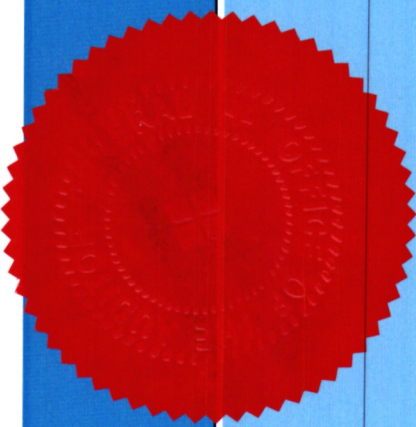
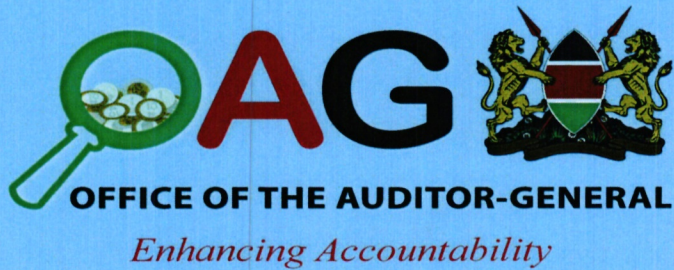


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REPORT

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ON

**NYAMIRA COUNTY EDUCATION
SUPPORT FUND**

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

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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

25 FEB 2022

RECEIVED

NYAMIRA COUNTY EDUCATION SUPPORT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2020

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

NYAMIRA COUNTY EDUCATION SUPPORT FUND
 Reports and financial statements
 For the year ended June 30, 2020

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NYAMIRA COUNTY EDUCATION SUPPORT FUND

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Nyamira County Education Support Fund is established by and derives its authority and accountability from Nyamira County Education Support Act of 2016 on 26th May, 2016. The Fund is wholly owned by the County Government of Nyamira and is domiciled in Kenya.

The Fund's principal activity is to provide scholarships or bursary to needy and orphaned students to enable them continue with education in order to maintain academic excellence and thereafter give back to the society in a sustainable manner.

b) Principal Activities

The Fund's principal activity is to provide scholarships or bursary to needy and orphaned students to enable them continue with education in order to maintain academic excellence and thereafter give back to the society in a sustainable manner.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Alfred .N.Kore	Chairman
2	Julie Nyaanga	Vice Chairlady
3	Vincent Mbura	PLWD
4	Jeremiah Okioro	Youth
5		

d) Key Management

Ref	Name	Position
1	Mr. Jackson Oluoch	Fund Administrator
2	CPA Dominic Barare.	Chief Officer Finance
3	CPA Bernard Bonyi.	Head of Treasury
4		
5		

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended 30 June 2020

e) Registered Offices

Nyamira County Assembly Building,
P.O. Box 434 - 40500
NYAMIRA - KENYA.

f) Fund Contacts

Nyamira County Education Support Fund Contacts
Telephone: (254)-0723164413, 0789324353
E-mail: info@nyamira.go.ke
Website: www.nyamira.go.ke

g) Fund Bankers

Kenya Commercial Bank
P.O. 48231- 0100
NAIROBI – KENYA

h) Independent Auditors

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

i) Principal Legal Adviser






Esther Asati,
Director - Legal Services,
P.O. Box 434-40500,
NYAMIRA - KENYA.

NYAMIRA COUNTY EDUCATION SUPPORT FUND


Reports and financial statements

For the year ended June 30, 2020

2. THE BOARD OF TRUSTEES (or any other corporate governance body for the Fund)

Name	Details of qualifications and experience
<p>1.  ALFRED N. KORE</p>	<p>Chairperson BED, Arts, Nairobi University</p>
<p>2.  JULIE M. NYAANGA</p>	<p>Vice Chairperson Diploma secretarial</p>
<p>3.  JACKSON OLUOCH</p>	<p>Fund Administrator. BED sciences/MED education management</p>
<p>4.  VINCENT MBURA</p>	<p>Member Diploma in Evangelism, Dion krw U.S.A</p>
<p>5.  GLADYS MOMANYI</p>	<p>CEC Education & Vocational Training. MED,</p>

