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REPORT

OF

THE AUDITOR-GENERAL

ON

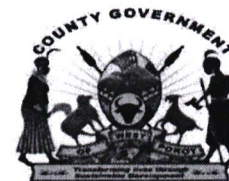
**WEST POKOT COUNTY BURSARY,
EDUCATION DEVELOPMENT AND
INFRASTRUCTURE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2021**





REPUBLIC OF KENYA
WEST POKOT COUNTY GOVERNMENT



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

1. KEY ENTITY INFORMATION AND MANAGEMENT	ii
2. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES	vi
3. MANAGEMENT TEAM	ix
4. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT	x
5. REPORT OF THE FUND MANAGER/ ADMINISTRATOR	xi
6. CORPORATE GOVERNANCE STATEMENT	xiii
7. MANAGEMENT DISCUSSION AND ANALYSIS	xiv
8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING xv	
9. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE	xviii
10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	xx
11. REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR 2020/2021 FUND/SCHEME	xxii
13. FINANCIAL STATEMENTS	1
14. NOTES TO THE FINANCIAL STATEMENTS	26
15. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS	40
16. APPENDIX I: INTER-ENTITY TRANSFERS.....	55

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

Mandate

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

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

b) Key Management

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

c) Fund Administration Committee

Ref	Name	Position
1	Mr.Simon Kodomuk	Accounting Officer
2	Mr Pkanan Arusio	County Director-Bursary
3	Jackson Yaralima	CECM-Education and Technical Training
4	Francis Tikol	Member
5	Mr. Joseph Ajore	Member
6	Mr Tulel	Member
7	Emmanuel Akasile	Member
8	Dorcas Ngimor	Member

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

d) Key Management

Ref	Position	Name
1	Fund Manager/ Administrator	Mr Simon K Kodomuk
2	Bursary officer	Arusio Pkanan
3	Fund Accountant	Kennedy Bulimo

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	
2	Head of Audit	Tom Lotiaka
3	Audit officer	Zablon Pokor

f) Registered Offices

P.O. Box 222-30600

Office of the Governor Building

Kapenguria, KENYA

g) Fund Contacts

Telephone: (254) 0532014000

E-mail: info@westpokot.go.ke

Website: www.westpokot.go.ke

h) Fund Bankers

1. Equity Bank of Kenya
Kapenguria Branch
P.o Box 75104- 30600
Kapenguria
2. Equity Bank Account
Kapenguria Branch
Pox Kapenguria
Account No:1070262229797

i) Independent Auditors



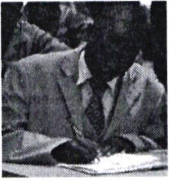
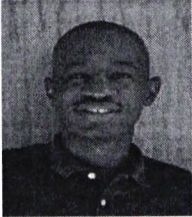
Auditor General
Office of the Auditor - General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

j) County Principal Legal Adviser

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

2. THE BOARD OF TRUSTEES/ FUND ADMINISTRATION COMMITTEE

Name	Details of qualifications and experience
<p>1. Simon K. Kodomuk</p> 	<p>Date of Birth: 30/12/1962 Qualification: Master of Education Arts-Kiswahili Experience: over 28 years in service Position: CO- Education and Technical Training</p>
<p>2. Arusio Pkanan</p> 	<p>Date of Birth: 1/1/1973 Qualification: Med. Administration and Planning Experience: over 10 years in service Position: Director County Bursary</p>
<p>3. Jackson Yaralima</p> 	<p>Date of Birth: 1978 Qualification: Bsc. Nursing Experience: over 10 years in service Position: CECM-Education and Technical Training</p>
<p>4. Kennedy Bulimo</p> 	<p>Date of Birth: 2/10/1990 Qualification: B.COM,CPA Experience: 1 year in service Position: Project Accountant</p>

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

Guidance

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

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

On assumption of office H.E The Governor implemented his manifesto in line with the County Integrated Development Plan-CIDP duped 3-Es (Economy, Education and Equity) with the introduction of County Bursary to support all the needy students in the county in Secondary, Tertiary and Universities.

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives (*Adopted from West Pokot County Government,*

The County's 2018-2022 County Integrated Development Plan -CIDP has identified three 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 West Pokot County Government County's 2018-2022 County Integrated Development Plan -CIDP are to:

- Provide quality physical schools infrastructure in the County
- Reduce illiteracy level within the society
- Increase employability youths by acquisition of relevant skills

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

- Reduce retrogressive cultures through establishing of mandatory schooling

Progress on attainment of Strategic development objectives (Adopted from West Pokot County Government,

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:

- *Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current 35,400*
- *Establishment of new schools (25 No.)*
- *Reduce school drop outs by 40% through cushioning of vulnerable students*
- *Reduce retrogressive cultures by 60%*
- *Reduce illiteracy level by 40%*




Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary/ Education	To support bright and needy students to access quality education	Increased number of students accessing education in the County	% of students retained in school / transitioned to next level institutions	In FY 20/21, we increased bursary access by 20% for secondary school level. Increased number of bursary beneficiaries for Tertiary institution from 4000 to 6000 in FY 2020/2021
Bursary/ Education	To reduce illiteracy level	Increased number of students accessing	% increase of students	Performance

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

Program	Objective	Outcome	Indicator	Performance
		education in the County by hence reducing illiteracy level by 40%	accessing education -No. of new schools established	

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
<p>5. Simon K. Kodomuk</p> 	<p>Date of Birth: 30/12/1962 Qualification: Master of Education Arts-Kiswahili Experience: over 28 years in service Position: CO- Education and Technical Training</p>
<p>6. Arusio Pkanan</p> 	<p>Date of Birth: 1/1/1973 Qualification: Med. Administration and Planning Experience: over 10 years in service Position: Director County Bursary</p>
<p>7. Jackson Yaralima</p> 	<p>Date of Birth: 1978 Qualification: Bsc. Nursing Experience: over 10 years in service Position: CECM-Education and Technical Training</p>

5. BOARD/FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT

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

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

On assumption of office H.E, The Governor implemented his manifesto in line with the County Integrated Development Plan -CIDP duped 3-Es (Economy, Education and Equity) with the introduction of County Bursary to support all the needy students in the county in Secondary, Tertiary and Universities.

