

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

DATE	11/11/2021
TABLED BY	Geroge Mwangi Njiru
COMMITTEE	
WORK AT THE TABLE	Kwaka m.



PARLIAMENT  
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# REPORT

OF

**THE AUDITOR-GENERAL**

ON

**ELGEYO MARAKWET COUNTY EXECUTIVE  
EDUCATION FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2019**



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**ELGEYO MARAKWET COUNTY EDUCATION FUND AS  
ESTABLISHED BY THE ELGEYO MARAKWET COUNTY FUND ACT,  
2017**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2019**

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

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Elgeyo Marakwet County Education Bursary Fund is established by and derives its authority and accountability from the Elgeyo Marakwet County Education Fund act 2017 on 3<sup>rd</sup> March,2017. The Fund is wholly owned by the County Government of Elgeyo Marakwet and is domiciled in Kenya.

The fund's objective is to;

- (a) Improve access to education by all residents of Elgeyo/Marakwet County by providing funds to grant bursaries and scholarships
- (b) Enhanced equity in Education for all residents of Elgeyo Marakwet County
- (c) Improvement of literacy level within Elgeyo/Marakwet County
- (d) Ensuring that a specific portion of the county annual budget is devoted to the County Education Fund for the purpose of this Act.

The Fund's principal activity is improve access to education by all residents of Elgeyo/Marakwet County by providing funds to grant bursaries and scholarships

**b) Fund Administration Committee**

The names have been forwarded by the County Executive Committee to be approved by the County Assembly before gazettelement in the Kenya gazette.

Ref	Position	Name	Details of qualifications and experience
1	Fund Administrator/Secretary	Paul Teno	<b>Date of Birth:</b> 24 <sup>TH</sup> February,1974 <b>Academic Qualification:</b> Master of Educational ;Educational planning (policy studies ) <b>Experience:</b> 21 Years
2	Member	Lagat Jonathan Kipyego	<b>Date of Birth:</b> 11 <sup>th</sup> August,1963 <b>Academic Qualification:</b> BSC in Agricultural Economics and Resource Management <b>Experience:</b> 30 Years in agriculture Sector
3	Fund Chairman	Edwin Kisang	<b>Date of Birth:</b> 12 <sup>Th</sup> December,1969 <b>Academic Qualification:</b> MBA – Education. <b>Experience:</b> 25 Years

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4	Member	Isaac Kamar	<b>Date of Birth:</b> <b>Academic Qualification:</b> MBA: Strategic Management <b>Experience:</b> 22 Years
5	Member	Ursula Jepkorir Tarus	<b>Date of Birth:</b> 27 <sup>th</sup> December,1987 <b>Academic Qualification:</b> Diploma in Information Studies <b>Experience:</b> 2 Years -Interior
6	Member	Rose Koech	<b>Date of Birth:</b> 26 <sup>TH</sup> November,1965 <b>Academic Qualification:</b> MBA- Education <b>Experience:</b> 30 Years as a Secondary Teacher
7	Member	Nelson Sawe	<b>Date of Birth:</b> 21 <sup>st</sup> January,1981 <b>Academic Qualification:</b> Diploma in Electrical and electronics engineering(Power option) <b>Experience:</b> 16 years
8	Member	Rev.Fr Paul Chelanga	<b>Date of Birth:</b> 30 <sup>Th</sup> January,1981 <b>Academic Qualification:</b> Bachelor of Philosophy <b>Experience:</b> 14 Years as a Fr.
9	Member	Wilson Chepkurui Cheboi	<b>Date of Birth:</b> 1958 <b>Academic Qualification:</b> Certificate – Kenya Army <b>Experience:</b> 40 Years as a Senior Assistant Chief / Civil Servant
10	Member	Veronica Suter	<b>Date of Birth:</b> 1959 <b>Academic Qualification:</b> B,E.D, 2D Class Lower Division. <b>Experience:</b> 25 Years as a Teacher
11	Member	Bernard Cheboi	<b>Date of Birth:</b> 5 <sup>Th</sup> August,1978 <b>Academic Qualification:</b> Diploma in Business Management and Administration <b>Experience:</b> 19 Years As Managing Director – Beviolink enterprises Limited