NYAMIRA COUNTY EDUCATION SUPPORT FUND
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 <p>6. CPA JOHN OMANWA</p>	CEC Finance & Planning Masters in Business Administration
7.	Jeremiah Okioro

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
PREDETERMINED OBJECTIVES**

Enumeration of all county objectives as per the CIDP 2018-2022

- To strengthen delivery and quality of services to the citizenry
- Improve the food security and eradicate poverty in the county
- Improved livestock productivity and safe animal products
- Provision of spatial framework for Infrastructure and socioeconomic development of the County
- To enhance housing development and infrastructure through integrated management
- Improved transportation of goods and people
- Improved physical and social infrastructure in urban areas
- Promote reliable and accessible ICT services to the citizens of Nyamira County
- To enhance access and quality Early Childhood Development and Education services
- To reduce incidences of mortality and disease burden in the County
- Strengthen policy formulation, economic planning, resource allocation and community awareness
- To ensure quality financial resources enhancement, control and advisory
- Continuously enhance human resource competencies and skills with total compliance to legal statutory and policy requirements
- Strengthen Institutional framework for administration of decentralized units
- To enhance resource mobilization through proactive engagement with development partners
- To promote culture and develop sports talents
- To promote gender equity and equality
- Increase accessibility to clean and safe water for domestic and industrial use
- To promote environmental conservation, health and safety through sustainable development approaches
- Full access to affordable, adequate and reliable energy for socio-economic transformation

Nyamira County Strategic development objectives

The County's 2018-2022 CIDP has identified 19 key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Nyamira County's 2018-2022 CIDP:

- Crop, agribusiness & land management
- Livestock development and management
- Land, Physical planning and surveying services
- Integrated development of housing and infrastructure
- Public Works and Disaster Management
- Development and management of ECDE & CCC
- Health based curative, preventive and promotive infrastructure and support services

NYAMIRA COUNTY EDUCATION SUPPORT FUND

Reports and financial statements

For the year ended 30 June 2020

- Economic planning, Budget Formulation and Co-ordination Support Services
- County Financial Management, Budget Execution and Control Support Services
- County financial resource mobilization support services
- Human resource management and development
- Coordination and development of decentralized units
- Special programs and investor relations
- Cultural development and promotion
- Promotion and management of sports
- Gender equity and empowerment of women
- Water supply and management services
- Environmental Protection and Management services
- Energy and mineral resources services

Progress on attainment of Strategic development objectives

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:

Department	Objective	Outcome	Indicator	Performance
Agriculture, Livestock and Fisheries	Improve the food security and eradicate poverty in the county	Increased food security and reduced poverty levels	% increase in food security and % decrease in poverty levels	On commercial bee production a total of 300 bee hives farmers groups were trained Commercial Pasture and fodder production project where a total of 8,000 bales of hay were produced and sold earning farmers a total of 2.4 Million shillings Local poultry upgrading project a total of 3,400 birds were procured and distributed
	Improved livestock productivity and safe animal products	Increased livestock productivity and safety of animal products	% increase in livestock productivity and safety of animal productivity	Supported the marketing of livestock products in the County by supporting establishment of a milk cooling facility in Kineni area of Esise ward, supporting establishment of a honey processing plant in Nyamusi area of Bokeira ward and supporting a

NYAMIRA COUNTY EDUCATION SUPPORT FUND

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				<p>number of dairy groups with trainings and demonstration materials for milk and honey value addition.</p> <p>Successful organized and implemented of the county wide heat synchronization and insemination program. A total of 8,000 cows were synchronized and inseminated, 20,000 cows were inseminated.</p> <p>County wide vaccination of livestock where a total of 31,488 livestock and 1,222 pets were vaccinated.</p> <p>10,000 tissue culture bananas distributed to 400 farmer groups</p>
Health Services	To reduce incidences of mortality and disease burden in the County	Reduced mortality and disease burden	% reduction in mortality and disease burden	<p>1.Continued construction and completion of 80-Bed amenity block with Doctors' Plaza at Nyamira County Referral Hospital</p> <p>2.Continued construction and completion in patient wards at Manga SC Hospital</p> <p>Construction and completion of inpatient wards at Nyamusi SC Hospital</p> <p>3.Construction and completion of inpatient wards at Magwagwa H/C</p> <p>4.Construction and completion of inpatient wards at Gesima SC Hospital</p> <p>5.Construction and Completion of inpatient wards at Amatierio health Facility</p>

