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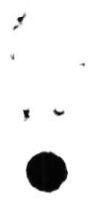
THE AUDITOR-GENERAL

ON

KERICHO COUNTY BURSARY FUND

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

PAPERS LAID	
DATE	23/02/2022
TABLED BY	SML
COMMITTEE	-
CLERK AT THE TABLE	CAROLINE UGROD





KERICHO COUNTY BURSARY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Kericho County Bursary Fund is established by and derives its authority and accountability from Kericho County Bursaries Act 2014 on 6th May 2014. The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya.

The fund's objective is to improve on affordable access to learners in various learning institutions.

The Fund's principal activity is to fund education to less fortunate learners within the county

b) Principal Activities

c) The principal activity/mission/ mandate of the Fund is to assist students to obtain education at recognised institutions

d) Board of Fund Administration Committee

Ref	Name	Position
1	Hon. Edna Ruto	Chairperson
2	Anthony Koskei	Secretary
3	Francis Moso	Member
4	Prof Adam Chepkwony	Member
5	Leonard Kipkoech Korir	Member
6	Betty Koskei	Member
7	Everlyn Chemutai	Member

e) Key Management

Ref	Name	Position
1	Hon. Edna Ruto	Chairperson
2	Anthony Koskei	Secretary



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f) Registered Offices

P.O. Box 112-20200
County Headquarters Building
Kericho- Nakuru Highway
Kericho.

g) Fund Contacts

Telephone :(254) 052 -21100
E-mail: info@kericho.go.ke
Website: www.kericho.go.ke

h) Fund Bankers

1. Co-operative Bank of Kenya
Hospital Road
P.O. Box
Kericho, Kenya
2. National Bank of Kenya
Kericho Kisumu Highway
P.O Box
Kericho, Kenya.

i) Independent Auditors

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

j) Principal Legal Adviser

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

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2.0. MANAGEMENT TEAM

Name	Details of qualifications and experience
1. Insert each key Manager's passport-size photo and name, Hon. Edna Ruto	Hon. Edna Ruto is the county executive member in the Department of Education Youths Affairs Culture Sports and Social Services she is also the Chairperson of the Bursary Fund.
2. Anthony Koskei	Mr Anthony koskei is the Chief Officer in the Department of Education Youth Affairs Culture Sports and Social Services additionally he is also the Bursary Fund Administrator



2. COUNTY EXECUTIVE MEMBER'S REPORT

The County Bursary fund management board consist of appointed members, during the year there were changes in terms of the board and key management such that the county executive member and the chief officer are both new in the department, and one member of the board member died during the financial year.

During the Financial year 2019/2020 the annual budget for the fund was adjusted, however the adjusted amount was not transferred into the fund account during the financial year. Hence there were no disbursements or the financial year 2019/2020.but continued with the disbursement for the last financial year 2018/2019.

The future outlook of the fund is that the fund anticipate to receive transfers in the financial year 2020/2021 and expect to make disbursements together with the amount which was not received during the financial year 2019/2020.

In conclusion delay in funding from the national government continues to impact negatively on execution of funds the execution of the budget and the service delivery for citizens of the County Government will be achieved through collaboration of all the stakeholders in the national and county levels to bring out the potential of the County Government of Kericho.

Signed: _____



HON. EDNA RUTO
COUNTY EXECUTIVE MEMBER DEPARTMENT OF EDUCATION YOUTH AFFAIRS
CULTURE SPORTS AND SOCIAL SERVICES

3. REPORT OF THE FUND ADMINISTRATOR

The County Bursary fund management team consist of appointed members, by the Governor with approval by the county assembly under section 6 (a) and(c) of the County *Bursary Act 2014* the chairperson of the bursaries management is the county executive member of the department of education youth affairs culture sports and social services while the chief officer of the department is the secretary of the bursaries management board which changed during the financial year in addition the board lost one of its members during the financial year.

The County bursary fund gets its funding from 2% of the county revenue fund which has been voted by the county assembly for this purpose. And any gifts, donations grants and endowments made to the fund.

During the financial year the funds' allocation/budget from the county revenue fund amounted to Kshs. 132,311,950(One hundred and thirty two million three hundred and eleven thousand nine hundred and fifty only) due to budgetary issues the original amount was further adjusted to kshs.13, 144,656(Thirteen million one hundred and forty four thousand six hundred and fifty six only) however the adjusted amount was not received due to delays and was only received after the financial year hence this amount was not disbursed during the year.

The Fund will continue as a going concern as we anticipate to receive allocations future as guided by the *Bursary Act 2014*.

In conclusion the Bursary funds are normally disbursed during the second term of the academic year however there were challenges due to the pandemic disease which paralysed learning in the whole country and meetings of the board to receive and consider the disbursements to the needy students were majorly disrupted hence most of the work were not done according to the planned schedule. We look forward to doing it in the next financial year. This years' allocations will be disbursed together with the next financial years' budgeted allocation.