Herein are some of the outcome that were achieved because of the establishment of the funds:

- Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current 35,400
- Establishment of new schools (25 No.)
- Reduce school drop outs by 40% through cushioning of vulnerable students
- Reduce retrogressive cultures by 60%

Way forward:

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



Signed: _____

ARUSIO PKANAN

BURSARY OFFICER

6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR

In Kenya the greatest drivers for the economy is Education and that is why it is envisaged in the vision 2030, which was also cascaded down to the devolved units of the counties. West Pokot County is one of the few counties in Kenya that were disadvantaged Education wise since they were embracing on its rich cultural practises of which some were overtaken by events. According to the Governors, manifesto Bursary and Infrastructure development fund was anchored on the county government's economic and transformation agenda as enshrined in the County Integrated Development Plan (2018-2022), the third Medium Term Plan of Kenya Vision 2030, the 'Big Four' agenda and the Governor's Manifesto. The manifesto is premised on the 3E's pillar framework of Education, Equity and Economy for sustainable, inclusive development and shared prosperity.

The Financial Year 2020/21 will see a change of priorities with the 3E's getting more attention. Agriculture and livestock sub- sectors will also remain to be a major priority area for the county as it is a mainstay of the county economy. The unveiling of this annual development plan for FY 2020/21 is a clear demonstration of our commitment to the realization of our county vision of being the model county in service delivery.

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

- *Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current 35,400*
- *Establishment of new schools (25 No.)*
- *Reduce school drop outs by 40% through cushioning of vulnerable students*

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

- *Reduce retrogressive cultures by 60%*

The above was achieved through:

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

Establishment of the legislations that guides the utilization of the fund

Establishing the management team of the fund among others

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

In addition the programme will help to:

- Engage members of the public in Bursary and infrastructure programme.
- Exchange knowledge and skills to improve the economy of the County.
- Identify, support and partner with positive and effective initiatives and programmes to empower citizens.
- Inculcate the culture of volunteerism among citizens.
- Promote honest hard work, productivity and sustainable development.
- Promote employment creation
- Promote socially acceptable values
- Impact positively on their lives and those of the members of their immediate communities.

See themselves as stakeholders in the development of their communities hence uplifting their emotional wellbeing



Signed:

SIMON K. KODOMUK

7. CORPORATE GOVERNANCE STATEMENT

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

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

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

8. MANAGEMENT DISCUSSION AND ANALYSIS

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

Bursary and infrastructure development addresses the **3Es - Economy, Education and Equity** with the introduction of county bursary for all students in the county who study in the recognized secondary schools, tertiary institutions and universities.

Milestones/Achievements from 2018-date

- ✓ Establishment of 28 new secondary schools and renovation of over 120 schools county wide
- ✓ Tremendous increase of bursary beneficiaries from 11,000 to over 45,000 in a span of two years
- ✓ The establishment of **Peace Border Schools** in (Katikomor, Kanyerus and Akulo) has brought about a lasting Peace, development and harmony among the bordering communities (Turkana, Uganda, Sabaot, Marakwet)
- ✓ Perimeter wall fencing, lighting and Rehabilitation of Makutano primary and Mnagei High school
- ✓ Increase students school retention and completion rates
- ✓ Cushioned vulnerable students from dropping out of school
- ✓ Over 80% Increase In Secondary School Enrolment
- ✓ Fair Practice during Bursary Data Collection, Collation and Disbursements

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Bursary, Educational Development and Infrastructure Fund has greatly transformed many lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on 3Es 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

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

2. Environmental performance

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

3. Employee welfare

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

4. Market place practices-

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

5. Community Engagements-

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

6. Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

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

b) Responsible Supply chain and supplier relations

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

c) Responsible marketing and advertisement

The beneficiaries apply the bursary from the ward level through a committee representative, who in turn submits the application to the County committee for vetting and verification, this exercise shall be done transparently. Applications processes shall be communicated using local radio stations with timelines given in a well and clear elaborated requirement

d) Product stewardship

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

7. Community Engagements

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

10. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Fund affairs.

Principal activities

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

Results

The results of the Fund for the year ended June 30, 2021 are set out on page 1

Trustees

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

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

SIMON K. KODOMUK

Member of the Board



Date: _____

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

II. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014, shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2021, 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

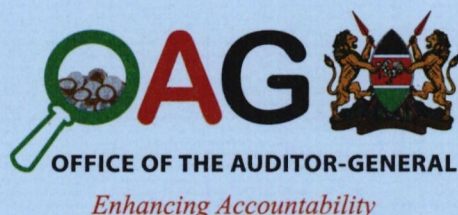
The Fund's financial statements were approved by the Board on _____ 2021 and signed on its behalf by:



Name: SIMON K. KODOMUK-

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON WEST POKOT COUNTY BURSARY, EDUCATION DEVELOPMENT AND INFRASTRUCTURE FUND FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of West Pokot County Bursary, Education Development and Infrastructure Fund set out on pages 1 to 54, which comprise

Report of the Auditor-General on West Pokot County Bursary, Education Development and Infrastructure Fund for the year ended 30 June, 2021

the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of West Pokot County Bursary, Educational Development and Infrastructure Fund as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the West Pokot County Bursary, Education Development and Infrastructure Fund Regulations, 2014.

Basis for Qualified Opinion

1. Unsupported Bursary and Infrastructure Funds

The statement of financial performance reflects disbursements to bursary and infrastructure amount of Kshs.284,307,500 which comprises bursary disbursements of Kshs.142,374,500 and Kshs.141,933,000 for infrastructure. However, there was no evidence that the beneficiaries of the bursary were recommended by the Ward Bursary, Educational Development and Appraisal Committee contrary to Regulation 10(c) of the Public Finance Management (West Pokot County Bursary, Education Development and Infrastructure Fund) Regulations, 2014.

Further, Kshs.141,933,000 was disbursed to various primary schools, secondary schools and technical colleges for infrastructure development. The disbursement of the funds was done without formal guidelines/terms indicating how the funds were to be utilized and accounted for as actual expenditure returns, Ward Bursary Appraisal Committee infrastructure progress reports, project files together with certified payment certificates from the county engineer were not provided for audit verification to confirm the status of the projects and how the funds were utilized.

In the circumstances, the accuracy of bursary amount of Kshs.142,374,500 and infrastructure development amount of Kshs.141,933,000 for the year ended 30 June, 2021 could not be confirmed.

