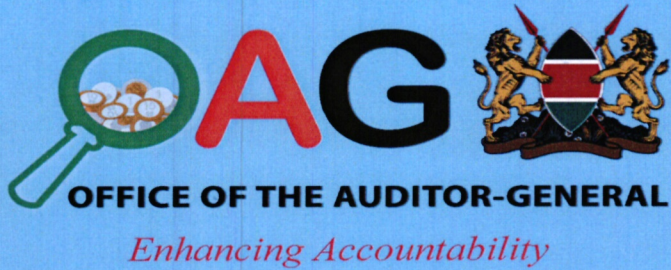
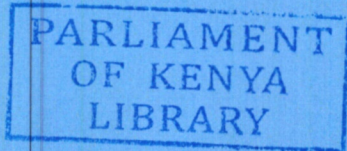


REPUBLIC OF KENYA



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REPORT



OF

THE AUDITOR-GENERAL

ON

**KAJIADO COUNTY EDUCATION BURSARY
GRANTS AND SCHOLARSHIP FUND**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

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KAJIADO COUNTY GOVERNMENT



**KAJIADO COUNTY EDUCATION BURSARY GRANTS AND
SCHOLARSHIP FUND.**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDING
30 JUNE, 2022**

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

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

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Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

1. Key Entity Information and Management

a) Background information

Kajiado county Education bursary grants and scholarship Fund is established by and derives its authority and accountability from Kajiado county Education bursary grants and scholarship Act 2015. The Fund is wholly owned by the County Government of Kajiado and is domiciled in Kenya.

The fund's objective is to increase success to Education, Promote and increase Enrolment, Retention, Completion and Transition rates in in school, improve education standards and literacy levels and reduce poverty disparities and inequalities.

The Fund's principal activity is to allocate bursary funds to needy students across Kajiado County.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to allocate the bursary Fund to the neediest students in the County.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	His Excellency Governor	H.E Joseph Ole Lenku
2	The Deputy Governor	Hon.Martin Moshisho
3	The County Secretary	Hon. Francis Sakuda
4	CECM Education	Hon Jeremiah Ole Ncharo

d) Key Management

Ref	Name	Position
1	Hon.Jeremiah Ole Ncharo	CEC Education
2	Mr. Samson Parashina	CO Education
3	Simon Kipior	Fund Administrator

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

e) Registered Offices

P.O. Box 11-01100
Kajiado County Headquarters
Kajiado, KENYA

f) Fund Contacts

Telephone: (254) 0202043075
E-mail: treasury.cgk@gmail.com
Website: www.kajiadocounty.go.ke

g) Fund Bankers

Equity Bank (Kenya) Ltd
Kajiado County Bursary Account
Account No.0860277929059.
Kajiado Branch
P.O. Box 536-01100
Kajiado, Kenya

h) Independent Auditors


Auditor General
Office of the Auditor General
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




**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

2. The Board of Trustees/ Fund Administration

Name	Details of qualifications and experience
<p>Joseph Ole Lenku</p> 	<p>D.O.B. 20th October 1970</p> <p>Qualification: Bachelor of commerce in marketing Masters of Business Administration in strategic Management</p> <p>Work experience: 20 years</p> <p>Independent/director: His Excellency the Governor</p>
<p>Martin Moshisho</p> 	<p>D.O.B. 1987</p> <p>Qualification: Master of Business Administration from Mount Kenya University.</p> <p>Work experience: 10 years</p> <p>Independent/director: His Excellency the Deputy Governor</p>
<p>Francis Sakuda</p> 	<p>D.O.B. 1974</p> <p>Qualification: Bachelor of commerce in Human Resource</p> <p>Work experience: 18 years</p> <p>Independent director. Hon County Secretary</p>
<p>Hon Jeremiah Ole Ncharo</p> 	<p>D.O.B. 1970</p> <p>Qualification: bachelor of arts –education</p> <p>Work experience: 25 years</p> <p>Independent/director: County Executive Committee Member-education</p>

