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REPORT

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OF

THE AUDITOR-GENERAL

ON

**NAKURU COUNTY BURSARY
FUND**

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



COUNTY GOVERNMENT OF NAKURU

NAKURU COUNTY BURSARY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2021

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

COUNTY GOVERNMENT OF NAKURU – NAKURU COUNTY BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2021

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1. NAKURU COUNTY BURSARY FUND KEY INFORMATION AND MANAGEMENT

a) Background information

The Nakuru County Bursary Fund is established by and derives its authority and accountability from Article 116 of Public Fund Management Act of 2012 and also **Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1)**. The Fund is a body corporate and fully funded by the County Government of Nakuru.

The fund’s objective is to provide education bursaries to financially disadvantaged or needy students in the county, including persons with disabilities, who deserve support to pursue their education in recognized schools and educational institutions and to provide for efficient allocation and disbursement of the funds.

b) Principal Activities

The principal activity of the Nakuru County Bursary Fund is to Provide Educational Bursaries to financially disadvantaged or needy students in the County, including Persons with Disability who deserve support to pursue their education in recognized institution of learning.

c) Nakuru County Bursary Fund Administration Committee

Ref	Position	Name
1	Fund Chairman	Gakau Mbugua
2	Fund Secretary	Millicent A. Yugi
3	Fund Treasurer	John Kaelo
4	Member	Francisca Kipsoi
5	Member	Justine Oduya
6	Member	Suleiman Musa
7	Member	Gichuhi Njoroge
8	Member	Eucabeth Cheptoo
9	Member	James Waweru

d) Key Management

Ref	Position	Name
1	Fund Manager/ Administrator	Jamleck Maina
2	Fund Chairman	Gakau Mbugua
3	Fund Treasurer	John Kaelo

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e) Fiduciary Oversight Arrangements

The key management personnel who held office during the Financial Year ended June 30, 2021 and who had direct fiduciary responsibility were

Ref	Position	Name
1	Directorate Internal Audit	James Katiwa
2	Fund Administrator	Jamleck Maina
3	Fund Chairman	Gakau Mbugua
4	Fund Treasurer	John Kaelo

f) Registered Offices

Nakuru County Bursary Fund
Department of Education, Culture, Youth Affairs and Social Services Building
Moi Rd.
P.O. Box 2870 -20100
Nakuru, Kenya.

g) Fund Contacts

Telephone: (254) 051-2216472
E-mail: direducation@nakurucounty.go.ke
meonaku@yahoo.com
Website: www.nakurucounty.go.ke

h) Fund Bankers

Family Bank Ltd
P.O. Box 519
20100
Nakuru, Kenya

i) Independent Auditors

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




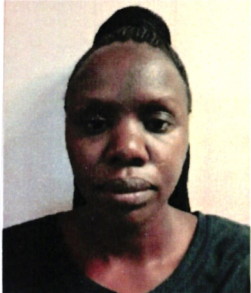
j) Principal Legal Adviser

- a. The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya





- b. County Attorney
County Hall
Moi Rd.
P.O. Box 2870
20100
Nakuru, Kenya

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2. NAKURU COUNTY BURSARY FUND COMMITTEE

Name	Details of qualifications and experience
<p>1. GAKAU MBUGUA</p>  <p>Date of Birth: 09-May-1963</p>	<ul style="list-style-type: none"> • Higher Diploma in Entrepreneurship KTTC • Diploma in Education Kisii University • Teacher under TSC 2011 – 2016 • Executive Secretary Kenya Union of Post Primary Teachers (KUPPET) • Chairman Nakuru County Bursary Fund 2019 to date.
<p>2. MILLICENT A. YUGI</p>  <p>Date of Birth: 1969</p>	<ul style="list-style-type: none"> • Master’s Degree in Education, pursuing PHD • Currently Director of Education County Government of Nakuru having built a career in Education Administration for the past 20 years. • Served as Municipal Education Officer before becoming Director of Education for the County. • Nakuru County Bursary Fund Secretary
<p>3. JOHN KAELO</p>  <p>Date of Birth: 10-Oct-1967</p>	<ul style="list-style-type: none"> • Bachelor of Commerce (Accounting Option) • CPA Holder • Strategic Leadership Development Programme (SLDP) • Diploma in County Governance • Treasurer in various defunct Local Authorities e.g. Narok, Nyando, Trans-Nzoia & Molo 2005-2013 • Nakuru County Bursary Fund Treasurer
<p>4. FRANCISCA KIPSOI</p>  <p>Date of Birth: 14-Apr-1984</p>	<ul style="list-style-type: none"> • Master of Arts (Diplomacy) • Bachelor of Education • Attended Strategic Leader Development Programme training • Teacher St. Peter’s Girls High School 2010 • Member Nakuru County Bursary Fund Committee • Christian Community Representative
<p>5. JUSTINE ODUYA</p>	<ul style="list-style-type: none"> • Diploma in Administration and Social Work • Child Welfare Society

