

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

ISILOLO COUNTY EDUCATION BURSARY FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	27/2/2025
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Isiolo County Education Bursary Fund

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

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Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

a) Acronyms

<i>CT</i>	<i>County Treasury</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>KSHS</i>	<i>Kenya Shillings</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>TVETs</i>	<i>Technical and Vocational Educational Training Institutions</i>

b) Definition of Terms

1. Fiduciary Management - The key management personnel who had financial responsibility.

(Provide a list of Acronyms and Key terms used in the financial report as per the above example.)

2. Key Entity Information and Management

a) Background information

Isiolo County Education Bursary Fund is established by and derives its authority and accountability from Isiolo County Education Act 2015. The Fund is wholly owned by the County Government of Isiolo and is domiciled in Kenya.

The fund's objective is to provide for legal framework for establishing Education bursary fund for providing financial assistance to the poor and vulnerable students in the county in order: _

1. Increase access to education
2. Promote and increase enrolment, retention, completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty. Disparities and equality.

The Fund's principal activity is:

1. Increase access to education.
2. Promote and increase enrolment, retention, and completion and transition rates in schools.
3. Improve education standards and literacy levels.
4. Reduce poverty, disparities and inequality.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is providing financial assistance to the poor and vulnerable students in the county

c) Board of Trustees/Fund Administration Committee

The *entity's* day-to-day management is under the following key organs:

Ref	Name	Position
1	Ms.SainabIsmaelHassan	Chairlady
2	Mr. Stephin Kiambi	CountyChiefOfficerEducation
3	CPAHabibaJirmaGalgalo	CountyChiefOfficerFinance
4	Mr. molu Mohammed	Fund accountant
5	Mr. AbrahamEyeyo	BoardMember
6	Mr.DavidKanamba	BoardMember

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7	Ms.MariamOsman	BoardMember
8	Mr.MohammedRashid	Boardmember
9	Mr.AdanDibaJillo	Boardmember
10	Mr.LetimaloJohn	BoardMember
11	Mr.AdanBoruKara	BoardMember
12	Mr.GoloRoba	BoardMember
13	Mr.GeofreyNabea	BoardMember

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

Ref	Name	Position
1	Ms.SainabIsmaelHassan	Chairlady
2	Mr. Stephen Kiambi	Fund Administrator
3	CPAHabibaJirmaGalgalo	CountyChiefOfficerFinance
4	Mr Molu Mohammed	FundAccountant /secretary

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

This fund being part of the overall funds received by the county executive the internal audit department of the county treasury has fiduciary responsibility in assessing the risks faced by the fund on an ongoing basis. The internal audit evaluates and tests the effectiveness of the internal controls and operational controls and reports to the fund's board.

f) Registered Offices

P.O. Box 36-60300

County Education Building

NEMA –Police Road

Nairobi, KENYA

g) Fund Contacts

Telephone:(254) 726405221

E-mail: aileenkajuju @gmail.com

Website: www.isiolo.go.ke

h) Fund Bankers

1. Kenya Commercial Bank
Isiolo Branch

Key Entity and Management (Continued)

i) Independent Auditor

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

j) Principal Legal Adviser

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

k) County Attorney

P.O. Box 36
Postal code. 60300
Isiolo, Kenya

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3. Trustees/ Fund Administration Committee Profiles

Name	Details of qualifications and experience
1. Ms. Sainab Ismael Hassan- (FundBoardChairlady)	Ms. Sainab Ismail Hassan was born in 1962.she holdsDiplomaineducation.Shehasover10years'experience ineducationSectorand3yearsatmanagement level.sheiscurrentlythechairpersonofIsioloCounty bursaryFundforperiodof3years.
2. Mr. Stephen Kiambi (FundAdministrator and boardMember)	Mr.Stephen Kiambiwasbornin1964.Heholdsdegreeineducationfrom niversityofNairobi. He has over 15 years' experience in leadership andmanagementhaving servedondifferentmanagementcapa citiesineducationsector. Currently he is serving as County chief officer departmentof Education in Isiolo county and fund administrator of the IsiolocountyEducationbursaryFund.
3.Mr. Molu Mohammed(Fundsecretary)	Mr. Molu Mohammed was born in the year 1995.He holds degreein finance from university of Nairobi.Heisanex-officialcommittee member. He has over 2 years' experience working both private and public sector. Currentlyheisthe fund accountant and secretarytotheboard
4. CPAHabibaJirmaGalgalo(Execu tiveBoardmember)	CPA Habiba Jirma Galgalo was born on the year 1980.She holds Master's degree in Accountingfrom JKUAT university.SheisalsocertifiedPublicAccountant ofKenya. She has over 15 years' experience in finance,leadership and managementhaving served on differentmanagementcapacities inGovernmentanddonorfundedprojects. Currentlysheisthecountychiefofficer ofFinanceandsits æexecutiveboardmember.
5.Mr.AbrahamEyeyo(boardMe mber)	Mr.AbrahamEyeyowasbornin1979.HeholdsBachelor'sdegree in Divinity from St. pauls university. He also has adiploma in newspaper reporting. He has attended differenttraining,i.e., communitybehaviorchange,constitutionalreform Tots, Basic Financial management training, Disasterpreparedness and management. He has over 5 years'experience working at different positions in private sector.He has served in different boards as a board member andhasactivelyparticipatedasprojectcoordinatorinCommunityb asedprojects.
6. Mr.DavidKanamba(BoardMemb	Mr. David Kanamba was born in 1973.he is'O' Level certificate holder. He has over10years experience serving as Communitymobilizer and in leadership roles

