

REPUBLIC OF KENYA



REPORT

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COMMITTEE	
CLERK AT THE TABLE	Ms MARIA ADJIBONDOU

THE AUDITOR-GENERAL

ON

BOMET COUNTY BURSARY FUND

**FOR THE YEAR ENDED
30 JUNE, 2022**



BOMET COUNTY BURSARY FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
ended June 30, 2022**

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1. Key Entity Information and Management

a) Background information

Bomet County Bursary Fund is established by and derives its authority and accountability from The Bomet County Bursary Fund Act , 2021. The Fund is wholly owned by the County Government of Bomet and is domiciled in Kenya.

The fund's objective is to assist poor but bright students access quality education

The Fund's principal activity is tuition expenses for beneficiaries of the bursary by equitability sharing the funds the twenty five wards existing in the County.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to equitably share the funds among the twenty five wards existing in the county (Refer to Attached The Bomet County Bursary Fund Act, 2021)

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	ANDREW KITUR	CHAIRMAN
2	SIMION LANGAT	SECRETARY
3	EUNICE BETT	MEMBER
4	PHYLIMON LANGAT	FUND ADMINISTRATOR

d) Key Management

(As in c above)

Ref	Name	Position
1	ANDREW KITUR	CHAIRMAN
2	SIMION LANGAT	SECRETARY
3	EUNICE BETT	MEMBER
4	PHYLIMON LANGAT	FUND ADMINISTRATOR

e) Registered Offices

P.O. Box 19 - 20400
Department of Education and vocational Training Building
Huduma Centre Avenue
Bomet, KENYA

f) Fund Contacts

Telephone: (254) 717 289 000
E-mail : ecd.vti@bomet.go.ke
Website: www.bomet.go.ke

g) Fund Bankers

Equity Bank-Bomet Branch
AC/NO: 1220275961647





h) Independent Auditors

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





i) Principal Legal Adviser

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

The Board of Trustees (or any other governing body for the Fund)

Name	Details of qualifications and experience
<p>1. Andrew Kitur</p> 	<p>Key Academic Qualification: Degree</p> <p>Work Experience: 25 Years</p>
<p>2. Simion Langat</p> 	<p>Key Academic Qualification: Master Degree</p> <p>Work Experience: 24 Years</p>
<p>3. Eunice Bett</p> 	<p>Key Academic Qualification: Degree</p> <p>Work Experience: 22 Years</p>
<p>4. Langat Phylimon (Fund Administrator)</p> 	<p>Key Academic Qualification: Degree</p> <p>Work Experience: 21 Years</p>

Management Team

Name	Details of qualifications and experience
<p>5. Andrew Kitur</p>  <p>1.</p>	<p>Key Academic Qualification: Degree</p> <p>Work Experience: 25 Years</p>
<p>6. Simion Langat</p>  <p>2.</p>	<p>Key Academic Qualification: Master Degree</p> <p>Work Experience: 24 Years</p>
<p>7. Eunice Bett</p>  <p>3.</p>	<p>Key Academic Qualification: Degree</p> <p>Work Experience: 22 Years</p>
<p>8. Langat Phylimon (Fund Administrator)</p>  <p>4.</p>	<p>Key Academic Qualification: Degree</p> <p>Work Experience: 21 Years</p>

2. Board/Fund Chairperson's Report

The Fund is being administered as per Article 9 (1) and Article 12 of The Bomet County Ward Bursary Fund Act, 2021.

During the 2021/2022 FY the membership of the county committee of the bursary fund was changed to reflect the new Bursary Fund Act and it carried out its key mandate for the smooth administration of the Bursary Fund as per the Act.

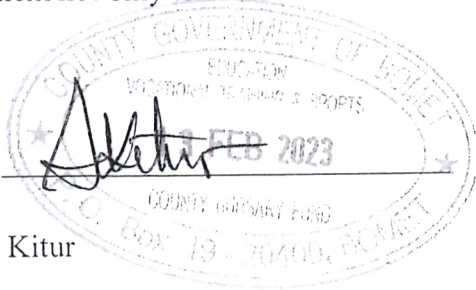
The aim of this Bursary programme is to benefit needy students within all the twenty-five wards across the county. The Fund was able to allocate bursary to more than five thousand beneficiaries through full bursary and partial bursary programme.

