

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**WEST POKOT COUNTY BURSARY,  
EDUCATION DEVELOPMENT AND  
INFRASTRUCTURE FUND**

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

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COUNTY GOVERNMENT OF WEST POKOT

BURSARY, EDUCATION DEVELOPMENT  
AND INFRASTRUCTURE FUND.  
FINANCIAL STATEMENT

FOR THE YEAR ENDED

30<sup>TH</sup> JUNE, 2023

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

**West Pokot County Bursary Education Development and Infrastructure Fund  
Annual Report and Financial Statements  
For the period ended 30<sup>th</sup> June 2023**

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**1. Acronyms and Glossary of Terms**

a) Acronyms

CECM	County Executive Committee Member
CO	Chief Officer
CPA	Certified Public Accountant
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

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**2. Key Entity Information and Management**

**a) Background information**

The County Executive Committee member for finance and Economic Planning in exercise of the powers conferred by section 116 of the PFM Act, 2012 created the West Pokot County Bursary, Educational Development and Infrastructure fund and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014 to provide funds for granting bursaries to assist needy students to pursue education and enhance educational development and infrastructure development for the promotion of education. The fund's objective is to

**Mandate**

The mandate of the Fund as derived from West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014 is to:

- i. To provide funds for granting bursaries to assist needy students to pursue education;
- ii. To enhance educational development;
- iii. To enhance infrastructure development for the promotion of education.

**b) Principal Activities**

The Fund is created as per the PFM ACT, 2012 it falls under the Department of Education and ICT which is headed by CEC Member who is the chair person and the County Governor being the patron, who is responsible for the general policy and strategic direction of the fund.

**c) Fund Administration Committee**

Ref	Name	Position
1	Julius Lokituman	Accounting Officer
2	Andrew Kasiltich	County Director-Bursary
3	Rebecca Kide	CECM-Education and Technical Training
4	Martin Lotee	Member
5	Samuel Lopole	Member

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6	Esther Serem	Member
7	Amos Koech	Member
8	Priscillah Chebet	Member
9	Simon Yota	Member

**d) Key Management**

Ref	Position	Name
1	Fund Administrator	Julius Lokituman
2	Bursary Director	Andrew Kasiltich
3	CO Finance	Chebbet Mungo
4	Fund Accountant	Benjamin lomugetum

**e) Fiduciary Oversight Arrangements**

Ref	Position	Name
1	Directorate Internal Audit	Thomas Lotiaka
2	Audit officer	Zablon Pokor

**f) Registered Offices**

P.O. Box 222-30600

Office of the Governor Building

Kapenguria, KENYA

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**g) Fund Contacts**

Telephone: (254) 0532014000  
E-mail: info@westpokot.go.ke  
Website: www.westpokot.go.ke

**h) Fund Bankers**

1. Co-operative Bank of Kenya  
Kapenguria Branch  
P.o Box 75104- 30600  
Kapenguria
  
2. Co-operative Bank Account  
Kapenguria Branch  
Pox Kapenguria  
Account No:01141852432400

**i) Independent Auditors**

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

**j) County Principal Legal Adviser**

The County Attorney  
P.O. Box 222 30600  
Office of the Governor  
Off Kapenguria County Hospital Road  
  
Kapenguria, KENYA

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**3.The Fund Administration Committee**