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Name	Details of qualifications and experience
 <p>Date of Birth: 25-Apr-1950</p>	<ul style="list-style-type: none"> • Administrator Arap Moi Children Home • Member Nakuru County Bursary Fund Committee • Child Welfare Society of Kenya
<p>6. SULEIMAN MUSA</p>  <p>Date of Birth: 09-Dec-1985</p>	<ul style="list-style-type: none"> • Bachelor's Degree in Development Studies. • Executive Committee Member of SUPKEM Nakuru County. • Secretary Jamia Mosque Gilgil. • Have served as Secretary NG-CDFC Gilgil Constituency (2013-2017) • A Member of Nakuru County Bursary Fund Committee since 2018 • Muslim Community Representative
<p>7. GICHUHI NJOROGE</p>  <p>Date of Birth: 20-Oct-1964</p>	<ul style="list-style-type: none"> • Post Graduate training in Leadership - University of the North (RSA). • M.A. - Sociology - Project Planning & Mngt (Project Research Level). • Bachelor of Education (KU). • Teacher in various schools for 12 years. • Headteacher for in various schools for 8 years. • Management in other sectors of Development, e.g. NG-CDF, County Development Programs - (12 years) • Member Nakuru County Bursary Fund Committee • Governor's Representative
<p>8. EUCABETH CHEPTOO</p>  <p>Date of Birth: 28-Apr-1992</p>	<ul style="list-style-type: none"> • Bachelor of special needs Education (Geography and Kiswahili) Kenyatta University. • Practicing teaching as a career for the last 3 years in different institutions across the country. • Have been an ambassador of People Living with Disabilities especially children in terms of care and access to education. • A member of the Nakuru County Bursary committee from the year 2018 to date • Youth Representative

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Name	Details of qualifications and experience
<p>9. JAMES WAWERU</p>  <p>Date of Birth: 30-Aug-1977</p>	<ul style="list-style-type: none">• 16 Years teaching experience.• Currently, the National Vicechair of Kenya Union of the Blind.• Have served as a member of the Board of Directors of Higher Education Board.• Member Nakuru County Bursary Fund Committee• Association of People with Disability Representative

**3. STATEMENT OF PERFORMANCE AGAINST NAKURU COUNTY BURSARY FUND
 PREDETERMINED OBJECTIVES**

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 Nakuru County Bursary Fund 2018-2022 plan are to:

- Enhancing access, transition and retention through provision of bursaries and scholarships to needy students of Nakuru County.

In the Financial Year 2020/2021 Nakuru County Bursary Fund was allocated Kshs. 77,017,981 together with balance brought forward from the previous Financial Year of Kshs. 56,035,726 bring a total fund available to Kshs. 133,053,707.

In the Financial Year 2020/2021 the Fund Administration Committee received application totalling to Kshs 167,509,536 from 36,091 applicants.

**Progress on attainment of Strategic development objectives (Adopted from Nakuru County -
 Customize as per specific county,**




Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary/ Education	To support bright and needy students to access quality education	Increased number of students accessing education in the County	Amount of bursary funds budgeted (M) Number of actual children who benefit from bursaries	Bursary enhanced through ward kitty Total Number of Beneficiaries 28,579

Challenges

- Double Application from beneficiaries.
- Forms not duly filled.
- Political interference.
- Unmatched school calendar and County Financial Year.
- COVID-19 pandemic.