During the 2021/2022 financial year the fund served it was able to achieve the intended objective of assisting bright and needy students in secondary school across all the forms as at the end of the financial year.

The fund's future plan is to increase and expand the kitty to include bright needy trainees in our vocational training centres, other tertiary institutions and also increased number of beneficiaries in secondary schools. The Fund also intend to request for more funding through the County Assembly in order to increase the number of needy beneficiaries who are always left out in the current budget.

In conclusion, the fund has been very helpful and has assisted a number of bright students and helped them not only to access basic education but also to be retained in their learning institutions.

Signed: _____



Andrew Kitur

3. Report of The Fund Administrator

The 2021/2022 FY bursary application and disbursement process started in May 2021 with advertisement for bursary. Subsequently applications were received at the ward level where vetting was done by ward bursary committee. Due to change of school calendar there was a double intake of form one within the same financial year hence the fund sought for supplementary budget. This raised our budget to Ksh. 91,916,277/-. Total number of full bursary beneficiaries is currently at 1082 from form one to form four.

The bursary is categorized as follows:

1. Full Tuition Support Bursary which benefits ten students per ward yearly
2. Partial scholarship which is a one-off payment of students where every ward gets an allocation.

Mode of application

The available form for application is uploaded in the Bomet County Website and is available online for public to access it freely.

Hard copies are availed at all the ward offices in the twenty-five wards across the county.

Bursary Fund Account

The bursary fund operates an account for the bursary at Equity Bank – Bomet branch and is used to facilitate the disbursement of monies for the scholarship via cheques.

Affirmative action

Chepchabas Ward is given special consideration by being awarded the partial scholarship funds above the rest. This is because the location under which the ward in the tea estates does not allow the county government to construct any infrastructure. The only project the county government may work on is to pay bursaries. The indigenous community living within the area are relatively indigents with small pieces of land living in squalid conditions hence eligible for bursary aides.

Chepchabas Ward was therefore allocated **Ksh. 5,000,000/= (Five million)** through a supplementary appropriation by Bomet County Assembly. This affirmative programme targets all

students whose parents are residents of the ward and are enrolled in secondary schools and tertiary institutions.

Full bursary allocation and disbursement for beneficiaries in form one to form four covering 1082 beneficiaries was completed.

Total amount received in Bomet County Bursary Fund as at 30th JUNE 2022 was **Ksh. 91,916,277/=** against approved budget of **Ksh. 91,916,277/=** for 2021/2022 FY.

Total balance brought forward in 2020/21 FY was **Ksh. 1,382,641.85** Total amount available for absorption was **Ksh. 93,298,918.85/=** as at 30th JUNE for 2021/22 FY

Collaborative operation

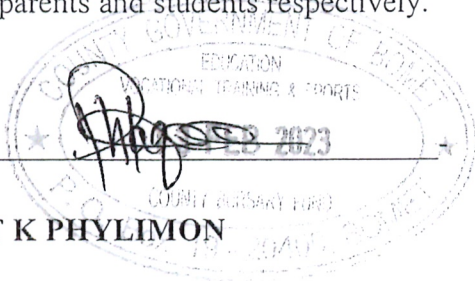
The County Bursary Committee will have more joint meetings with ward committee members to train other members on the need to be fair, just and honest during the exercise of awarding bursary to students.

There are also other collaborative efforts with Principals of Schools where county fully sponsors their students in which mentorship programmes are jointly facilitated through a monitoring and tracking system.

GENERAL OBSERVATIONS

1. Finance department should consider other means of disbursing funds to the bursary account in quotas based on the budget for bursary rather than relying entirely on the list of beneficiaries.
2. The department should be allocated a vehicle for monitoring the implementation of the bursary programme in general.
3. The bursary committee should be facilitated to organize a mentorship programme for the bursary beneficiaries to ensure that they give value for money and understand obligations of parents and students respectively.