Name	Details of qualifications and experience
1. Lokituman Julius	<b>Date of Birth:</b> 1 <sup>st</sup> July 1970 <b>Qualification:</b> Graduate <b>Experience:</b> over 28 years in service <b>Position:</b> CO- Education and Technical Training
2. Andrew Kasiltich	<b>Date of Birth:</b> 10 <sup>th</sup> November 1966 <b>Qualification:</b> Diploma <b>Experience:</b> 32 years <b>Position:</b> Director County Bursary
3. Rebecca Kide	<b>Date of Birth:</b> 1 <sup>st</sup> January 1967 <b>Qualification:</b> B.Ed. Arts <b>Experience:</b> over 25 years in service <b>Position:</b> CECM-Education and Technical Training
4. Benjamin Lomugetum	<b>Date of Birth:</b> 1 <sup>st</sup> January 1984 <b>Qualification:</b> B.COM CPA <b>Experience:</b> 10 years in service <b>Position:</b> Project Accountant
5. Martin Lotee	<b>Date of Birth:</b> 28 <sup>th</sup> August 1976 <b>Qualification:</b> Bsc in Education <b>Experience:</b> 22 Yrs in civil service <b>Position:</b> CECM – PSM, Devolved units and ICT
6. Samuel Lopole	<b>Date of Birth:</b> 8 <sup>th</sup> October 1984 <b>Qualification:</b> Diploma <b>Experience:</b> 10 Yrs in Private sector <b>Position:</b> Businessperson
7. Esther Serem	<b>Date of Birth:</b> 26 <sup>th</sup> November 1965 <b>Qualification:</b> Graduate Degree <b>Experience:</b> 34 Yrs in Public service <b>Position:</b> Chair Education – County Assembly



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8. Amos Koech	<p><b>Date of Birth:</b> 23<sup>rd</sup> November 1986  <b>Qualification:</b> Graduate Degree  <b>Experience:</b> 17 Yrs in Public service  <b>Position:</b> High School Teacher</p>
9. Priscillah Chebbet	<p><b>Date of Birth:</b> 4<sup>th</sup> June 1977  <b>Qualification:</b> Msc in Business Administration  <b>Experience:</b> 20 Yrs in Public sector and NGO  <b>Position:</b> Chief Officer – Finance and Economic Planning</p>
10. Simon Yota	<p><b>Date of Birth:</b> 1<sup>st</sup> January 1980  <b>Qualification:</b> Bachelor Degree in Theology  <b>Experience:</b> 18 Yrs in Private sector  <b>Position:</b> Church Administrator – AIC Church</p>

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**4. Fund Administration Committee Chairperson's Report**

Since inception of devolved government, Education in West Pokot have received limited support most in the form of schools Infrastructure and rehabilitation, needy student's fees support (Bursary). To increase student's school completion, retention, and effectiveness of trainings in schools, there is need for the institutions and students to be supported.

West Pokot County Government is categorized as ASAL counties in Kenya. The county poverty levels and an-unemployment's among youths are high. There are no major industries in the region. Most students drop out/leavers in the county are high and they lack basic technical skills to make them competitive in the job market.

Herein are some of the outcomes that were achieved in the Annuals:

- supported a total of 32,648 secondary school student supported a total of 5,531 college going students
- supported a total of 3,334 university going students
- Supported 30 infrastructure schools.

Way forward:

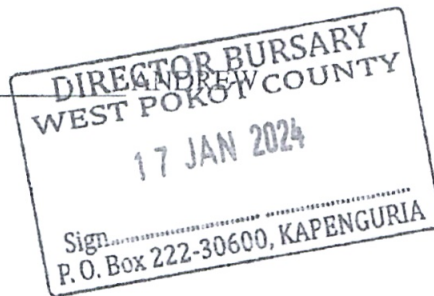
Since resources are scarce the department is looking forward in collaborating with other stakeholders in order to bring in support more learners and improve schools Infrastructure developments.

Signed: \_\_\_\_\_



KASILTICH

BURSARY DIRECTOR



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**5. Report of The Fund Administrator**

In Kenya the greatest drivers for the economy are Education and that is why it is envisaged in the vision 2030, which was also cascaded down to the devolved units of the counties. West Pokot County is one of the few counties in Kenya that were disadvantaged Education wise since they were embracing on its rich cultural practices of which some were overtaken by events.

Education being an equalizer is a priority according to the governor and that was demonstrated through the allocation of funds to the bursary scheme. This has gone a long way, and is demonstrated by continuous increment by both enrolment and budgetary allocation of the bursary and Infrastructure fund. For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

- *Reduce school drop outs by 40% through cushioning of vulnerable students*
- *Reduce retrogressive cultures by 60%* The above was achieved through:

Establishment of robust committees who manages the fund straight from the locational level though the county level

Establishment of the legislation that guides the utilization of the fund  
Establishing the management team of the fund among others

The Bursary and infrastructure programme aims to alleviate the suffering meted on the people by hunger and poverty by easing them with the burden and supporting the deserving beneficiaries with bursaries. The parents will now be left to engage in other income generating activities and projects/programme, young people will be able to earn an income to purchase food and other basic needs necessary for improving their situation.