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

3. Management Team

Name	Details of qualifications and experience
<p>Hon Jeremiah Ole Ncharo</p> 	<p>D.O.B 1970</p> <p>Qualification: bachelor of arts –education</p> <p>Work experience: 25 years</p> <p>Independent/director: County Executive Committee Member-education</p>
<p>Mr. Samson Parashina</p> 	<p>D.O.B 1977</p> <p>Qualification: Bachelor of science in political science and government</p> <p>Work experience: 15 years</p> <p>Independent/director: Chief Officer-Education</p>
<p>Simon Kipior</p> 	<p>D.O.B. 10.11.1989</p> <p>Qualification: Bachelor of commerce (Finance) CPA Section 4.</p> <p>Work experience: 5 years</p> <p>Independent/director: Fund Administrator-Kajiado County Education Bursary, Grants and Scholarship Fund</p>

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

4. Board/Fund Chairperson's Report

The budget allocation for bursary fund for the financial year 2021/2022 was Kshs. 150,000,000/=. In addition to this, we had an amount of Kshs. 46,305,780 being the balance brought forward from 2020/2021 fiscal year to be cleared in the subsequent year 2021/2022. During the year, we spent Ksh. 98,784,460.00 for bursary to needy students in various Institutions across the country as identified by the committee members at the ward levels. A total of Kshs. 3,858,000 was utilized for facilitation of the bursary process and administration expenses. In addition, Kshs. 166,856.80 was spent on Bank service charges.

As at 30 June 2022, the Fund had a Cashbook balance of Kshs. 22,190,683.20.

During the financial year there was change of key management team as the fund administrator was changed from Timothy Lompo to Simon Kipior

The fund is increasing success to Education, Promote and increase enrolment, retention, which gives bursary nominees from humble ground a chance to school.

Finally, the county government should increase Bursary to accommodate needier students to realise their dreams.

Signed: _____



Hon. Jeremiah Ole Ncharo

Chief Executive Committee Member-Education.

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

In this financial year the fund performed a bit higher compared to the previous year's disbursement as most of the activities resumed to normal after Covid 19 which interfered with revenue collection which resulted to a decrease in actual receipt from the County treasury for Kajiado County Bursary, grants and scholarship Fund on the fiscal year 2020/2021.

This year the budget allocation increased from Ksh. 100,000,000 to Ksh. 150,000,000 but the Kajiado County Education Bursary Grants and Scholarship Funds only received 125,000,000 for its utilization.

The board managing the fund was very cautious to make sure that the students awarded bursary are needy and vulnerable and hence rightful to benefit.

The Kajiado County Bursary, grants and scholarship Fund board ensured that the bursaries allocated to students is delivered to respective learning institutions in time.

Our budget utilisation allocation was kshs. 125,000,000. We only managed 78% utilisation of the fund allocation because we received the second cycle of the fund at the end of the financial year hence the other funds will be utilised in the subsequent year.

The fund is facing delays in exchequer release which at times goes against schools opening dates hence making the needy students go to school without bursary cheques exposing them to the risk of not paying school fee on time hence affecting their retention in schools.

I am grateful for the support provided by the board managing the fund and deliberations on the day to day running of the fund, County treasury for timely disbursement of the fund and county government as a whole for overall leadership on the operations and existence of the Kajiado County Bursary, grants and scholarship Fund. The members of the Board presented themselves to ensure that the cases raised were reviewed promptly and approved cases addressed immediately. The success of the fund was attributed to cooperation and contribution of all the stakeholders of the fund.

The fund's continuous existence is important to the beneficiaries, importantly needy students and hence ensuring availability of the fund.

Signed: _____

Simon Kipior

Administrator: Kajiado County Education Bursary, Grants and Scholarship Fund.

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

5. Statement of Performance Against the County Fund’s 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 entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan for Kajiado county education bursary grants and scholarship fund are:

- a) Increase success to Education,
- b) Promote and increase enrolment, retention, completion and transition rates in schools,
- c) Improve education standards and literacy levels

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Program	Objective	Outcome	Indicator	Performance
Education Bursary, Grants and Scholarship	Increase success to Education, Promote and increase enrolment, retention, completion and transition rates in schools, Improve education standards and literacy levels Reduce poverty, disparities and inequalities	Increased enrolment, retention and transition of students in various Institutions	50% increase in bursary budget allocation from Ksh. to Ksh.100,000,000 in 2020/2021 to 150,000,000 in 21/2022.	Due to delays by the National to release funds we had 10% decrease in bursary fund utilization as the fund for the second cycle were received at the end of the financial year 2021/2022.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

6. Corporate Governance Statement

The Kajiado County Bursary, grants and scholarship Fund is run by a board Constituted by the Chief Executive Committee Member-Education as stipulated in the Act. In consultation with the CECM Education, the committee was able to oversee the overall management of the fund in terms of Receiving, reviewing and approving applications for education grant, bursary and scholarship, Determining the amount of education grant bursary and scholarship, Monitoring and evaluating the progress and performance of the eligible students, Creating awareness among the residents of the ward about the Fund.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

7. Management Discussion and Analysis

The performance of Kajiado County Bursary, grants and scholarship Fund for the year was impressive. During the financial year 2021/2022 we had a budget allocation of Kshs. 150,000,000. However, we only received Kshs. 125,000,000.