2. Cash and Cash Equivalents

The statement of financial position as at 30 June, 2021 reflects bank balance amount of Kshs.50,670. However, the cash book and bank reconciliation statement as at 30 June, 2021 reflects an amount of Kshs.12,846,884 resulting to unexplained variance of Kshs.12,796,214.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.50,670 as at 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Project Verification

During the year under review, six (6) projects with total disbursements of Kshs.4,100,000 were verified. Out of these, two (2) projects with total disbursements of Kshs.1,500,000 were found to be complete and in use while four (4) projects with a disbursement of Kshs.2,600,000 were in progress.

In the circumstances, delay in completion of four (4) projects has denied services to residents of the County.

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 Conclusion on Lawfulness and Effectiveness in 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

1. Monthly Financial and Non-Financial Budgetary Reports

The statement of financial performance reflects total payments amounting to Kshs.290,076,569 comprising of disbursements to bursary and infrastructure amount of Kshs.284,307,500, administration expenses of Kshs.5,519,520 and bank general expenses of Kshs.249,549 for the year ended 30 June, 2021 as disclosed in Notes 6a, 6b and 7 of the financial statements. However, Management did not prepare and submit monthly financial and non-financial budgetary reports to the County Treasury and copies to the Controller of Budget and the Auditor-General during the year contrary to Section 54(1) of the Public Finance Management (County Governments) Regulations, 2015.

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

2. Lack of Approved Budget

The statement of financial performance for the year ended 30 June, 2021 reflects total revenue of Kshs.292,000,000 and total payments of Kshs.290,076,569. However, an approved budget for the Fund for the year ended 30 June, 2021 was not provided for audit verification.

In the circumstances, Management was in breach of the law and the propriety of the total payments of Kshs.290,076,569 could not be confirmed.

3. Unresolved Prior Year Audit matters

There were issues raised in the audit report for 2019/2020 financial year of which no report or recommendations from the Fund Management and oversight bodies were submitted for audit verification and clearance. Further, the issues remain unresolved contrary to Section 149 (2) (l) of the Public Finance Management Act, 2012 which require accounting officers designated for County government entities to try to resolve any issues resulting from an audit that remain outstanding.

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

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 overall governance were not effective.

Basis for Conclusion

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

Responsibilities of 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 controls, risk management and overall governance.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

01 September, 2022

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

13. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2021.

	Note	2020/2021	2019/2020
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1		
Transfers from the County Government	2	292,000,000.00	439,035,000.00
Fines, penalties and other levies	3	-	-
		292,000,000.00	439,035,000.00
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
Total revenue		292,000,000.00	439,035,000.00
Expenses			
Disbursements to Bursary and infrastructure	6a	284,307,500.00	427,071,260.00
Fund administration expenses	6b	5,519,520.00	15,367,700.00
General expenses	7	249,549.00	1,063,208.00
Financial Costs	8	-	-
		290,076,569.00	441,066,168.00
Other gains/losses			
Gain/loss on disposal of assets	9		
Surplus/(deficit) for the period		1,923,431.00	(1,922,281.00)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2020/2021	2019/2020
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	50,670.00	(1,922,281.00)
Current portion of long- term receivables from exchange transactions	11	-	-
Receivables from Non- exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
Non-current assets			
Long term receivables from exchange transactions	11	-	-
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
		-	-
Total assets		50,670.00	(1,922,281.00)
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	49,520.00	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
		-	-
Non-current liabilities			
Long term portion of borrowings	19	-	-
Non-current employee benefit obligation	20	-	-
Total liabilities		49,520.00	-
Net assets		1,150.00	(1,922,281.00)
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus/deficit		1,150.00	(1,922,281.00)
Total net assets and liabilities		1,150.00	(1,922,281.00)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

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 _____ 2021 and signed by:



Administrator of the Fund

Name: SIMON KODOMUK



Fund Accountant

Name: KENNEDY BULIMO

ICPAK Member Number: 23101

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021

	Revolving Fund	Revaluation Reserve KShs	Accumulated surplus KShs	Total KShs
Balance as at 1 July 2019	-	-	108,886.00	108,886.00
Surplus/(deficit) for the Year	-	-	(1,922,281.00)	(1,922,281.00)
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	-	-	(1,922,281.00)	(1,922,281.00)
Balance as at 1 July 2020	-	-	(1,922,281.00)	(1,922,281.00)
Surplus/(deficit) for the year	-	-	1,923,431.00	1,923,431.00
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2021	-	-	1,150.00	1,150.00

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020/2021 KShs	2019/2020 KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government	2	292,000,000.00	439,035,000.00
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		292,000,000.00	439,035,000.00
Payments			
Disbursement to bursary and infrastructure	6a	284,307,500.00	427,071,260.00
Fund administration expenses	6b	5,519,520.00	15,367,700.00
General expenses	7	249,549.00	1,063,208.00
Financial Costs			
Total Payments		290,076,569.00	441,066,186.00
Surplus/Deficit for the Period		1,923,431.00	(1,922,281.00)
Cash Generated from Operation	21	1,972,951.00	(1,922,281.00)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 JULY		(1,922,281)	-
Cash and cash equivalents at 30 JUNE	10	50,670.00	(1,922,281)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2021.

	Original Budget 2021	Amended Budget 2021	Final Budget 2021	Actual for the period 2021	
Revenue	KShs	KShs	KShs	KShs	
Public contributions and donations	-	-	-	-	
Transfers from County Govt.	-	-		292,000,000.00	100%
Interest income	-	-		-	
Other income	-	-		-	
Total income	-	-	-	292,000,000.00	100%
Expenses					
Disbursement of bursary and infrastructure	-			284,307,500.00	100%
Fund administration expenses	-	-		5,519,520.00	100%
General expenses	-			249,549.00	100%
Finance Cost	-		-		
Total expenditure	-	-	-	290,076,569.00	100%
Surplus for the period	-	-	-	1,923,431.00	100%

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard/ Amendments : Applicable: 1 st January 2021	Impact
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	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and 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	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
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.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
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	<i>Document the impact if the fund is reporting for the first time on accrual/ Otherwise indicate that there was no impact</i>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <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; • 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> <ol 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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

Standard	Effective date and impact
	(c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

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

4. Budget information

The original budget for FY 2020/2021 was approved by the County Assembly on 11/12/2020. 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 recorded additional appropriations of FY 2020/2021 budget following the governing body's approval.