In addition, the programme will help to:

- Engage members of the public in Bursary and infrastructure programme.
- Exchange knowledge and skills to improve the economy of the County.
- Identify, support and partner with positive and effective initiatives and programmes to empower citizens.

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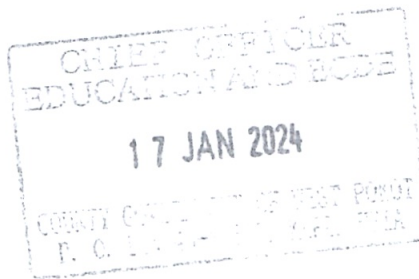
- Inculcate the culture of volunteerism among citizens.
- Promote honest hard work, productivity and sustainable development.
- Promote employment creation
- Promote socially acceptable values
- Impact positively on their lives and those of the members of their immediate communities. See themselves as stakeholders in the development of their communities hence uplifting their emotional well-being.

Signed: \_\_\_\_\_



JULIUS LOKITUMAN

FUND ADMINISTRATOR



**West Pokot County Bursary Education Development and Infrastructure Fund  
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**6. 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 objectives of the Fund as per the strategic plan for *(Indicate period of the strategic plan)* are to:

- a) *Increased enrolment for school going children*
- b) *Establishment of new schools*
- c) *Reduce school drop outs by 40% through cushioning of vulnerable students*

**Progress on attainment of strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
County Bursary, Education and Infrastructure re Fund	<ul style="list-style-type: none"> <li>□ <i>To provide funds for granting bursaries to assist needy students to pursue education at recognized institutions.</i></li> <li>□ <i>To finance Education development and infrastructure development for the promotion of Education</i></li> </ul>	<ul style="list-style-type: none"> <li>□ supported a total of 32,648 secondary school student</li> <li>□ supported a total of 5,531 college going students</li> <li>□ supported a total of 3,334 university going students</li> <li>□ Supported 22 primary and 18 secondary school infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>-Number of students benefited</li> <li>Number of schools supported by the fund</li> </ul>	In FY 22/23 we disbursed 99.25% bursary and infrastructure development fund

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**7. Corporate Governance Statement**

As stated earlier the fund is operating on legislation established by the West Pokot County Government and was passed by County Assembly.

The committees are the key players in the Bursary process since major operations are done by them that is:

- the identification of the genuine beneficiaries from the community
- data collection
- vetting of the beneficiaries
- Involve in projects monitoring and evaluations
- Community/contact or focal person
- Communication link on government policies and statements

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**8. Management Discussion and Analysis**

The division of Bursary and infrastructure is mandated with identification and provision of bursary to all needy students to pursue education at recognized institutions and to finance educational development and infrastructural developments for the promotion of education. Bursary and infrastructure development addresses the fee challenges hence the introduction of county bursary for all students in the county.

**Milestones/Achievements 2023**

- Increase students school retention and completion rates
- Cushioned vulnerable students from dropping out of school
- Over 80% increase in Secondary School Enrolment
- Fair Practice during Bursary Data Collection, Collation and Disbursements
- Supported 22 primary school and 18 secondary school infrastructure funds.

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**9.Environmental and Sustainability Reporting**

Bursary, Educational Development and Infrastructure Fund has greatly transformed many lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

**1. Sustainability strategy and profile**

To achieve sustainability of bursary and scholarships programme, development partners, donors/NGOs will be engaged for collaboration to entrench the programs in their annual budgetary process. The county should also increase the annual allocation gradually

**2. Environmental performance**

In the annual Bursary program event, the committee shall organize tree planting drive to commemorate the event hence liaise with the department of forestry to supply seedlings and initiate an afforestation drive during the period. This will create an environmentally friendly activity since it involves public participation within the community level.