During the year we had a balance brought forward of Kshs. 46,305,780.00 as at 1st July 2021 which was utilised by related expenses from the previous year.

Further we spent Kshs. 98,784,460.00 for needy students in various institutions across the country as identified by the ward committee members. Ksh. 3,858,000 was used on administration and Kshs. 166,856.80.00 was spent on bank service charges and commissions.

By the end of the financial year we had a bank balance of Kshs. 22,190,683.20.

The management wish to commend the good work done by the ward committees in selecting the beneficiaries to ensure equality and inclusivity. Indeed, all the beneficiaries were duly selected and the management believes that they deserved to benefit. The ward committees are an integral part in the disbursement of the bursaries and they ensure proper scrutiny of applicants.

The increased allocation as discussed above indicates good progress in the achievement of the fund's objectives.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

8. Environmental and Sustainability Reporting

Kajiado County Education, Bursary Grants and Scholarship Fund exists to transform lives through education. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on Four (4) Principles i.e. Increase access to Education, Promote and increase enrolment, retention, completion and transition rates in schools, improve education standards and literacy levels and Reducing poverty, disparities and inequalities. Below is a brief highlight of our achievements in each pillar

1. Increase success to Education

Kajiado County Education, Bursary Grants and Scholarship Fund disbursed bursaries to needy students in a bid to increase access to education

2. Promote and increase enrolment retention, completion and transition rates in schools

Students at different levels of education were awarded with bursaries, to help them enrol, complete or transit to the next level.

3. Improve education standards and literacy levels

Improved education and literacy levels has been increased due to access to education by a larger number of the beneficiaries as evident in the increased disbursement for the financial year 2019/2020.

4. Reducing poverty, disparities and inequalities

The ward vetting committee ensured that the needy and deserving students benefit from the bursary, this is to help address the issue of poverty and inequality

)

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

9. Report of The Trustees

9.1 Principal activities

The Fund's principal activity is to allocate bursary, grants and scholarships to students in Kajiado County. The principal activity of the fund therefore goes in line with the objectives of the fund to help attain the funds strategic purpose which include;

- a) Increase success to Education,
- b) Promote and increase enrolment, retention, completion and transition rates in schools,
- c) Improve education standards and literacy levels
- d) Reduce poverty, disparities and inequalities

Results

The results of the Fund for the year ended June 30, 2022 are set out on page 5 under the progress on attainment of Strategic development objectives of the Kajiado County Education Bursary, Grants and Scholarship Fund and are outlined as follows:

- a. Increased enrolment,
- b. Student Retention
- c. Transition of students in various Institutions.

9.2 Performance

The performance of the fund for the year ended June 30,2022 are set out on page 8 & 9 on board report and Fund Administrator report respectively.

9.3 Trustees

The members of the Board of Trustees who served during the year are shown on page 2 under the key entity information and management. There were no changes in the board of trustees and in the management team during the financial year ended June 30th 2022.

9.4 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 Board

Signed: _____
Hon Jeremiah Ole Ncharo

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

10. Statement of Management's Responsibilities

Section 167 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a Fund entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Fund Administrator is responsible for the preparation and presentation of the 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 CEC member for Education accepts responsibility for the Fund's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for Education is of the opinion that the Kajiado County Education Bursary, Grants and Scholarship Fund financial statements give a true and fair view of the state of the fund transactions during the financial year ended June 30, 2021, and of its financial position as at that date. The CEC member for Education further confirms the completeness of the accounting records maintained for the Fund which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for Education confirms that the Fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Fund's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for Education confirms that the Fund's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 30th JUNE 2022 and signed on its behalf by:



Fund Administrator

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY EDUCATION BURSARY GRANTS AND SCHOLARSHIP 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 Kajiado County Education Bursary Grants and Scholarship Fund set out on pages 1 to 37 which comprise of the

Report of the Auditor-General on the Kajiado County Education Bursary Grants and Scholarship Fund for the year ended 30 June, 2022

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 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 Kajiado County Education Bursary Grants and Scholarship Fund as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis, the Public Finance Management Act, 2012, and the County Governments Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies:

- i) The statement of financial position reflects an amount of Kshs.22,190,683, while the cash book reflects a balance of Kshs.22,272,280, resulting to unreconciled and unexplained variance of Kshs.81,597;
- ii) Further, the statement of cash flows does not include the amount of Kshs.46,305,780, being cash and cash equivalents as at 1 July, 2022. The cash and cash equivalent balance is therefore understated with a similar amount;
- iii) The cashbook reflects opening balance of Kshs.46,304,780 while the comparative cash and cash equivalents balance is Kshs.34,205,739 resulting to an unexplained variance of Kshs.12,099,041;
- iv) Receipts totalling Kshs.50,000,000 from the County Executive, and which have been reflected in the bank statements were not recorded in the cashbook;
- v) In addition, Note 11 to the financial statements does not provide a detailed analysis of the cash and cash equivalents as required by IPSAS accrual reporting template;
- vi) The financial statements reflect variances between the comparative and audited balances as detailed below:

Item	Comparative Balances (Kshs.)	Audited Balance (Kshs.)	Variances (Kshs.)
Bursary Disbursements	63,345,037	59,628,172	3,716,865
Surplus /(Deficit)	34,205,739	37,922,604	(3,716,865)
Accumulated surplus	34,205,739	46,305,780	(12,100,041)

- vii) The statement of changes in net assets reflects accumulated surplus balance as at 1 July 2020 and surplus for the financial year 2020/2021 of Kshs.12,100,041 and Kshs.34,205,739 respectively, while the audited financial statements reflects balances of Kshs.8,383,176 and Kshs.37,922,604 respectively. The resulting variance of Kshs.3,716,865 in both accounts, and which was compensating was not supported with a note to the financial statements;
- viii) The statement of comparison of budget and actual amounts reflects an adjustments column which incorrectly includes the amount for the final budget. The computation of final budget amounts is therefore misleading;

In the circumstances, the accuracy and completeness of the financial statements amounts and balances could not be confirmed.

2. Misstatement of Fund Administration Expenses

The statement of financial performance reflects administration costs of Kshs.3,858,000. Review of the cashbook and the bank statements however, revealed that Kshs.5,615,900 was withdrawn for administrative expenses. The resulting variance of Kshs.1,757,900 between the two records was not reconciled.

In the circumstances, the accuracy of the administration costs of Kshs.3,858,000 could not be confirmed.

3. Failure to Maintain Books of Accounts

The financial statements reflect amounts and balances which were not supported by ledgers. Management did not present the ledgers for audit review alongside the trial balance. It is not clear therefore, how the trial balance was drawn in absence of a ledger. The trial balance provided did not include the balances for the statement of financial position and hence it is incomplete.

In the circumstances, the accuracy and completeness of the financial statements amounts and balances could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalent Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.22,190,683. However, the cash book was not updated with transaction details like

Report of the Auditor-General on the Kajiado County Education Bursary Grants and Scholarship Fund for the year ended 30 June, 2022

the payee and nature of the payments. In addition, the cash book was not supported with signed monthly bank reconciliation statements. The bank statements provided for audit also lacked details such as the names of the payees. Thus, the legitimacy of the payments made could not be established.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.22,190,683 could not be confirmed.

5. Unsupported Bursary Disbursements

The statement of financial performance reflects bursary disbursements of Kshs.98,784,460 as disclosed Note 6 to the financial statements. The amount includes expenditure of Kshs.36,379,600 whose payments vouchers, and the supporting documents such as detailed schedule of payments, list of beneficiaries, approval process and criteria at both Ward and County Committees, list of applicants, acknowledgement by recipient institutions, procedure of identification of training institutions and copies of driving licenses from the beneficiaries was not provided for audit. The cashbook also reflects payments totalling Kshs.142,250,013.20 on bursary disbursements which differs from the financial statements amount of Kshs.98,784,460 by Kshs.43,465,553.20.