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

8. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

b) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

10. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

11. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

12. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

13. Changes in accounting policies and estimates

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

14. Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

15. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

16. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

17. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors/ Trustee, the Fund Managers and Fund Accountant

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

18. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

19. Comparative figures

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

20. Events after the reporting period

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

21. Ultimate and Holding Entity

The entity is a County Public Fund established by Act under the Department of Education and Technical Training. Its ultimate parent is the County Government of West Pokot

22. Currency

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

23. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- i) The condition of the asset based on the assessment of experts employed by the Entity
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset

Changes in the market in relation to the asset

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

24. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 3 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2020				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

d) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	KShs	Other currencies KShs	Total KShs
At 30 June 2021			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate KShs	Effect on surplus/ deficit KShs	Effect on Equity KShs
2021			
Euro	-	-	-
USD	-	-	-
2020			
Euro	-	-	-
USD	-	-	-

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs (2021: KShs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs (2020 – KShs)

f) Capital risk management

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

	2020/2021	2019/2020
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	%	%

14. NOTES TO THE FINANCIAL STATEMENTS

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

1. Public contributions and donations

Description	2020/2021 KShs	2019/2020 KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2020/2021 KShs	2019/2020 KShs
Transfers from County Govt. – operations	292,000,000.00	439,035,000.00
Payments by County on behalf of the entity	-	-
Total	292,000,000.00	439,035,000.00

3. Fines, penalties and other levies

Description	2020/2021 KShs	2019/2020 KShs
Late payment penalties	-	-
Fines	-	-
Levies	-	-
Licences	-	-
Total	-	-

4. Interest income

Description	2020/2021 KShs	2019/2020 KShs
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2020/2021	2019/2020
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income (specify)	-	-
Total other income	-	-

6a Disbursements to Bursary and infrastructure

Description	2020/2021	2019/2020
	KShs	KShs
Disbursements to Bursary and infrastructure	284,307,500.00	427,071,260.00
	-	-
	-	-
	-	-
	-	-
Total	284,307,500.00	427,071,260.00

6b Fund administration expenses

Description	2020/2021	2019/2020
	KShs	KShs
Staff costs	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	5,519,520.00	15,367,700
Total	5,519,520.00	15,367,700

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. General expenses

Description	2020/2021 KShs	2019/2020 KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	249,549.08	1,063,208
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	249,549.08	1,063,208

8. Financial Costs

Description	2020/2021 KShs	2019/2020 KShs
Financial Costs	-	-
	-	-
Total	-	-

9. Gain/(loss) on disposal of assets

Description	2020/2021 KShs	2019/2020 KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

10. Cash and cash equivalents

Description	2020/2021	2019/2020
	KShs	KShs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	50,670.00	(1,922,281.00)
Others	-	-
Total cash and cash equivalents	50,670.00	(1,922,281.00)

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

Financial institution	Account number	2020/2021	2019/2020
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank etc		-	-
Sub- total		-	-
c) Current account			
Kenya Commercial bank		-	-
Equity Bank (Kenya) Limited	1070262229797	50,670.00	(1,922,281.00)
Sub- total		-	-
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

11. Receivables from exchange transactions

Description	2020/2021	2019/2020
	KSh	KSh
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables		
Non-Current receivables		
Long term loan repayments due	-	-
Total Non- current receivables	-	-
Total receivables from exchange transactions	-	-

Additional disclosure on interest receivable

Description	2020/2021	2019/2020
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

12. Receivables from Non-Exchange transaction

Description	2020/2021	2019/2020
	KShs	KShs
Transfer from County Executive	-	-
Transfer from Fund	-	-
Total receivables from non-exchange transactions	-	-

13. Prepayments

Description	2020/2021	2019/2020
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

14. Inventories

Description	2020/2021	2019/2020
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30th June 2020	-	-	-	-	-
At 1st July 2020					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30th June 2021	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2020	-	-	-	-	-
At 1st July 2020					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2021	-	-	-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KSh	KSh	KSh	KSh	KSh
Net book values					
At 30th June 2020	-	-	-	-	-
At 30th June 2021	-	-	-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	2020/2021 KShs	2019/2020 KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

17. Trade and other payables from exchange transactions

Description	2020/2021 KShs	2019/2020 KShs
Trade payables	49,520.00	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	49,520.00	-

18. Provisions

Description	Leave provision KShs	Bonus provision KShs	Other provision KShs	Total KShs
Balance at the beginning of the year (1.07.2020)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provisions	-	-	-	-
Balance at the end of the year (30.06.2021)	-	-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	2020/2021	2019/2020
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestic borrowings during the period	-	-
Balance at end of the period	-	-

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

	2020/2021	2019/2020
	KShs	KShs
External Borrowings		
Dollar denominated loan from ‘ Organization’	-	-
Sterling Pound denominated loan from ‘organization’	-	-
Euro denominated loan from organization’	-	-
Domestic Borrowings		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	2020/2021	2019/2020
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

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

21. Cash generated from operations

	2020/2021 KShs	2019/2020 KShs
Surplus/ (deficit) for the year before tax	1,923,431.00	(1922,281.00)
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	49,520.00	-
Net cash flow from operating activities	1,972,951.00	(1922,281.00)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) County Assembly;
- d) Key management;
- e) Board of Trustees; etc

b) Related party transactions

	2020/2021 KShs	2019/2020 KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2020/2021 KShs	2019/2020 KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

d) Due from related parties

	2020/2021	2019/2020
	KSh	KSh
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) Due to related parties

	2020/2021	2019/2020
	KSh	KSh
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

13. Contingent assets and contingent liabilities

Contingent liabilities	2020/2021	2019/2020
	KSh	KSh
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

15. 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	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
4.0	Financial statements	Management Response/ Action	Resolved	Immediately
4.1	<p>Compliance with Public Sector Accounting Standards Board Financial Reporting</p> <p>Audit Finding/Observation</p> <p>The management of West Pokot Bursary, Education Development and Infrastructural Fund submitted for audit funds financial statements for the year ended 30th June 2020. Audit review of the financial statement however reveals that the financial statements were prepared using the recommended international Public Sector Accountings Standards (Accrual basis). However, the statement of financial performance, Statement of Financial position, Statement of changes in net assets, and statement of cash flows do not conform to the revised financial statement reporting templates approved by the Public sector Accounting Board vide circular Ref AG/4/16/1/Vol.1(9) dated 24 June 2020.</p>	<p>The management has since made the corrections in the amended financial statements</p>		

