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REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**UASIN GISHU COUNTY BURSARY AND  
SKILLS DEVELOPMENT SUPPORT FUND**

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





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**UASIN GISHU COUNTY B URSARY AND SKILLS DEVELOPMENT SUPPORT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2021**

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

**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

**(a) Background information**

The Uasin Gishu County Bursary skills Development Support Fund was established in year 2014 through Uasin Gishu County Bursary and Disbursement Act 2014.

The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Uasin Gishu- Kenya. The Objectives of the fund is to make provisions for bursaries, skill development support and related matters.

The fund's objectives are to improve access, transition and completion of education by the needy and vulnerable students in Uasin Gishu County.

**(b) Principal Activities**

The Principal activity of the fund is mainly to give bursaries to needy and vulnerable students that otherwise would not have accessed quality education. Other activities include;

- Monitoring allocation of support to ensure needy and deserving students benefit from the fund
- Maintenance of and updated database of all applicants and beneficiaries of the fund
- Disbursement of the bursary to beneficiary institutions.

**b) Board of Trustees/Fund Administration Committee**

Ref	Position	Name
1	Chairman Bursary County Committee	Joseph Kurgat
2	Chief Officer- Education	Jane Njuguna
3	Chief Officer - Finance	Peter Chesos
4	Fund Manager/ Administrator	Roselyn Kosgei

**c) Key Management**

Ref	Position	Name
1	Fund Manager/ Administrator	Roselyn Kosgei
2	Fund Accountant	Lawrence Mayenge

**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
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**d) Fiduciary Oversight Arrangements**

<b>Ref</b>	<b>Position</b>	<b>Name</b>
1	Directorate Internal Audit	Ambros Kiptoo
2	Uasin Gishu executive	County Executive Committee
3	Uasin Gishu county Assembly	PIC And PAC Committee

**e) Registered Offices**

P.O. Box 40, 30100, Eldoret

**K.V.D.A.**

**Kenya**

**f) Fund Contacts**

Uasin Gishu County

E-mail: [info@uasingishu.go.ke](mailto:info@uasingishu.go.ke)

Website: [www.uasingishu.go.ke](http://www.uasingishu.go.ke)

**g) Fund Bankers**

Kenya Commercial Bank

P.O. BOX 560-30100

TEL:053-2062241/2

**ELDORET**

**h) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**Nairobi, Kenya**

**i) Principal Legal Adviser**

County Attorney





Uasin Gishu County

P.O. Box 40-30100

**Eldoret**

**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
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**2. FUND ADMINISTRATION COMMITTEE**

<b>REF</b>	<b>NAME</b>	<b>POSITION</b>
1	<p>JOSEPH KURGAT</p> 	<p>Born 1967, currently the county executive committee member for Education, Culture, Social Services, Sports and Youth Affairs Uasin Gishu County Government. He Has a Master's in Education Administration and Management and A Degree in Education Science from Kenyatta University. Was a principal for various secondary schools from the years 2001-2017, Chairperson Kenya Secondary Schools Heads Association Mosop Sub county and Vice Chairman Nandi County Heads Association.</p>
2	<p>JANE NJUGUNA</p> 	<p>Born 1972, currently the Chief Officer Education, Culture, Social Services holds a masters of Arts in Development Studies, Mt. Kenya University, Bachelor of Arts in Development Studies (First class honors), higher Diploma in counselling psychology Technical institute of Management Eldoret.</p>
3	<p>ROSELYN KOSGEI</p> 	<p>Born in 1966, currently the Deputy Director in-charge of education and bursary fund administrator. Has a Master's degree in Educational Administration, Postgraduate Diploma in HRM and Financial Management Undergraduate Degree in Education. Was a Deputy Principal of various Secondary Schools, Principal and worked with (IEBC)</p>
4	<p>LAWRENCE MAYENGE</p> 	<p>Born in 1965, currently the Accountant in-charge of Education and Bursary Fund. Has a CPA II in Accounting profession. Formerly worked as an Accountant with Municipal Council of Eldoret and Eldonde Associates.</p>

**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
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**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S  
PREDETERMINED OBJECTIVES**

**Introduction**

Section 164(2) (f) of 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 against predetermined objectives.