In the circumstances, the accuracy and occurrence of the bursary disbursements amounting to Kshs.98,784,460 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado County Education Bursary Grants and Scholarship 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 judgement are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Reporting Framework

The variances between budget and actual amounts exceeded the 10% threshold with no explanations contrary to the requirement of paragraph 24.14 of the International Public Sector Accounting Standards. The financial statements as prepared do not conform to the reporting template and the requirements of the Public Sector Accounting Standards Board.

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

2. Late Submission of Financial Statements

The financial statements for the year ended 30 June 2022 were submitted for audit on 29 October, 2022 contrary Section 149 of the Public Financial Management Act, 2012 which provide for statutory deadline for submission of financial statements to the Auditor General of 30 September of every year.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

The Management is responsible for the preparation and fair presentation of the 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 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 to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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

Report of the Auditor-General on the Kajiado County Education Bursary Grants and Scholarship Fund for the year ended 30 June, 2022

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 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 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


19 April, 2023

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

12. 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	125,000,000.00	100,000,000.00
Fines, Penalties and Other Levies	3		
Revenue From Exchange Transactions			
Interest Income	4		
Other Income	5		
Total Revenue		125,000,000.00	100,000,000.00
Expenses			
Bursary disbursement	6	98,784,460.00	63,345,037.02
Bank services commission and charges	7	166,856.80	636,704.05
Fund administration services	8	3,858,000	1,812,520.00
Finance Costs	9		
Total Expenses		102,809,316.8	65,794,261.07
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Surplus/(Deficit) For The Period		22,190,683.2	34,205,738.93

.....

 Name: *Simon Kipior*
 Administrator of the Fund

.....

 Name: *Timothy Salaach*
 Fund Accountant
 ICPAK Member Number:
28015

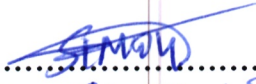
**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**


13. Statement of Financial Position as at 30 June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	11	22,190,683.20	34,205,738.93
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	-	-
Total Assets		22,190,683.2	34,205,738.93
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		68,496,463.2	46,305,780.00
Balance b//f		46,305,780.00	12,100,041.00
Reserves			
Accumulated Surplus/Deficit		22,190,683.20	34,205,738.93
Total Net Assets and Liabilities		68,496,463.2	46,305,780.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

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: Simon Kipior
Administrator of the Fund



.....
Name: Timothy Salaash
Fund Accountant
ICPAK Member Number:
28015

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

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

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2020		-	12,100,041.00	12,100,041.00
Surplus/(Deficit) For the Period	-	-	34,205,738.93	34,205,738.93
Funds Received During the Year		-		
Revaluation Gain	-	-	-	-
Balance As At 30 June 2021		-	46,305,780.00	46,305,780.00
Balance As At 1 July 2021		-	46,305,779.93	46,305,779.93
Surplus/(Deficit) For the Period		-	22,190,683.20	22,190,683.20
Funds Received During the Year		-		
Revaluation Gain		-		
Balance As At 30 June 2022		-	68,496,463.13	68,496,463.13

.....

 Name: Simon Kipior
 Administrator of the Fund


.....

 Name: Timothy Sebashi
 Fund Accountant
 ICPAK Member Number:
28015


**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

15. Statement of Cash Flows for The Year Ended 30 June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government		125,000,000	100,000,000
Interest received			
Receipts from other operating activities			
Total receipts		125,000,000	100,000,000
Payments			
Bursary disbursement		98,784,460.00	63,345,037.02
Bank charges commission and charges		166,856.80	636,704.07
Fund administration cost		3,858,000.00	1,812,520.00
Other payments			
Net cash flows from operating activities	21	22,190,683.20	37,922,604.04
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			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents			
Cash and cash equivalents at 1 July	11	46,305,779.93	12,100,041.00
Cash and cash equivalents at 30 June	11	22,190,683.20	46,305,780.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**