**3. Employee welfare**

Students vetting is open without any biasness and the committee driving the exercise are democratically chosen by the community that represents them.

**4. Market place practices-**

The beneficiaries apply the bursary from the locational level through a representative committee within the location, who in turn submit the application to the ward committee for vetting and verification. This exercise is done openly to avoid any biasness. Learners who come from humble background or orphaned are identified and submitted with considerations. Applications processes are aired using local radio stations with timelines given in a well and clear elaborated requirements



**5. Community Engagements-**

Beneficiaries and all stakeholders will be consulted and involved in the design, planning, implementation, monitoring, and evaluation of bursary and scholarships interventions. Encouraging partnerships at Ward, Sub County and County will be key to programme implementation. There will also be the adoption of a multi-sectoral and multi-agency approach to create synergy particularly in identifying the beneficiaries and vetting exercise in the ward level

**6. Market place practices**

The organization should outline its efforts to:

**a) Responsible competition practice.**

The County Government in line with the County Integrated Development Plan (CIDP) aims at addressing educational needs and skills-gap. County Bursary and infrastructure programme is intended to support students who are needy and vulnerable due to family or social settings, has special needs or is deemed to be exceptionally gifted or pursuing courses of strategic interest in the county. It also aims at increasing literacy levels by increasing access, enrolment, and retention and completion rate in the county.

**b) Responsible Supply Chain and Supplier**

The beneficiaries apply the bursary from the locational level through a representative committee within the location, who in turn submit the application to the ward committee for vetting and verification. This exercise is done openly to avoid any biasness. Learners who come from humble background or orphaned are identified and submitted with considerations. Applications processes are aired using local radio stations with timelines given in a well and clear elaborated requirements

**c) Responsible marketing and advertisement**

The beneficiaries apply the bursary from the ward level through a committee representative, who in turn submits the application to the County committee for vetting and verification, this exercise shall be done transparently. Applications processes shall be

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communicated using local radio stations with timelines given in a well and clear elaborated requirement

**d) Product stewardship**

All strategies, plans and programmes in the policy will mainstream PLWDs, gender issues at all levels. In recognition of the fact that men and women, and boys and girls, are affected differently by the same risks and face different types of risks, efforts shall be made to assess the implications for both males and females of any planned social protection activity at every level. In accordance with the Constitution and international agreements, social protection will ensure the promotion, and protection of workers while conforming to international labor standards. Issues of youth, women, PWDs and minority groups will also be mainstreamed at all levels.

**7. Community Engagements**

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community (The organization gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organization promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives)

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**10. Report of The Committee**

The committee submit their report together with the audited financial statements for the period ended 30<sup>th</sup> June 2023 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund are provision of Bursary to needy students in Secondary, Colleges and Universities

**Results**

The results of the Fund for the Period ended 30<sup>th</sup> June 2023 are set out on page 1

**Committees**

The members of the Board of Trustees who served during the year are shown on page v **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.

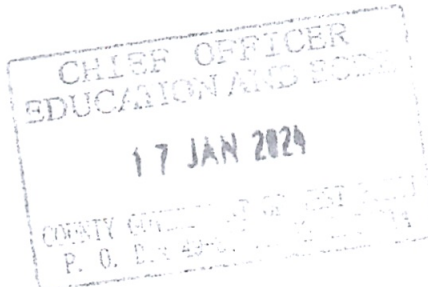
By Order of the Board



**JULIUS LOKITUMAN**

Member of the Board

Date: 30<sup>th</sup> June 2023



**Administrator of the County Public Fund**

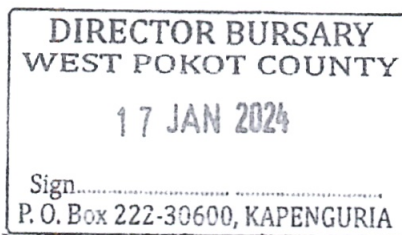
By Order of the Board



**ANDREW KASILTICH**

**Chair of the Board/Fund Administration Committee**

Date: Date: 30<sup>th</sup> June 2023



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**11. 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 West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014, 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 West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014. 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.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use

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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.

