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REPORT

OF

THE AUDITOR-GENERAL

ON

SAMBURU COUNTY BURSARIES FUND

FOR THE YEAR
ENDED 30 JUNE, 2020





SAMBURU COUNTY EXECUTIVE BURSARIES FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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





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**Reports and Financial Statements
For the year ended June 30, 2020**

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Samburu County Bursaries Fund is established by and derives its authority and accountability from Samburu County Bursaries Fund Act, 2015. The Fund is a body corporate and fully funded by the County Government of Samburu.

1.1 The fund's objective is to provide bursary fund and procedures for efficient allocation and disbursement of bursaries and other related scholarships by the County Government of Samburu.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide bursary to Secondary, College and University Students.

c) Fund Administration Committee

Ref	Name	ID No	Year of Birth	Position	Qualification	Profession
1	Nicholas Lemeteki	0293617	1959	Chair Person	Masters	Education
2	Simon Lelesiit	13046890	1976	Fund Administrator	Degree	Education
3	Senjura Leparkeri	13044686	1974	Member	Degree	Education
4	Francis Lekula	4002064	1962	Member	Diploma	Education
5	Marios Lerugum	90	1970	Chief Officer	Degree	Education
6	Samwela Lolkirerri	24863914	1977	Member	Diploma	Nursing
7	Franca Lesakale	3440278	1965	Member	Diploma	Nursing
8	Abdikadir Ismail	11455248	1972	Member	Degree	Education
9	Daniella Letitiya	31892520	1994	Member	Under Graduate	Med & Surgery
10	Peter Lolmodooni	13077612	1974	CEC Education	Degree	Education

d) Key Management

Ref	Name	Position
1	Nicholas Lemeteki	Chair Person
2	Simon Lelesiit	Fund Administrator
3	Marios Lerugum	Chief Officer

**Reports and Financial Statements
For the year ended June 30, 2020**

e) Registered Offices

P.O. Box 3 – 20600
Samburu County Headquarters,
Maralal-Nyahururu Road,
Maralal, KENYA

f) Fund Contacts

Telephone: +254 065 62456, +254 65 62075

E-mail: info@samburu.go.ke

Website: www.samburu.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
P.O. BOX 260
Maralal, Kenya

h) Independent Auditors

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

i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2: FUND MANAGEMENT TEAM

Name	Designation
Nicholas Lemeteki	Chair Person
Simon Lelesiit	Fund Administrator
Senjura Leparkeri	Member
Francis Lekula	Member
Marios Lerugum	Chief Officer
Samwela Lolkirerri	Member
Franca Lesakale	Member
Abdikadir Ismail	Member
Daniella Letitiya	Member
Peter Lolmodooni	CEC Education

3. REPORT OF THE COUNTY BURSARY COMMITTEE

The Committee submit their report together with the audited financial statements for the year ended June 30, 2020 which shows the state of the Fund affairs.

3.1 REPORT OF THE CHAIRPERSON OF THE COMMITTEE

The Samburu County Bursaries Fund Act 2015 is an Act of the County Assembly of Samburu to provide for the establishment of management and administration of Samburu County Bursaries Fund for the purposes enacted by the County Assembly of Samburu. The purpose of the Act is to provide for the bursary fund and procedures for efficient allocation and disbursement of bursaries and other related scholarships by the County Government of Samburu. This bursary kitty was established having been deemed necessary for supporting education for bright but needy students in Samburu County. This will go a long way in improving the literacy levels, increasing school enrollment and reducing school dropout rates.

The Samburu County Bursaries Act 2015 stipulates that the fund shall be managed by a two level committee namely:-

- I. The County Bursary Fund Committee comprised of 10 members
- II. The Ward Bursary Committee comprised of 7 members in each of the 15 wards

The two committees work hand in hand to ensure smooth distribution and disbursement of the allocated funds and ensure equity and fairness in the process prevails.

The composition of the two committees is well stipulated in the Act considering the constitutional requirements on representation taking into account issues such as gender parity, PWDs and not limited to marginalized groups.

The roles and responsibilities of the two committees are well stated in the Act.