.....
Name: *Simon Kipior*
Administrator of the Fund


.....
Name: *Timothy Salaash*
Fund Accountant
ICPAK Member Number:
28015

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

16. Statement of Comparison of Budget and Actual Amounts for The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	2022	2022	2022	2022	2022	2022
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Public Contributions And Donations						
Transfers From County Govt.	150,000,000	125,000,000	125,000,000	125,000,000	25,000,000	80%
Interest Income	-					
Other Income	-					
Total Income	150,000,000.00	125,000,000	125,000,000	125,000,000	25,000,000	80%
Expenses						
Fund administration expenses	9,700,000	8,125,000.00	8,125,000.00	3,858,000.00	4,267,000	47%
General expenses (bursary disbursement)	140,000,000	116,625,000.00	116,625,000.00	98,784,460.00	17,840,540.0	79%
Bank charges	300,000	250,000.00	250,000.00	166,856.80	83.143.20	67%
Total Expenditure	150,000,000.00	125,000,000.00	125,000,000.00	102,809,316.8	22,190,683.20	82%
Surplus For The Period	-			22,190,683.20		

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

17. Notes to the Financial Statements

1. General Information

The Kajiado County Education, Bursary Grants and Scholarship Fund is established by and derives its authority and accountability from 2015 Act. The entity is wholly owned by the Kajiado County Government and is domiciled in Kenya. The entity's principal activity is xxx.

2. 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.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact:
	<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 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (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.
<p>Amendments to Other IPSAS resulting from</p>	<p>Applicable: 1st January 2023:</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.

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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> <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><i>Applicable 1st January 2023</i></p> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

**Kajiado County Education Bursary, Grants and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

1. Significant Accounting Policies

a) 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.

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on 15th Aug 2021. 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 0.00 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 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.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

c) 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.

d) 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.

a) 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

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.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

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.

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.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

b) 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.

c) Provisions

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

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

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

Contingent liabilities

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

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

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.

d) Nature and purpose of reserves

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

e) 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.

f) 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.

g) 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.

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

h) 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.

i) 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.

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

The entity is a County Public Fund established by Kajiado County Education Bursary Grants and Scholarship Fund 2015 Act under the Ministry of education. Its ultimate parent is the County Government of Kajiado.

n) Currency

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

Kajiado County Education Bursary, Grants and Scholarship Fund Annual Report and Financial Statements for the year ended June 30, 2022

5. Significant judgments and sources of estimation uncertainty

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

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

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

b) Useful lives and residual values

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

- 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

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.

**Kajiado County Education Bursary, Grants and Scholarship Fund
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6. Notes to The Financial Statements

1. Public contributions and donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Donation From Development Partners	0.00	0.00
Contributions From The Public	0.00	0.00
Total	0.00	0.00

2. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt. –Operations	125,000,000	100,000,000
Payments By County On Behalf Of The Entity	0.00	0.00
Total	125,000,000	100,000,000

3. Fines, penalties and other levies

Description	2021-2022	2020-2021
	Kshs	Kshs
Late Payment Penalties	0.00	0.00
Fines	0.00	0.00
Total	0.00	0.00

4. Interest income

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Income From Mortgage Loans	0.00	0.00
Interest Income From Car Loans	0.00	0.00
Interest Income From Investments	0.00	0.00
Interest Income On Bank Deposits	0.00	0.00
Total Interest Income	0.00	0.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
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Notes to the Financial Statements Continued

5. Other income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance Recoveries	0.00	0.00
Income From Sale Of Tender Documents	0.00	0.00
Miscellaneous Income	0.00	0.00
Total Other Income	0.00	0.00

6. Bursary Disbursement

Description	2021-2022	2020-2021
	Kshs	Kshs
Bursary Disbursement.	98,784,460.00	63,345,037.02
Staff Gratuity	0.00	0.00
Staff Training Expenses	0.00	0.00
Social Security Contribution	0.00	0.00
Other (<i>Specify</i>)	0.00	0.00
Total	98,784,460.00	63,345,037.02

7. Bank Charges.

Description	2021/22	2020/21
	Kshs.	Kshs.
Loan Processing Costs	0.00	0.00
Professional Services Costs	0.00	0.00
Administration Fees/Cost	166,586.80	636,704.07
Committee Allowances	0.00	0.00
Electricity And Water Expenses	0.00	0.00
Rental Costs	0.00	0.00
Security Costs	0.00	0.00
Telephone And Communication Expenses	0.00	0.00
Bank Charges	166,586.80	636,704.07
Other (<i>Specify</i>)	0.00	0.00
Total	166,586.80	636,704.07

**Kajiado County Education Bursary, Grants and Scholarship Fund
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8. Administration Cost.