The key objective of Uasin Gishu County Bursary and Skills Development Support Fund is to improve access, transition and completion of education by the needy and vulnerable students in Uasin Gishu County who otherwise would not have access education occasioned by lack of fees.





**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
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 40% for secondary school level.  Increased number of bursary beneficiaries for Tertiary institution from 4114 to 4792 in FY 2020/2021
Program 2	Objective	Outcome	Indicator	Performance

**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
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**4. MANAGEMENT TEAM**

<b>REF</b>	<b>NAME</b>	<b>POSITION</b>
1	<p>JOSEPH KURGAT</p> 	<p>Born 1967, currently the county executive committee member for Education, Culture, Social Services, Sports and Youth Affairs Uasin Gishu County Government. He Has a Master's In Education Administration and Management and A Degree In Education Science from Kenyatta University. Was a principal for various secondary schools from the years 2001-2017, Chairperson Kenya Secondary Schools Heads Association Mosop Sub county and Vice Chairman Nandi County Heads Association.</p>
2	<p>JANE NJUGUNA</p> 	<p>Born 1972, currently the Chief Officer Education, Culture, Social Services holds a masters of Arts in Development Studies, Mt.Kenya University, Bachelor of Arts in Development Studies (First class honors), higher Diploma in counselling psychology Technical institute of Management Eldoret.</p>
3	<p>ROSELYN KOSGEI</p> 	<p>Born in 1966, currently the Deputy Director in-charge of education and bursary fund administrator. Has a Master's degree in Educational Administration, Postgraduate Diploma in HRM and Financial Management Undergraduate Degree in Education. Was a Deputy Principal of various Secondary Schools, Principal and worked with (IEBC)</p>
4	<p>LAWRENCE MAYENGE</p> 	<p>Born in 1965, currently the Accountant in-charge of Education and Bursary Fund. Has a CPA II in Accounting profession. Formerly worked as an Accountant with Municipal Council of Eldoret and Eldonde Associates.</p>

**5. FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT**

From inception the Bursary Fund has had two chairpersons with the current office holder having taken up the position for the last three years (2019 – 2021). The chairperson is always the County Executive Committee Member for Education, Culture, Youth Affairs, Sports and Social Services as stipulated in the Uasin Gishu County Bursary and Skills Development Support Fund Disbursement Act 2014. The composition of the County Education Fund Committee comprises of three members; the Chairperson who is the CECM in charge of Education, the Chief Officer Finance and the Fund Administrator. Currently four members sit in the management committee, the fourth being the Chief Officer in charge of Education, Culture and Social Services.

Allocation of bursary fund is done on an annual basis since its inception in 2014. The fund has received from the County Government a total of Ksh. 862.8 million which has benefitted a total of 117,082 secondary, tertiary college and university students across the thirty Wards as currently constituted.

It is envisaged that the fund will be sustained in order to support needy and vulnerable students from Uasin Gishu County to access education, ensure retention and completion. The fund has met the objectives for which it was set to achieve, and this is commendable.

Finally, let me take the earliest opportunity to thank the county government under the leadership of H.E. Jackson Mandago, the Governor for his continued support to the fund from its inception to date. In addition, I also thank the technical team for their time and sacrifice in consolidating the Annual Financial Statements as required.

Signed.....  
**Hon. Joseph Kungat**



**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
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**6. REPORT OF THE FUND ADMINISTRATOR**

Allocation of bursary fund is done on annual basis since its inception in 2014. The fund has received from the County Government a total of Ksh. 862.8 million which has benefitted 117,082 beneficiaries across the thirty wards as currently constituted. In the last FY (2020/21), Ksh. 95 million was allocated for bursary and additional Ksh 30 million during the supplementary budget. Generally, there has been an annual increase of the funds allocated for bursary disbursement except for the first two years where the amount stood at Ksh. 90 million. The County Government of Uasin Gishu allocated to the fund Ksh. 135 million, 137.8 million and 95 million in the FYs 2015/16, 2016/17 and 2017/18 respectively. In the last two Financial years 2018/2019 and 2019/2020 the amount disbursed stood at 95 million per year as shown in Table 1 below.