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

Presentation of Financial Statement	Management Response/ Action	Resolved	
<p>Audit Finding/Observation The financial statement of the West Pokot Bursary, Education Development and Infrastructural Fund for 2019/2020 FY were in accordance with international Public Sector Accountings Standards (IPSAS) based on accrual Basis of financial Reporting applicable Government legislations and regulations. However, an examination of the statement revealed the following:</p> <p>4.2.1 The Board of Trustees/Fund Administrators and Management Team</p> <p>The financial statement for the year ended 30th June 2020 submitted for audit include list of Board of trustees/ Fund administrators and management team. However, passport size photos of the said members are not included as required by the Public Sector Accounting Board.</p> <p>4.2.2 Principal Legal Advisor</p> <p>The Attorney General is indicated as County Principal legal advisor instead of the County Attorney</p> <p>4.2.3 Statement of performance Against Predetermined Objectives of the Entity</p> <p>The financial statements for the year ended 30th June 2020 include statements of performance against county entity's objectives. However, the statement does not include tabulation of progress on attainment of strategic development objectives as stated in revised financial statement reporting templates approved by the Public Sector Accounting Board vide circular Ref AG/4/16/1/Vol.1(9) dated 24th June 2020.</p> <p>4.2.4 Page Numbering</p> <p>The page numbering of the financial statement for year ended 30th June 2020 is not done consistently and other pages are not numbered</p>	<p>The management is regrettable of these oversight errors. It has been corrected in the amended financial statements (4.2.1 , 4.2.2 , 4.2.3 and 4.2.4)</p>		<p>Immediately</p>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

4.3	<p>Inaccuracies in financial statements</p> <p>4.3.1 Comparative Figures The financial statements show comparative figures for the previous year (2018/2019) as detailed below:</p> <table border="1" data-bbox="183 380 829 940"> <thead> <tr> <th>Component</th> <th>Financial statement for the year ended June 2020 (kshs)</th> <th>Financial statement for the year ended June 2019 (kshs)</th> <th>Difference (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Transfers from other government entities</td> <td>320,000,000</td> <td>301,500,000</td> <td>18,500</td> </tr> <tr> <td>Disbursement to nbursary beneficiaries</td> <td>296,615,500</td> <td>296,197,500</td> <td>418,500</td> </tr> <tr> <td>Other expenses –bank charges</td> <td>278,713.67</td> <td>197,914</td> <td>80,799.67</td> </tr> <tr> <td>Payments</td> <td>301,612,700</td> <td>301,193,200</td> <td>419,500</td> </tr> <tr> <td>Total</td> <td>918,506,913.67</td> <td>899,088,144</td> <td>19,418,799.67</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Component	Financial statement for the year ended June 2020 (kshs)	Financial statement for the year ended June 2019 (kshs)	Difference (Kshs)	Transfers from other government entities	320,000,000	301,500,000	18,500	Disbursement to nbursary beneficiaries	296,615,500	296,197,500	418,500	Other expenses –bank charges	278,713.67	197,914	80,799.67	Payments	301,612,700	301,193,200	419,500	Total	918,506,913.67	899,088,144	19,418,799.67					<p>Management Response/ Action</p> <p>The management has since made the corrections in the amended financial statements</p>	<p><i>Resolved</i></p>	<p>Immediately</p>
Component	Financial statement for the year ended June 2020 (kshs)	Financial statement for the year ended June 2019 (kshs)	Difference (Kshs)																													
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WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

<p>4.3.2 Notes to Financial Statements The financial statements submitted for the audit had different amounts indicated in the financial statements from those reflected in the notes to the financial statements as detailed below:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Item</th> <th>Note</th> <th>Financial statement amount (Kshs)</th> <th>Amount reflected in the notes (ksh)</th> <th>Difference (ksh)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Statement of Financial Performance</td> </tr> <tr> <td>1</td> <td>Transfers from other government entities</td> <td>1</td> <td>439,035,000</td> <td>-</td> <td>439,035,000</td> </tr> <tr> <td>2</td> <td>Disbursement to bursary beneficiaries</td> <td>2</td> <td>427,071,260</td> <td>439,035,000</td> <td>(11,963,740)</td> </tr> <tr> <td>3</td> <td>Administrative expenses</td> <td>3</td> <td>12,931,700</td> <td>12,931,700</td> <td></td> </tr> <tr> <td>4</td> <td>Other expenses – bank charges</td> <td>4</td> <td>1,063,208</td> <td>-</td> <td>1,063,208</td> </tr> <tr> <td colspan="6">Statement of Financial Position</td> </tr> <tr> <td>5</td> <td>Bank balances</td> <td>5</td> <td>108,886</td> <td>-</td> <td>108,886</td> </tr> <tr> <td>6</td> <td>Fund balances b/fwd</td> <td>6</td> <td>108,886</td> <td>12,931,700</td> <td>(12,822,814)</td> </tr> <tr> <td>7</td> <td>Transfer from the county Executive</td> <td>1</td> <td>439,035,000</td> <td>-</td> <td>439,035,000</td> </tr> <tr> <td>8</td> <td>Payments</td> <td>2&3</td> <td>440,002,960</td> <td>439,035,000</td> <td>967,960</td> </tr> <tr> <td>9</td> <td>Other payments – bank charges</td> <td>4</td> <td>1,063,208</td> <td>-</td> <td>1,063,208</td> </tr> <tr> <td></td> <td>Total</td> <td></td> <td>1,760,420,108</td> <td>891,001,700</td> <td>869,418,408</td> </tr> </tbody> </table>	No	Item	Note	Financial statement amount (Kshs)	Amount reflected in the notes (ksh)	Difference (ksh)	Statement of Financial Performance						1	Transfers from other government entities	1	439,035,000	-	439,035,000	2	Disbursement to bursary beneficiaries	2	427,071,260	439,035,000	(11,963,740)	3	Administrative expenses	3	12,931,700	12,931,700		4	Other expenses – bank charges	4	1,063,208	-	1,063,208	Statement of Financial Position						5	Bank balances	5	108,886	-	108,886	6	Fund balances b/fwd	6	108,886	12,931,700	(12,822,814)	7	Transfer from the county Executive	1	439,035,000	-	439,035,000	8	Payments	2&3	440,002,960	439,035,000	967,960	9	Other payments – bank charges	4	1,063,208	-	1,063,208		Total		1,760,420,108	891,001,700	869,418,408	<p>Management Response/ Action</p> <p>These were from the original FS of 2018/2019 which were submitted before amendments.</p> <p>The management has since made the corrections in the amended financial statements.</p>	<p><i>Resolved</i></p>	<p>Immediately</p>
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<p>4.3.3 Comparison of Financial Statement Figure and Supporting Schedules Comparison of the financial statement figures and supporting schedules amounting to Ksh 440,002,960 compared to supporting schedules amount of Ksh 405,380,100 resulting to difference of Ksh 34,622,860 as summarized below:</p>	<p>Management Response/ Action</p> <p>The management hand amended financial statements and attached the correct ledger of bursary disbursements to beneficiaries as per the auditors request for verification</p>	<p><i>Resolved</i></p>	<p>Immediately</p>																																																																														