Description	2021/22	2020/21
	Kshs.	Kshs.
Administration Fees/Cost	3,858,000	1,812,520.00
Total	3,858,000	1,812,520.00

9. Finance costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest On Bank Overdrafts	0.00	0.00
Interest On Loans From Banks	0.00	0.00
Total	0.00	0.00

10. Gain/(loss) on disposal of assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant And Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Total	0.00	0.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
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Notes to the Financial Statements Continued

11. Cash and cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash and cash equivalents	22,190,683.20	46,305,780.00
County Mortgage Account	0.00	0.00
Fixed Deposits Account	0.00	0.00
On – Call Deposits	0.00	0.00
Current Account	0.00	0.00
Others	0.00	0.00
Total Cash And Cash Equivalents	22,190,683.20	46,305,780.00

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Fixed Deposits Account			
Equity bank		0.00	0.00
Equity Bank, Etc.		0.00	0.00
Sub- Total		0.00	0.00
b) On - Call Deposits			
Kenya Commercial Bank		0.00	0.00
Equity Bank - Etc.		0.00	0.00
Sub- Total		0.00	0.00
c) Current Account			
Kenya Commercial Bank		0.00	0.00
Bank B		0.00	0.00
Sub- Total		0.00	0.00
d) Others(Specify)		0.00	0.00
Cash In Transit		0.00	0.00
Cash In Hand		0.00	0.00
Sub- Total		0.00	0.00
Grand Total		0.00	0.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
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12. Receivables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Interest Receivable	0.00	0.00
Current Loan Repayments Due	0.00	0.00
Other Exchange Debtors	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	0.00	0.00
Total Non- Current Receivables	0.00	0.00
Total Receivables From Exchange Transactions	0.00	0.00

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	0.00	0.00
Accrued interest receivable from of long-term loans of previous years	0.00	0.00
Interest receivable from current portion of long-term loans issued in the current year	0.00	0.00
Current loan repayments due	0.00	0.00
Current portion of long-term loans from previous years	0.00	0.00
Accrued principal from long-terms loans from previous periods	0.00	0.00
Current portion of long-term loans issued in the current year	0.00	0.00

13. Prepayments

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid Rent	0.00	0.00
Prepaid Insurance	0.00	0.00
Prepaid Electricity Costs	0.00	0.00
Other Prepayments (Specify)	0.00	0.00
Total	0.00	0.00

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14. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable Stores	0.00	0.00
Spare Parts And Meters	0.00	0.00
Catering	0.00	0.00
Other Inventories (Specify)	0.00	0.00
Total Inventories At The Lower Of Cost And Net Realizable Value	0.00	0.00

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Notes to The Financial Statements (Continued)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2020	0.00	0.00	0.00	0.00	0.00
Additions	0.00	0.00	0.00	-	0.00
Disposals	0.00	0.00	-	-	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00
At 30th June 2021	0.00	0.00	0.00	0.00	0.00
At 1st July 2021					
Additions	0.00	0.00	0.00	-	0.00
Disposals	0.00	-	-	-	0.00
Transfer/Adjustments	0.00	0.00	0.00	0.00	0.00
At 30th June 2022	0.00	0.00	0.00	0.00	0.00
Depreciation And Impairment					
At 1 st July 2020	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00
Impairment	0.00	-	-	-	0.00
At 30th June 2021	0.00	0.00	0.00	0.00	0.00
At 1st July 2021					
Depreciation	0.00	0.00	0.00	-	0.00
Disposals	0.00	-	-	-	0.00

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
Impairment	0.00	0.00	-	-	0.00
Transfer/Adjustment	0.00	0.00	0.00	0.00	0.00
At 30th June 2022	0.00	0.00	0.00	0.00	0.00
Net Book Values					
At 30th June 2021	0.00	0.00	0.00	0.00	0.00
At 30th June 2022	0.00	0.00	0.00	0.00	0.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
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Notes to The Financial Statements (Continued)

16. Intangible assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At Beginning Of The Year	0.00	0.00
Additions	0.00	0.00
At End Of The Year	0.00	0.00
Amortization And Impairment		
At Beginning Of The Year	0.00	0.00
Amortization	0.00	0.00
At End Of The Year	0.00	0.00
Impairment Loss	0.00	0.00
At End Of The Year	0.00	0.00
NBV	0.00	0.00

17. Trade and other payables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Payables	0.00	0.00
Refundable Deposits	0.00	0.00
Accrued Expenses	0.00	0.00
Other Payables	0.00	0.00
Total Trade And Other Payables	0.00	0.00