**Table 1: The amount disbursed and number of beneficiaries for last three financial years (2018/19 to 2020/21)**

Period	Institutions	2018/2019	2019/2020	2020/2021
Amount Disbursed (Ksh millions)		95	95	125
Number of beneficiaries	Secondary	9883	9420	13400
	Colleges	2234	2535	3092
	Universities	1552	1579	1700
	<b>Total Beneficiaries</b>	<b>13667</b>	<b>13534</b>	<b>18192</b>

Bursary allocation and disbursement has enhanced access, ensure retention and completion of education for the needy and vulnerable students in our educational institutions at three levels, namely; secondary schools, tertiary colleges and Universities who would otherwise have dropped out of school due to lack of fees.

Over time, disbursement of County Bursaries, certain challenges has been experienced. Some of these include;

- Bright and needy students from humble backgrounds admitted to more costly Extra-County and National schools in most cases do not receive full fees due to rising number of students requiring bursaries;
- In a number of cases the students do not benefit continuously for their full period of learning but only partially largely due to the shortage of funds. Consequentially they may drop out of school due to lack of fees;
- There are some few cases where students are referred to repeat classes (Universities and tertiary colleges) and end up taking much more time and therefore require more money than is available;
- In the current Financial Year (2021/22), there was an upsurge of eligible needy students requiring bursary support that surpassed the amount allocated per Ward. This was due to effects of Covid-19 that led to disruption of livelihoods for many parents and guardians.

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Key risk management strategies:

- Risk- incidences where the cheques are sent to schools and the students are missing/ transferred to other schools- the County has in collaboration with the principals of the institutions made agreement that such cheques should be returned for correction.
- Risk- double funding of students by different donors/ grants – the Bursary ward appraisal committee does scrutinize each applicant to eliminate the double funding.

Let me thank the county government under the leadership of H.E. Jackson Mandago, the Governor for the continued unwavering support offered to the fund. In addition, I want to thank all members of the technical team for their time and sacrifice in preparing and processing bursary payments and consolidating the annual financial statements and other bursary related reports. I also wish to re-affirm our commitment to enhance finance discipline and fiscal responsibilities for the betterment of our County.

Signed.....  
**Roselyn Kosgei**  
**Fund Administrator**



## **7. CORPORATE GOVERNANCE STATEMENT**

The bursary fund is administered by the County education committee and the ward Education Fund appraisal committee. The County education Committee is chaired by the CECM in charge of Education and the chief officers in charge of education and Finance are members. The fund administrator is the secretary. The Ward appraisal committee comprises of nine members of the public resident in that particular ward duly appointed by CECM Education. The two committees meets at least four times in a financial year and may have a special meeting if need arises.

### **Succession plan,**

The two committees shall be in office for a period of five years

### **Existence of a service charter**

AT the moment the fund has no service charter but plans are under way to develop one

### **Process of appointment and removal of Administration Committee members,**

Members of the County Education Committee are in office by virtue of their respective offices where as the ward appraisal committees are selected through public participation by area member of the County Assembly and duly appointed by the CECM in charge of education

### **Functions of the county committee**

- i. Equitably share funds among the thirty wards,
- ii. Review allocations to ensure support offered is adequate and sufficient,
- iii. Approve disbursement of fee support to awarded students,
- iv. Periodically produce and share disbursement reports with the Governor and the County assembly,
- v. Monitor allocations to ensure needy and deserving students benefit,
- vi. Maintain an updated data base of all applicants and beneficiaries of the fund.

**Functions of the Ward Fund appraisal committee**

- i. Invite applications for fees support
- ii. Receive applications
- iii. Scrutinize and verify all applications
- iv. Confirm students to be supported with proposed amounts identified through public participation
- v. Maintain an updated database of all raw applicants
- vi. Forward to the County secretary minutes and records of nominated fees support beneficiaries.

**Induction and training,**

Induction and training of Committee members occasionally carried out on need basis and continually done on the Job process

**Conflict of interest**

There is no conflict of interest

**Board remuneration**

Board remuneration is done as per the SRC guidelines and payment is for only sitting allowances

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**8. MANAGEMENT DISCUSSION AND ANALYSIS**

During the financial year 2020/2021 Uasin Gishu County Bursary and Skills Development Support Fund received a total of Ksh. 125 million from the County government. The amount was received in two phases of Ksh 95 million and Ksh 30 million respectively. Out of Ksh 125 million received from the County treasury, Ksh 118.55 million was disbursed for bursaries to support needy and vulnerable students across the thirty Wards of Uasin Gishu County as currently constituted and Ksh 6.450 million was used as Bursary Administrative and operational costs.