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
<p>1. GAKAU MBUGUA</p>  <p>Date of Birth: 09-May-1963</p>	<ul style="list-style-type: none"> • Higher Diploma in Entrepreneurship KTTC • Diploma in Education Kisii University • Teacher under TSC 2011 – 2016 • Executive Secretary Kenya Union of Post Primary Teachers (KUPPET) • Chairman Nakuru County Bursary Fund 2019 to date.
<p>2. JAMLECK MAINA</p>  <p>Date of Birth: 22-Feb-1960</p>	<ul style="list-style-type: none"> • Bachelor of Education (Science) • Chief Officer Education & Vocational Training (County Government of Nakuru) • Nakuru County Bursary Fund Administrator
<p>3. JOHN KAELO</p>  <p>Date of Birth: 10-Oct-1967</p>	<ul style="list-style-type: none"> • Bachelor of Commerce (Accounting Option) • CPA Holder • Strategic Leadership Development Programme (SLDP) • Diploma in County Governance • Treasurer in various defunct Local Authorities e.g. Narok, Nyando, Trans-Nzoia & Molo 2005-2013 • Nakuru County Bursary Fund Treasurer

5. FUND ADMINISTRATION COMMITTEE CHAIRPERSON’S REPORT

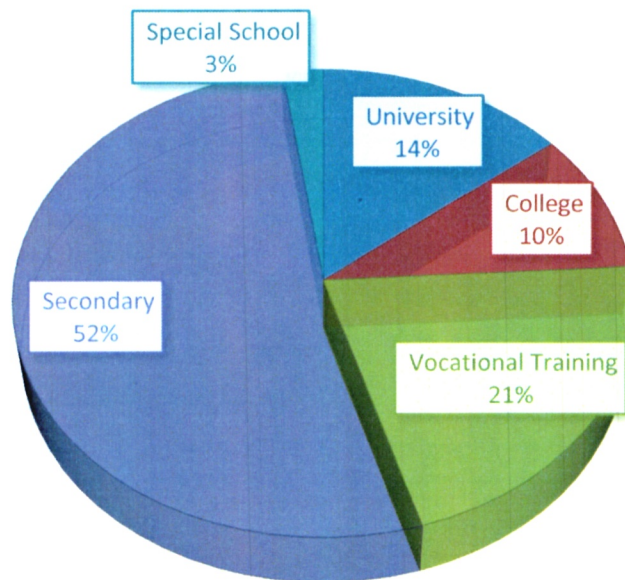
I am pleased to present to you reports and financial statements for The Nakuru County Bursary Fund for the financial year ended June 30, 2021. During the year, the Nakuru County Bursary Fund was allocated a total of Kshs 77,017,981 of the Approved Budget and Balance Brought Forward Kshs. 56,035,726 making a total of Kshs. 133,053,707.

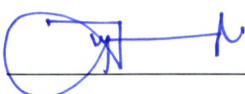
On receipt of the above allocations, The Nakuru County Bursary Fund Committee pursuant to the **Public Finance Management (Nakuru County Bursary Fund) Regulations 2015**, received Bursary Application Forms for the shortlisted applicants from Ward Bursary Committees in all 55 Wards within the County. The Committee met and approved applications for the applicants who met the set requirements as per the Application Form.

During the year, a total of Kshs 118,383,826 was disbursed to various educational institutions namely Universities, Colleges, Vocational Training, Secondary Schools and Special School being Bursary awarded to needy students within the County and a cost of Kshs 1,256,992 towards Administration Expenses making a budget utilization of 97% totalling to Kshs. 119,640,818 and this necessitated retention and transition rate of pupils to other levels of education.

