000
Less: Impairment Allowance	-	-
Total Current Receivables	800,000	25,800,000
Non-Current Receivables		
Repayments of Receivables	(800,000)	25,000,000
Total Non- Current Receivables	-	-
Total Receivables From Non-Exchange Transactions	-	800,000

Additional disclosure on interest receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Receivable	-	-
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

14. Prepayments

Description	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

15. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Other Inventories (Specify)	-	-
Total Inventories At The Lower Of Cost And Net Realizable Value	-	-

16. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

Movement of Equity Investments

Impairment allowance/ provision	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year Kshs	Prior year Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

17. Property, plant and equipment

Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
At 1st July 2022					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
Depreciation And Impairment					

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2022					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
Net Book Values					
At 30th June 2022	-	-	-	-	-
At 30th June 2023	-	-	-	-	-

18. Intangible assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At Beginning Of The Year	-	-
Additions	-	-
At End Of The Year	-	-
Amortization And Impairment		
At Beginning Of The Year	-	-
Amortization	-	-
At End Of The Year	-	-
Impairment Loss	-	-
At End Of The Year	-	-
NBV	-	-

19. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

20. Trade and other payables from non exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Balance B/F (FY 2020/21)	-		14,229,500	
Payment of Accounts Payables	-		(12,661,499)	
Receipts from reversal of cheques (prior year FY2020/21)	-		(1,414,000)	
Receipts from reversal of cheques (prior year FY2019/20)	-		(154,000)	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	-	%	-	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-	%	-	100%

This relates to the Unpresented cheques FY 2020/21, out of which Kshs. 12,661,499 was presented in FY 2021/22. Kshs. 1,414,000 and Kshs. 154,000 cheques were reversed.

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End Of The Year	-	-	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	-	1,100,000
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	(1,100,000)
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	2022-2023	2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End Of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Social benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

24. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax		
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables		
Increase In Payabies		
Net Cash Flow From Operating Activities		

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	2022- 2023	2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	496,822	(10,131,720)
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Decrease (Increase) In Receivables -Non-exchange transactions	800,000	(800,000)
Decrease (Increase) in Receivables from exchange transactions	-	25,000,000
Increase (Decrease) In Payables		(12,661,499)
Net Cash Flow From Operating Activities	1,296,822	1,406,781

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Related Parties'	50,000,000	50,000,000
Transfers To Related Parties	-	-
Total	50,000,000	50,000,000

c) Key management remuneration

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

Other Disclosures Continued

e) Due to related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

28. Prior Year Adjustment

Description	2022-2023	2021-2022
	Kshs	Kshs
Brought forward	-	154,000
Reversed stale but unrepresented cheques	-	1,414,000
Borrowing that never materialized FY 2020/2021	-	(1,100,000)
Total	-	468,000

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

29. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions		-		-
Bank Balances	1,339,046	1,339,046	-	-
Total	1,339,046	1,339,046	-	-
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	800,000	-	800,000	-
Bank Balances	42,224	-	42,224	-
Total	842,224	-	842,224	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total				
At 30 June 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

LAIKIPIA COUNTY EDUCATION BURSARY FUND

Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2022: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0(2021 – Kshs 0).

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

30. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

31. Ultimate and Holding Entity

The entity is a County Public Fund established by Laikipia County Education Bursary Fund Act 2014 under the department of Education. Its ultimate parent is the County Government of Laikipia.

32. Currency

The financial statements are presented in Kenya Shillings (Kshs).

LAIKIPIA COUNTY EDUCATION BURSARY FUND
Annual Report and Financial Statements For the year ended 30th June 2023

20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe
	<p>Inaccuracies in the statement of comparison of budget and actual amounts The statement of comparison of budget and actual amounts reflects total income of kshs. 50,042,224 while the statement of financial performance and note 2 reflects receipt of kshs.25,000,000 resulting to unexplained and unreconciled variance of kshs.25,042,224. Further the statement reflects total payments of kshs.49,361,220 while the statement of financial performance reflects total expenses of kshs.35,131,720</p>	<p>The variance of amount 25,042,224 is due to the fund balance of 42,224 and also due to prior year receivables amounting Kshs.25,000,000 that was paid in the FY 2021/2022.</p>	<p>Resolved</p>	

LAIKIPIA COUNTY EDUCATION BURSARY FUND

Annual Report and Financial Statements For the year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	resulting in unexplained and unreconciled variance of kshs.14,229,500.			
	<p>Doubtful bursary disbursements The statement of financial performance and as disclosed in note 7 to the financial statements reflects an amount of Kshs.35,131,720 in respect to use of goods and services which further includes 33,596,292 on bursaries and scholarships disbursed to various secondary schools and tertiary institutions. However no acknowledgement receipts supporting the disbursement were provided for audit review.</p>	<p>This was noted. We realized that most of the institutions that received the cheques did provide the acknowledgment receipt, however the beneficiaries when given the receipts do not share it with us, we are in the process of setting up measures whereby for each cheque written there will be an acknowledgement receipts brought back to us.</p>		

LAIKIPIA COUNTY EDUCATION BURSARY FUND

Annual Report and Financial Statements For the year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comment	Status: (Resolved / Not Resolved)	Timeframe:



John Gichuki

Fund Administrator

Date.....

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex II: Inter-Fund Confirmation Letter

Lakipia County Education Bursary Fund

NIL

The **Lakipia County Education Bursary Fund** wishes to confirm the no amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by <i>Lakipia County Education Bursary Fund</i> (Kshs) as at 30 th June 2023			Total (D)=(A+B+C)	Amount Received by nil (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
-	-	-	-	-	-	-	-
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name SignDate

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex IV: Reporting on Disaster Management Expenditure

Column I Programme	Column II Sub-programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments
-	-	-	-	-	-	-