In disbursement of the funds, the management complied with statutory requirements and strictly adhered to regulations of the Fund as stated in the Bursary Act 2014.

Bursary disbursement has improved access to quality education and skills development as well as enhance the retention and completion rates of students at all levels. The total of 13,400 secondary and 4,792 students from colleges and universities benefitted from the disbursement of bursary for FY 2020/2021

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

The fund does not have provisions for corporate social responsibility.

## **10. REPORT OF THE FUND ADMINISTRATION COMMITTEE**

### **Background information**

The Uasin Gishu County Bursary skills Development Support Fund was established in year 2014 through Uasin Gishu County Bursary and Disbursement Act 2014.

The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Uasin Gishu- Kenya. The Objectives of the fund is to make provisions for bursaries, skill development support and related matters.

The fund's objectives are to improve access, transition and completion of education by the needy and vulnerable students in Uasin Gishu County.

### **Principal Activities**

The Principal activity of the fund is mainly to give bursaries to needy and vulnerable students that otherwise would not have accessed quality education. Other activities include;

- Monitoring allocation of support to ensure needy and deserving students benefit from the fund
- Maintenance of and updated database of all applicants and beneficiaries of the fund
- Disbursement of the bursary to beneficiary institutions

### **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 Fund

Sign: \_\_\_\_\_

Name: \_\_\_\_\_

Chair of the Fund Administration Committee

Date: \_\_\_\_\_

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**11. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Uasin Gishu County Bursary and Disbursement Act, 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 fourth quarter ended on 30 June, 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 Uasin Gishu County Bursary and Disbursement Act, 2014. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the fourth quarter ended 30 June, 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.

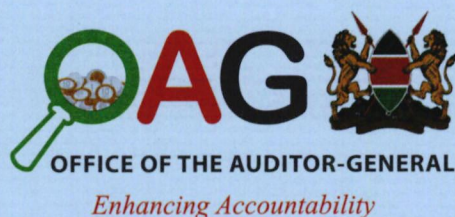
Approval of the financial statements

The Fund’s financial statements were approved by the Board on \_\_\_\_\_ 2021 and signed on its behalf by:

\_\_\_\_\_  
Administrator of the County Public Fund



# REPUBLIC OF KENYA



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

## **REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT 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 Uasin Gishu County Bursary and Skills Development Support Fund set out on pages 1 to 39, which comprise of 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

*Report of the Auditor-General on Uasin Gishu County Bursary and Skills Development Support Fund for the year ended 30 June, 2021*

significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Uasin Gishu County Bursary and Skills Development Support Fund as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Uasin Gishu County Bursary and Skills Development Support Fund Disbursement Act, 2014 (Amended 2019) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Inaccurate Statement of Changes in Net Assets**

The statement of changes in net assets reflects a nil revolving fund balance and accumulated surplus of Kshs.1,871,936 while the statement of financial position reflects revolving fund and accumulated surplus balances of Kshs.276,606 and Kshs.1,595,330 respectively, resulting to unexplained variances of Kshs.276,606 and Kshs.276,606 respectively.

In the circumstances, the accuracy and completeness of the revolving fund and accumulated surplus of Kshs.1,871,936 and Kshs.1,871,936 respectively could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects amount spent totalling to Kshs.123,404,670 against an approved budget of Kshs.125,000,000 resulting to an under expenditure of Kshs.1,595,330 of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Uasin Gishu.

## **Other Information**

The Fund Management is responsible for the other information, which comprises the fund Chairpersons Report, fund administrators' report, the statement of corporate governance, management discussions and analysis, statement of corporate social responsibility and the statement of management responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

## **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. Scholarships and Other Educational Benefits**

The statement of financial performance for the year ended 30 June, 2021 reflects general expenses amount totalling to Kshs. 118,598,945 being scholarships and other educational benefits to various secondary schools, colleges and universities in respect of students from the thirty (30) wards in the County of Uasin Gishu. However, the Management did not provide evidence to support the process of awarding of the bursaries, as required under Section 22(4) of the Uasin Gishu County Bursary and Skill Development Support Fund Disbursement Act, 2014 (Amended 2019).