The Chief Officer for Education and Vocational Training is the Secretary of the County Bursary Committee and by extension a mandatory signatory of the Fund Account together with the Committee chairperson and the Bursary Administrator who is the AIE holder as stipulated in the Act.

3.2 REPORT OF THE FUND ADMINISTRATOR

Besides the two mentioned committees above, there exists a higher level committee the so called Sub Cabinet committee on Education mainly charged with a responsibility of handling education matters and not limited to bursary affairs both in the cabinet as well as in other educational related matters. This committee comprises of the following members:-

- I. Deputy Governor- Chairperson
- II. CECM-Education and Vocational Training- Secretary
- III. Chief Officer - Education and Vocational Training- Member
- IV. County Secretary- Member

**Reports and Financial Statements
For the year ended June 30, 2020**

- V. Chief of Staff- Member
- VI. Bursary Administrator- Member
- VII. CECM-Finance- Member
- VIII. CECM-Health- Member

The main task of this committee in the bursary kitty is to ensure that there is adequate budgetary allocation in annual county budget. It is worth reporting that during the last financial year 2019/2020 county budget, the bursary kitty was allocated Ksh.86,800,000 (Eighty Six Million eight hundred thousand only). This was to be disbursed to secondary schools, Middle Level Colleges and Universities without forgetting Scholarship students, Interns and other interest groups based on set policy guidelines and criteria. This is in line with the Act which stipulates that 75% of the annual budgetary allocation goes to the main stream bursary while the rest goes towards the set provisions including 3% that is meant to take care of the administrative costs of the fund management team and the respective bursary committees. This therefore translated to the following tabulated summary. Refer to 4.0 on Bursary Payments

Principal activities

The principal activity of the Fund is disbursement of bursaries and other related scholarships by the County Government of Samburu.

Results

The results of the Fund for the year ended June 30, 2020 are set out on page 7.

County Bursary Committee

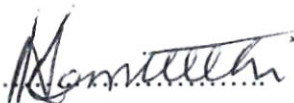
The members of the County Bursary Committee who served during the year are shown on page 4.

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 Board

Secretary of the Board.....



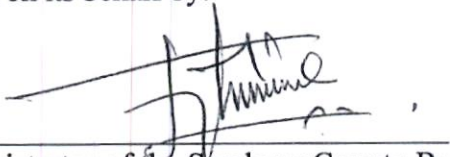
Date:

2019/2020

Reports and Financial Statements
For the year ended June 30, 2020

Approval of the financial statements

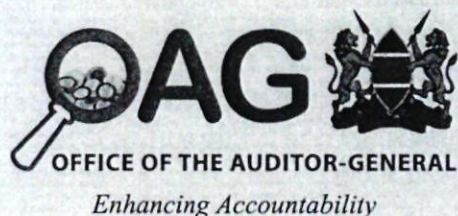
The Fund's financial statements were approved by the Board on 20th Sept, 2020 and signed on its behalf by:



Administrator of the Samburu County Bursary Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SAMBURU COUNTY BURSARIES FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Samburu County Bursaries Fund set out on pages 10 to 35 which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Samburu County Bursaries Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Samburu County Bursaries Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Accuracy of the Financial Statements

1.1 Variance in the Comparative Year Figures

The statement of financial position as at 30 June 2020 reflects a Nil balance against trade and other payables for the comparative 2018/2019 financial year. However, the audited financial statements as at 30 June, 2019 reflected a balance of Kshs.2,135,577 resulting to unreconciled variance of Kshs.2,135,577.

Consequently, the accuracy and completeness of comparative trade and other payables of Nil balance as at 30 June, 2020 could not be confirmed.

1.2 Unsupported Fund Administration Expenses

The statement of financial performance for the year ended 30 June, 2020 reflects fund administration expenditure of Kshs.3,777,100 in respect of cash encashments. However, the cash encashments are not supported by expenditure returns in respect of actual expenses incurred, contravening Regulation 99(3) of the Public Finance Management (County Government) Regulations, 2015, that requires every entry in the accounts to be supported.