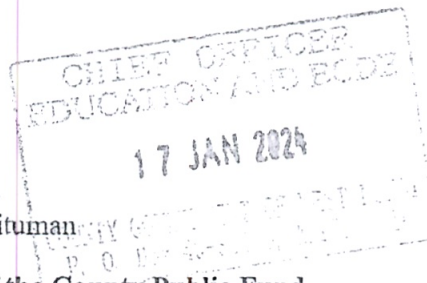
**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 17<sup>th</sup> January 2024 and signed on its behalf by:



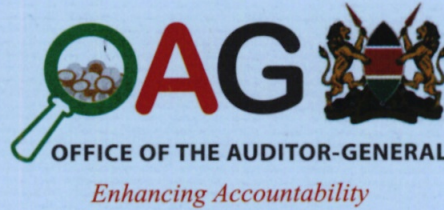
Name: Julius Lokituman

**Administrator of the County Public 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 WEST POKOT COUNTY BURSARY, EDUCATION DEVELOPMENT AND INFRASTRUCTURE FUND FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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 the 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**

#### **Opinion**

I have audited the accompanying financial statements of West Pokot County Bursary, Education Development and Infrastructure Fund set out on pages 1 to 26, which comprise

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*Report of the Auditor-General on West Pokot County Bursary, Education Development and Infrastructure Fund for the year ended 30 June, 2023*

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, the financial statements present fairly, in all material respects, the financial position of West Pokot County Bursary, Education Development and Infrastructure 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 West Pokot County Public Finance Management Bursary, Education Development and Infrastructure Fund Regulations, 2014 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the West Pokot County Bursary, Education Development And Infrastructure Fund Management in accordance with ISSAI 130 on the 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **1. Project Implementation Status**

According to the project implementation status (PIS) report provided for review as at 30 June, 2023, the Fund had planned to implement forty (40) projects for construction of classrooms, dormitories and other school facilities with a total budget of Kshs.19,400,000. The report indicated that four (4) projects costing Kshs.2,200,000 were on-going while sixteen (16) projects costing Kshs.8,200,000 were incomplete and twenty (20) projects costing Kshs.9,000,000 had been completed.

The non-completion of projects as planned denied the students the services and benefits that would have accrued from the completed projects.

#### **2. Prior Year Audit Matters**

The audit report of the year ended 30 June, 2022 highlighted various issues under the report on financial statements and the report on lawfulness and effectiveness in use of

public resources. Although Management has indicated in the report on progress made in follow up of auditor's recommendations that the matters were resolved immediately while others were unresolved, the actual status of the matters will be confirmed after they are discussed by the legislature.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Irregular Bank Operations**

The Fund bank account No.1070262229797 operated at a local bank was overdrawn by Kshs.43,590 in the month of June, 2023. No documentary evidence was provided for audit review to confirm a prior approval of the overdraft by the County Treasury or Board of County government, contrary to Section 119(4) of Public Finance Management Act, 2012, and Regulation 82(7) of the Public Finance Management (County Governments) Regulations, 2015 which provide that an accounting officer for a county government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by the County Treasury or a Board of a county government entity, if any.

Further, review of the Fund's bank statements for the account No.1070262229797 with a reconciled balance of Kshs.6,114, as disclosed in Note 5 to the financial statements, revealed that cheques totaling to Kshs.1,924,000 bounced as result of insufficient funds in the account. The Fund incurred nugatory bank charges of Kshs.105,000 in form of penalties/commission.

In addition, the Fund Management opened and operated a new bank account in another commercial bank without justification of the need for the account.

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

The audit was conducted in accordance with the International Standards of 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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 the Management and the Fund Administration Committee**

The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the Fund's ability to continue to sustain 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 terminate the Fund or cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the 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'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 Municipality 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 Municipality 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.