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Annual Report and Financial Statements for the year ended June 30, 2024

er)	working under community-based projects.
7. Mrs. Mariam Osman (Board member)	Mrs. Mariam Osman was born in 1974. She holds a certificate in education from Mosoriot Teachers college. She has over 10 years' working experience in government as a professional teacher. She is currently serving as a board member.
8. Mr. Mohammed Rashid (board member)	Mr. Mohammed Rashid was born in 1964. He holds a higher diploma in Guidance and Psychological Counselling. He is a prominent religious leader with over 10-year experience working in religious institutions and non-governmental organizations. He is currently serving as a board member.
9. Mr. Adan Diba Jillo (Board Member)	Mr. Adan Diba Jillo was born in 1975. He holds a diploma in sales and marketing and a certificate in information technology. He has a 5-year experience serving in different capacities in both education and business environment. He is currently serving as a board member.
10. Mr. Letimalo John (Board Member)	Mr. Letimalo John was born in 1975. He holds a diploma in Education. He has over 15 years' experience serving as a teacher and educationist in the community, he is currently serving as a board member of the fund.
11. Mr. Adan Diba Boru (Board Member)	Mr. Adan Diba Boru was born in 1961. He holds a diploma in education from a recognized institution. He has over 10 years' experience serving in different capacities in the industry. He is currently serving as a board member.
12. Mr. Golo Roba (board member)	Mr. Golo Roba was born in 1963. He holds a diploma in business management from a recognized institution. He has over 4 years' experience working in the business world.
13. Mr. Antony Chepiko (board member)	Mr. Antony Chepiko was born in 1976. He holds a diploma in business management from a recognized institution. He has over 4 years' experience working in the business world. He is currently serving as a board member.

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4. Key Management Team

Name	Details of qualifications and experience
1. Mr. Stephen Kiambi (Fund Administrator)	Mr. Stephen Kiambi was born in 1964. He holds degree in education from university of Nairobi. He has over 15 years' experience in leadership and management having served on different management capacities in education sector. Currently he is serving as county chief officer department of Education in county government of Isiolo and doubles as executive board member of the Isiolo county Education bursary Fund.
2. Ms. Sainab Ismael Hassan- (Fund Board Chair lady)	Ms. Sainab Ismail Hassan was born in 1962. she holds Diploma in education. She has over 10 years' experience working in education Sector and 3 years at management level. He is currently the chair person of Isiolo County Bursary education Fund for period of 3 years.
3. Mr. Molu Mohammed (Fund accountant)	Mr. Molu Mohammed was born in the year 1995. He holds degree in finance from university of Nairobi. He is an ex-official committee member. He has over 2 years' experience working at different both private and public sector. Currently he is fund accountant and the secretary to the board

5. Chairman's Report

The Isiolo county Education Bursary Fund board and management for financial year 2023/24 remained unchanged since the current board terms has not expired. Comparing with the previous years' performance there was an increase in budgetary allocation from ksh.35million to 70million therefore an increase in beneficiaries as compared with the previous years' performance.

The fund has profoundly impacted on the lives of students in the county through improvement of awarding criteria of the beneficiaries across the county. This has reduced social-economic inequalities by giving every deserving student a chance to benefit.

We believe in supporting dreams through establishing and nurturing the principle of equitable distribution of resources in line with our values and mission statement. We are highly optimistic of a very bright future of our bursary beneficiaries as the county will always enhance resources and policies to support the students.

We thank the executive for continued support and prioritization of education bursary for the needy students by facilitating increasing the allocation from initial 35 million to 70 million through supplementary budget estimates, this increased the fund's accessibility to many needy students in the county wish also to thank the board of management and a motivated secretariat who have worked tirelessly since the process started until the exercise has been made a success. I appreciate them for what they continue to do in empowering the dreams of the future generation.

Prepared by: Seinab Ismael Hassan

6. Report of The Fund Administrator

Overview of the fund

Isiolo county education fund has enjoyed significant economic and political support over a decade from the Isiolo county executive since its establishment under Act 2015, that has largely driven economic and social support to poor and vulnerable students in the county who have enrolled in higher learning institutions, and secondary schools.