Consequently, the accuracy and fair statement of the fund administration expenses of Kshs.3,777,100 could not be confirmed.

1.3 Inaccurate Finance Costs

The statement of financial performance reflects finance cost expenditure of Kshs.62,892 for the year ended 30 June, 2020. However, the amount is at variance with the actual payments reflected in the bank statement of Kshs.124,732 resulting to a variance of Kshs.61,840 that has not been explained.

Consequently, the accuracy and completeness of the finance cost expenses of Kshs.62,892 could not be confirmed.

2. Unsupported Bursary Payments

As disclosed in Note 8 to the financial statements, the statement of financial performance reflects bursary disbursement of Kshs.68,706,680;(2018/2019 - Kshs.65,944,014). However, the balance does not agree with the totals from the supporting schedules provided for audit verification of Kshs.50,174,000 resulting to unreconciled variance of Kshs.18,532,280.

In addition, the balance of Kshs.68,706,680 includes bursary disbursements of Kshs.14,262,500 in respect of two thousand nine hundred sixty-eight (2968) students, which are not supported by school or college admission numbers, detailed listing of applicants, amounts awarded, beneficiary institutions and vetting reports and bursary committee approval minutes contrary to Section 7(1)(i) of the Samburu County Bursary Fund Act, 2015.

Consequently, the accuracy, and completeness of the bursary disbursements of Kshs.68,706,680 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Samburu County Bursaries 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 adverse 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, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and the Basis for Adverse Opinion sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Presentation of the Financial Statements

The annual reports and financial statements prepared and presented for audit had the following errors:

- 1.1** The budget information- under summary of significant accounting policies, indicates a supplementary budget of Kshs.1,000,000 which is not reflected in the statement of comparison of budget and actual amounts.
- 1.2** Note 22 on related parties under transfers from county governments, no amounts are indicated for current and prior years yet the statement of financial performance reflects transfers from the county government of Kshs.87,464,000 and Kshs.68,500,000 for 2019/2020 and 2018/2019 financial years respectively.
- 1.3** Note 8 under bursary disbursement, does not show a breakdown of bursary payments to secondary schools, colleges, universities and scholarships as required.
- 1.4** The progress report on follow up of auditor recommendations has not highlighted prior year audit issues

Consequently, the annual report and the financial statements for the year ended 30 June, 2020 as prepared and presented are not in the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 Fund's policies and procedures may deteriorate.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022

Report of the Auditor-General on Samburu County Bursaries Fund for the year ended 30 June, 2020

6. FINANCIAL STATEMENTS

6.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2020

	Note	FY2019/2020 KShs	FY2018/2019 KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	87,464,000.00	68,500,000.00
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
Total revenue		87,464,000.00	68,500,000.00
Expenses			
Fund administration expenses	6	3,777,100.00	3,915,800.00
Staff costs	7	-	-
Bursary Disbursement	8	68,706,680.20	65,944,014.30
Finance costs	9	62,892.00	38,425.00
Total expenses		72,546,672.20	69,898,239.30
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		14,917,327.80	(1,398,239.30)



6.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	FY2019/2020 KShs	FY2018/2019 KShs
Assets			
Current assets			
Cash and cash equivalents	11	16,755,239.10	1,837,911.30
Current portion of long term receivables from exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
Non-current assets			
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
Long term receivables from exchange transactions	12	-	-
Total assets		16,755,239.10	1,837,911.30
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
Non-current liabilities			
Non-current employee benefit obligation	20	-	-
Long term portion of borrowings	19	-	-
Total liabilities		-	-
Net assets			
Revolving Fund			
Reserves		-	-
Accumulated surplus		16,755,238.65	1,837,910.85
Total net assets and liabilities		16,755,238.65	1,837,910.85

Samburu County Executive Bursaries Fund
Reports and Financial Statements
For the year ended June 30, 2020

Check

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 20/9/2020 and signed by:



Administrator of the Fund

Name: Simon Kefesit



Fund Accountant

Name: Joseph Lekalkih

ICPAK Member

Number: 6711

6.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30th JUNE 2020

	Revaluing Fund	Revaluation Reserve	Accumulated surplus	Total
		R\$Sis	R\$Sis	R\$Sh.
Balance as at 1 July 2017	-	-	3,236,150.15	3,236,150.15
Surplus/(deficit) for the period	-	-	1,398,239.30	1,398,239.30
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2018	-	-	1,837,910.85	1,837,910.85
Balance as at 1 July 2018		-	1,837,910.85	1,837,910.85
Surplus/(deficit) for the period	-	-	14,917,327.80	14,917,327.80
Funds received during the year		-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	-	-	16,755,238.65	16,755,238.65

6.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2020

	Note	FY 2019/2020	FY 2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		87,464,000.00	68,500,000.00
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		87,464,000.00	68,500,000.00
Payments			
Fund administration expenses		3,777,100.00	3,915,800.00
General expenses		68,706,680.20	65,944,014.30
Finance cost		62,892.00	38,425.00
Total Payments		72,546,672.20	69,898,239.30
Adjusted for:			
Decrease/(Increase) in Accounts receivable			
Increase/(Decrease) in Accounts Payable			
Net cash flows from operating activities		14,917,327.80	1,398,239.30
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-

Reports and Financial Statements
For the year ended June 30, 2020

Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		14,917,327.80	1,398,239.30
Cash and cash equivalents at 1 JULY	11	1,837,910.85	3,236,150.15
Cash and cash equivalents at 30 JUNE	11	16,755,238.65	1,837,910.85



6.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2020

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Variance	Percentage
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
Bursary Capital Fund	87,464,000.00	-	87,464,000.00	87,464,000.00	-	100%
Total income	87,464,000.00	-	87,464,000.00	87,464,000.00	-	100%
Expenses						
Bursary and Scholarship	68,706,680.20	-	68,706,680.20	68,706,680.20	-	100%
Bank Charges	62,892.00	-	62,892.00	62,892.00	-	100%
Admin Costs	3,777,100.00	-	3,777,100.00	3,777,100.00	-	100%
Total expenditure	72,546,672.20	-	72,546,672.20	72,546,672.20	-	100%
Surplus for the period	14,917,327.80	-	14,917,327.80	14,917,327.80	-	100%

6.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

a) Early adoption of standards

The Fund did not early – adopt any new or amended standards in year 2020.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Budget information

The original budget for FY 2019/2020 was approved by the County Assembly on 20/8/2019. 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 fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did record additional appropriations for the 2019-2020 budget amounting to Ksh 1,000,000 following an approved supplementary budget that was done almost at the close of the FY.

The Fund'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.

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 under section 6 sub sections 6.5 of these financial statements.

3. Provisions

Provisions are recognized when the Fund 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 Fund 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.

4. Changes in accounting policies and estimates

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



5. 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.

6. Related parties

The Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the Fund Administrator, the CECM and Chief Officer (relating to matters Education) and the Chairperson of the Committee.

7. Cash and cash equivalents

Cash and cash equivalents comprise of cash in bank. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

8. Comparative figures

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

9. Events after the reporting period

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

10. Ultimate and Holding Entity

The Samburu County Bursary Fund is a County Public Fund established by Samburu County Bursary Fund Act, 2015, under the Department of Education and Vocational Training. Its ultimate parent is the County Government of Samburu.

11. Currency

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

12. Significant judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts received and the expenses incurred 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 in future periods.



13. Financial risk management

The Fund's activities expose it to a variety of financial risks such as effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the foreign currency and seeks to minimise the potential adverse effect of such risk on its performance by setting acceptable levels of risk.