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**c) Registered Offices**

P.O. Box 220-30700  
Elgeyo Marakwet County Building  
**Iten**

**d) Fund Contacts**

Telephone: 053-4142277  
E-mail: [info@elgeyomarakwet.go.ke](mailto:info@elgeyomarakwet.go.ke)

**e) Fund Bankers**

Trans National Bank  
P.O.Box 34353-00200  
**Nairobi**

**f) Independent Auditors**

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

**g) Principal Legal Adviser**

The County Attorney  
P.O. Box 220-30700  
**Iten, Kenya**

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**2. MANAGEMENT TEAM**

<b>Name</b>	<b>Details of qualifications and experience</b>
Paul Tenoi	<b>Date of Birth:</b> 24 <sup>TH</sup> February,1974 <b>Academic Qualification:</b> Master of Educational ;Educational planning (policy studies )
Edwin Kisang	<b>Date of Birth:</b> 12 <sup>Th</sup> December,1969 <b>Academic Qualification:</b> MBA – Education. <b>Experience:</b> 25 Years
Isaac Kamar	<b>Date of Birth:</b> 8 <sup>th</sup> November,1978 <b>Academic Qualification:</b> MBA: Strategic Management <b>Experience:</b> 22 Years
JohnKeen Murkeu Jairo	<b>Date of Birth:</b> 12-02-1969 <b>Academic Qualification:</b> MBA finance ,CPA (K) <b>Experience:</b> 27 Years
Francisca Maimba	<b>Date of Birth:</b> 1964 <b>Academic Qualification:</b> B.ED <b>Experience:</b> 20 Years

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
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**3. FUND CHAIRMAN REPORT**

The financial statements for Elgeyo Marakwet County Education Fund for the FY 2018/19 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government of Elgeyo Marakwet operates Education Fund Account No.183057/500TCA00/1/0 (TransNational Bank).The Account was opened on 31st March,2017 with initial transfer of Ksh.22,062,759 from County Executive Recurrent budget.

The County Government in the FY 2018/2019 budgeted Sh.31,357,132 towards Bursary funds to be disbursed to needy students from the County. During the year ended 30<sup>th</sup> June, 2019, total Sh.31,357,132 was transferred to the County Education Bursary Fund from the County Government Recurrent budget. The total payments made during year amount to Sh. 31,421,021.The Cashbook balance as at 30<sup>th</sup> June, 2019 amounts to sh. 47,533

The demand for bursaries has been on an upward trend as compared to the allocation given to the vote, the department therefore is considering amending the Act to make it a revolving fund where the beneficiaries will be able to repay at a low interest levels.

Signed: \_\_\_\_\_  \_\_\_\_\_

**Hon. Edwin Kisang- Fund Chairman (County Education Fund)**

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
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**4. REPORT OF THE FUND ADMINISTRATOR**

The financial statements for Elgeyo Marakwet County Education Fund for the FY 2018/19 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government of Elgeyo Marakwet operates Education Fund Account No.183057/500TCA00/1/0 (Trans National Bank).The Account was opened on 31<sup>st</sup> March,2017 with initial transfer of Ksh.22,062,759 from County Executive Recurrent budget.

The County Government of Elgeyo Marakwet budgeted Sh.27,000,000 in the FY 2018/2019 towards Bursary disbursement. During the amount was increased by Sh.4,357,132 in the 1st supplementary Budget to Sh.31,357,132.