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

#### **2. Failure to Develop Regulations to the Act**

The Management has not developed regulations, policies and procedures that would operationalize the Act, and assist in the management, efficient utilization, and accountability of bursary funds contrary to Section 25 (1) of the Uasin Gishu County Bursary and Skill Development Support Disbursement Act, 2014.

In the circumstances, the Fund Management is 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, except for the matter 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 internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Lack of Risk Management Policy**

The Fund did not have a Risk Management Policy or a disaster recovery plan in place during the year under audit.

In the circumstances, Management lacks a mechanism to help in detection and mitigation of any possible risk to the Fund.

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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

Because of its inherent limitations, internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**

**26 September, 2022**

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**13.FINANCIAL STATEMENTS**

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

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	125,000,000	95,000,000
Fines, penalties and other levies	3	-	-
<b>Revenue from exchange transactions</b>			
Interest income	4	-	-
Other income	5	-	-
<b>Total revenue</b>		<b>125,000,000</b>	<b>95,000,000</b>
<b>Expenses</b>			
Fund administration expenses	6	(4,651,980)	(4,983,486)
General expenses	7	(118,598,945)	(93,508,190)
Finance costs - (Bank Charges)	8	(153,745)	(1,146)
<b>Total expenses</b>		<b>123,404,670</b>	<b>98,492,822</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	9		
<b>Surplus/(deficit)for the period</b>		<b>1,595,330</b>	<b>(3,492,822)</b>

The notes set out on pages 27 to 38 form an integral part of these Financial Statements.

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**13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	1,871,936	276,606
Current portion of long- term receivables from exchange transactions	11	-	-
Receivables from Non- exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
		<b>1,871,936</b>	<b>276,606</b>
<b>Non-current assets</b>			
Long term receivables from exchange transactions	11	-	-
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
<b>Total assets</b>		<b>1,871,936</b>	<b>276,606</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
<b>Non-current liabilities</b>			
Long term portion of borrowings	19	-	-
Non-current employee benefit obligation	20	-	-
<b>Total liabilities</b>			
<b>Net assets</b>			
Revolving Fund		276,606	3,769,428
Reserves		-	-
Accumulated surplus		1,595,330	(3,492,822)
<b>Total net assets and liabilities</b>		<b>1,871,936</b>	<b>276,606</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Administrator of the Fund

Name:

*Roselyn Koggei*  


Fund Accountant

Name:

*Lawrence Mayenge*

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

	<b>Revolving Fund</b>	<b>Revaluation Reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2019</b>	-	-	3,769,428	3,796,428
Surplus/(deficit) for the period	-	-	3,492,822	3,492,822
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	-	-	<b>276,606</b>	<b>276,606</b>
<b>Balance as at 1 July 2020</b>	-	-	<b>276,606</b>	<b>276,606</b>
Surplus/(deficit) for the period	-	-	1,595,330	1,595,330
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2021</b>	-	-	<b>1,871,936</b>	<b>1,871,936</b>

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

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government		125,000,000	95,000,000
Interest received		-	-
Receipts from other operating activities		-	-
<b>Total Receipts</b>		<b>125,000,000</b>	<b>95,000,000</b>
<b>Payments</b>			
Fund administration expenses		(4,651,980)	(4,983,486)
General expenses		118,598,945	(93,508,190)
Finance cost		(153,745)	(1,146)
<b>Total Payments</b>		<b>(123,404,670)</b>	<b>(98,492,822)</b>
<b>Net cash flows from operating activities</b>		<b>1,595,330</b>	<b>(3,492,822)</b>
<b>Cash flows from investing activities</b>			
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			
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,595,330</b>	<b>(3,492,822)</b>
<b>Cash and cash equivalents at 1 JULY 2020</b>	10	276,606	3,769,428
<b>Cash and cash equivalents at 30 JUNE 2021</b>	10	<b>1,871,936</b>	<b>276,606</b>

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**13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2021.**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>% utilisation</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
<b>Revenue</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	
Public contributions and donations	-	-	-	-	-
Transfers from County Govt.	95,000,000	30,000,000	125,000,000	125,000,000	100%
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
<b>Total income</b>	<b>95,000,000</b>	<b>30,000,000</b>	<b>125,000,000</b>	<b>125,000,000</b>	<b>100%</b>
<b>Expenses</b>					
Fund administration expenses	4,500,000	-	4,500,000	4,651,980	103%
General expenses	90,000,000	30,000,000	120,000,000	118,598,945	99%
Finance cost	500,000	-	500,000	153,745	30.8%
<b>Total expenditure</b>	<b>95,000,000</b>	<b>30,000,000</b>	<b>125,000,000</b>	<b>123,404,670</b>	<b>99%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>		<b>1,595,330</b>	