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**


**Nairobi**


**30 January, 2024**

West Pokot County Bursary Education Development and Infrastructure Fund  
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13. Statement of Financial Performance for the Period Ended 30<sup>th</sup> June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	1	455,500,000	573,100,000
<b>Total Revenue</b>		455,500,000	573,100,000
<b>Expenses</b>			
Disbursement to Bursaries and Infrastructure	2	455,237,212	460,434,944
Use of goods and services	3	-	112,661,375
Finance Costs	4	119,353	-
<b>Total Expenses</b>		455,356,565	573,096,319
<b>Surplus/(Deficit) For the Period</b>		143,435	3,681

  
 Name: Julius Lokituman  
 Administrator of the Fund

  
 Name: CPA Benjamin Lomugetum  
 Fund Accountant  
 ICPAK Member Number: 22931

OFFICE OFFICER  
 WEST POKOT COUNTY  
 7 JAN 2024  
 COUNTY GOVERNMENT OF WEST POKOT  
 P. O. BOX 43-2003, MALLEN ROAD


**West Pokot County Bursary Education Development and Infrastructure Fund**  
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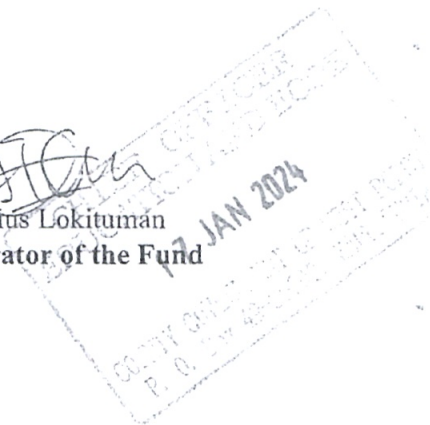
**14. Annual Statement of Financial Position as at 30<sup>th</sup> June 2023**

	Note	2022-2023 Kshs	2021-2022 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	148,266	4,831
<b>Total Assets</b>		<b>148,266</b>	<b>4,831</b>
Accumulated Surplus		148,266	4,831
<b>Total Net Assets and Liabilities</b>		<b>148,266</b>	<b>4,831</b>

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 13<sup>th</sup> December 2023 and signed by:

  
**Name: Julius Lokituman**  
**Administrator of the Fund**

  
**Name: CPA Benjamin Lomugetum**  
**Fund Accountant**  
**ICPAK Member Number: 22931**



West Pokot County Bursary Education Development and Infrastructure Fund  
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15. Statement of Changes in Net Assets for the Period ended 30<sup>th</sup> June 2023

	Revolving Fund	Revaluation Reserve	Accumulated Surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 <sup>st</sup> Jul 2022			4,831	4,831
Surplus/(Deficit) For the Period		-	143,435	143,435
Balance as at 30 <sup>th</sup> June 2023		-	148,266	148,266



Name: Julius Lokituman  
 Administrator of the Fund




Name: CPA Benjamin Lomugetum  
 Fund Accountant  
 ICPAK Member Number: 22931

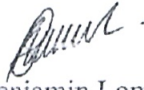
WEST POKOT COUNTY  
 EDUCATION DEVELOPMENT AND INFRASTRUCTURE FUND  
 17 JAN 2024  
 COUNTY OFFICES AT WEST POKOT  
 P. O. BOX 1000, WEST POKOT

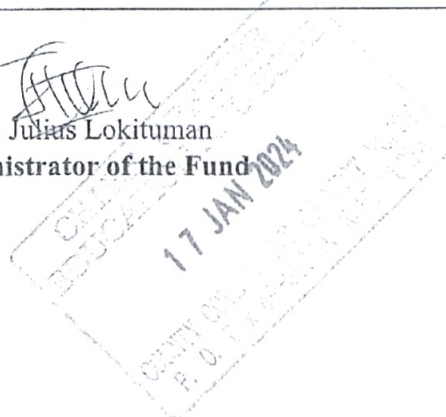
West Pokot County Bursary Education Development and Infrastructure Fund  
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16. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the county government	1	455,500,000	573,100,000
<b>Total receipts</b>		<b>455,500,000</b>	<b>573,100,000</b>
<b>Payments</b>			
Disbursement to Bursaries and Infrastructure	2	455,237,212	460,434,944
General expenses			112,661,375
Finance cost	4	119,353	-
<b>Total Payment</b>		<b>455,356,565</b>	<b>573,096,319</b>
Surplus/Deficit for the Period		143,435	3,681
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>143,435</b>	<b>3,681</b>
Cash and cash equivalents at 1 July 2022		4,831	1,150
<b>Cash and cash equivalents at 30<sup>th</sup> June 2023</b>	5	<b>148,266</b>	<b>4,831</b>