The Distribution of Funds to Educational Institutions was as follows:

NAKURU COUNTY BURSARY FUND DISTRIBUTION



Signed:  -
Gakau Mbugua
Chairman Nakuru County Bursary Fund

6. REPORT OF THE FUND MANAGER/ ADMINISTRATOR

- Changes in the Fund during the year

Nakuru County Bursary Fund was established in the year 2014 by Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015. The fund held its first meeting of the year on 6th August, 2020 under the management of the following: -

	Name	Position
1	Gakau Mbugua	Fund Chairman
2	Millicent A. Yugi	Fund Secretary
3	John Kaelo	Fund Treasurer
4	Francisca Kipsoi	Member
5	Justine Oduya	Member
6	Suleiman Musa	Member
7	Gichuhi Njoroge	Member
8	Eucabeth Cheptoo	Member
9	James Waweru	Member

There were changes made in the management team during the year with one member resigning and two members having challenges in discharging their duties.

	Name	Position	Remarks
1	Francisca Kipsoi	Member	Relocated abroad (hence resigned)
2	Justine Oduya	Member	Sickly and unable to discharge committee duties
3	Eucabeth Cheptoo	Member	Transferred to Nairobi and has challenges in discharging duties

- Review of the Fund's performance

The opening balance for the year was Kshs 56,035,726 and it received Kshs. 77,017,981 from the Nakuru County Consolidated Fund. These funds were applied as follows: -

	Amount	Percentage
	Kshs.	
Administration Expenses	1,256,992	1%
Scholarship and other educational benefits	118,383,826	99%
Total	119,640,818	100%

The balance of Kshs 13,412,889 was carried forward to the following year to be disbursed to the needy case.

The fund operates an account No. 019000036428 held at Family Bank Ltd Nakuru.

The Signatories to the account during the year were: -

1. Gakau Mbugua
2. Jamleck Maina
3. John Kaelo

- Future outlook of the Fund

The Fund will strive to ensure that it is managed prudently and ensuring the Nakuru County needy community at large obtain assistance from the Nakuru County Bursary fund when Needed.

The fund closed the year with a cash book balance of Kshs 13,412,889.

SIGNED:


JAMLECK MAINA

FUND ADMINISTRATOR

NAKURU COUNTY BURSARY FUND

7. CORPORATE GOVERNANCE STATEMENT

Section 166 of the PFM Act 2012 requires that an Accounting Officer for a Nakuru County Bursary Fund prepares a report for each quarter of the financial year in respect of the fund. The Fund Administrator being the head of the 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 County Government for and as at the end of the year ended on June 30, 2021.

- **Number of meeting held and attendance**

The Nakuru Bursary Fund committee had a total of 15 meetings.

The main agenda revolved majorly on the validation/verification of bursary awarded by the Award Committees. These meetings are attended through invitation letters as communicated by the Fund Secretary.

- **Succession Plan**

The Committee is appointed for a life span of three years which is renewable.

The secretary to the fund notifies the appointing officer before the expiry period of the serving members upon which the officer appoints new or reappoints the serving members.

- **Existence of Service Charter**

Nakuru County Bursary Fund is guided by the Directorate of Education Service Charter.

- **Roles and Functions of Administration Committee Members**

The roles and functions of the Administration Committee Members is outlined in the Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 which includes among others:

- Clearing Applications received from the Ward Bursary Committees.
- Set the criteria and conditions for granting of bursaries.
- Approve disbursement of bursaries to awarded students.
- Monitor allocations of bursaries to ensure needy students benefits.
- Produce and share disbursement reports with the Governor, County Assembly and other relevant authorities every three months.

- **Continuous induction and training of the committee members is done to capacity build the members for better performance.**

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- Any interest by a member is declared and deliberated in their absences.
- The Fund does not pay any remuneration to the committee members but a committee allowances is paid by the department in relation to the meeting attended.
- The ethics and conducts of the members is outlined in the Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 section 8 sub section 1(a) to (h)

8. MANAGEMENT DISCUSSION AND ANALYSIS

- Financial Performance and Operations

Financial operations in broader sense refers to the degree to which financial objectives being or has been accomplished. It is used to measure firm's overall financial health over a given year of time.

Financial performance analysis includes analysis and interpretation of financial statements in such a way that it undertakes full diagnosis of the financial soundness of the fund. As it is, the fund is performing well financially and its operations within the scope of the fund.