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

	Item	Financial statement (Kshs)	Supporting schedules (Kshs)	Difference (Kshs)			
	Disbursement to Bursary Beneficiaries	427,071,260	390,012,400	37,058,860			
	Administrative expenses	12,931,700	15,367,700	(2,436,000)			
	Total	440,002,960	405,380,100	34,622,860			
	4.3.4 Trial balance The trial balance reflects total debit of Kshs 441,066,168 as at 30 th June 2020 However, cash at bank balances of Ksh 1,922,282 as reflected both as a debit and credit in the trial balance				Management Response/ Action The management is regrettable over this oversight error, it has since been corrected in the amended Trial balance	<i>Resolved</i>	One day
4.4	Administrative Expenses Audit Finding/Observation The statement of financial performance reflects administrative expenses amounting to Ksh 12,931,700 as disclosed in note 3 to the financial statements. However a review of the bank statement and the cashbook availed for audit verification revealed that payments amounting to Kshs 2,436,000 were omitted from supporting schedule. Further the payment was made to Laugh Industry on 30 th July 2019 vide PV Number 739 and cheque Number 14449. However this payment of Ksh 2,436,000 is not included in the administrative expenses amount of Kshs 12,931,700				Management Response/ Action As per the auditors observation it is true that Kshs 2,436,000 was paid to Churchill Academy duped Laugh Industry the amount was to support trainees who was selected to undertake a one year mentorship programme in the academy. This is part of skills acquisition highlighted by the Bursary regulations that to support trainees to undergo trainings to acquire skills and knowledge. Trainees were selected across the county. As per the Executive Minutes of a Meeting held on 8 th May 2019, H.E the Governor had promised talent/skills search within the county to promote talents. It's for this reason therefore that the county government engaged in a series of identifying trainees to be supported / sponsored by the County Government	<i>Resolved</i>	Immediately

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

		<p>and The office of the Governor pledged one million (1M) and the difference to be paid by the Bursary department, this was demonstrated by the payment of Ksh 1,035,000 by his office (Governor) to Bursary Account and the rest was settled by Bursary and Infrastructure (see Bank statement)</p> <p>The list of the beneficiaries is attached here in with the Minutes of the meeting that approved the same. The management has since availed the requested documents as per the auditor's request. Therefore the amount of Ksh 2,436,000 forms parts of Students Bursary but not administrative expenses as highlighted.</p>		
4.5	<p>Cash and cash Equivalents</p> <p>Audit Observation</p> <p>The statements of financial positions reflects bank balance figure of Ksh Kshs 108,886.88 as at 30th June 2020 held in the funds Equity Bank Ltd account as disclosed in note 5 to the financial statements. However cash book balances as at 30th June 2020 reflects an amount of Ksh 1,180,700 resulting in unexplained reconciled difference of Ksh 1,071,813. Further, bank reconciliation statement as at 30th June 2020 reflects cash book balance of Ksh1,272,579 resulting to unexplained difference of Ksh 1,163,692.67</p>	<p>Management Response/ Action</p> <p>This was an oversight error and the management has since made the corrections in the amended financial statements</p>	<i>Resolved</i>	One day

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

<p>5.0</p> <p>5.1</p>	<p>Lawfulness and Effectiveness in use of Public Resources</p> <p>Lack of an approved budget for the F/Y 2019/2020</p> <p>Audit Observation</p> <p>In the year under review, the fund Administrator prepared and submitted financial statements of the county Government entity by 30th September 2020 in compliance with the section 84(3) of the PFM Act, 2012. However management did not avail the approved budget of the entity for the year 2019/2020 contrary wit the provisions of subsections (2), (3) and (4) of section 128 of the PFM Act, 2012.</p>	<p>Management Response/ Action</p> <p>The budget for Bursary programme was initiated through the budget estimates of the Department of Education and Technical Training which was subjected to all the budget making process culminating in the approval by County assembly. The approved budget for FY 2019/2020 was 302,000,000 while and an approved supplementary budget within the same FY was raised of Ksh 412,000,000.00.</p> <p>There was further disbursement of Ksh 26,000,000 being a delayed carry forward of Infrastructure fund for 2018/2019 FY and a further Ksh 1,035,000.00 for sponsoring students in Churchil academy (Laugh industry) making the total available for disbursement to be 439,035,000.00. This explains the disbursement including administrative expenditure. The approved and supplementary budget has since been provided.</p>	<p><i>Resolved</i></p>	<p>Immediately</p>
<p>5.2</p>	<p>Disbursement to Bursary Beneficiaries</p> <p>5.2.1 Bursary Disbursement</p> <p>Audit Observation</p> <p>The statement of financial performance reflects disbursements to bursary beneficiaries' amount of Ksh 427,071,260 for the year ending 30th June 2020. However supporting schedules availed support an amount of Ksh 390,012 comprising of</p>	<p>Management Response/ Action</p> <p>The management has since provided evidence of bursary disbursement schedules, minutes of the Bursary committee and acknowledgements letters from the benefiting institutions as per the</p>	<p><i>Resolved</i></p>	<p>One day</p>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

