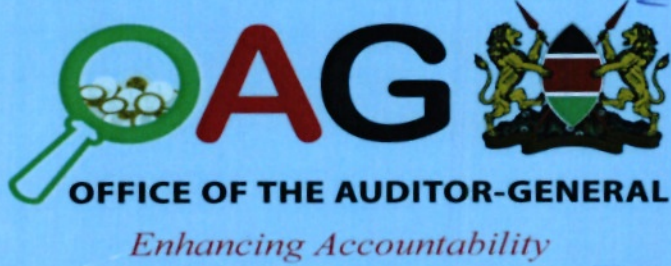


REPUBLIC OF KENYA

SCANNED



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

**TAITA TAVETA COUNTY
EDUCATION FUND**

**FOR THE YEAR ENDED
30 JUNE, 2019**

DATE	3/11/2021
TABLED BY	Deputy speaker
COMMITTEE	
CLERK AT THE TABLE	Kanaka m.

me/mt/wh/40





TAITA TAVETA COUNTY EDUCATION FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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



TAITA TAVETA COUNTY EDUCATION FUND
Reports and Financial Statements
For the year ended June 30, 2019

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TAVETA COUNTY EDUCATION FUND
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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Taita Taveta Education Fund is established by and derives its authority and accountability from The Taita Taveta Education Fund Board Act, 2013. The Fund is wholly owned by the County Government of Taita Taveta and is domiciled in Kenya.

b) Principal Activities

The fund's objective and principal activity is granting loans, bursaries and scholarships to assist student residents of Taita Taveta County to obtain post primary and higher education at recognized institutions within and outside Kenya.

c) Board of Members

Ref	Name	Position	DATE OF APPOINTMENT	DATE OF END OF TERM
1	David Mombo	Chairman	21-03-2018	21-03-2021
2	Leah K. Kamau	Vice Chairperson	21-03-2018	21-03-2021
3	Philomena Kirote	CCO Education and Libraries	Subject to employment contract	Subject to employment contract
4	Philip Mwangwale	CEO Education Fund	07-09-2018	07-09-2022
5	Silas Njongwa	Fund Administrator	24-02-2015	Subject to the discretion of CECM Finance
6	Simon Mwakughu	Member	21-03-2018	21-03-2021
7	Aggrey N. Msangi	Member	21-03-2018	21-03-2021
8	Ven Renson Shake	Member	21-03-2018	21-03-2021
9	Granton Mwaliko	Member	21-03-2018	21-03-2021
10	Humphrey M. Mng'ongo	Member	21-03-2018	21-03-2021
11	Mwakina S. Madawa	Member	21-03-2018	21-03-2021
12	Margret Kawuki	Member	21-03-2018	21-03-2021
13	Philisia Mghoi Selina	Member	21-03-2018	21-03-2021
14	Dorcas Tama	Member	21-03-2018	21-03-2021

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KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

d) Key Management

Ref	Name	Position
1	Philomena Kirote	CCO Education and Libraries
2	Philip Mwangwale	CEO Education Fund
3	Silas Njongwa	Fund Administrator
4	Joseph Madeda	Accountant