- Compliance with statutory requirements

The fund Committee and Management team have generally complied with statutory requirements

- Major Risks facing the fund

Risk Management Techniques: One key to controlling financial management risks is the development and use of effective internal controls. Which involve general management controls and accounting controls.

Misuse of funds: The board is responsible for ensuring that the fund expenditure/expenses stays focused on its mission. An excellent way to monitor progress is through its use of funds.

General Management control: General management controls consist of the board's and senior management's responsibilities for establishing the proper oversight of financial operations. The board should require clear and informative financial reports and statements on a regular basis.

The distribution of the funds was as tabulated on Appendix 1 page 46:

Description	FY2019/2020
	KShs
Scholarship and Other Educational Benefits - University	16,906,000
Scholarship and Other Educational Benefits - College	11,588,500
Scholarship and Other Educational Benefits - Vocational	25,180,150
Scholarship and Other Educational Benefits - Secondary	61,931,488
Scholarship and Other Educational Benefits - Special Schools	2,777,688
Total	118,383,826
Administration	
Administration Expenses	1,256,992
Total	1,256,992
Grand Total	119,640,818

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

There was no corporate social responsibility under taken by the fund.

10. REPORT OF THE FUND ADMINISTRATION COMMITTEE

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

10.1 Principal activities

The principal activities of the Nakuru County Bursary Fund are (*continue to be*): support for children through provision of bursaries and scholarships to needy students including Persons Living with Disability of Nakuru County to ensure higher transition and retention rate.

- a. Be a clearing house for applications received from the Wards;
- b. Set the criteria and conditions for granting of bursaries;
- c. Distribute the Bursary Funds among the wards in the county;
- d. Approve disbursement of bursaries to awarded students;
- e. Monitor allocations of bursaries to ensure needy students benefit;
- f. Maintain an up to date database of all applicants and beneficiaries of the Fund;
- g. Raise and solicit funds and other assistance for the Fund;
- h. Receive gifts, donations, grants or endowments made to the Fund and committee;
- i. Grant bursaries to eligible students upon recommendation of the relevant wards;
- j. Produce and share disbursement reports with the Governor and the County assembly every three months.
- k. Consider and entertain appeals from the Wards;
- l. Perform and exercise all other functions and powers conferred on the Committee by Nakuru County Bursary Fund Regulations.

10.2 Performance

The performance of the Fund for the year ended June 30, 2021, are set out on page 23 to 27.

10.3 Fund Administration Committee

The members of the Nakuru County Bursary Fund Committee who served during the year are as shown on page 2. The changes in the Nakuru County Bursary Fund Administration committee during the financial year are as shown below:

S/No	New Member	Former Member	Position
1	-	FRANCISCA KIPSOI	MEMBER
2	-	JUSTINE ODUYA	MEMBER
3	-	EUCABETH CHEPTOO	MEMBER

The above members ceased to be members of the Nakuru County Bursary committee and are yet to be replaced.

10.4 Auditors

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

By Order of the Fund Administration Committee
Nakuru County Bursary Fund Sign:

Name:  _____

Gakau Mbugua
Nakuru County Bursary Fund Chairperson

Date: 19/12/2021

11. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of Nakuru County Bursary Fund established by Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 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 Nakuru County 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, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Nakuru County Bursary 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 Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1). The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2021, and of the Fund’s financial position as at that date.

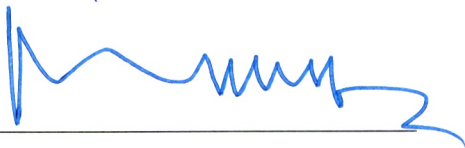
The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

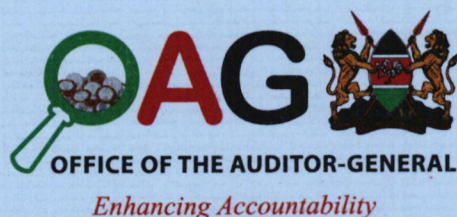
The Fund's financial statements were approved by the Nakuru County Bursary Fund on 14/12 2021 and signed on its behalf by:



Jamleck Maina
Administrator of the Nakuru County Bursary Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAKURU COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nakuru County Bursary Fund set out on pages 23 to 58, which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nakuru County Bursary Fund as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance reflects transfers from County Government balance of Kshs.77,017,981 for the year ended 30 June, 2021 whereas Appendix I to the financial statements on inter-entity transfers, shows an amount of Kshs.76,458,838 resulting to a variance of Kshs.559,143 that has not been explained. Further, the audited Nakuru County Executive financial statements for the year under review reflects the transfer from the County Executive to the Fund as Kshs.78,000,931 resulting to an unexplained variance of Kshs.982,950.