NYAMIRA COUNTY EDUCATION SUPPORT FUND
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				<p>6. Construction and completion of inpatient wards at Kiangoso health facility</p> <p>7. Construction and completion of Nyamira Eye Hospital Service Block at Nyamwetuereko H/C</p> <p>8. Construction and completion of twin staff house with two door pit latrine at Kambini Dispensary</p> <p>9. Construction and completion of twin staff house with two door pit latrine at Sere Dispensary</p> <p>10. Construction and completion of twin staff house with two door pit latrine at Kiangoso Dispensary</p> <p>11. Construction and completion of twin staff house with two door pit latrine at Nyandoche ibere dispensary</p>
ETC				

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended June 30, 2020

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
 <p>JACKSON OLUOCH</p>	<p>Fund Administrator. BED sciences/MED education management</p>
 <p><i>CPA Benard Osoro Bonyi Head of Treasury(Accounting)</i></p>	<p><u>CPA BENARD OSORO BONYI</u> CPA Benard Osoro Bonyi is the Head of Treasury (Accounting) He has a Masters degree in Business Administration (Finance) from the University of Nairobi, Bachelors degree in Business Management (Finance and Banking) from Moi University. CPA Bonyi is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and has done a Senior Management Course from the Kenya School of Government. Previously, CPA Bonyi worked for the County Government of Nyamira as a Senior Accountant. Before joining the County Government service. CPA Bonyi served in the private sector as a Certified Accountant and Auditor. He has a total of 16 years working experience</p>
 <p><i>CPA Dominic Barare Chief Officer, Finance, ICT & Planning</i></p>	<p><u>CPA DOMINIC BARARE OYUGI</u> CPA Dominic Barare Oyugi who hails from Bogichora ward is the Chief Officer, Finance, ICT & Planning. He has a Masters degree in Business Administration (Finance), Bachelors degree in Business Administration. CPA Oyugi is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). Previously, CPA Oyugi worked for the County Government of Nyamira as a Deputy Director of Health, Finance and Administration. Before joining the County Government service, CPA Oyugi served as a Regional Accountant for Kenya Rural Roads Authority (KERRA) He has a total of 18 years working experience.</p>

5. BOARD/FUND CHAIRPERSON'S REPORT

It is my pleasure to present the third annual report of Nyamira County Education Support Fund which was created by the county education regulation of 2017. The fund Bursary was started by the County Assembly of Nyamira on 29th April 2016 to support needy students of the Secondary Schools in Nyamira County.

To manage the Education Support Bursary fund, County committee was created as per the regulations consisting of 8 members with the responsibility of running day to day activities of the fund being vested on the administration. The committee agreed on the documents that were mandatory on application by students which is still in place as at 30th June 2020 and it includes;

- a) Students' Birth Certificates
- b) Report cards(forms 2,3,4)
- c) Admission letters for form 1 students
- d) Fee structures
- e) Death/Burial certificates
- f) National ID for parents/ Guardian
- g) ID cards/certificate to confirm disability
- h) Chief's /sub-chief recommendation

In the financial year ending 30th June 2020 the fund had distributed 50,000 forms to the needy students across the county. 45,000 forms were returned to the county committee office for processing and award of the Bursary fund. Out of which 38,650 were successfully considered

The mode of disbursement was as follows:

1. **Total orphans-----5,000/=**
2. **Partial orphans----3,000/=**
3. **Single Parents-----3,000/=**
4. **Disability (PLWD)...3,000/=**
5. **Needy students—2,500/=**

Challenges Encountered are as follows;

1. Released forms not reaching some of the needy students.
2. Difficulties in distribution of cheques across the county since needy students from Nyamira County were schooling across the country.
3. Inaccuracy in filling of Bursary application forms.
4. Inadequate funds for administration (3% was not adequate).