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Statement of compliance and basis of preparation**

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

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

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**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 <sup>st</sup> 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>
Standard/ Amendments : Applicable: 1 <sup>st</sup> January 2021:	Impact

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<p>e) 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</p>	<p>There was no impact of the amendment to IPSAS 13 with respect to the current financial report</p>
<p>f) 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</p>	<p>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</p>
<p>g) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.        Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p>	<p>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.</p>
<p>h) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).        Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>	<p><b>Document the impact if the fund is reporting for the first time on accrual/ Otherwise indicate that there was no impact</b></p>

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**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:
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<b>IPSAS 42: Social Benefits</b>	<b>Applicable: 1<sup>st</sup> January 2022</b>

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Standard	Effective date and impact:
	<p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c) Early adoption of standards**

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

**3. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**ii) Revenue from exchange transactions**

***Interest income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's 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 June 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 (Amount) on the 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

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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.

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

**5. Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**2. Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

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Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. 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

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of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

**Impairment of financial assets**

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an 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 an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

**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

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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.

#### **4. 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**

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.

#### **5. 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

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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.

**6. Nature and purpose of reserves**

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

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**7. 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.

**8. Employee benefits – Retirement benefit plans**

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

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

**9. 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.

**10. 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

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construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**11. 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.

**12. 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 (**Remove if not applicable**) 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.

**13. Comparative figures**

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

**14. Events after the reporting period**

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

**15. Ultimate and Holding Entity**

The entity is a County Public Fund established by xxx Act (*state the legislation establishing the Fund*) under the Department of xxx. Its ultimate parent is the County Government of Uasin Gishu.

**16. Currency**

The financial statements are presented in Kenya Shillings (Ksh)

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**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**17. Significant judgments and sources of estimation uncertainty**

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

State all judgements, estimates and assumptions made: e.g.

**a) Estimates and assumptions**

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

**b) Useful lives and residual values**

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

- 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
- v) Changes in the market in relation to the asset

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**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 xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

**18. Financial risk management**

The Fund's activities does not expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency.

**(a) Credit risk**

The Fund has no 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.

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**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:

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

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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 xxx.

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.

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**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.

	<b>Less than 1 month</b>	<b>Between 1- 3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>At 30 June 2021</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2020</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.

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**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:

		<b>Other currencies</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>At 30 June 2021</b>			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
<b>Liabilities</b>			
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.

	<b>Change in currency rate</b>	<b>Effect on surplus/ deficit</b>	<b>Effect on equity</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>2021</b>			-
Euro	10%	-	-
USD	10%	-	-
<b>2020</b>			
Euro	10%	-	-
USD	10%	-	-

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**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. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

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**(f) Capital risk management**

The Fund does not have capital risk management to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

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

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**14. NOTES TO THE FINANCIAL STATEMENTS**

**1. Public contributions and donations**

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

**2. Transfers from County Government**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from County Govt. – operations	125,000,000	95,000,000
Payments by County on behalf of the entity	-	-
<b>Total</b>	<b>125,000,000</b>	<b>95,000,000</b>

**3. Fines, penalties and other levies**

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Interest income**

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

**5. Other income**

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

**6. Fund administration**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Staff costs (Note 6a)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Domestic Travel and Subsistence	4,651,980	4,983,486
<b>Total</b>	<b>4,651,980</b>	<b>4,983,486</b>

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**6A. Staff costs**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**7. General expenses**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Scholarships	118,177,490	93,508,190
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	421,455	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
<b>Total</b>	<b>118,598,945</b>	<b>93,508,190</b>

**8 Finance costs**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Bank Charges	153,745	1,146
Interest on loans from banks	-	-
<b>Total</b>	<b>153,745</b>	<b>1,146</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. Gain/ (loss) on disposal of assets**

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

**10. Cash and cash equivalents**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Uasin Gishu County Car loan account	-	-
Uasin Gishu County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	1,871,936	276,606
Others	-	-
<b>Total cash and cash equivalents</b>	<b>1,871,936</b>	<b>276,606</b>