Signed: _____



LANGAT K PHYLIMON

4. Statement of Performance Against the County Fund's Predetermined Objectives

The bursary fund committee was able to hold two meetings as follows:

- a. Meeting of county bursary committee held at Twiggs Annex Hotel on 08/01/2021 at 1200 hours

Members Present

1. Juliana Yegon -Chairperson
2. Simion Langat-Secretary
3. Andrew Kipsang Kitur-Member
4. Eunice Bett-Member
5. Korir Wilson- Rep Sigei KESSHA

In attendance

6. Phylimon Langat – Fund Administrator

Agenda

1. Preliminary
2. Replacements and emerging issues
3. Review of bursary
- b. Meeting of county bursary committee held at Twiggs Annex Hotel on 12/05/2021 at 1030 hours

Members Present

- a. Juliana Yegon –Chairperson
- b. Simion Langat-Secretary
- c. Andrew Kipsang Kitur-Member
- d. Eunice Bett-Member
- e. Wilson Korir – Rep KESSHA
- f. Phylimon Langat – Senior administrative officer (In attendance)

Agenda

1. Partial bursary review
2. Review of follow up reports for ongoing full bursary beneficiaries

PROCESS OF APPOINTMENT AND REMOVAL OF COMMITTEE

The county bursary fund committee is composed as follows:

- a. Two members appointed by The Executive Committee Member for Education
- b. Chief officer, Education
- c. Bursary Fund Administrator

ROLES AND FUNCTIONS OF THE COMMITTEE

The committee's functions are as follows:

- a. Equitably share the funds among the twenty-five wards in the county
- b. Review allocations to ensure support offered is adequate and sufficient
- c. Approve disbursement of fee support to awarded students
- d. Monitor allocations of support to ensure needy and deserving students benefit
- e. Conduct periodic county skills survey to identify critical skills for the purpose of refocusing support and encouraging students to pursue necessary disciplines
- f. Maintain an updated database of all the applicants and beneficiaries of the fund
- g. Periodically produce and share annual disbursement reports with the governor and the county assembly

BOARD REMUNERATION

The committee has a provision to utilize a maximum of three per cent of the of the total monies consisting of the Fund for administrative costs (The Bomet County Ward Bursary Fund Act, 2021) through a work plan for the year. The work plan includes local travel costs, meetings, workshops, benchmarking visits, monitoring and evaluation and committee allowances.

The committee appropriated amount of allowances for the committee during meeting and outside assignments whenever they are sent out on official duties. The agreed allowance of Ksh. 5,000/= per member and the chairperson would get Ksh. 7,000/=. For cheque processing and signing members responsible would be given an allowance of Ksh. 2,000= every time they are required to process.

7. MANAGEMENT DISCUSSION AND ANALYSIS

During the 2021/2022 FY the membership of the county committee of the Bursary Fund was reconstituted at the ward levels and it carried out its key mandate for the smooth administration of the Bursary Fund. The key management team was changed at the County Bursary Committee level. The management committees held their meetings at the two levels to plan, vet bursary applications and approve lists of applicants for both full bursary and partial bursaries.

Finance department should consider other means of disbursing funds to the bursary account in quotas based on the budget for bursary rather than relying entirely on the list of beneficiaries. The department should be allocated a vehicle for monitoring the implementation of the bursary programme in general.

The bursary committee should be facilitated to organize a mentorship programme for the bursary beneficiaries to ensure that they give value for money and understand obligations of parents and students respectively.

The committee also proposes for increased allocation to take care of the ever increasing demand for education support from the needy members of the community.

8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

There WERE no activities of CSR in the FY 2021/2022

9. REPORT OF THE FUND COMMITTEE

Principal activities

The principal activity/mission/ mandate of the Fund is to equitably share the funds among the twenty-five wards existing in the county

Results

The results of the Fund for the year ended June 30 2022 are set out Fund Administrator's report.

Trustees

The members of the Board of Trustees who served during the year are shown on page 6 under a two-year tenure ending in June 2024.

10. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

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

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:

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

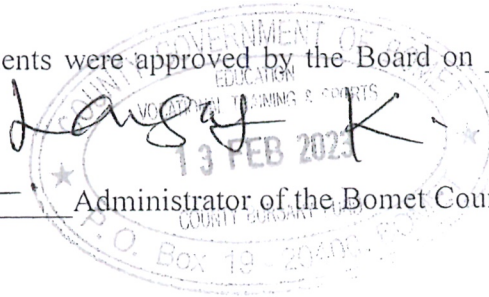
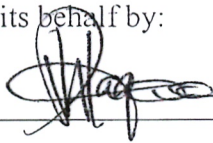
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (quote the applicable legislation establishing the County Public Fund). 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, 2022, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records

maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2022 and signed on its behalf by:



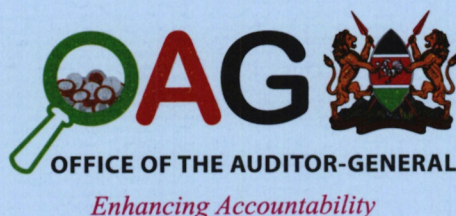
Joseph K. Phyllimon

Phyllimon

Administrator of the Bomet 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 BOMET COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2022

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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 Bomet County Bursary Fund set out on pages 17 to 70, which comprise of the statement of financial position as at 30 June, 2022 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bomet County Bursary Fund as at 30 June, 2022 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 Bomet County Bursary Fund Act, 2021 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

The statement of financial performance reflects surplus for the year of Kshs.557,022 whereas the statement of changes in net assets reflects Nil surplus for the year resulting to unreconciled variance of Kshs.557,022.

In the circumstances, the accuracy and fair statement of the surplus of Kshs.557,022 could not be confirmed.

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

Unresolved Prior Year Audit Matters

In the audit report of the previous years, two issues were raised under other matters. However, the Management had not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and

Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Unapproved and Unbalanced Budget

The statement of comparison of budget and actual amounts reflects final total budget income of Kshs.91,358,983 against final total expenditure budget of Kshs.93,760,905 resulting to an unbalanced budget of Kshs.2,401,922. This is contrary to the provisions of Section 31(c) of the Public Finance Management (County Governments) Regulations, 2015 that requires all budgets to be balanced.

Further, the Management did not provide for audit an approved budget for the Fund. This is contrary to Section 29 of the Public Finance Management (County Governments) Regulations, 2015 which stipulates that the Accounting Officer is responsible for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of the county government entity during the financial year.

In addition, the Accounting Officer is required to make sure that the estimates prepared are complete and accurate as possible and the requisite authority has been obtained, where necessary, before the provision is made in the estimates.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 Risk Management Policy

The Fund did not have in place a customized risk management policy and risk register during the year under review. Therefore, there were no approved processes and guidelines on how to mitigate operational, legal and financial risks.

In the circumstances, identification of significant business risks and the likelihood of their occurrence could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 March, 2023

Bomet County Bursary Fund Annual Report and Financial Statements for the year ended June 30, 2022

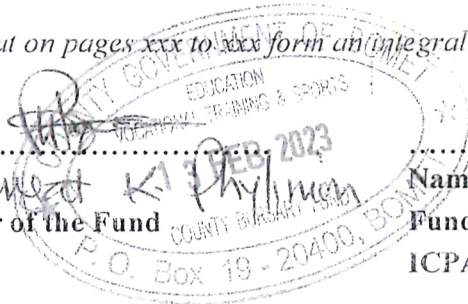
5. Statement of Financial Performance For The Year Ended 30th June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1		
Transfers From the County Government	2	91,916,005.00	45,852,453.00
Fines, Penalties and Other Levies	3		
Revenue From Exchange Transactions			
Interest Income	4		
Other Income	5		
Total Revenue		91,916,005.00	45,852,453.00
Expenses			
Bursary support services	6	88,883,524.00	43,552,025
Use of goods and services	7	2,349,909 .00	2597800
Depreciation and Amortization Expense	8		
Finance Costs	9	125,550.00	64,860.00
Total Expenses		91,358,983.00	46,214,685.00
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Surplus/(Deficit) For The Period		557,022.00	(362,232)