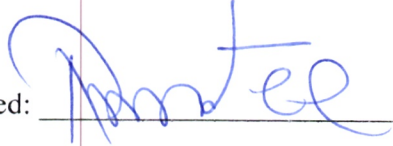
At inception the fund received **Kshs. 103,000,000** in financial 2016/17 followed by **Kshs 121,075,293** for 2017/2018, **Ksh 131,500,000** for 2018/2019 and now **126,520,000** for 2019/2020 of which 3% of this amount was for administration, and the balance (97%) was meant for award of bursary to students who met the requirement set out in enabling legislations. In the financial year ending 30th June 2020, the funds were not disbursed to schools and colleges due to Covid-19 pandemic which led to closure of all schools and

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended June 30, 2020

colleges thus having a fund balance of **Ksh 123,630,746**. This amount is to be allotted in the next financial year once normalcy resumes in schools and colleges.

We anticipate 100% utilization of the fund resources in this coming financial year.

Signed: _____

A handwritten signature in blue ink, appearing to read 'Alfred N. Kore', is written over a horizontal line.

ALFRED N. KORE.
CHAIRPERSON – FUND COMMITTEE

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended 30 June 2020

6. REPORT OF THE FUND ADMINISTRATOR

Section 14 (e) of the Nyamira County Education Support Fund Regulation 2017 provides that the administrator of the fund shall prepare, sign and transmit to the Auditor General in respect of each financial year and within three months after the end thereof, a statement of the accounts relating to the Fund, prepared and signed by him/her specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the committee may from time to time direct in accordance with public Finance Management Act 2012.

The Nyamira County Education Support Fund was operationalized in 13th February 2017 upon injection we received Ksh **103,000,000** initial Fund outlay From the County Treasury and thereafter it received Ksh **121,075,293** for **financial year 2017/18** Ksh **131,500,000** **financial year 2018/2019**.The Fund has since received additional funding from county treasury of Kshs **126,520,000** on March 2020 for the financial year 2019/2020.

In the financial year under review, the Nyamira County Education Support Fund did not disburse funds, thus had an accumulated surplus of **Ksh 123,730,746** at the end of the financial year 2019/20.

The existing Fund governing regulations provides for only equal allocation of funds in all twenty (20) wards excluding equitable distribution since all wards don't have same capacity of absorption. So we had successfully petitioned the Nyamira county assembly to repeal the regulation by expunging the word **equal** and replace it with **equitable**. The existing Fund governing regulations was amended thus the fund was disbursed equitably among the twenty (20) wards.

It is my pleasure to present the end year Report and financial statements of Nyamira County Education Support Fund for the financial year ended 30th June, 2020

Signed: _____

JACKSON OLUOCH

Fund Administrator

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended June 30, 2020

7. CORPORATE GOVERNANCE STATEMENT

The Nyamira County Education Support Fund known as the Bursary is composed of a Chairman appointed by H.E Governor, CEC member responsible for Finance, CEC member for Education, Chief Officer Education who is the secretary, County Director of Education who is an ex-official member, three persons appointed by CEC member each representing women youth and persons living with disability. The above members are entitled to three sittings in a year with a remuneration stipulated in the SRC report.

The functions of the Fund Committee;

To oversight the process of bursary awarding right from public awareness or civic education, application by the beneficiaries, verification of the application forms, the board MUST verify beneficiaries at school level to rule out the chances of awarding ghost beneficiaries before identifying eligible vulnerable students, awarding of the bursary and returns from schools to formulate policies for regulating the disbursement, management of bursaries and to advise the CEC member on bursary disbursement.

Appointment and Succession of office

The committee members of the fund are appointed and removed in accordance with the laid regulations of Nyamira County Assembly for example the board members are appointed for a term of three years and are eligible for reappointment for one further term.

Under section 5 of the Nyamira county education support fund regulation 2017 provides for the establishment of bursary fund management committee. The Education Support Bursary fund committee was created as per the regulations consisting of 8 members with the responsibility of running day to day activities of the fund being vested on the administration of the bursary.

During the year under review, a total of four meetings were held by the support fund committee as indicated below

Date of meeting	Members present	Members absent
July 18, 2020	10	0
March 3,2020	8	2

Trainings

The fund committee has undergone induction and training since its inauguration in November 2016. During the induction, the fund committee was reminded on issues of integrity and misconduct as well as their mandate as follows.