During the year ended 30<sup>th</sup> June, 2019, total of sh.31,357,132 was transferred to the County Education Bursary Fund. The total payment made during the year amounted to Sh.31,424,021 .The Cashbook balance as at 30<sup>th</sup> June, 2019 amounts to sh.49,533.Fund balance at the beginning of the year stood at sh,36,422

The beneficiaries of the bursary allocations were identified by the Ward Bursary Committees (WBC) after vetting the applicants and identifying the needy cases. The demand for bursaries has been on an upward trend as compared to the allocation given to the vote, the department therefore is considering amending the Act to make it a revolving fund where the beneficiaries will be able to repay at a low interest levels.

Signed:  \_\_\_\_\_ -

Francisca Maimba  
**Ag.Fund Administrator-Elgeyo Marakwet County Education Fund**

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
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**5. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Education Fund established by The Elgeyo Marakwet County Education Fund Act, 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Education 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 quarter ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Education Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Elgeyo Marakwet County Education Fund Act, 2017. 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, 2019, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Education Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on **9<sup>th</sup> October, 2019** and signed on its behalf by:



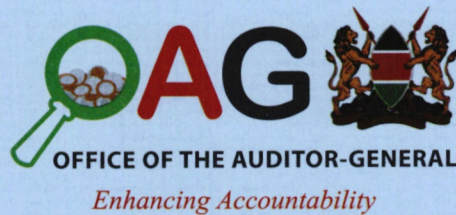
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Franscisca Maimba

**Ag.Fund Administrator –Elgeyo Marakwet County Education Fund**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY EXECUTIVE EDUCATION FUND FOR THE YEAR ENDED 30 JUNE, 2019**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Elgeyo Marakwet County Executive Education Fund set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Elgeyo Marakwet County Executive Education Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Elgeyo Marakwet County Education Fund Act, 2017 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.47,533. However, a review of the bank reconciliation statement for the month of June, 2019 indicated unpresented cheques amounting to Kshs.3,263,120 out of which cheques amounting to Kshs.512,920 had become stale as at the time of audit in October, 2019 but had not been reversed in the cash book. Although Management has explained that follow up on cheques issued to various institutions had been done and that upon confirmation, the Education Fund Committee would deliberate on the stale cheques and replacements done appropriately, progress reports on the same were not provided for audit review.

Consequently, the accuracy, completeness and validity of the cash and cash equivalents balance of Kshs.47,533 reflected in the statement of financial position as at 30 June, 2019 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management had not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and the National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with Law on Budgeting**

There was no evidence provided for audit review of public participation in the preparation of the Fund's budget, or that the administrator of the Fund submitted estimates of the Fund approved by the Fund committee to the County Executive Member responsible for Education. This is contrary to the Elgeyo Marakwet Education Fund Act, 2017.

Consequently, the Management is in breach of the law.

## **2. Irregular Issue of Bursary**

The statement of financial performance reflects general expenses - bursary disbursements of Kshs.31,424,021. However, Management did not produce evidence of approval by the County Education Fund Committee for an amount of Kshs.30,330,700. This is contrary to Section 15(1)(iii) of the Elgeyo Marakwet County Education Fund Act, 2017.

Consequently, the Management is in breach of the law.

## **3. Non-Compliance with the Law on Administration Costs**

Included in the general expenses - bursary disbursements of Kshs.31,424,021 reflected in the statement of financial performance is administrative expenses of Kshs.1,050,400 which was 3.3% of the approved budget of Kshs.31,357,132 contrary to Section 197(1)(d) of Public Finance Management (County Governments) Regulations, 2015 which requires that administration costs of County Public Fund to be at a maximum of three (3%) percent of the approved budgets of the Fund.