Registered Offices

P.O. Box 1066 - 80304
Wundanyi
Taita Taveta, Kenya

e) Fund Contacts

Telephone: (254) 0713164527
E-mail: loansboardtaitataveta@gmail.com

f) Fund Bankers

1. Kenya Commercial Bank
Wundanyi Branch
P.O. Box 1067 - 80304
Kenya

g) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

h) Principal Legal Adviser

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

2. THE BOARD OF MEMBERS

Name	Details of qualifications and experience
1. David Mombo	David is the Chairman of the board and is currently a teacher at Kenyatta High School – Mwatate.
2. Leah K. Kamau	Leah is a retired teacher and has been a School principal for over 30 years. She taught chemistry and Biology and represents the women in the Board.
3. Philomena Kirote	Philomena is the CCO – Education and libraries Taita Taveta County and has a degree in Education Science from Kenyatta University.
4. Philip Mwangwale	Philip is the CEO of the Fund and is currently pursuing Masters in Arts Counselling Psychology.
5. Silas Njongwa	Silas is an accountant and holds a degree in Master of commerce and is the representative of the CECM Finance and Economic planning.
6. Simon Mwakughu	Simon is a career teacher and has been a School principal for over 23 years and holds a Degree in Bachelor of Education (Arts). He represents Education in the Board and is a member of KESSHA.
7. Aggrey N. Msangi	Aggrey is a member of the board
8. Ven Renson Shake	Ven Renson is an Archdeacon and is currently based in the Archdeaconry of Taveta. He holds a degree in Bachelor of Divinity.
9. Granton Mwaliko	Granton is a representative of education in the Board and is a member of KEPSHA.
10. Humphrey M. Mng'ongo	Humphrey is a representative of youth in the Board.
11. Mwakina S. Madawa	Madawa is a representative of education in the Board and is a member of KNUT.
12. Margret Kawuki	Margaret is a business lady and she completed her secondary school in 1986 from Voi secondary school.
13. Philisiah Mghoi Selina	Philisiah is a member of the board representing persons with disability. She attended college at Machakos Teachers Training College and Kenya Institute of Special Education.
14. Dorcas Tama	Dorcas is a member of the Board and is currently a student at Maseno University.

TAITA TAVETA COUNTY EDUCATION FUND
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3. MANAGEMENT TEAM

Name	Details of qualifications and experience
1. Philomena Kirote	Philomena is the CCO – Education and libraries Taita Taveta County and has a degree in Education Science from Kenyatta University.
2. Philip Mwangwale	Philip is the CEO of the Fund and is currently pursuing Masters in Arts Counselling Psychology.
3. Silas Njongwa	Silas is an accountant and holds a degree in Master of commerce and is the representative of the CECM Finance and Economic planning.
4. Joseph Madeda	Joseph is an accountant and holds a degree in Bachelor of Commerce.

4. BOARD/FUND CHAIRPERSON'S REPORT

The Taita Taveta Education Fund was established with the aim of:

- I. Cushioning households from impact of poverty by increasing access, retention and completion rates in primary, secondary and tertiary learning institutions
- II. Enabling our children an opportunity to pursue further education especially the bright and needy.

In the financial year 2018/2019, the budget allocation was Kshs. 151,875,000 (One Hundred and Fifty One Million Eight Hundred and Seventy Five Thousand). During the supplementary budget, the allocation was adjusted to Kshs. 151,175,000 (One Hundred and Fifty One Million One Hundred and Seventy Five Thousand).

During the year, the Fund transferred Kshs 8,000,000 (Eight Million) to Higher Education Loans Board (HELB) to cater for loans, the beneficiaries being students of Taita Taveta County.

During the year, the Board was able to get a CEO who is also the secretary to the Board.

Long live TaitaTaveta County Education Fund.

Signed:



Date: 27.11.2019

David Mombo


5. REPORT OF THE FUND ADMINISTRATOR

The Taita Taveta County Education Fund Board was established by an Act of the Taita Taveta County Assembly to provide for the management of an Education fund to be used for granting loans, bursaries and scholarships to assist students residents of Taita Taveta County to obtain post primary and higher education.

In the financial year 2018/2019, the budget allocation for the fund was a total of Kshs. 151,875,000 (One Hundred and Fifty One Million Eight Hundred and Seventy Five Thousand shillings). During the supplementary budget, the allocation was adjusted to Kshs. 151,175,000 (One Hundred and Fifty One Million One Hundred and Seventy Five Thousand).

The main challenge was that the Budget was not fully funded. During the year we received a total of Kshs 105,000,000 (One Hundred and Five Million).

The fund performed better in the year because of improved revenue received.

Signed:  Date: 27.11.2019

Silas Njongwa

6. CORPORATE GOVERNANCE STATEMENT

Ownership

The Taita Taveta Education Fund was established by and derives its authority and accountability from The Taita Taveta Education Fund Board Act, 2013. The Fund is wholly owned by the County Government of Taita Taveta and is domiciled in Kenya.

Current Constitution and Appointment of Board Members

The Governor shall be the Patron of the board who shall;

- Appoint a Chairman with the approval of the County Assembly;
- Appoint the Secretary to the board who shall be the Chief Executive Officer of the board with approval of the County Assembly.

a vice Chair elected by the members;

a representative of the finance docket;

a representative of the youth;

a representative of persons with disabilities

three members representing special interest group namely;

- Administration
- Religion
- Education

the legal advisor who shall be appointed by the Governor

Key responsibilities of the Board Members

- To formulate sound policies for regulating the management the Fund
- To set the criteria and conditions governing the granting of loans
- To hold public information and engagement forums in the County to facilitate public participation

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Remuneration of Board Members

The Board members do not receive a salary. However they are paid a sitting allowance for board meetings at the rate of Kshs 15,000 for the Chairperson, Kshs 12,000 for the Vice Chairperson and the other members Kshs 10,000. per meeting. County employees are paid at the rate of Kshs 4,000 per meeting which is as per the Salaries & Remuneration Commission circular SRC/ADM/CIR/1/13(122).