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

Name: Hanset K. Phyllman
 Administrator of the Fund

Name: Benson K. Chyukrony
 Fund Accountant
 ICPAK Member Number:

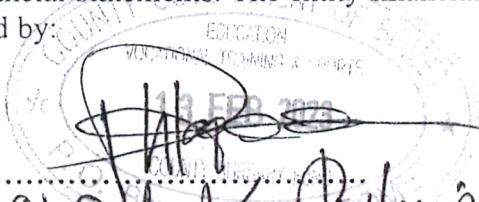


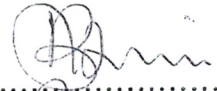
6. Statement of Financial Position As At 30 June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
		1,939,664.85	1,382,642.85
Cash and Cash Equivalents	11		
Current Portion of Long- Term Receivables From Exchange Transactions	12		-
Prepayments	13		-
Inventories	14		-
Non-Current Assets			
Property, Plant and Equipment	15		-
Intangible Assets	16		-
Long Term Receivables from Exchange Transactions	12		-
		1,939,664.85	1,382,642.85
Total Assets			
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	17		-
Provisions	18		-
Current Portion of Borrowings	19		-
Employee Benefit Obligations	20		-
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	20		-
Long Term Portion of Borrowings	19		-
Total Liabilities			
			-
Net Assets			
Revolving Fund			
Reserves			-

Accumulated Surplus			-
Total Net Assets and Liabilities		1,939,664.85	1,382,642.85
		1,939,664.85	1,382,642.85

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 _____ 2022 and signed by:


 Name: Laura K. Flynn
 Administrator of the Fund

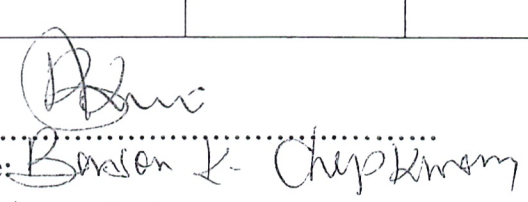

 Name: Benson K. Chapman
 Fund Accountant
 ICPAK Member Number:

Bomet County Bursary Fund Annual Report and Financial Statements for the year ended June 30, 2022

7. Statement of Changes in Net Assets for the year ended 30th June 2022

	Revolving fund correct figures	Revaluation Reserve as per FS	Revaluation Reserve correct figures	Accumulated surplus as per the FS	Accumulated surplus correct figures
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance As At 1 July 2020	-	1,656,468.15	1,744,873.00	2,404,779.00	1,744,873.00
Surplus/(Deficit) For the period	-	(283,196.70)	(362,232.00)	(659,906.00)	(362,232.00)
Funds Received During the Year	45,852,453.00	-	-	-	-
Transfers	(46,214,685.00)	-	-	-	-
Revaluation Gain	-	-	-	-	-
Balance As At 30 June 2021	(362,323.00)	1,656,468.15	1,382,641.00	1,744,873.00	1,382,641.00
Balance As At 1 July 2021	-	283,196.00	1,382,642.00	283,196.70	1,382,641.00
Surplus/(Deficit) For the period	-	-	1,939,664.85	-	1,939,664.85
Funds Received During the year	91,916,005.00	-	-	-	-
Transfers	(91,359,254.00)	-	-	-	-
Revaluation Gain	-	-	-	-	-
Balance As At 30 June 2022	1,939,393.30	-	1,939,664.85	1,382,642.85	1,939,664.85

Name: 
 Administrator of the Fund

Name: 
 Fund Accountant

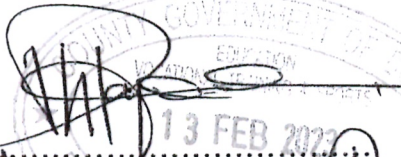
ICPAK Member Number:


8. Statement Of Cash Flows For The Year Ended 30 June 2022

	Not e	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government	2	91,916,005.00	45,852,453.00
Interest received			
Receipts from other operating activities			
Total receipts		91,916,005.00	45,852,453.00
Payments			
Bursary support services		88,883,524.00	43,552,025.00
Use of goods and services		2,349,909.00	2,597,800.00
Finance cost		125,550.00	64,860.00
Other payments		91,358,983.00	46,214,685
		557,022	(362,232)
Net cash flows from operating activities			
Cash flows from investing activities			-
Purchase of property, plant, equipment and Intangible assets			-
Proceeds from sale of property, plant & 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	11		
Net cash flows used in financing activities	11		
Net increase/(decrease) in cash & cash Equivalents		557,022	(362,232)
Cash and cash equivalents at 1 july	11	1,382,642.85	1,656,468.15
Cash and cash equivalents at 30 june	11	1,939,664.85	1,382,642.85

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)


 Name: Jansen K. Rhylinon
 Administrator of the Fund


 Name: Benson K. Chepkemery
 Fund Accountant
 ICPAK Member Number:

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
ended June 30, 2022**

9. Statement Of Comparison Of Budget And Actual Amounts For The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performanc e difference	% Utilis ation
	2022	2022	2022	2022	2022	2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Public Contributions And Donations						
Transfers From County Govt.	56,496,660.00	35,419,345.85	91,358,983.00	91,916,005.85	557,022	99.4%
Interest Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
Total Income	56,496,660.00	35,419,345.85	91,358,983.00	91,916,005.85	557,022	99.4%
Expenses						
Use of goods and services	1,844,899.80	-	1,844,899.80	2,349,909.00	-505,010	93%
Bursary support services	56,496,660.00	35,419,345.85	91,916,005.85	88,883,524.00	3,032,481.00	97%
Finance Cost		-	-	125,550	-125,550.00	
Total Expenditure	58,341,559.80	35,419,345.85	93,760,904.85	91,358,983.00	2,401,921.00	
Surplus For The Period	-1,844,899.80	-	-2,401,921.85	557,022	1,844,899.80	

Bomet County Bursary Fund Annual Report and Financial Statements for the year ended June 30, 2022

10. Notes to the Financial Statements

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.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

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

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: 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

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
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Standard	Effective date and impact:
	<p>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> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>

Bomet County Bursary Fund Annual Report and Financial Statements for the year ended June 30, 2022

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<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>
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> 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 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 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. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
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Standard	Effective date and impact:
	Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard
	IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued

c) Early adoption of standards

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

4. Budget information

The original budget for FY 2021/2022 was approved by the County Assembly on Kshs, 56,496,660.00 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 Ksh. 5,000,000.00 on the FY 2021/2022 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were 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

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
ended June 30, 2022**

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13.5 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

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

6. Intangible assets

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

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

7. Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
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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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
ended June 30, 2022**

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

Loans and borrowing

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventories

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

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

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

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

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

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

9. Provisions

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

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ended June 30, 2022**

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

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

Contingent liabilities

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

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

10. Nature and purpose of reserves

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

11. 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.

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
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12. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Borrowing costs

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

14. Related parties

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

15. Cash and cash equivalents

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

16. Comparative figures

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

17. Events after the reporting period

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

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
ended June 30, 2022**

18. Ultimate and Holding Entity

The entity is a County Public Fund established by support for the Needy Act 2014) under the department of Education. Its ultimate parent is the County Government of Bomet.

19. Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

20. Significant judgments and sources of estimation uncertainty

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

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

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.

Useful lives and residual values

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

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

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
ended June 30, 2022**

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 19.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. 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.

Bomet County Bursary Fund Annual Report and Financial Statements for the year ended June 30, 2022

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

Bomet County Bursary Fund Annual Report and Financial Statements for the year ended June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 000

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.