<p>bursary disbursements of Ksh 352,556,500 and school Infrastructure development of Ksh 37,455,900. Further, minutes of the county and ward bursary committees indicating how the beneficiaries were identified and acknowledgement in form of official receipts from the respective institutions confirming receipts of bursary disbursements of Ksh 352,556,500 were not availed for audit review.</p>	<p>auditor's request. Certified bank statements from schools and institutions were not among our disbursement requirements but we are going to include it in our subsequent disbursements as per the auditors request</p>		
<p>5.2.2 Infrastructure fund</p> <p>Audit Observation</p> <p>Included in the disbursements to bursary beneficiaries amount of Ksh 427,071,260 for the year ended 30th June 2020, is an amount of Ksh 37,455,900 disbursed to various secondary schools and technical colleges for Infrastructure development. however, this amount of Ksh 37,455,900 includes an amount of Ksh 36,655,900 as indicated in appendix I disbursed to various primary, secondary schools and colleges which are devolved functions for the county Government to undertake and can only be undertaken with the concurrence of National Government in accordance with article 186 of the Constitution of Kenya 2010, in addition, the disbursements of the funds was done without formal guidelines/terms indicating how the funds were to be accounted for. Further out of Ksh 37,455,900 is Ksh 35, 33,855,900 which actual expenditure returns ward bursary appraisal committee infrastructure progress reports, project files together with certified payments certificates from the county engineer were not availed for audit review to confirm the status of the projects and also to show how the funds were utilised.</p>	<p>Management Response/ Action</p> <p>It is agreed that the function of Infrastructure support is a national government function but this two levels of governments (County government and National government) signed a Memorandum of understanding so as the County government through public participation can identify and support schools /institutions on matters Infrastructure improvement and other educational activities within the county. The audit team was vanished with a formal Funding guidelines form, schools project files and the memorandum documents as per the auditor request hence in compliance with the Kenyan constitution 2010.</p>	<p>Resolved</p>	<p>One week</p>
<p>5.2.3 Construction of multi-purpose hall at Ortum Secondary school</p> <p>Audit observation</p> <p>Included in disbursement to beneficiaries amount of Ksh 427,071,260 is Ksh 2,000,000 disbursed to Ortum Secondary school on 17 February 2020 vide cheque No. 15039 for supply of materials to erect pillars and beams for multi-purpose hall. The tender for construction of the works was advertised in conspicuous place during the month of march 2020. The</p>	<p>Management Response/ Action</p> <p>It is true that the project is in progress and incomplete as per the auditors observations. The management through public participation earmarked the school for support though it's a co-funded project between</p>	<p>Resolved</p>	<p>Two days</p>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND

Reports and Financial Statements

For the year ended June 30, 2021.

tender documents were opened on 8th April 2020 in schools boardroom. The evaluation was carried on 10th April 2020 in Kalya hotel, and the tender awarding committee awarded the tender to m/s Chelini Constructors Limited on 13th April 2020 and the resulting contract agreement was signed on 20th May 2020

Audit review of the procurement process and contracts for the works revealed following unsatisfactory matters:

- i. The tender opening committee appointment letters to the adhoc opening committee and adhoc evaluation committee were not availed for audit review
- ii. Notification of award, acceptance letters, certified payment certificate from the works officer and no evidence that the management notified unsuccessful tenders in writing as required
- iii. There was no documentary evidence to show that the inspection and acceptance committee confirmed that the materials delivered and works complied with specifications of the contract or bill of quantities as required
- iv. Physical verification of the project during the month of October 2020 revealed that the project is incomplete. The management has not explained measures being taken to complete the project

school PTA and the county government. This project was initiated by the former school principal and in the process of the exercise the former principal was transferred and the management was informed that no formal taking- handing-over was done hence the new principal was unable to access the project file for support hence the management advised the new principal to re-do the process and vanish the department on the progress. The department also demanded the principal to provide a proof of the expenditure of the funds disbursed. The County government Bursary and Scholarships scheme according to regulations only supports the infrastructural projects based on availability of funds and therefore the project of Ortum boys was only a support as the rest of the funds was to be shouldered by the PTA. The management has budgeted phase 2 to support the project based on the availability of funds in the FY 2020/2021. The management has since availed the documents requested by the auditor for verification.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

<p>5.2.4 Construction of twin laboratory at St Anthony of Padua Sina Secondary</p> <p>Audit Observation</p> <p>The Audit inspection of the project in October 2020 revealed that the project is in complete and is 60% complete. The major activities done include foundation works, superstructure and roofing, while all other works still outstanding. However it has not been possible to confirm the terms of the contract including when the project was to commence and when it was to be completed. Audit verification of the project in January 2018 showed that the project was 95% complete. Marking of the road had not been done.</p>	<p>Management Response/ Action</p> <p>The school in question has history of perennial issues during the period in question it has since been resolved hence let to change over that led to the current school leadership. The management through public participation earmarked the school for support and in the process demanded the current leaderships to practise financial prudence and since the disbursement of the funds the institution has experienced a meaningful developments and it has since vanish the management with a proof of the expenditure of the funds disbursed. The County government Bursary and Scholarships scheme according to regulations only supports the infrastructural projects based on availability of funds and therefore the project of St Anthony of Padua Sina sec was only a support as the rest of the funds was to be shouldered by the school PTA. The management has since availed the documents requested by the auditor for verification.</p>	<p><i>Resolved</i></p>	<p>Two days</p>
<p>5.2.5 Acquisition of School Land</p> <p>5.2.5.1 Acquisition of a school land at S.t Paul Kipkomo Boys sec</p> <p>Audit Finding/Observation</p> <p>Included in the disbursement to bursary beneficiary's amount of Ksh 427,071,260 is Ksh 1,100,000 disbursed to St Joseph Tapach sec Ksh 700,000 and St Paul Kipkomo Boys sec Ksh 400,000 in respect of purchase of school land. Audit review of the availed information for the purchases</p>	<p>Management Response/ Action</p> <p>It is true that school management entered into agreement with the land owners (Vendors) and agreed to pay the said amount of money to the vendors has observed by the auditor. The issue of land here in West Pokot</p>	<p><i>Resolved</i></p>	<p>Two days</p>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND

Reports and Financial Statements

For the year ended June 30, 2021.