Board Meetings

Board and committee attendance for the period.

MEMBERS	06.08.2018	11.10.2018	04.01.2019
David Mombo	✓	✓	✓
Leah K. Kamau	**	✓	✓
Philomena Kirote	✓	✓	✓
Philip Mwangwale	**	✓	✓
Silas Njongwa	**	✓	✓
Simon Mwakughu	**	**	✓
Aggrey N. Msangi	✓	**	✓
Ven Renson Shake	**	**	✓
Granton Mwaliko	✓	**	✓
Humphrey M. Mng'ongo	**	**	✓
Mwakina S. Madawa	**	**	✓
Margret Kawuki	✓	**	✓
Philisia Mghoi Selina	**	**	✓
Dorcas Tama	**	**	✓

KEY: ✓ - Present A – Apology ** - No obligation to attend

TAITA TAVETA COUNTY EDUCATION FUND
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For the year ended June 30, 2019

7. MANAGEMENT DISCUSSION AND ANALYSIS

Operational and Financial performance

The Taita Taveta Education Fund Board budget allocation has not matched the actual funding. The only source of funding is the County government since its inception.

Financial Information

YEAR	BUDGETED	EXCHEQUER ISSUE
FY 2013/14	50,000,000	50,000,000
FY 2014/15	50,000,000	52,421,741
FY 2015/16	93,600,000	86,142,658
FY 2016/17	116,000,000	42,000,000
FY 2016/17 - TO HELB		20,000,000
FY 2017/18	121,648,046	40,700,000
FY 2017/18 – TO HELB		10,000,000
FY 2018/19	151,175,000	97,000,000
FY 2018/19 – TO HELB		8,000,000

It is important to note that adequate financing for the fund can be achieved through increased allocation from the County and funding from donors.

The fund has a phone number where residents of the County can enquire on issues of the fund. In line with that we have been engaging Helb to build capacity by training the ward administrators on how residents can benefit from the County loans and Helb products.

Any County that intends to make a breakthrough in industrialization and technological development must begin by ensuring that it has a critical mass of well qualified personnel.

8. REPORT OF THE MEMBERS

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to grant loans, bursaries and scholarships to assist students of Taita Taveta County to obtain post primary and higher education.

Results

The results of the Fund for the year ended June 30, 2019 are set out on page 14.

Members

The members of the Board who served during the year are shown on page 1. The changes in the Board during the financial year are as shown below:

TAITA TAVETA COUNTY EDUCATION FUND
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For the year ended June 30, 2019

REPORT OF THE MEMBERS (CONTINUED)

Ref	Name	Position	DATE OF APPOINTMENT	DATE OF END OF APPOINTMENT
1	David Mombo	Chairman	21-03-2018	21-03-2021
2	Leah K. Kamau	Vice Chairperson	21-03-2018	21-03-2021
3	Philomena Kirote	CCO Education and Libraries	Subject to employment contract	Subject to employment contract
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7	Aggrey N. Msangi	Member	21-03-2018	21-03-2021
8	Ven Renson Shake	Member	21-03-2018	21-03-2021
9	Granton Mwaliko	Member	21-03-2018	21-03-2021
10	Humphrey M. Mng'ongo	Member	21-03-2018	21-03-2021
11	Mwakina S. Madawa	Member	21-03-2018	21-03-2021
12	Margret Kawuki	Member	21-03-2018	21-03-2021
13	Philisia Mghoi Selina	Member	21-03-2018	21-03-2021
14	Dorcas Tama	Member	21-03-2018	21-03-2021

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



Member of the Board

Date: 27.11.2019

9. 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 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 Taita Taveta County Education 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, 2019. 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 Taita Taveta County Education 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 Taita Taveta County Education Fund Board Act, 2013. The Administrator of Taita Taveta County Education 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, 2019, 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.

In preparing the financial statements, the Administrator of the Taita Taveta County Education Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. 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.



Date: 27.11.2019

Administrator of the Taita Taveta County Education Fund