Consequently, the Management is in breach of the law.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**14 October, 2021**

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Financial Statements****For the year ended June 30, 2019****7. FINANCIAL STATEMENTS****7.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019**

	Note	FY2018/2019	FY2017/2018
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	31,357,132	30,000,000
Fines, penalties and other levies	3	-	-
<b>Revenue from exchange transactions</b>			
Interest income	4	-	-
Other income	5	-	-
<b>Total revenue</b>		<b>31,357,132</b>	<b>30,000,000</b>
<b>Expenses</b>			
Fund administration expenses	6	-	-
Staff Costs	7	-	-
General expenses – Bursary disbursements	8	31,424,021	30,041,986
Finance costs	9	-	-
<b>Total expenses</b>		<b>31,424,021</b>	<b>30,041,986</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	10	-	-
<b>Surplus/( deficit)for the period</b>		<b>(66,889)</b>	<b>(41,986)</b>


The notes set out on pages 13 to 16 form an integral part of these Financial Statements

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Financial Statements**  
**For the year ended June 30, 2019**

**7.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	FY2018/2019	FY2017/2018
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	47,533	36,422
Current portion of long term receivables from exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
<b>Non-current assets</b>			
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
Long term receivables from exchange transactions	12	-	-
<b>Total assets</b>		<b>47,533</b>	<b>36,422</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	20	-	-
Long term portion of borrowings	19	-	-
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Net assets</b>			
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		47,533	36,422
<b>Total net assets and liabilities</b>		<b>47,533</b>	<b>36,422</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **9<sup>th</sup> December, 2019** and signed by:



Fund Administrator of the Fund  
Name: Francisca Maimba



Ag. Chief Officer-Finance & Economic Planning  
Name: John Keen Murkeu Jairo  
ICPAK Member Number: 8112

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Financial Statements****For the year ended June 30, 2019****7.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019**

	<b>Revolving Fund</b>	<b>Revaluation Reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Balance as at 1 July 2016</b>	-	-	-	-
Surplus/(deficit) for the period	-	-	78,408	<b>78,408</b>
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2017</b>	-	-	<b>78,408</b>	<b>78,408</b>
<b>Balance as at 1 July 2017</b>	-	-	<b>78,408</b>	<b>78,408</b>
Surplus/(deficit) for the period	-	-	(41,986)	<b>(41,986)</b>
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2018</b>	-	-	<b>36,422</b>	<b>36,422</b>
<b>Balance as at 1 July 2018</b>	-	-	<b>36,422</b>	<b>36,422</b>
Surplus/(deficit) for the period	-	-	(66,889)	(122,425)
Prior year adjustment			78,000	
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	-	-	<b>47,533</b>	<b>36,422</b>

**Note: Prior year adjustment represent Cheques amounting to Sh.78,000 for FY 2017/18 which were cancelled.**

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Financial Statements****For the year ended June 30, 2019****7.4. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	FY2018/2019	FY2017/2018
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government		31,357,132	30,000,000
Interest received		-	-
Receipts from other operating activities		-	-
<b>Total Receipts</b>		<b>31,357,132</b>	<b>30,000,000</b>
<b>Payments</b>			
Fund administration expenses		-	-
General expenses		31,424,021	30,041,986
Finance cost		-	-
<b>Total Payments</b>		<b>31,424,021</b>	<b>30,041,986</b>
<b>Net cash flows from operating activities</b>	21	<b>(66,889)</b>	<b>(41,986)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(66,889)</b>	<b>(41,986)</b>
<b>Prior year adjustment</b>		<b>78,000</b>	<b>-</b>
Cash and cash equivalents at 1 JULY	11	36,422	78,408
<b>Cash and cash equivalents at 30 JUNE</b>	11	<b>47,533</b>	<b>36,422</b>

**7.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>	<b>% utilization</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>Revenue</b>						
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	27,000,000	4,357,132	31,357,132	31,357,132	-	100%
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
<b>Total income</b>	<b>27,000,000</b>	<b>4,357,132</b>	<b>31,357,132</b>	<b>31,357,132</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>						
Fund administration expenses	-	-	-	-	-	-
Staff costs	-	-	-	-	-	-
General expenses	27,000,000	4,357,132	31,357,132	31,424,021	(66,889)	100%
Finance cost	-	-	-	-	-	-
<b>Total expenditure</b>	<b>27,000,000</b>	<b>4,357,132</b>	<b>31,357,132</b>	<b>31,424,021</b>	<b>(66,889)</b>	<b>100%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,889)</b>	<b>-</b>	<b>-</b>