A preview of the previous year's good performance of the fund was propelled by the amended new bursary Act adopted to rev-up student funding, supported by a skilled and an energized secretariat, a visionary board coupled by supportive ward bursary committee members.

The board will anchor its compelling four drivers to a 4-point agenda namely:

1. Increase access to education.
2. Promote and increase enrolment, retention, completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty disparities and inequality.

Inclusive sustainable student Funding

The number of student beneficiaries under bursary and scholarship programme from a poor and vulnerable background reduce by 1%% in financial year June 2024.

Fund revenues

During the year under review, the fund's budgetary allocation was 70 million. The fund received a total of ksh.40 million for the financial year ended 30th June 2024 out of 70million projected revenue. Out of the total funds received, amount ksh. 5million was a delayed disbursement for the budgeted allocation for financial year ended 2023.The exchequer delayed disbursement a balance of 35million which for due at the end of the year under review. This hampered delayed disbursement to beneficiaries.

The fund board was able to mitigate post persistent drought effects among the learners through setting aside part of the fund as an emergency fund as stipulated in the amended Isiolo County

Education Bursary Act 2015 (amended) in order to address emerging issues of beneficiaries dropping out of schools. Colleges and universities due to poverty and lack of fee.

A Target is to ensure inclusive and equitable financial assistance to poor and vulnerable students in the county. And promoting promote learning opportunities to all. Pursuant to this goal a total of Khs.33,600,000 was disbursed to students by end of June 2024. The disbursement was in form of bursaries and scholarships

The fund's board endeavors towards realizing its core objectives, despite the efforts, it experienced the following key challenges in an equal measure in administration of the fund.

1. The threshold 3 % percentage set out in the Act to cover the fund's administration cost, is not adequate. Under normal circumstances this threshold administration costs will not conclusively cover the expenses to administer the fund. This has impacted on the efficiency and timely disbursements to the beneficiaries.

2. Lack of permanent and trained staff attached to the fund's secretariat to administer, monitor and report on the progress of the fund. This has derailed the administration of the fund

3. Lack of proper training of board and ward committee members. This has impacted on the fund from not delivering its core objectives.

4. Delay in timely disbursement of the fund from the exchequer therefore increased workload for the secretariat to deliver on time.

5. Lack of feedback systems from the beneficiaries while distribution of cheques has made it difficult to monitor the efficiency on delivery of the cheques to the intended beneficiaries.

Looking ahead of the promising Future

We are highly optimistic of a bright future for our beneficiaries as the county continues to enhance resources and policies to create opportunities for our youth through skills enhancement. We thank the fund's board and a motivated secretariat staff to make the exercise a success in the financial year ended 2024. I wish to thank them for what they continue to do towards

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We thank the fund's board and a motivated secretariat staff to make the exercise a success in the financial year ended 2024. I wish to thank them for what they continue to do towards empowering the dreams of the future generation it is our sincere hope that the shared purpose statement that defines the existence of the fund will be maintained in the coming years.

Name: Stephen Kiambi

Administrator of the Fund



7. Statement of Performance Against Predetermined Objectives for FY 2023/2024

Introduction

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

The key development objectives of the Fund as per the strategic plan for 2023-2027 are to:

- a) To increase access to education
- b) To promote and increase enrolment, retention, completion and transition rates in schools.
- c) To improve education standards and literacy levels.
- d) To reduce poverty, disparities and inequalities

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary and Scholarship	To support poor, and vulnerable students to access quality education	Increased number of students accessing education in the county	Proportion of students from poor families receiving bursaries for tertiary education	In FY 23/24 there was decrease bursary access by 1%

8. Statement of Corporate Governance

The fund board is committed in ensuring highest standards of corporate governance and business ethics. This is considered very critical to the fund's integrity and maintaining stakeholder's trust. The fund's board is responsible for overall conduct of county Education bursary fund disbursement and has the power, authority and duties vested in it pursuant to the Isiolo county bursary Act 2015. In addition, others relevant laws of Kenya. It provides strategic direction with focus on consistency of fund performance in a transparency and accountability manner.

a. Process of appointment and removal of board members/ward committee members

County executive member for education proceeds to appoint the members of the ward committees and board members upon receiving the proposed list of names from the ward. The appointment should comply with the Isiolo county education bursary Act 2015. The removal of any committee members is in accordance with the provisions set out in the Act by the executive committee member for education.

b. Roles and Responsibility of the board members

The fund's board is ultimately responsible for:

- i. Supervision and control the administration of the fund
- ii. Prepare a budget and such plans for better administration of the fund to be approved by the county executive committee members
- iii. In consultation with the committees, impose conditions or restrictions on the use of any expenditure arising from the fund.
- iv. Ensure proper books of account and other books and records in relation to the fund and as well as to all the various activities and undertaking of the fund.
- v. Furnish such additional information as may be required for examination and audit by the Auditor General or any law.

c. The membership of the board is as Follows:

- i. The chief officer for the time being in charge of County Finance or Designate alternate not below the level of a director.
- ii. The chief officer for the time being in charge of Education or Designate alternate not below the level of a director.
- iii. One member of the ward bursary Education committee established under section 7 representing each for every ward.