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

2. Unexplained Variance on Transfers from County Government

The statement of financial performance reflects transfers from County Government balance of Kshs.77,017,981 for the year ended 30 June, 2021. However, the Fund bank statement reflects actual receipts balance of Kshs.76,458,838 resulting to a variance of Kshs.559,143 that has not been explained or reconciled.

In the circumstances, the accuracy and completeness of transfers from County Government balance of Kshs.77,017,981 for the year ended 30 June, 2021 could not be confirmed.

3. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.13,412,889 as at 30 June, 2021. However, the bank reconciliation statement in support of the balance reflects payments in cash book not in bank of Kshs.37,566,793, out of which cheques totalling Kshs.23,038,815 had not been cleared as at 23 October, 2021 due to insufficient funds. The statement also reflects receipts in cash book not in bank statement totalling Kshs.559,143 which was not supported by way of miscellaneous receipts. In addition, prior year stale cheques amounting to Kshs.212,500 had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.13,412,889 as at 30 June, 2021 could not be confirmed.

4. Scholarship and Other Educational Benefits

The statement of financial performance reflects scholarship and other educational benefits expenditure of Kshs.118,383,826 for the year ended 30 June, 2021. However, included in the expenditure is an amount of Kshs.16,912,767 in respect of reversed beneficiary payments (cancelled cheques) in the cash book that have not been supported by way of student list or vetting reports. Further, the balance includes Kshs.708,288 paid in respect of students in various learning institutions that has not been supported by way of admission numbers.

In the circumstances, the propriety of scholarship and other educational benefits expenditure totalling to Kshs.17,621,055 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nakuru County Bursary 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final total income budget balance of Kshs.122,442,163 against actual receipts of Kshs.76,458,838 for the year ended 30 June, 2021 on a comparable basis resulting to an underfunding of Kshs.45,983,325.

In the circumstances, the underfunding affected the planned activities and may have impacted negatively on the service delivery to the residents of Nakuru County.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting template and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy

The Fund does not have a risk management policy in place contrary to the provisions of Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that; (a) the County Government entity develops risk management strategies, which include fraud prevention mechanism and (b) the County Government entity develops a system of risk management and internal control that builds robust business operations.

In the absence of a risk management policy, it has not been possible to confirm whether the internal controls built within the financial and operational systems were functioning as intended during the year under review.

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 Fund Administration Committee

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.

The Fund Administration Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 July, 2022

COUNTY GOVERNMENT OF NAKURU – NAKURU COUNTY BURSARY FUND
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13. FINANCIAL STATEMENTS

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

	Note	FY2020/2021	FY2019/2020
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	77,017,981	138,261,667
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
Total revenue		77,017,981	138,261,667
Expenses			
Fund administration expenses	6	1,256,992	3,221,516
Scholarship and other educational benefits	7	118,383,826	137,718,678
General expenses	8	-	-
Finance costs	9	-	-
Total expenses		119,640,818	140,940,194
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		(42,622,837)	(2,678,527)

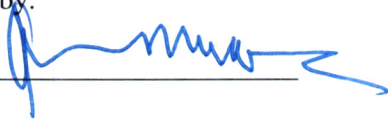
The notes set out on pages 46 to 55 form an integral part of these Financial Statements.