**Note:**

The adjustment of Sh.4,357,132 represent amount increased for Bursaries in the 1<sup>st</sup> supplementary Budget during the year. The original budget approved by the County Assembly on 27th June,2018 had Sh.27,000,000 allocated towards disbursement of Bursaries

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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**7.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**2. Adoption of new and revised standards**

**a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2019**

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

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss</li> </ul>

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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Standard	Effective date and impact:
	<p>model that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul>

**c) Early adoption of standards**

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

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

***Interest income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**4. Budget information**

The original approved budget and subsequent revisions or additional appropriations were made in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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 for the period ended 30<sup>th</sup> June, 2019

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. Property, plant and equipment**

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

**6. Intangible assets**

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

The useful life of the intangible assets is assessed as either finite or indefinite.

**7. Financial instruments**

***Financial assets***

***Initial recognition and measurement***

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

***Financial liabilities***

***Initial recognition and measurement***

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

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

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. Inventories**

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

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

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

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

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

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

**9. Provisions**

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

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

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

***Contingent liabilities***

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

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Contingent assets***

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

**10. Nature and purpose of reserves**

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

**11. Changes in accounting policies and estimates**

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

The Elgeyo Marakwet County Education Fund changed from Cash basis to Accrual. The change in accounting policy did not affect previous reported opening balances.

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

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

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

***ELGEYO MARAKWET COUNTY EDUCATION FUND***

**Summary of Significant Accounting Policies**

**For the year ended June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**13. Borrowing costs**

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

**14. Related parties**

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

**15. Cash and cash equivalents**

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

**16. Comparative figures**

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

**17. Events after the reporting period**

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

**18. Ultimate and Holding Entity**

The entity is a County Public Fund established by County Education Bursary Fund Act under the County Government of Elgeyo Marakwet

**19. Currency**

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

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Summary of Significant Accounting Policies**  
**For the year ended June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**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
- Changes in the market in relation to the asset

**Provisions**

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. No provisions were made by the County Education Fund during the year.

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Notes to the Financial Statements****For the year ended June 30, 2019****NOTES TO THE FINANCIAL STATEMENTS****1. Public contributions and donations**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Donation from development partners	-	-
Contributions from the public	-	-
<b>Total</b>	-	-

**2. Transfers from County Government**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers from County Govt. – operations	31,357,132	30,000,000
Payments by County on behalf of the entity	-	-
<b>Total</b>	<b>31,357,132</b>	<b>30,000,000</b>

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

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Late payment penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**4. Interest income**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest income from loans(mortgage or car loans)	-	-
<b>Total interest income</b>	-	-

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Notes to the Financial Statements**  
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**5. Other income**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
<b>Total other income</b>	-	-

**6. Fund administration expenses**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Loan processing costs	-	-
Professional services costs	-	-
<b>Total</b>	-	-

**7. Staff costs**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
<b>Total</b>	-	-

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Notes to the Financial Statements****For the year ended June 30, 2019****8. General expenses**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses-Bursary Disbursements	31,424,021	30,041,986
<b>Total</b>	<b>31,424,021</b>	<b>30,041,986</b>

**9. Finance costs**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10. Gain on disposal of assets**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2019**

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

**11. Cash and cash equivalents**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Fixed deposits account	-	-
On – call deposits	-	-
Current account	47,533	36,422
Others	-	-
<b>Total cash and cash equivalents</b>	<b>47,533</b>	<b>36,422</b>