1. Secrecy/Confidentiality to all information during the appropriation of the Fund must be upheld.
2. Avoiding conflict of interest during appropriation
3. Fines and penalties to those who are found guilty of offences.

8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Nyamira County exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: 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

The management has through fiscal effort put in place mechanisms that lead to improvement in own source revenue collection through the enactment of finance Act. The finance Act contains a number of revenue streams that are strategically rolled out and applied in order to ensure that revenue collection is maximized.

The management actualized its revenue collection systems through automation in March, 2019. Thus it has since made it successful because most of the leakages during collection have been sealed and actually there is a steady rise in collections. Further, the management has made efforts to compile and report in accordance to PFM Act 2012 guidelines and international financial reporting standards as enshrined in the enabling regulations.

2. Environmental performance

The management has embarked on various policies that are at draft stages which include environmental policy, waste management policy and climate change policy. The management has made efforts to maintain clean environment, town beautification through urban agroforestry, enhanced solid and liquid waste management whereby the toxic waste is separated and incinerated at the health facilities. Consequently, there is green agriculture. However, the management is yet to counter the following challenges; littering of waste, establishment of a dumpsite due to increased resistance from the affected communities.

3. Employee welfare

The county government a human resource manual/policy that takes to account a gender ratio whereby a third of every new recruitment is comprised of women, continuous training being offered to employees on need basis to enhance skills, careers and as well as performance appraisals which are done through performance contracting.

4. Market place practices-

The management has made efforts to equitably offer opportunities to youths, women and persons living with disability. Procurement opportunities are given to bidders as per the guiding procurement laws (PPAD 2015) and equity is in practice ever. There is frequent interaction between bidders and management through pre bidding conferences, site visits, opening of tenders and trainings.

Opportunities are advertised through local daily newspapers, government portals, websites and notice boards.

The management has envisaged consumer rights and interests through confidentiality during procurement process and non-disclosure of proprietary rights.

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended June 30, 2020

5. Community Engagements-

The management has ensured that there is involvement of members of the community from the county and other stakeholders in budget making process (County Integrated Development Plans (CIDPs), strategic Plans, Annual Development Plans, Annual Budgets, Finance Bills, regulations and all policy frameworks), appointment of county chief officers and county executive committee members during the vetting process.

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended 30 June 2020

9. REPORT OF THE TRUSTEES

The fund committee to submit their report together with un-audited financial statements for the year ended June 30, 2020 which shows the state of the fund affairs.

Principal activities

The principal activities of the fund are continued award of bursary to orphans and needy high school students in Nyamira County.

Results

The results of the fund for the year ended June 30th, 2020 are set out on pages 1 – 7.
We managed to issue bursary as per the summary below

Family Status	No. Of Beneficiaries	Boarding Schools	Day Schools
Disability			
Needy	26795	21477	5318
Partial Orphans	4743	3826	917
Single Parent	2128	1578	551
Street children	5	5	0
Total Orphans	2895	2022	873
Total Beneficiaries	36,566	28,908	7,659

Committee members

The members of the fund committee who served during the year are shown on page (iv).
During the year no committee member retired/ resigned

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.

NYAMIRA COUNTY EDUCATION SUPPORT FUND
Reports and financial statements
For the year ended June 30, 2020

10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 and the Gazetted Regulations under which the Fund is regulated requiring the Fund Administrator to prepare financial statements in respect of that fund, which give a true and fair view of the state of affairs of the fund at the end of the financial year and the operating results of the fund for that year. The Fund Administrator is also required to ensure that the fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the fund. The Fund Administrator is also responsible for safeguarding the assets of the fund.

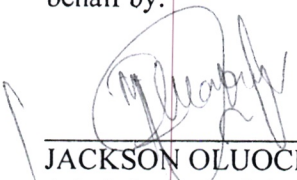
The Fund Administrator is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the fund for and as at the end of the financial year ended 30 June 2020. This responsibility includes: (i) maintaining adequate financial 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 Fund Administrator 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 regulations under which the fund is managed. The Fund Administrators 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 30 June 2020, and of the fund's financial position as at that date. The Fund Administrator further confirms the completeness of the accounting records maintained for the fund, which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Fund 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.