6.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	FY2019/2020 KShs	FY2018/2019 KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	FY2019/2020 KShs	FY2018/2019 KShs
Transfers from County Govt. – operations	87,464,000	68,500,000
Payments by County on behalf of the entity	-	-
Total	87,464,000	68,500,000

3. Fines, penalties and other levies

Description	FY2019/2020 KShs	FY2018/2019 KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY2019/2020 KShs	FY2018/2019 KShs
Interest income from loans(mortgage or car loans)	-	-
Total interest income	-	-

(Provide brief explanation for this revenue)

5. Other income

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Description	FY2018/2019 KShs	FY2017/2018 KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6 Fund administration expenses

Description	FY2019/2020 KShs	FY2018/2019 KShs
Admin Costs	3,777,100.00	3,915,800.00
Professional services costs	-	-
Total	3,777,100.00	3,915,800.00

7 Staff costs

Description	FY2019/2020 KShs	FY2018/2019 KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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**8 Bursary
Disbursement**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Bursary Disbursement	68,706,680.20	65,944,014.30
Total	68,706,680.20	65,944,014.30

9 Finance costs

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Bank charges	62,892.00	38,425.00
Total	62,892.00	38,425.00

**10 Gain on disposal of
assets**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

**11 Cash and cash
equivalents**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Fixed deposits account	-	-

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On – call deposits	-	-
Current account	16,755,239.10	1,837,911.30
Others		-
Total cash and cash equivalents	16,755,239.10	1,837,911.30

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

Financial Institution	Account number	FY 2019/2020	FY 2018/2019
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank		16,755,239.10	1,837,911.30
Bank B		-	-
Sub- total		16,755,239.10	1,837,911.30
d) Others(specify)			
Cash in transit		-	-

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	-	-	-	-	-
At 30th June 2018	-	-	-	-	-
Depreciation and impairment					
At 1st July 2016	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2017	-	-	-	-	-
At 1st July 2017	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2018	-	-	-	-	-
Net book values					
At 30th June 2017	-	-	-	-	-
At 30th June 2018	-	-	-	-	-

**16 Intangible assets-
software**

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-

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Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Trade and other payables from exchange transactions
17

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

18 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		-		

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and time value for money	-	-	-
Transfers from non-current provisions	-	-	-
Total provisions	-	-	-

19 Borrowings

Description	FY2019/2020	FY2018/2019
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

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

	FY2019/2020	FY2018/2019
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'	-	-
Sterling Pound denominated loan from 'yyy organisation'	-	-
Euro denominated loan from zzz organisation'	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-

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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	FY2019/2020	FY2018/2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

20 Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

21 Cash generated from operations



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	FY 2019/2020	FY 2018/2019
	KShs	KShs
Surplus for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	-	-

22 Related party balances

a) Related party transactions		
	FY 2019/2020	FY 2018/2019
	KShs	KShs
Transfers from related parties' (County Treasury)	-	-
Transfers to related parties	-	-

b) Key management remuneration		
	FY 2019/2020	FY 2018/2019

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	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

c) Due from related parties

	FY2019/2020	FY2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

d) Due to related parties

	FY2019/2020	FY2018/2019
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

Contingent assets and contingent

23 liabilities

Contingent liabilities	FY2019/2020	FY2018/2019
	KShs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-



6. 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 and The CECM for Education related matters. The fund is related to the following entities:

- a) The County Government of Samburu
- b) The Parent County Government Department (Education)
- c) Key management
- d) County Bursary Committee etc



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

a) Related party transactions

	FY2019/2020	FY2018/2019
	KShs	KShs
Transfers from related parties'	0	0
Transfers to related parties	0	0

b) Key management remuneration

	FY2019/2020	FY2018/2019
	KShs	KShs
Board of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

c) Due from related parties

	FY2019/2020	FY2018/2019
	KShs	KShs
Due from parent Ministry	0	0
Due from County Government	0	0
Total	0	0

d) Due to related parties

	FY2019/2020	FY2018/2019
	KShs	KShs
Due to parent Ministry	0	0
Due to County Government	0	0
Due to Key management personnel	0	0
Total	0	0

7. Contingent assets and contingent liabilities

Contingent liabilities	FY2019/2020	FY2018/2019
	KShs	KShs
Court case xxx against the Fund	0	0
Bank guarantees	0	0



7. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The key management of the County Bursary Committee responded the draft by The Office of Auditor General and implemented all the recommendations in the draft. All the financial statements were done in accordance with the set and recognized international standards and the accounting principle of accrual concept.