COUNTY GOVERNMENT OF NAKURU – NAKURU COUNTY BURSARY FUND
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13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	FY2020/2021	FY2019/2020
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	11	13,412,889	56,035,726
Current portion of long term receivables from exchange transactions	12	-	-
Receivables from non-exchange transactions	13	-	-
Prepayments	14	-	-
Inventories	15	-	-
Non-current assets			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	-	-
Total assets		13,412,889	56,035,726
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	-	-
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	21	-	-
Non-current liabilities			
Non-current employee benefit obligation	21	-	-
Long term portion of borrowings	20	-	-
Total liabilities		-	-
Net assets			
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		13,412,889	56,035,726
Total net assets and liabilities		13,412,889	56,035,726

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 14/12/2021 and signed by:



Administrator of the Fund

Name: Jamleck Maina



Fund Treasurer

Name: John T. Kaelo

ICPAK Member Number:

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

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2019	-	-	58,714,253	58,714,253.0
Surplus/(deficit) for the period	-	-	(2,678,527)	(2,678,527)
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	-	-	56,035,726	56,035,726
Balance as at 1 July 2020	-	-	56,035,726	56,035,726
Surplus/(deficit) for the period	-	-	(42,622,837)	(42,622,837)
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2021	-	-	13,412,889	13,412,889

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

	Not e	FY2020/2021	FY2019/2020
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		77,017,981	138,261,667
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		77,017,981	138,261,667
Payments			
Fund administration expenses		1,256,992	3,221,516
Scholarship and other educational benefits		118,383,826	137,718,678
General expenses		-	-
Finance cost		-	-
Total Payments		119,640,818	140,940,194
Net cash flows from operating activities	21	(42,622,837)	(2,678,527)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(42,622,837)	(2,678,527)
Cash and cash equivalents at 1 JULY	11	56,035,726	58,714,253
Cash and cash equivalents at 30 JUNE	11	13,412,889	56,035,726

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
Revenue	KShs	KShs	KShs	KShs	KShs	
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	77,017,981	45,424,182	122,442,163	76,458,838	45,983,325	62%
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income	77,017,981	45,424,182	122,442,163	76,458,838	45,983,325	62%
Expenses						
Fund administration expenses	1,925,450	1,135,605	3,061,054	1,256,992	1,804,062	41%
Scholarship and other educational benefits	75,092,531	44,288,577	119,381,109	118,383,826	997,283	99%
General expenses	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Total expenditure	77,017,981	45,424,182	122,442,163	119,640,818	2,801,345	98%
Surplus for the period	-	-	-	(43,181,980)	43,181,980	-

13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

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

Standard/ Amendments : Applicable: 1 st January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	There was no impact

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.

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Standard	Effective date and impact:
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

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

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The original budget of Kshs 77,017,981 FY 2020/2021 was approved by the County Assembly on 19th August 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs 40,424,182 on 10th March 2021 and Kshs 5,000,000 on 24th June 2021 in the FY 2020/2021 budget following the governing body's approval hence a total budget of Kshs 122,442,163.

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.

Reports and Financial Statements

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 13.5 on page 28 of these financial statements.

5. Property, plant and equipment

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

6. Intangible assets

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

a) Financial assets

Initial recognition and measurement

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

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

b) Financial liabilities

Initial recognition and measurement

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

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and borrowing

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

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

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 does not create nor maintains any reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

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.

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. 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.

14. 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.

15. Related parties

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

16. 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 Family Bank Ltd at the end of the financial year. There are no short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

17. Comparative figures

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established by Article 116 of Public Fund Management Act of 2012 and also Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1) under the Department of Education, Vocational Training, ICT & e-Government. Its ultimate parent is the County Government of Nakuru.

20. Currency

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

21. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions

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

b) Useful lives and residual values

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

- i) The condition of the asset based on the assessment of experts employed by the Entity
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- iii) Availability of funding to replace the asset
- iv) 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.

22. Financial risk management

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

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

a) Credit risk

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

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

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:

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from (Not Applicable).