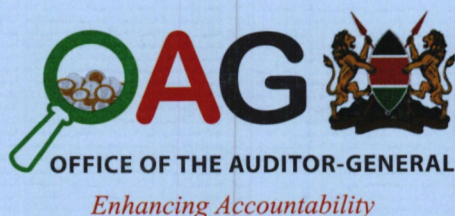
Approval of the financial statements

The Fund's financial statements were approved by the Board on 25/09/ 2020 and signed on its behalf by:



JACKSON OLUOCH
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 NYAMIRA COUNTY EDUCATION SUPPORT FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyamira County Education Support Fund set out on pages 20 to 32, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nyamira County Education Support 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 the Nyamira County Education Support Act, 2016 and the Public Finance Management Act, 2012.

Basis of Qualified Opinion

1.0 Presentation of the Financial Statements

A review of the financial statements revealed the following;

- 1.1 The statement of changes in net assets and statement of comparison of budget and actual amounts provided for audit review reflected the sub-title "as at 30 June, 2020" and "period ended 30 June, 2020" respectively. This is contrary to the requirements of Section 66 (a) of IPSAS 1 on the presentation of financial statements and also the Public Sector Accounting Standards Board guidelines which outlines "for the year ended".

- 1.2** The financial statements did not reflect progress on follow up of auditor's recommendations contrary to the Public Sector Accounting Standards Board (PSASB) template.

In the circumstances, the financial statements for the year ended 30 June, 2020 were not prepared in accordance with the IPSAS guidelines and as stipulated in the PSASB template.

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

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.126,520,000 and Kshs.126,520,000 respectively resulting to a balanced budget.

Similarly, the expenditure budget was Kshs.126,520,000 against actual expenditure of Kshs.3,953,420, resulting to an under-expenditure of Kshs.122,566,580 or 97% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Segregation of Duties

An audit review of the internal controls revealed that there was no segregation of duties. It was observed that one officer would initiate a transaction, approve it, authorize withdrawal of the cash from the bank as one of the signatories, receive the cash, incur the expenditure and later surrender, and approve the expenditure.

It was also noted that the Chairman of the Fund receives cash and incurs expenditure on behalf of the Fund contrary to Section 110(2)(c) of the Public Finance Management (County Governments) Regulations, 2015 which require segregation of duties.

Consequently, the Management was in breach of the law.

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

Responsibilities of Management and the Board of Trustees

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 sustain services, disclosing, as applicable, matters related sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

The Board of Trustees is 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 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 policies and procedures may deteriorate.

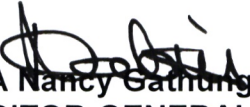
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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

11 February, 2022

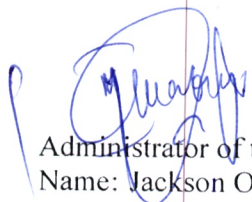
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12. FINANCIAL STATEMENTS

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

	Notes	2019/2020 KShs	2018/2019 KShs
Revenue from non-exchange transactions			
Transfers from the County Government	1	126,520,000	131,500,000
Total revenue		126,520,000	131,500,000
Expenses			
Fund administration expenses	2	2,688,240	3,945,000
Student Bursary	3	1,096,300	250,135,154
General Expenses	4	168,880	194,848
Total expenses		3,953,420	254,275,002
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit) for the period		122,566,580	(122,775,002)

The notes set out on pages 30 to 32 form an integral part of these Financial Statements


 Administrator of the Fund
 Name: Jackson Oluoch



 Fund Signatory
 Name: Dominic Barare
 ICPAK Member Number: 15694

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12.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020 KShs	2018/2019 KShs
Assets			
Current assets			
Cash and cash equivalents	5	123,630,746	1,164,166
		123,630,746	1,164,166
Non-current assets			
Intangible assets	6	100,000	-
		100,000	-
Total assets		123,730,746	1,164,166
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	7	-	-
Total liabilities		-	-
		-	-
Net assets		123,730,746	1,164,166
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		123,730,746	1,164,166
Total net assets and liabilities		123,730,746	1,164,166