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 2022				

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2022			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

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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 xxx (2020: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2019 – KShs xxx)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Capital risk management

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

	2019/2020	2018/2019
	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	-	-

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13.5. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

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

2. Transfers from County Government

Description	2021/2022	2020/2021
	KShs	KShs
Transfers from County Govt. – operations	91,916,005	45,852,453
Payments by County on behalf of the entity	-	-
Total	91,916,005	45,852,453

3. Fines, penalties and other levies

Description	2021/2022	2020/2021
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2021/2022	2020/2021
	KShs	KShs
Interest income from Mortgage loans	-	-

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Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	-	-

5. Other income

Description	2021/2022	2020/2021
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Bursary support services

Description	2021/2022	2020/2021
	KShs	KShs
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Bursary support services	88,883,524	43,552,025
Total	88,883,524	43,552,025

7. Use of goods and services

Description	2021/2022	2020/2021
	KShs	KShs
Salaries and wages	2,349,909.00	2,597,800.00-

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Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Depreciation and amortization Expense

Description	2021/2022	2020/2021
	Kshs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges		
Hospitality	-	-
Depreciation and amortization costs	-	-
Admin expenses		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2021/2022	2020/2021
	Kshs	KShs
Interest on Bank Charges	125,550	64,860
Interest on loans from banks	-	-
Total	125,550	64,860

10. Gain/(loss) on disposal of assets

Description	2021/2022	2020/2021
	Kshs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2021/2022	2020/2021
	Kshs	KShs
Bomet county Bursary fund	1,939,664.85	1,382,642
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others	-	-
Total cash and cash equivalents	1,939,664.85	1,382,642

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

		2021/2022	2020/2021
Financial institution	Account number	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			
Equity bank	1220275961647	1,939,664.85	1,382,642
Sub- total		-	-
		-	
d) Others(specify)		-	-
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		-	-

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12. Receivables from exchange transactions

Description	2021/2022	2020/2021
	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	2021/2022	2020/2021
	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	-	-

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
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Current portion of long-term loans issued in the current year	-	-
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13. Revenue from Non-Exchange transaction

Description	2021/2022	2020/2021
	Kshs	KShs
Transfer to County Executive	-	-
Transfer to Bursary Fund	-	-
Total receivables from non-exchange transactions	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Prepayments

Description	2021/2022	2020/2021
	Ksh	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

15. Inventories

Description	2021/2022	2020/2021
	Ksh	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
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 1 st July 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30 th June 2021	-	-	-	-	-
At 1 st July 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
Depreciation and impairment	-	-	-	-	-
At 1 st July 2020	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-

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At 30 th June 2021	-	-	-	-	-
At 1 st July 2021	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-
Net book values	-	-	-	-	-
At 30 th June 2021	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	2021/2022	2020/2021
	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	2021/2022	2020/2021
	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 (1.07.2020)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year (30.06.2021)	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Borrowings

Description	2021/2022	2020/2021
	Kshs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestic borrowings during the period	-	-
Balance at end of the period	-	-

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

	2021/2022	2020/2021
	Kshs	KShs
External Borrowings		
Dollar denominated loan	-	-
Sterling Pound denominated loan	-	-
Euro denominated loan	-	-
Domestic Borrowings	-	-
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

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

Description	2021/2022	2020/2021
	Kshs	KShs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CHANGES IN RECEIVABLE

Description of the error	2021/2022	2020 \2021
	Kshs	KShs
Account receivable as at 1 st July 2021 (A)	-	-
Account receivable issued during the year (B)	-	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

22. CHANGES IN ACCOUNTS PAYABLE

Description of the error	2021/2022	2020 - 2021
	Kshs	KShs
Accounts Payable as at 1 st July 2021 (A)	-	-
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

23. 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	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash generated from operations

	2020/2022	2020/2021
	Ksh	KShs
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	-	-

25. Related party balances

a) Nature of related party relationships

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

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

**Bomet County Bursary Fund Annual Report and Financial Statements for the year
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2021/2022	2020/2021
	Kshs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2021/2022	2020/2021
	Kshs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2021/2022	2020/2021
	Kshs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	2021/2022	2020/2021
	Ksh	KShs
Due to parent Ministry	-	-
Due to County Government	-	-

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Due to Key management personnel	-	-
Total	-	-

26. Contingent assets and contingent liabilities

Contingent liabilities	2021/2022	2020/2021
	Kshs	KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

(Give details)

**Bomet County Bursary Fund Annual Report and Financial Statements for the
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**14. 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 timeframe within which we expect the issues to be resolved.

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

Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- d) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to County Treasury.