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Iv. One member qualified in matters of education nominated by the executive committee member approved by the country assembly.

v. The fund committee member who shall be an ex-official member and secretary of the Board

On appointment, the newly appointed members are facilitated to undergo induction training covering the business of the Fund, by availing relevant information and trainings offered.

d. Fund board structure and composition

The board members are appointed by, the County Executive committee member for education except the chairperson who is elected by the board in its first sitting who shall be chairperson who shall serve for a non-renewable term of 3years. The fund's board comprises a diverse mix of skills, competences and experiences making it easier to discharge their responsibility in an effect manner.

The Board members as at 30 June 2024 were as

	Names of the Board members	Role in the board	Date of Appointment	Date of Retirement
1.	Ms.SainabIsmaelHassan	chairman	1 st Feb2023	31 st Jan2026
2.	Mr.Stephen Kiambi	Fund administrator	1 st Feb2023	31 st Jan2026
3.	CPAHabibaJirmaGalgalo	member	1 st Feb2023	31 st Jan2026
4.	Mr. Molu Mohammed	Secretary	1 st Feb2023	31 st Jan2026
5.	Mr. AbrahamEyeyo	Member	1 st Feb2023	31 st Jan2026
6.	Mr.DavidKanamba	Member	1 st Feb2023	31 st Jan2026
7.	Ms.MariamOsman	Member	1 st Feb2023	31 st Jan2026
8.	Mr.MohammedRashid	Member	1 st Feb2023	31 st Jan2026
9.	Mr.AdanDibaJillo	Member	1 st Feb2023	31 st Jan2026
10.	Mr.LetimaloJohn	Member	1 st Feb2023	31 st Jan2026
11.	Mr.AdanBoruKara	Member	1 st Feb2023	31 st Jan2026
12.	Mr.GoloRoba	Member	1 st Feb2023	31 st Jan2026

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13.	Mr. Antony Chepiko	Member	1stFeb2023	31st Jan2026

9. Management Discussion and Analysis

Isiolo County Education Bursary Fund Board is mandated by Isiolo County Education Bursary Act 2015 to give financial assistance to the poor and vulnerable students in the county in line with the vision, mission and objectives of the fund. Providence of financial assistance to the poor and vulnerable students has enabled the fund to achieve its objectives. However, the board feels that it only achieved 51 % of the fund's objectives due to limited funding from the executive and other development partners.

a. Operational and Financial performance of the Fund

The budget allocation for the year under review from the county executive was initially Kshs.70million. However, the fund received from exchequer an amount totaling to ksh 40million out of the amount budgeted for the financial year ended 30th June 2024. This was due to delay in exchequer disbursements to the county governments.

The board noted an increase in number of beneficiaries of the fund from for financial year ended 30th June 2024.

b. Fund's Compliance with Statutory Requirements.

The fund has compliance issues raised by the external audits on presentation of previous years' financial statements in format not recommended by international public sector accounting standards. However, the fund's executive board of management has taken up the matter to comply with this statutory requirement.

c. Major risks facing the fund material arrears in statutory and other financial obligations

This fund being part of the overall funds received by the county executive the internal audit department of the county treasury has fiduciary responsibility in assessing the risks faced by the fund on an ongoing basis. The internal audit evaluates and tests the effectiveness of the internal controls and operational controls and reports to the fund's board.

Financial risks management:

The fund maintains a strong risk governance structure with the fund's board exercising an oversight through the internal audit department. The risks are managed by the ward committee

members as the first line defence. While the internal audit department provides an oversight and overall assurances as a second line of risks mitigation.

d. The capital risk management:

The objective of the fund's capital risks management is to safeguard the fund's ability to continue its business as a going concern. The capital structure was fully financed by the county government grants. The fund has 0% debt financing. The board could not ascertain any other source of financing apart from county government grants

Material arrears in statutory and other financial obligations

The board confirms that the fund has no outstanding arrears and will continue planning its activities in a prudent manner to avoid any pending bills.

10. Environmental and Sustainability Reporting

Isiolo County Education Bursary Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile –

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

Outline clearly, environmental policy guiding the organization, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organization's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organization should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

d) Product stewardship- outline efforts to safeguard consumer rights and interests

5. Community Engagements-

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community

Isiolo County Education Bursary Fund
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11. Report of The Board

The Board submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are:

1. Increase access to education.
2. Promote and increase enrolment, retention, completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty disparities and inequality.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page to 23.

Trustees

The members of the Board of management who served during the year are shown on page xvi.