  
Name: Julius Lokituman  
Administrator of the Fund

  
Name: CPA Benjamin Lomugetum  
Fund Accountant  
ICPAK Member Number: 22931



West Pokot County Bursary Education Development and Infrastructure Fund  
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17. Statement of Comparison of Budget and Actual Amounts or The Period Ended 30<sup>th</sup> June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilizations
	2023	2023	2023	2023	2023	2023
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers From County Govt.	455,500,000	-	455,500,000	455,500,000	-	100%
<b>Total Income</b>	<b>455,500,000</b>		<b>455,500,000</b>	<b>455,500,000</b>	-	-
Expenses						
Disbursement to Bursary & Infrastructure	455,500,000	-	455,500,000	455,237,212	262,788	99.94%
Finance Cost		-	-	114,522	114,522	-
<b>Total Expenditure</b>	<b>455,500,000</b>	-	<b>455,500,000</b>	<b>455,351,734</b>	-	<b>99.95%</b>
<b>Surplus for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,266</b>	<b>-</b>	<b>-</b>



## **18. Notes to the Financial Statements**

### **1. General Information**

West Pokot County Bursary and Infrastructure Fund entity is established by west Pokot County and derives its authority and accountability from Section 116 of PFM Act 2012 Act. The entity is wholly owned by the West pokot County Government and is domiciled in Kenya. The entity's principal activity is granting bursaries to assist needy students to pursue Education and enhance education development and infrastructure development for the promotion of education.

### **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) Relevant new standards and amendments to published standards effective for the year ended 30<sup>th</sup> June 2023**

IPSASB deferred the application date of standards from 1<sup>st</sup> January 2022 owing to Covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2023.

#### **(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30<sup>th</sup> June 2023**

**West Pokot County Bursary Education Development and Infrastructure Fund  
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Standard	Effective date and impact:
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></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>
Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul>

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<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> <p><b>Standard</b></p>	<p><b>Applicable: 1st January 2023:</b></p> <p>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.</p> <p><b>Effective date and impact:</b></p>
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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<p>Other improvements to IPSAS</p>	<p><i>Applicable 1<sup>st</sup> January 2023</i></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
<p>IPSAS 43</p>	<p><i>Applicable 1<sup>st</sup> 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><b>Standard</b></p>	<p><b>Effective date and impact:</b></p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>

**West Pokot County Bursary Education Development and Infrastructure Fund  
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<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, 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> <p>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.</p>
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**(iii) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2022. 4.

**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

**West Pokot County Bursary Education Development and Infrastructure Fund  
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net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

The original budget for FY 2023-2024 was approved by the County Assembly on West Pokot County. 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.

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.

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 label 116 of these financial statements.

*Summary Of Significant Accounting Policies (Continued)*

**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.

**a) financial instruments**

*Financial assets Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g.



changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**b) 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.

**West Pokot County Bursary Education Development and Infrastructure Fund**  
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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.

**c) 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.

***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.

**d) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

**e) 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.

**f) 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.

**g) 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.

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**h) 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.

**i) 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.

**j) 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 imp rests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**k) Comparative figures**

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

**l) Events after the reporting period**

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

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**m) Ultimate and Holding Entity**

The entity is a County Public Fund established by Section 116 of PFM Act 2012, under the Ministry of Education and Technical Training. Its ultimate parent is the County Government of West Pokot.