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

<b>Financial institution</b>	<b>Account number</b>	<b>2020/2021</b>	<b>2019/2020</b>
		<b>KShs</b>	<b>KShs</b>
<b>a) Fixed deposits account</b>			
Kenya Commercial bank	-	-	-
Equity Bank, etc.	-	-	-
<b>Sub- total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank	1178077721	1,871,936	276,606
Equity Bank - etc.	-	-	-
<b>Sub- total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Current account</b>			
Kenya Commercial bank	-	-	-
Bank B	-	-	-
<b>Sub- total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>d) Others(specify)</b>			
Cash in transit	-	-	-
Cash in hand	-	-	-
Mobile Money	-	-	-
<b>Sub- total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>-</b>	<b>1,871,936</b>	<b>276,606</b>

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**11. Receivables from exchange transactions**

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

**Additional disclosure on interest receivable**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Interest receivable</b>		
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	-	-
<b>Current loan repayments due</b>		
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	-	-

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**12.Receivables from Non-Exchange transaction**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Transfer from County Executive	-	-
Transfer from Uasin Gishu county bursary and skills development Fund	-	-
<b>Total receivables from non-exchange transactions</b>	<b>-</b>	<b>-</b>

**13. Prepayments**

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

**14. Inventories**

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

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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 1 <sup>st</sup> July 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30 <sup>th</sup> June 2020	-	-	-	-	-
At 1 <sup>st</sup> July 2020					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 <sup>th</sup> June 2021	-	-	-	-	-
<b>Depreciation and impairment</b>					
At 1 <sup>st</sup> July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 <sup>th</sup> June 2020	-	-	-	-	-
At 1 <sup>st</sup> July 2020					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 <sup>th</sup> June 2021	-	-	-	-	-
Net book values					
At 30 <sup>th</sup> June 2020	-	-	-	-	-
At 30 <sup>th</sup> June 2021	-	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16. Intangible assets-software**

Description	2020/2021	2019/2020
	KShs	KShs
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
<b>Amortization and impairment</b>		
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	2019/2020
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
<b>Total trade and other payables</b>	-	-

**18. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	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	-	-	-	-
<b>Balance at the end of the year (30.06.2021)</b>	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

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

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

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

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	-	-
<b>Total</b>	-	-

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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	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-

21. Cash generated from operations

	2020/2021	2019/2020
	KShs	KShs
<b>Surplus/ (deficit) for the year before tax</b>	-	-
<b>Adjusted for:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
<b>Net cash flow from operating activities</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. 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:

- i. The County Government;
- ii. The Parent County Government Ministry;
- iii. County Assembly;
- iv. Key management;
- v. Board of Trustees; etc.

**b) Related party transactions**

	2020/2021	2019/2020
	KShs	KShs
Transfers from the County Government	125,000,000	95,000,000
<b>Total</b>	<b>125,000,000</b>	<b>95,000,000</b>

**c) Key management remuneration**

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

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**d) Due from related parties**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
<b>Total</b>	-	-

**e) Due to related parties**

	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
<b>Total</b>	-	-

**23. Contingent assets and contingent liabilities**

<b>Contingent liabilities</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Court case xxx against the Fund	-	-
Bank guarantees	-	-
<b>Total</b>	-	-

**UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND  
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**22. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4.1	Lack of approved budget	Minutes of approved budget availed	Resolved	-
4.2	Other grants and transfers	Evidence availed in simple list	Resolved	-
4.3	Cash and cash equivalents	The list of unrepresented cheques was availed	Resolved	-
4.4	Format of financial statements	Was corrected and used the approved county public funds and scheme	Resolved	-

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**32. APPENDIX I: INTER-ENTITY TRANSFERS**

ENTITY NAME:		UASIN GISHU COUNTY BURSARY AND SKILLS DEVELOPMENT SUPPORT FUND		
<b>Break down of Transfers from the County Executive of Uasin Gishu County Government</b>				
<b>FY 2020/2021</b>				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		<b>Total</b>	-	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		<b>Total</b>	-	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		<b>Total</b>	-	

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

Fund Manager  
 Uasin Gishu County Bursary and  
 Skills Development Support Fund

Sign



Head of County Treasury at  
 Uasin Gishu County

Sign