There were no changes in the Board during the financial year.:

Auditors

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

By Order of the Board

SATNAB

Chairperson of the Board

Date: 19/12/2024


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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 Trustee/Committee on 19/12 2024 and signed on its behalf by:

.....
Date: 19.12.24
Administrator of the Isiolo County Education Bursary Fund



12. 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 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 Isiolo county Education Bursary Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. 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 Isiolo County education Bursary Fund board accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and "The Isiolo County Education Bursary Fund Act, 2015"). The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, 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 Fund has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of

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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ISIOLO COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

Adverse Opinion

I have audited the accompanying financial statements of Isiolo County Education Bursary Fund set out on pages 28 to 62, which comprise of the statement of financial position as

at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Isiolo County Education Bursary Fund as at 30 June, 2024 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 do not comply with the Isiolo County Education Bursary Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unconfirmed Opening Balances

The financial statements reflect the prior year's comparative balances. However, the 2022/2023 financial report and financial statements were not submitted for audit. In the absence of certified financial statements for the financial year 2022/2023, it was not possible to confirm the accuracy and completeness of the opening balances for the financial statements for the year ended 30 June, 2023 as recorded in the opening balances in the financial statements for the year ended 30 June, 2024.

In the circumstances, the accuracy completeness and fair presentation of the financial statements could not be confirmed.

2. Transfers From the County Government

The statement of financial performance and Note 6 to the financial statements, reflects a balance of Kshs.40,000,000 as transfers from the County Government. Review of this balance revealed the following anomalies:

2.1 Unexplained Variance in Transfers from the County Government

The statement of cash flows and as disclosed in Note 6 to the financial statements, reflects transfers from the County Government amount of Kshs.40,000,000 while Isiolo County Executive statement of receipts and payments reflect transfers to the Isiolo County Bursary fund balance of Kshs,70,000,000 resulting in an unexplained variance of Kshs.30,000,000.

2.2 Late Transfers from the County Government

Review of payment records and bank statements provided for audit revealed that transfers from the County Executive amounting to Kshs.35,000,000 were received on 18 July, 2024, after the end of the financial year. As a result, the transactions were not recorded within the correct reporting period. This is contrary to Regulation 97(1) of the Public Finance Management (County Government) Regulations, 2015 on accounting and

reporting which states that the accounts of the county government entities shall record transactions which take place during a financial year running from 1, July to the 30, June.

In the circumstances, the accuracy and completeness of the transfers from the County Government amounting to Kshs.40,000,000 could not be confirmed.

3. Unsupported Disbursement of Bursaries and Scholarships to Students

The statement of financial performance and Note 10 to the financial statements reflect bursaries to students' balance amounting to Kshs.33,600,000. However, the bursary disbursements were not supported by a list of original application forms from the ten (10) wards. The application forms were not supported with certified individual students' fee balances and were not reviewed or recommended by the Ward Administrators, Members of the County Assembly, and the Chairman of the Ward Education Bursary Committee as required in the application procedures.

Further, out of the Kshs.33,600,000 in respect of bursary disbursed during the year under review, only Kshs.2,982,550 was acknowledged by the beneficiary institutions leaving a balance of Kshs.30,617,450 unacknowledged, unsupported, and unaccounted for as at the time of audit in 20 November, 2024.

In the circumstances, the accuracy, completeness, and validity of the Kshs.33,600,000 expenditures on bursaries for the year ended 30 June, 2024 could not be ascertained

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

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final budgeted revenues of Kshs.70,000,000 and actual realized of Kshs.40,000,000 which was 57% underperformance. Similarly, the Management had a final expenditure budget of Kshs.70,000,000 and actual expenditure of Kshs.38,110,009 being 53% under expenditure.

The underperformance may have adversely affected the implementation of planned activities by the Fund for the year ended 30 June, 2024.

My opinion is not modified in respect of this/these matter.

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. Except for the matter described in the Basis for Adverse Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

In connection with my audit on the Fund financial statements, my responsibility set out on pages iii to xxvii is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Submit Financial Statements for Audit for the Financial Year 2022/2023

Section 149 (2) of the Public Finance Management Act, 2012 requires the management of the Fund to submit financial statements for audit to the Auditor-General for the year ended 30 June, 2023 on or before 30 September, 2023. However, Management did not submit financial statements for audit for the financial year 2022/2023. This was contrary to Section 47(1) of the Public Audit Act, 2015, which stipulates that the financial statements required under the Constitution, the Public Finance Management Act, 2012, and any other legislation, shall be submitted to the Auditor General within three months after the end of the fiscal year to which they relate.

In the circumstances, Management was in breach of the law and the opening balances of the year under review could not be confirmed.