Anthony Koskei
CHIEF OFFICER -EDUCATION YOUTH AFFAIRS CULTURE SPORTS AND SOCIAL SERVICES

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4. MANAGEMENT DISCUSSION AND ANALYSIS

The established functions of the board as per the *bursary act 2014* bursary fund management board and meet at least three times per year. However this financial year has been a unique year because of the pandemic disease most of the functions did not go on as planned including non-disbursements because of non-receipts of the fund.

5. 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 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Kericho County Bursaries Act 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, 2020, 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 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 on 29th December 2020 and signed on its behalf by:



HON.. EDNA RUTO

**County Executive Member Education, youth Affairs, Sports, Culture & Social Services
& Chairperson County Bursary Management Board.**

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kericho County Bursary Fund set out on pages 10 to 20, which comprise the statement of financial position as at 30 June, 2020, 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, because of the significance of the matters discussed in the Basis for Qualified Opinion section of my report, the financial statements do present fairly, the financial position of the Kericho County Bursary Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Kericho County Bursaries Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

A review of the financial statements revealed the following anomalies:

- i. The statement of comparison of budget and actual amounts on page 14 reflects an adjustments totalling to Kshs.119,167,294. This relates to adjustments due to supplementary budget. However, the opening cash and cash equivalents balance of Kshs.77,116,931 was not included in the adjustment for re-budgeting.
- ii. No trial balance was prepared and submitted for audit.
- iii. The accumulated surplus figure of Kshs.4,962,178 is omitted in the statement of financial position.
- iv. Inaccuracy in opening balances:

The following differences were noted between some of the balances in the financial statements and the previous year audited balances as shown below;

Item	Opening Balance 2019/2020 (Kshs.)	Audited Financial Statements 2018/2019 (Kshs.)	Variance (Kshs.)
Surplus	17,089,813	77,116,931	60,027,118
Other Payments	0	42,464	42,464
Bursaries	105,741,703	105,750,703	9,000
Total	122,831,516	182,910,098	60,078,582

Consequently, the accuracy, validity and completeness of the financial statements could not be confirmed for the year ended 30 June, 2020.

2. Unsupported Payments

As disclosed in Note 3 to the financial statements, the statement of financial performance reflects an amount of Kshs.71,710,113 relating to general expenses. However, payments totaling to Kshs.3,158,400 related to other payment (disbursements to a local learning institution) not supported with documents such as payment vouchers and bursary sub-committee minutes.

Consequently, the accuracy and completeness of the expenditure amounting to Kshs.3,158,400 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kericho County Bursary Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.90,261,587 and Kshs.77,116,931, respectively resulting to an under-funding of Kshs.13,144,656 or 15% of the budget. Similarly, the Fund expended Kshs.72,154,753 against an approved budget of Kshs.90,261,587 resulting to an under-expenditure of Kshs.18,106,834 or 20% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Previous Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non Compliance with the Prescribed Format

The financial statements submitted for audit reflects the following anomalies:

- i. The title of the Fund did not appear in all pages of the financial statements.
- ii. Board of trustees and corporate governance statement were not included in the financial statements as required by the Public Accounting Standards Board Reporting Template.

In the circumstances, the financial statements are not prepared in accordance with the PSASB prescribed format.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, 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 abolish the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 noncompliance. 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 Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 February, 2022

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

7.0 FINANCIAL STATEMENTS

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

	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations		0	0
Transfers from the County Government	1	0	129,554,750
Fines, penalties and other levies		0	0
		0	129,554,750
Revenue from exchange transactions			
Interest income		0	0
Other income		0	0
Total revenue		0	129,554,750
Expenses			
Fund administration expenses	2	444,640	6,680,770
General expenses	3	71,710,113	105,784,167
Finance costs		0	0
Total expenses		72,154,753	112,464,937
Other gains/losses			
Gain/loss on disposal of assets			
Surplus/(deficit) for the period		(72,154,753)	17,089,813

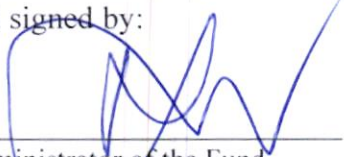
The notes set out on pages 20 to 21 form an integral part of these Financial Statements


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

7.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020 KShs	2018/2019 KShs
Assets			
Current assets			
Cash and cash equivalents	4	4,962,178	77,116,931
Current portion of long- term receivables from exchange transactions		0	0
Prepayments		0	0
Inventories		0	0
Non-current assets			
Property, plant and equipment		0	0
Intangible assets		0	0
Long term receivables from exchange transactions		0	0
Total assets		4,962,178	77,116,931
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions		0	0
Provisions		0	0
Current portion of borrowings		0	0
Employee benefit obligations		0	0
Non-current liabilities			
Non-current employee benefit obligation		0	0
Long term portion of borrowings		0	0
Total liabilities			
Net assets			
Revolving Fund		0	0
Reserves		0	0
Accumulated surplus		0	0
Total net assets and liabilities		4,962,178	77,116,931

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 29th Dec 2020 and signed by:


 Administrator of the Fund
 Name: Anthony K. Koskei


 Fund Accountant
 Name: Nancy Chepkorir
 ICPAK Member Number: 21879

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

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

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2018			60,027,118	60,027,118
Surplus/(deficit) for the period	0	0	17,089,813	17,089,813
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2019	0	0	77,116,931	77,116,931
Balance as at 1 July 2019	0	0	77,116,931	77,116,931
Surplus/(deficit) for the period	0	0	(72,154,753)	(72,154,753)
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2020	0	0	4,962,178	4,962,178



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

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

	Note	2019/2020	2018/2019
		Kshs.	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		0	0
Transfers from the County Government		0	129,554,750
Interest received		0	0
Receipts from other operating activities		0	0
Total Receipts		0	129,554,750
Payments			
Fund administration expenses		444,640	6,680,770
General expenses		71,710,113	105,784,167
Finance cost		0	0
Total Payments		72,154,753	112,464,937
Net cash flows from operating activities		(72,154,753)	17,089,813
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		(72,154,753)	17,089,813
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		(72,154,753)	17,089,813
Net increase/(decrease)in cash and cash equivalents		(72,154,753)	17,089,813
Cash and cash equivalents at 1 JULY		77,116,931	60,027,118
Cash and cash equivalents at 30 JUNE	4	4,962,178	77,116,931

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

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2020	2020	2020	2020	2020	2020
Revenue	KShs	KShs	KShs	KShs	KShs	
Public contributions and donations	0	0	0	0	0	0
Transfers from County Govt.	132,311,950	-119,167,294	13,144,656	0	13,144,656	
Interest income	0	0	0	0	-	0
Opening balance	77,116,931	0	77,116,931	77,116,931	-	100
Total income	209,428,881	-119,167,294	90,261,587	77,116,931	13,144,656	85.4
Expenses						
Fund administration expenses	4,413,999	-3,575,019	838,980	444,640	394,340	53
General expenses	205,014,882	-115,592,275	89,422,607	71,710,113	17,712,494	80
Finance cost	0	0	0	0	-	0
Total expenditure	209,428,881	-119,167,294	90,261,587	72,154,753	18,106,834	80
Surplus for the period	0	0	0	4,962,178	-4,962,178	0

8. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

8. 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.

1. Adoption of new and revised standards

a) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

2. 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.

3. Budget information

The original budget for FY 2019/20 was approved by the County Assembly on 24th June 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations the FY 2019/2020 budget.

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A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 7.5 of these financial statements.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the National bank of Kenya and Cooperative of Kenya at the end of the financial year.

5. Comparative figures

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

6. Events after the reporting period

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

7. Ultimate and Holding Entity

The entity is a County Public Fund established by Kericho County Bursaries Act 2014 under the Ministry of Education culture and social services. Its ultimate parent is the County Government of Kericho.

8. Currency

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

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9. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	0	129,557,750
Payments by County on behalf of the entity	0	0
Total	0	129,557,750

2. Fund administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Staff costs (Note 7)	0	0
Loan processing costs	0	0
Professional services costs	0	0
Administration fees	444,640	6,680,770
Total	444,640	6,680,770

3. General expenses

Description	2019/2020	2018/2019
	KShs	KShs
Rental costs	0	0
Security costs	0	0
Telecommunication	0	0
Bank Charges	19160	42,464
Other payments	3,158,400	0
Hospitality	0	0
Depreciation and amortization costs	0	0
Bursaries	68,532,553	105,741,703
Total	71,710,113	105,784,167

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
Bursary Fund	4,962,178	77,116,931
County mortgage account	0	0
Fixed deposits account	0	0
On – call deposits	0	0
Current account	0	0
Others	0	0
Total cash and cash equivalents	4,962,178	77,116,931

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

Financial institution	Account number	2019/2020	2018/2019
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank			
Equity Bank,			
Sub- total			
b) On - call deposits			
Kenya Commercial bank			
Equity Bank -			
Sub- total			
c) Current account			
Cooperative bank	01141603844500	1,053,687	1,498,328
National Bank	01071212038400	3,908,491	75,618,603
Sub- total		4,962,178	77,116,931
d) Others(specify)			
Cash in transit			
Cash in hand			
M Pesa			
Sub- total			
Grand total		4,962,178	77,116,931

1000
900
800
700
600
500
400
300
200
100
0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
Bursary Fund	4,962,178	77,116,931
County mortgage account	0	0
Fixed deposits account	0	0
On – call deposits	0	0
Current account	0	0
Others	0	0
Total cash and cash equivalents	4,962,178	77,116,931

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

Financial institution	Account number	2019/2020	2018/2019
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank			
Equity Bank,			
Sub- total			
b) On - call deposits			
Kenya Commercial bank			
Equity Bank -			
Sub- total			
c) Current account			
Cooperative bank	01141603844500	1,053,687	1,498,328
National Bank	01071212038400	3,908,491	75,618,603
Sub- total		4,962,178	77,116,931
d) Others(specify)			
Cash in transit			
Cash in hand			
M Pesa			
Sub- total			
Grand total		4,962,178	77,116,931

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10.0 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.