**n) Currency**

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

## 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

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**c) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

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**6. Notes to the Financial Statements**

**1. Transfers from County Government**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	455,500,000	573,100,000
<b>Total</b>	<b>455,500,000</b>	<b>573,100,000</b>

**2. Disbursement to Bursary and Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Disbursement to Bursary and Infrastructure	455,237,212	460,434,944
<b>Total</b>	<b>455,237,212</b>	<b>460,434,944</b>

**3. Use of Goods and Services**

Description	2022-2023	2021-2022
	Kshs	Kshs
Fund administration Expenses	-	112,661,375
<b>Total</b>	<b>-</b>	<b>112,661,375</b>

**4. Finance costs**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Charges Cooperative	70,636	-
Bank Charges Equity	48,717	-
<b>Total</b>	<b>119,353</b>	<b>-</b>



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**5. Cash and cash equivalents**

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	148,266	4,831
<b>Total Cash and Cash Equivalents</b>	<b>148,266</b>	<b>4,831</b>

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
<b>c) Current Account</b>			
Co-operative Bank	01141852432400	142,152	-
Bank B Equity Bank	1070262229797	6,114	4,831
<b>Sub- Total</b>		<b>148,266</b>	<b>4,831</b>
<b>Grand Total</b>		<b>148,266</b>	<b>4,831</b>

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**19. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Unsupported Cash and Cash Equivalent	The management provided the July bank statements to the audit	Resolved	March 2023
2	Unsupported and Irregular Cash Withdrawals	The stated amount totalling to Kshs.111,110,000 supporting vouchers was presented to investigative agency for an ongoing investigation follow up is currently underway to get copies of the vouchers and cheque counterfoil	Unresolved	June 2024
3	Unaccounted for Expenditure	The use of goods and services totalling Kshs.112,660,894 supporting documents was presented to investigative agency follow up is currently underway to get them.	Unresolved	June 2024

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4	Unsupported Bursary Payments	The fund management is following up on cheque issue to school partially supported or not supported list of beneficiaries to ensure the full amount is accounted, and going	Resolved	March 2023
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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
		forward a record keeping system is in place for every cheque disbursed to be fully supported with list of beneficiaries and a copy kept in the office.		
5	Payments Made to Undisclosed Schools/ Beneficiaries	The fund management is in the process of getting the cheque counterfoil and bank statements with identities of schools so that the authenticity of the expenditure can be confirmed. Furthermore, a robust record keeping system is in place to account for every payment to school/institution and its respective complete list of beneficiaries.	Unresolved	June 2024

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6	Bursary payments to incomplete peace boarder schools	West Pokot County Bursary, Education Development and Infrastructure Fund Regulation 2014 (2) "education" includes primary, secondary, tertiary, college and university education. In our case we have supported Katikomor and Kanyerus peace border school which are	Resolved	March 2023
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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
		primary school and do exist the children are currently using the old school situated 300 metres from the new school as we finish up the construction of the new school. The funds were meant for infrastructure and not bursary		
7	Irregular Expenditure	The fund management has noted the recommendation made and further effective control measures like having a cheque register and updated cashbook have immediately been implemented so as to adhere to county regulation.	Resolved	March 2023

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8	Irregular Bursary Payments	The Bursary Fund Management is following up on idle fund in school which occurred due to transfer of students to other school and wrong data captured by the ward bursary committee for onward channelling of the idle fund to other needy student in the same school.	Unresolved	June 2024
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b> <i>(Resolved / Not Resolved)</i>	<b>Timeframe:</b> <i>(Put a date when you expect the issue to be resolved)</i>

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		<p>Furthermore, the management has immediately put in place effective internal control for both ward/county bursary to scrutinize and verify all applications in ensuring the student are Bonafede student of the respective school/Institution, the criteria used to identify the bursary beneficiaries should be based on merit, vetting report and minutes should also be presented to the county bursary office. Finally, the institution receiving bursary will also be instructed to immediately acknowledge receipt of bursary in form of official receipts.</p>		
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Fund Administrator

*(Signature)*

Date.....

CHIEF OFFICER  
EDUCATION  
17 JAN 2024  
WEST POKOT COUNTY BURSARY OFFICE  
P. O. BOX 10000  
N. B. B. ROAD  
WEST POKOT COUNTY