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

		<b>FY2018/2019</b>	<b>FY2017/2018</b>
<b>Financial institution</b>	<b>Account number</b>	<b>Kshs</b>	<b>Kshs</b>
<b>a) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		-	-
<b>c) Current account</b>			
Kenya Commercial bank			
Trans National Bank	183057/500TCA00/1/0	47,533	36,422
<b>Sub- total</b>		<b>47,533</b>	<b>36,422</b>
<b>d) Others(specify)</b>		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>47,533</b>	<b>36,422</b>

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Notes to the Financial Statements****For the year ended June 30, 2019****12. Receivables from exchange transactions**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total Current receivables</b>		
<b>Non Current receivables</b>		
Long term loan repayments due	-	-
<b>Total Non -current receivables</b>	-	-
<b>Total receivables from exchange transactions</b>	-	-

**13. Prepayments**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
<b>Total</b>	-	-

**14. Inventories**

<b>Description</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
<b>Total inventories at the lower of cost and netrealizable value</b>	-	-

**ELGEYO MARAKWET COUNTY EDUCATION FUND****Notes to the Financial Statements****For the year ended June 30, 2019****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****15. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers and office equipment</b>	<b>Total</b>
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 1<sup>st</sup> July 2015</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2016</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2016</b>					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2017</b>	-	-	-	-	-
<b>Depreciation and impairment</b>	-	-	-	-	-
At 1 <sup>st</sup> July 2017	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2018</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2018</b>	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	-	-	-	-	-
<b>Net book values</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2018</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	-	-	-	-	-

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2019**

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

**16. Intangible assets-software**

Description	FY2018/2019	FY2017/2018
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	-	-

**17. Trade and other payables from exchange transactions**

Description	FY2018/2019	FY2017/2018
	Kshs	Kshs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
<b>Total trade and other payables</b>	-	-

**18. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
<b>Total provisions</b>	-	-	-	-

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**19. Borrowings**

Description	FY2018/2019	FY2017/2018
	Kshs	Kshs
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
<b>Balance at end of the period</b>	-	-

**20. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-

**21. Cash generated from operations**

	FY2018/2019	FY2017/2018
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>(66,889)</b>	<b>(41,986)</b>
<b>Adjusted for:</b>		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
<b>Net cash flow from operating activities</b>	<b>(66,889)</b>	<b>(41,986)</b>

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
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**For the year ended June 30, 2019**

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

**22. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers from related parties'-Elgeyo Marakwet County	31,357,132	30,000,000
Transfers to related parties	-	-
<b>Total</b>	<b>31,357,132</b>	<b>30,000,000</b>

**c) Key management remuneration**

	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
County Education Fund -Administrative charges	1,050,400	1,046,978-
Key Management Compensation	-	-
<b>Total</b>	<b>1,050,400</b>	<b>1,046,978-</b>

**d) Due from related parties**

	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Due from parent Ministry	-	-
Due from County Government	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**ELGEYO MARAKWET COUNTY EDUCATION FUND**  
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**e) Due to related parties**

	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
<b>Total</b>	-	-

**23. Contingent assets and contingent liabilities**

<b>Contingent liabilities</b>	<b>FY2018/2019</b>	<b>FY2017/2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Court case against the Fund	-	-
Bank guarantees	-	-
<b>Total</b>	-	-

**ELGEYO MARAKWET COUNTY EDUCATION FUND**

**Notes to the Financial Statements**

**For the year ended June 30, 2019**

**8. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status:</b>	<b>Timeframe:</b>
1.0	Failure to Establish a County Education Fund	The County Government has established a County Education Fund Committee and the names of the Committee has been gazetted.	-Francisca Maimba (Ag. Chief officer-Education)	Not resolved	3 months
2.0	Unsupported Bursary Disbursements	All supported payment vouchers, acknowledgement receipts availed to auditors for review	Francisca Maimba (Ag. Chief officer-Education)	Not resolved	3 months



**Francisca Maimba -Fund Administrator of the Elgeyo Marakwet County Education Fund.**