2. Over-Expenditure on Administrative Expenses

During the year under review, the County Bursary Fund spent a total of Kshs.4,585,009 on administrative costs as disclosed under Notes 7, 8, and 11 to the financial statements. This expenditure represents 12% of the Fund's total expenditure of Kshs.38,185,009 which is above the maximum ceiling of 3% set by the law and the Fund's regulations for administrative expenses. The management therefore exceeded the limit by Ksh.3,439,459.

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

3. Failure to Prepare the Annual Report for the Disbursed Bursaries

Section 21(1) of the Isiolo County Education Bursary Fund Act, 2015 provides that the Board shall prepare an annual report which shall be submitted to the County Executive Committee and transmitted to the County Assembly not later than the last day of February each year. The report shall indicate the performance of the Fund, overall enrolment, retention, and performance of the students supported by the fund among others. However, the report was not provided for audit review.

In the circumstances, Management was in breach of law.

4. Lack of an Approved Budget

The Fund Management failed to provide an approved budget for audit review. In the absence of an approved budget, the Fund therefore received disbursed receipts from the County Executive and spent without the requisite approval, contrary to the International Public Sector Accounting Standards 24 paragraph 9 which among other requirements states that the approved budget establishes the expenditure authority for the specified items. The expenditure authority is generally considered the legal limit within which an entity must operate.

In the circumstances, Management had no basis for the collection of the revenues and expenditures.

5. Unauthorized Payment of Allowances

The statement of financial performance and Note 11 to the financial statements reflect the use of goods and services balance of Kshs.3,930,000. Included in this balance is an amount of Kshs.2,362,500 paid as allowances to members of the Board and Ward Committees. However, no evidence was provided to confirm that these payments were authorized by the County Treasury as required by Section 10 of the Isiolo County Education Bursary Fund Act, 2015, which stipulates that the allowances for the members of the Board and the Committee shall be as determined by the County Treasury.

In the circumstances, Management was in breach of the law

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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, because of the significance of the matter(s) discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls,

Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

The Fund Management did not have a Risk Management Policy contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies that include fraud prevention mechanism and internal control that builds robust business operations.

In the absence of a risk management policy, it was not possible to confirm the magnitude of risk exposure of the Fund and whether there were risk mitigation mechanisms. Further, the effectiveness of internal controls built within the financial and operational systems could not be confirmed.

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 controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi



30 December, 2024

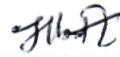
**Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers from the County Government	6	40,000,000	35,000,000
Fund balances Brought forward from previous F/Y		-	-
		40,000,000	35,000,000
Revenue from Exchange Transactions			
Interest Income			
Other Income			
Total Revenue			
Expenses			
Employee costs	7	340,000	221,000
Use of Goods and Services	11	3,930,000	2,184,000
Bursaries to students	10	33,600,000	33,949,440
Finance Costs	8	240,009	51,937
Total Expenses		38,110,009	36,406,377
Surplus/(Deficit) For the Period		1,889,991	(1,406,377)

(The notes set out on pages 28 to 46 form an integral part of these Financial Statements)



 Name: Stephen Kiambu
 Administrator/Accounting Officer
 15/11/24



 Name: Jibril Hassan
 Fund Accountant
 ICPAK NO: 21034

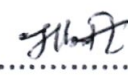
**Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers from the County Government	6	40,000,000	35,000,000
Fund balances Brought forward from previous F/Y		-	-
		40,000,000	35,000,000
Revenue from Exchange Transactions			
Interest Income			
Other Income			
Total Revenue			
Expenses			
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 CHIEF OFFICER
 EDUCATION
 Name: Stephen KiambN
 Administrator/Accounting Officer
 15/11/24
 GOVERNMENT OF ISOLO

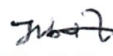

 Name: Jibril Hassan
 Fund Accountant
 ICPAK NO: 21034

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Changes in Net Assets for the year ended 30th June 2024

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at 1 July 2022	-	-	2,600,032	2,600,032
Surplus/(Deficit) For the Period	-	-	(1,406,377)	(1,406,377)
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance as at 30 June 2023	-	-	1,193,655	1,193,655
Balance as at 1 July 2023	-	-	1,193,655	1,193,655
Surplus/(Deficit) For the Period		-	1,889,991	1,889,991
Funds Received During the Year		-	-	-
Transfers		-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024		-	3,083,646	3,083,646


 Name: Stephen Kiamiti
 Administrator of the Fund

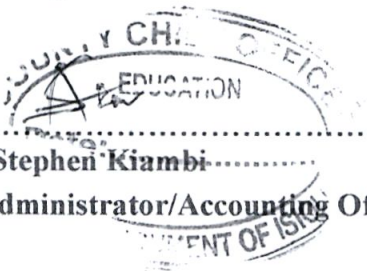


 Name: Jibril Hassan
 Fund Accountant
 ICPAK NO: 21034

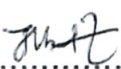
Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position as at 30 June 2024