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 25/09/2020 and signed by:



 Administrator of the Fund
 Name: Jackson Oluoch



 Fund Signatory
 Name: Dominic Barare
 ICPAK Member Number: 15694

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12.3. 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	-	-	123,939,168	123,939,168
Surplus/(deficit) for the period	-	-	(122,775,002)	(122,775,002)
Funds received during the year	-	-	-	-
Balance as at 30 June 2019	-	-	1,164,166	1,164,166
	-	-		
Balance as at 1 July 2019	-	-	1,164,166	1,164,166
Surplus/(deficit) for the period	-	-	122,566,580	122,566,580
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	-	-	123,730,746	123,730,746

(The fund had un-utilized fund of Kshs 123,630,746 which is to be utilized in the F/ Y 2020/2021.)

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

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	1	126,520,000	131,500,000
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		126,520,000	131,500,000
Payments			
Fund administration expenses	2	(2,688,240)	(3,945,000)
Student Bursary	3	(1,096,300)	(250,135,154)
General expenses	4	(168,880)	(194,848)
Net cash flows from operating activities		122,566,580	(122,775,002)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(100,000)	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		(100,000)	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		122,466,580	(122,775,002)
Cash and cash equivalents at 1 JULY	5	1,164,166	123,939,168
Cash and cash equivalents at 30 JUNE	5	123,630,746	1,164,166

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above statement assumes direct method)

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

	Original Budget	Adjust- ments	Final budget	Actual on comparable basis	Performan- ce difference	% Utilisat- ion
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	126,520,000		126,520,000	126,520,000	-	100%
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income	<u>126,520,000</u>	-	<u>126,520,000</u>	<u>126,520,000</u>	-	100%
Expenses						
Fund administration expenses	3,595,600	-	3,595,600	2,688,240	907,360	75%
General expenses	122,724,400	-	122,724,400	1,096,300	121,628,100	1%
Finance cost	200,000	-	200,000	168,880	31,120	84%
Total expenditure	126,520,000	-	126,520,000	3,953,420	122,566,580	3%
Surplus for the period		-		122,566,580		

Budget notes

There were no Changes between original and final budget

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12.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: 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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none">• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and

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Standard	Effective date and impact:
	<p>Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

c) Early adoption of standards

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

3. 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

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net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

4. Budget information

The budget for FY 2019-2020 was approved by the County Assembly on 30th June 2019. Subsequent revisions and appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There were no additional appropriations during supplementary budget and no changes from the original budget of the fund upon receiving the respective approvals. Accordingly, the fund recorded the appropriations of Kshs.103, 000,000 on the 2016-2017 budget following the governing body's approval. And in the subsequent year 2017-18 it further approved an increment for funding up to kshs.121,075,425 ,KSH 131,500,000 for financial year 2018-2019 and now Ksh 126,520,000 for 2019/2020 financial year.

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 section xxx of these financial statements.

5. 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.

6. 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.

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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.

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12.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	2019/2020	2018/2019
	Kshs	Kshs
Transfers from County Govt. – operations	126,520,000	131,500,000
Payments by County on behalf of the entity		-
Total	126,520,000	131,500,000

2. Fund administration expenses

Description	2019/2020	2018/2019
	Kshs	Kshs
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	2,688,240	3,945,000
Total	2,688,240	3,945,000

3. Student Bursary

Description	2019/2020	2018/2019
	Kshs	Kshs
Bursary to Students	1,096,300	250,135,154
Total	1,096,300	250,135,154

4. General expenses

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-

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Security costs	-	-
Telecommunication	-	-
Bank Charges	168,880	194,848
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	168,880	194,848

5. Cash and cash equivalents

Description	2019/2020 KShs	2018/2019 KShs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	123,630,746	1,164,166
Others	-	-
Total cash and cash equivalents	123,630,746	1,164,166

6. Intangible assets-software

Description	2019/2020 KShs	2018/2019 KShs
Cost		
At beginning of the year	-	-
Additions	100,000	-
At end of the year	100,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	100,000	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Trade and other payables from exchange transactions

Description	2018/2019 KShs	2017/2018 KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-