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Liquidity risk management

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

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

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

c) Market risk

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

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

d) Foreign currency risk

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

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:

		Other currencies	Total
	KShs	KShs	KShs
At 30 June 2021			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
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's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

e) 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:

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2020/2021	2019/2020
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

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14. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Transfers from County Govt. – operations	54,597,800	53,678,500
Transfers from County Govt. – operations	21,861,038	30,750,258
Transfers from County Govt. – operations	559,143	29,428,759
Transfers from County Govt. – operations	-	10,000,000
Transfers from County Govt. – operations	-	7,523,000
Transfers from County Govt. – operations	-	6,881,150
Payments by County on behalf of the entity	-	-
Total	77,017,981	138,261,667

3. Fines, penalties and other levies

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Interest income from Mortgage loans	-	-
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Fund administration expenses

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Scholarship and other educational benefits see Note 7	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration Expenses	1,256,992	3,221,516
	-	-
Total	1,256,992	3,221,516

6A. Staff costs

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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7. Scholarship and other educational benefits

Description	FY2020/2021	FY2019/2020
	KShs	KShs
University	16,906,000	24,419,200
College	11,588,500	21,242,000
Vocational	25,180,150	20,322,100
Secondary	61,931,488	69,034,378
Special Schools	2,777,688	2,701,000
	-	-
Total	118,383,826	137,718,678

8. General expenses

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Refund to CRF	-	-
Total	-	-

9. Finance costs

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Gain/(loss) on disposal of assets

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	13,412,746	56,035,726
Others	-	-
Total cash and cash equivalents	13,412,746	56,035,726

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

Financial institution	Account number	FY2020/2021	FY2019/2020
		KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
Sub- total		-	-
c) Current account			
Family Bank Ltd	A/C No. 019000036428	13,412,746	56,035,726
Bank B		-	-
Sub- total		13,412,746	56,035,726
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		13,412,746	56,035,726

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Receivables from exchange transactions

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables	-	-
Non Current receivables		
Long term loan repayments due	-	-
Total Non current receivables	-	-
Total receivables from exchange transactions	-	-

Additional disclosure on interest receivable

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Transfer from County Executive	-	-
Transfer from Nakuru County Bursary Fund	-	-
Total receivables from non-exchange transactions	-	-

13. Receivables from non-exchange transactions

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables	-	-
Non Current receivables		
Long term loan repayments due	-	-
Total Non current receivables	-	-
Total receivables from exchange transactions	-	-

14. Prepayments

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Total	-	-

15. Inventories

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Property, plant and equipment

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

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 30 th June 2021	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

18. Trade and other payables from exchange transactions

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

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19. 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	-	-	-	-
Total provisions	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Borrowings

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

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

	FY2020/2021	FY2019/2020
	KShs	KShs
External Borrowings		
	-	-
	-	-
	-	-
Domestic Borrowings		
	-	-
	-	-
	-	-
	-	-
Total balance at end of the year	-	-

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

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Employee benefit obligations

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

22. Cash generated from operations

	FY2020/2021	FY2019/2020
	KShs	KShs
Surplus for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) County Assembly;
- d) Key management;
- e) Fund Administration Committee

b) Related party transactions

	FY2020/2021	FY2019/2020
	KShs	KShs
Transfers from related parties'	77,017,981	-
Transfers to related parties	-	-

c) Key management remuneration

	FY2020/2021	FY2019/2020
	KShs	KShs
Fund Administration Committee	-	-
Key Management Compensation	-	-
Total	-	-

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	FY2020/2021	FY2019/2020
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	FY2020/2021	FY2019/2020
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

24. Contingent assets and contingent liabilities

Contingent liabilities	FY2020/2021	FY2019/2020
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

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15. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

COUNTY GOVERNMENT OF NAKURU – NAKURU COUNTY BURSARY FUND
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16. APPENDIX I: INTER-ENTITY TRANSFERS

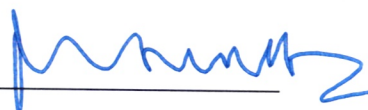
ENTITY NAME:				
Break down of Transfers from the County Executive of Nakuru County Government				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	NAKURU COUNTY RT21110YM9C5	20 th April 2021	54,597,800	FY: 2020/21
	NAKURU COUNTY RT21110YM9C5	20 th April 2021	21,861,038	FY: 2020/21
		Total	76,458,838	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	

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

Fund Treasurer
Nakuru County Bursary Fund

Sign 

Administrator of the Fund
Nakuru County Bursary Fund

Sign 

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100

100