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of the Year (1.07.2021)	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00
Provision Utilised	0.00	0.00	0.00	0.00
Change Due to Discount and Time Value For Money	0.00	0.00	0.00	0.00
Transfers From Non -Current Provisions	0.00	0.00	0.00	0.00
Balance at The End of the Year (30.06.2022)	0.00	0.00	0.00	0.00

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19. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance At Beginning of The Period	0.00	0.00
External Borrowings During the Year	0.00	0.00
Domestic Borrowings During the Year	0.00	0.00
Repayments Of External Borrowings During the Period	0.00	0.00
Repayments Of Domestic Borrowings During the Period	0.00	0.00
Balance At End of The Period	0.00	0.00

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

	2021-2022	2020-2021
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	0.00	0.00
Sterling Pound Denominated Loan From 'Y Organisation'	0.00	0.00
Euro Denominated Loan from Z Organisation'	0.00	0.00
Domestic Borrowings		
Kenya Shilling Loan From KCB	0.00	0.00
Kenya Shilling Loan from Barclays Bank	0.00	0.00
Kenya Shilling Loan from Consolidated Bank	0.00	0.00
Borrowings From Other Government Institutions	0.00	0.00
Total Balance at End Of The Year	0.00	0.00

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)	0.00	0.00
Long Term Borrowings	0.00	0.00
Total	0.00	0.00

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Notes to The Financial Statements (Continued)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2021-2022	2020-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Non-Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

21. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	0.00	0.00
Adjusted For:		
Depreciation	0.00	0.00
Amortisation	0.00	0.00
Gains/ Losses On Disposal Of Assets	0.00	0.00
Interest Income	0.00	0.00
Finance Cost	0.00	0.00
Working Capital Adjustments		
Increase In Inventory	0.00	0.00
Increase In Receivables	0.00	0.00
Increase In Payables	0.00	0.00
Net Cash Flow From Operating Activities	0.00	0.00

**Kajiado County Education Bursary, Grants and Scholarship Fund
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Other Disclosures

22. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

	2021-2022	2020-2021
	Kshs	Kshs
Transfers From Related Parties'	0.00	0.00
Transfers To Related Parties	0.00	0.00

c) Key management remuneration

	2021-2022	2020-2021
	Kshs	Kshs
Board Of Trustees	0.00	0.00
Key Management Compensation	0.00	0.00
Total	0.00	0.00

d) Due from related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due From Parent Ministry	0.00	0.00
Due From County Government	0.00	0.00
Total	0.00	0.00

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Other Disclosures Continued

e) Due to related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due To Parent Ministry	0.00	0.00
Due To County Government	0.00	0.00
Due To Key Management Personnel	0.00	0.00
Total	0.00	0.00

23. Contingent assets and contingent liabilities

Contingent Liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court Case Xxx Against The Fund	0.00	0.00
Bank Guarantees	0.00	0.00
Total	0.00	0.00

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Other Disclosures Continued

24. 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:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	0.00	0.00	0.00	0.00
Receivables From Non-Exchange Transactions	0.00	0.00	0.00	0.00
Bank Balances	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
At 30 June 2021				
Receivables From Exchange Transactions	0.00	0.00	0.00	0.00
Receivables From Non Exchange Transactions	0.00	0.00	0.00	0.00

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Bank Balances	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

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 xxxx

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 2022				
Trade Payables	0.00	0.00	0.00	0.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
At 30 June 2021				
Trade Payables	0.00	0.00	0.00	0.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

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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.

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	0.00	0.00	0.00
Investments	0.00	0.00	0.00
Cash	0.00	0.00	0.00
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Net Foreign Currency Asset/(Liability)	0.00	0.00	0.00

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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%	0.00	0.00
USD	10%	0.00	0.00
2021			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00

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

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 0.00 (2022: KShs 0.00). A rate

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increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0.00(2021 – KShs 0.00)

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:

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	0.00	0.00
Revolving fund	0.00	0.00
Accumulated surplus	0.00	0.00
Total funds	0.00	0.00
Total borrowings	0.00	0.00
Less: cash and bank balances	0.00	0.00
Net debt/(excess cash and cash equivalents)	0.00	0.00
Gearing	0.00%	0.00%

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18. 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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>