Description	Note	2023-2024	2022-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	16	3,083,646	1,193,655
Non-exchange receivables		-	-
Exchange Receivables		-	-
Total current assets		3,073,971	1,193,655
		-	
Total Assets (A)		3,073,971	1,193,655
Liabilities			
Current Liabilities			
Trade and Other Payables		-	-
Total current liabilities			
Total Liabilities (B)		-	-
Net Asset (A-B)		3,073,971	1,193,655
Represented By:			
Accumulated Surplus		3,073,971	1,193,655
Net Assets		3,073,971	1,193,655

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 19/12 2024 and signed by:


 Name: Stephen Kiambi
 Fund Administrator/Accounting Officer


 Name: Jibril Hassan
 Fund Accountant
 ICPAK NO: 21034

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023-2024	2022-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government	6	40,000,000	35,000,000
Public Contributions and Donations			
Finance Income			
Other receipts			
Total receipts		40,000,000	35,000,000
Payments			
Bursaries to students	10	33,600,000	33,949,440
Employee costs	7	340,000	221,000
Use of Goods and Services	11	3,930,000	2,184,000
Finance cost	8	240,009	51,937
Cash flows from investing activities		38,110,009	36,406,377
Net cash flows used in investing activities		1,889,991	(1,406,377)
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		1,889,991	(1,406,377)
Cash and cash equivalents at 1 July		1,193,655	2,600,032
Cash and cash equivalents at 30 June		3,083,646	1,193,655

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting)

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	70,000,000	-	70,000,000	40,000,000	-	50%
Interest Income	-	-	-	-	-	-
Other Income					-	-
Total Income	70,000,000	-	70,000,000	40,000,000	30,000,000	
Expenses		-		-		
Use of Goods and Services	1,960,000	-	1,960,000	3,930,000	-1,970,000	201%
Employee costs	120,000		120,000	340,000	-220,000	283%
Bank Commission	20,000		20,000	240,009	-220,009	1200%
Bursaries to Students	67,900,000	-	67,900,000	33,600,000	34,300,000	49%
Total Expenditure	70,000,000	-	70,000,000	38,110,009	-1,970,000	201%
Surplus For the Period	-	-	-	1,889,991	-	

Budget notes

- 1. A change between original and final budgets was as a result of delay in disbursement funds from county treasury.*
- 2. The actual monies received during the financial year 2023/2024 was khs.40million. The balance of 30million was not received during the year under review due to delay in exchequer disbursements to counties.*

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Isiolo County Education Bursary Fund is established by and derives its authority and accountability from Isiolo County Bursary Act 2015. The entity is wholly owned by the Isiolo County Government and is domiciled in Kenya. The entity's principal activity is providing financial assistance to the poor and vulnerable students in the county.

2. Statement of compliance and basis of preparation

Isiolo County Education Bursary Fund's financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Bursary 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 financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current	<i>Applicable 1st January 2025</i> The Standard requires,

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact:
Assets Held for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish</p>

Isiolo County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact:
	the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early.*

(State the standards, reason for early adopt, and impact on the on entity's financial statements.)

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

Revenues from non-exchange transactions 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.

b) Budget information

The original budgets of ksh.70million for FY 2023-2024 was approved by the County Assembly on the year 2024. There was no revisions or additional appropriations which were made to the approved budget during the year under review. However, the Fund recorded additional appropriations of Kshs. **35, 000,000.00** from the county executive as compared to previous financial year 2022/2023.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and

actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c) **Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(i) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the

entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

(ii) Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

(iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iv) Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses,

interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

(v) Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

(vi) Trade and other receivables

Trade and other receivables are recognized at fair values, less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

(vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Provisions

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

e) Contingent liabilities

Isiolo County Education Bursary Fund 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 probable.

f) Contingent assets

Isiolo County Education Bursary Fund 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 Bursary Fund 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.

g) Nature and purpose of reserves

Isiolo County Education Bursary Fund creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

h) Changes in accounting policies and estimates

The Isiolo County Education Bursary Fund/Scheme recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) 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.

j) Related parties

The Isiolo County Education Bursary Fund 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, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Fund/Scheme administrator and senior managers.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

l) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Isiolo County Education Bursary Fund'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 judgments, estimates, and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

6. Transfers from the County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers from County Govt. –Operations	40,000,000	35,000,000
Fund bank balances carried Forward from Previous F/Y		
Total	40,000,000	35,000,000

(The transfers from the county government were amount disbursement from county executive).

7. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and Wages	-	-
Chairperson allowance	-	-
Staff Training Expenses	340,000	221,000
Other staff costs	-	-
Total	340,000	221,000

8. Finance costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank charges and commissions	240,009	51,937
Others <i>(Specify)</i>	-	-
Total finance Income	240,009	51,937

- Changes in the market in relation to the asset

c) Provisions

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

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

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9. Other income

Description	2023-2024	2022-2023
	Kshs	Kshs
Cheque writes backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

10. Bursary Transfers

Description	2023-2024	2022-2023
	Kshs	Kshs
Universities	9,773,250	-
TVETs and Colleges	5,429,750	-
Secondary schools	18,397,000	-
Other (<i>Specify</i>)	-	-
Total	33,600,000	34,463,240

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11. Use of goods

Description	2023-2024	2022-2023
	Kshs	Kshs
General Office Expenses	80,500	136,780
Travelling and Accomodation	196,000	184,500
Bursary fund launch Costs	796,000	344,000
Fund secretariat allowances	1,242,500	497,500
Board & ward Committee Allowances	1,120,000	734,000
Office tea & catering services	135,000	45,000
Office stationery	249,500	140,120
Maintenance of photocopier and computers consumables	110,500	102,100
Total	3,930,000	2,184,000

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12. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	3,083,646	1,193,655
Others	-	-
Total Cash and Cash Equivalents	3,083,646	1,193,655

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kcb Bank		3,083,646	1,193,655
			-
Sub- Total		-	-
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		3,083,646	1,193,655

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13. Non-Exchange Receivables

Description	2023-2024	2022-2023
	Kshs	Kshs
Revenue receivable	-	-
Others (<i>Specify</i>)	-	-
Total non-exchange receivables	-	-

14. Exchange Receivables

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest receivable	-	-
Others (<i>Specify</i>)	-	-
Total exchange receivables	-	-

15. Trade and other payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade Payables	-			
Other Payables (specify)				
Total Trade and Other Payables				
Ageing analysis (Trade and other payables)	2023-2024	% of the Total	2022	% of the Total
			2023	
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

16. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year	2,544,846	729,855
Adjusted For:	-	-
Working Capital Adjustments	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow from Operating Activities	2,544,846	729,855

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

17. Related party balances

a) Nature of related party relationships

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

- a) The County Government.
- b) Key management.
- c) Board of Trustees, etc.

b) Related party transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	2023-2024	2022-2023
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

d) Due from related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

18. Contingent assets and contingent liabilities

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

19. Financial risk management

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

a) Credit risk

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June (Current Year)				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
As at 30th June 2023	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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

The entity has significant concentration of credit risk on amounts due fromxxxx.

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund/Scheme 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/Scheme 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.

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024)				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-
As at 30 June 2024	-	-	-	-
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The Fund has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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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.

i. Foreign currency risk

The Fund 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.

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:

Description		Other curren- cies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payable	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund/Scheme's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate

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of the two 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.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
		Kshs	Kshs
(Current FY)			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-
(Comparative FY)		-	-
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-

ii. 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/Scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund/Scheme'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

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prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx-1 – Kshs xxx).

d) Capital risk management.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Accumulated surplus	2,544,846	729,855
Total funds		
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	%	%

20. Events after the reporting period

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

21. Currency

The financial statements are presented in Kenya Shillings (Kshs

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20. Annexes

Annex I: Progress on Follow-up of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Auditor's certificate 2021/2022	Late submissions of financial statements for F/Y 2021/22	We take note of the Auditor General comment on the financial statement for the financial year under review. Technical capacity challenges have continued to impact the administration of the fund. However, the report and statements were later prepared although submitted late	resolved	
Auditor's certificate 2020/2021	Un-Acknowledged Bursary Disbursement	The management concurs with the auditor's observation that, due to administrative logistics it has not been possible for all the institutions to send back acknowledgement letters despite our efforts to obtain the same.	resolved	31 st August 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		However, some of the beneficiary institutions have acknowledged receipt of the funds as. The management is committed to develop a feedback system on acknowledgement of the funds by the institutions despite constraints on budgetary allocation on fund administration.		
Auditor's certificate 2021/2022	The statement of financial position and as disclosed in note 11 to the financial statements reflects Kshs.2,600,032 in respect of cash and cash equivalent. However, the cash book reflects	The variance of Kshs. 50,924 was as a result of a cash book overcast of a similar amount that was subsequently corrected. Please see attached annexure for the updated cash book. The difference between the cash book balance of Kshs. 2,600,032 and and the bank balance	resolved	31 st August 2022

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.2,650,956 in respect of the same resulting into unexplained and unreconciled variance of Kshs.50,924.</p> <p>Further, the bank balance confirmation certificate as at 30 June 2022 reflects a balance of Kshs.14,497,388 which is at variance with the cash book balance of Kshs.2,650,956 by an unexplained variance of Kshs.11,846,432</p> <p>In the circumstance, the</p>	<p>confirmation certificate of Kshs. 14,497,388 is attributable to unrepresented cheques which can be verified against the bank reconciliation statement as at 30 June 2022.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	accuracy of cash and cash equivalent balance of Kshs. 2,600,032 as at 30 June 2022 could not be confirmed.			

.....
Fund Administrator/Accounting Officer
Date.....