<p>revealed the following unsatisfactory matters:</p> <ol style="list-style-type: none"> 1. Kipkomo Boys acquisition of land contract was valid midway after school had made payment 2. Tapach secondary school land acquisition document not valid <p>Payment vouchers, new agreement, official search, valid rates clearance certificate and rent in rent clearance in respect of the property were not availed and no legal ownership documents was availed for audit review to proof that the vendors owns the said pieces of land.</p>	<p>and other areas within the republic of Kenya is an issue that needs to be looked and critically and more so the communal land since 90% of them has no legal documents. The land regulations spells that Community land shall vest in and be held by communities identified on the basis of ethnicity, culture or similar community of interest. A clear mechanism should be laid down in order to transfer the community land for public use.</p> <p>The issue of Kipkomo Boys and the vendors involved the, community elders provincial, administration and the school management. The management is following the case closely amongst other related land transactions involving communal land cases to explore a more proactive and exploring crystal mechanism of solving communal land issues which is a torn in the flesh. The issue was a negotiated matter between the elders and the vendors to create room for expansion for the school and them (vendors) relocating to another area hence a consensus was arrived at in a Barasa. The management has initiated a process of addressing the public schools lands registration county wide to acquire titles.</p>		
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WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

<p>5.2.5.1 St Joseph Tapach Secondary</p> <p>Audit Finding/Observation</p> <p>Audit review of the availed information cash book bank statement revealed that the fund disbursed Ksh 700,000 to St Joseph Tapach sec for purchase of school land. However, official search agreement, payment voucher, school bank statement minutes of BOG were not availed for audit review and no documentary evidence was availed to show that the county surveyor was involved.</p>	<p>Management Response/ Action</p> <p>As per the auditor's observation and review the funds disbursed to the school -St Joseph's Tapach secondary was not intended to purchase a land for the school but it was intended for construction of dormitory block. The school has since availed the relevant documents in support of the purpose and utilization of the funds spelling out every detail on how the funds were used.</p> <p>The management has since availed the documents requested by the auditor for verification.</p>	<p><i>Resolved</i></p>	<p>Two days</p>
<p>5.2.5.1 Project verification</p> <p>Audit Finding/Observation</p> <p>Projects with funding totalling to 3 million were said to be complete but audit verification revealed that they were not yet complete</p>	<p>Management Response/ Action</p> <p>The county government conducts county wide public participation to earmark the school for infrastructural improvement and support. Here in are the details of the highlighted project progress and report:</p> <ol style="list-style-type: none"> 1. Ortum boys secondary Ksh 2,000,000 in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds 2. St Anthony of Padua Sina secondary Ksh 1,000,000 in progress it's a counter funding 	<p><i>Resolved</i></p>	<p>One week</p>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

		project initiated by PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds		
5.4	<p>Dishonoured cheques charges</p> <p>Audit Finding/Observation The Statement of financial performance reflects other expenses-bank charges a figure of 1,063,208.00 for the year ended 30th June 2020, as disclosure in note 4 for the financial statements. However, audit review of funds bank statements for the year under review revealed that funds incurred an amount of Ksh 606,000 reflects as bank commissions charges for dishonoured cheques.</p>	<p>Management Response/ Action Bursary circle starts with data collection, sorting, vetting, verification, collation, cheque writing and disbursement to benefitting institutions, acknowledgement, review and the circle starts again. The department budgets the funds and makes a formal request from the National treasury through the County Treasury before the disbursements are made.</p> <p>The management is regrettable that after all the processes the department has fallen a victim of technological delays especially with the IFMIS (system crash) that was beyond its scope that let to an accessibility of the system at the same time leading to subsequent failure by banks to honour the presented cheques hence leading to cheques being dishonoured, this is highly regrettable.</p> <p>Another contributing factor is that the management has made it a routine that every time a disbursement is made all principals' are invited to launch the exercise and subsequently issued with their cheques this has led to majority of them hastily depositing the</p>	<i>Resolved</i>	Immediately

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

		cheques at the same time and since the funds are released in tranches of a lag of two or so days this leads to subsequent failure by banks to honour the presented cheques this is highly regrettable.		
5.5	<p>Monthly Financial and Financial Budgetary Reports</p> <p>Audit Finding/Observation The statement of financial performance reflects total payments amounting to Ksh 441,066,168 comprising of bursary disbursements amount of Kshs 427,071,260 administration expenses of Ksh 12,931,700 and other expenses-bank charges of Kshs 1,063,203 for the year ended 30th June 2020 as disclosed in note 2-4 of the financial statements. However, there was no evidence for audit review to show that fund management prepared and submitted monthly financial and non-financial budgetary reports to the county treasury and copies to the controller of Budget and Auditor General during the year ended 30th June 2020. No reason or justification was given for failure to prepare and submit monthly financial and non –financial budgetary reports</p>	<p>Management Response/ Action</p> <p>According to the auditors’ observation that the management /fund administrators to prepare regular reports and submit them to respective bodies within the stipulated timelines. The management is regrettable that the aforementioned items was not availed during the period under review since they were not part of the requested items for review but it has since availed its annual quarterly reports for verifications as per the audit request.</p>	<i>Resolved</i>	One day
5.6	<p>Implementation of oversight bodies recommendations</p> <p>Audit Finding/Observation WPC County Bursary, Education and Infrastructure Fund were established during the year ended 30th June 2016. The objective of the fund is to granting bursaries to assist needy students to pursue education and to finance education development. Available information indicates that WPC County has an internal audit function and an audit committee was established in July 2018. Further , statutory audit of the fund for the year ended 30th June 2016,2017 and 2018 was concluded and audit certificate issued to fund management by the Auditor General However, audit review committee minutes revealed that the funds audited financial statements have not been discussed by the audit committee. Further, there was no evidence the financial statements have been submitted to county assembly</p>	<p>Management Response/ Action</p> <p>As per the auditors’ findings concerning the audited financial statements not being submitted to the County implementation of oversight bodies for discussion and recommendations, the management categorically states that 2019 audited report was received in the month of February and subsequently the outbreak of the historic <i>Corona Virus Covid-19</i>, therefore delayed the process of submissions. The</p>	<i>Resolved</i>	One day

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

		management is ready to submit the reports when called for since there was no formal request made by those entities. Kenya and in extension West Pokot County was in partial operation country since the outbreak of the disease/ pandemic.		
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WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Reports and Financial Statements
For the year ended June 30, 2021.

16. APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the County Executive of xxx County Government				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		10/09/2020	40,000,000.00	2020/2021
		14/12/2020	80,000,000.00	2020/2021
		26/02/2021	2,000,000.00	2020/2021
		26/02/2021	90,000,000.00	2020/2021
		07/07/2021	20,000,000.00	2020/2021
		Total	232,000,000.00	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		01/09/2020	40,000,000.00	2020/2021
		09/06/2021	20,000,000.00	2020/2021
		Total	60,000,000.00	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
		Total	-	

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager
 Bursary, Education and Infrastructure Fund



Sign

Head of County Treasury at
 West Pokot County Government



Sign.....