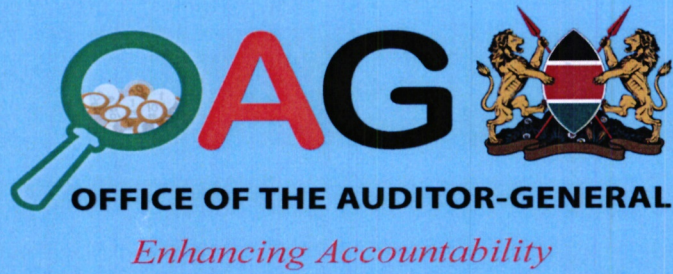


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

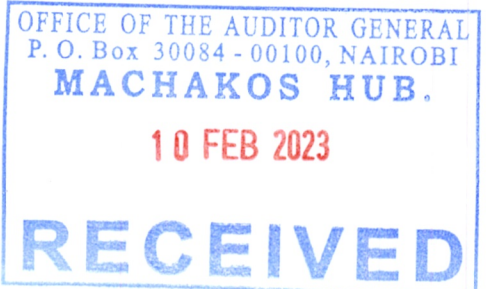
ON

MACHAKOS COUNTY BURSARY FUND

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



Revised Template 30th June 2022



**COUNTY GOVERNMENT OF MACHAKOS
MACHAKOS COUNTY BURSARY FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

Machakos county Bursary Fund
Reports and Financial Statements
For the year ended June 30, 2022

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**Machakos county Bursary Fund
Reports and Financial Statements
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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Machakos County Bursary Fund is established by and derives its authority and accountability from Public Financial Management Act, 2012 (*Section 116*). *The Machakos County (Bursary Fund) Regulations were made by The Machakos County Executive Committee Member for Finance and Revenue Collection while exercising the powers conferred by section 116 of the PFM Act 2012 as stipulated on Machakos County Gazette Supplement No. 7(31st August 2019)*. The Fund is wholly owned by the County Government of Machakos and is domiciled in Kenya. The Bursary Fund administration shall be done by the Chief Officer in charge of Education who shall make sure proper books of account and other records related to the fund are kept.

The fund's objective is to ensure that the less fortunate students get an opportunity to go through school and learn like any other students.

The Fund's principal activity

The Principal activity /mission of the bursary fund scheme is to provide financial assistance in form of fees to the needy learners in Machakos County

b) Principal Activities

The principal activity /mission of the bursary fund scheme is to provide financial assistance in form of fees to the needy learners in Machakos County

c) Fund Administration Committee

Ref	Position	Name
1	Chairperson of the Committee	Sammy K musau
2	Chief Officer	Dr.John Kilonzo (PhD)
3	Chief Officer finance	CPA Jacinta Masila
4	Committee Members	Purity K mulungye Daniel Kaveva Cynthia Makau Samuel K Muneene Dennies Musoia Salima Swalleh Titus Mutua

**Machakos county Bursary Fund
Reports and Financial Statements
For the year ended June 30, 2022**

		Mary Ndumi
5	Fund Manager/ Administrator	Dr.John Kilonzo (PhD)

d) Key Management

Ref	Position	Name
1	Fund Chairperson	Sammy K Musau
2	Fund Administrator	Dr.John Kilonzo
3	Fund Accountant	CPA Eric Kimuyu
4	Member -Director	Elizabeth Muange
5	Member - Administration	Roselyne Mutua
6	ICT Officer	Boniface Muia

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	CPA Josephine Ngui

f) Registered Offices

P.O. Box 3565 -90100
Town Hall
Mwatu Wa Ngoma Road
Machakos, KENYA

g) Fund Contacts

Telephone: (254) 44-205575
E-mail: infor@machakosgovernment.co.ke
Website: www.machakos.go.ke

h) Fund Bankers

Kenya Commercial Bank
Machakos Branch
Account No. 1166439682
Account No. 1251927483

i) Independent Auditors

Auditor General
Office of The Auditor General
Anniversary Towers, University Way

Machakos county Bursary Fund
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For the year ended June 30, 2022

P.O. Box 30084 - 00100
Nairobi, Kenya

j) Principal Legal Adviser




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

**Machakos county Bursary Fund
Reports and Financial Statements
For the year ended June 30, 2022**

2. FUND ADMINISTRATION COMMITTEE

Name	Details of qualifications and experience
<p>1. Sammy K. Musau</p> 	<p>Date of Birth: 1959</p> <p>Holds Bachelor of arts</p> <p>Has 35 years working Experience as an Educationist</p> <p>Chairperson of the Fund</p>
<p>2. Daniel Kyalo Kaveva</p> 	<p>Date of Birth: 1968</p> <p>Holds a Diploma in Theology & Honorary doctorate in Public Service</p> <p>Has 21 years in Public Service</p> <p>Represents Faith Based Organizations</p>
<p>3. Samuel Muneene</p> 	<p>Date of Birth: 1954</p> <p>Holds certificate in guidance and counselling</p> <p>Has 31 years' experience as an Area Education Officer</p> <p>Educationist</p>
<p>4. Mary Ndumi Ngau</p> 	<p>Date of Birth: 1960</p> <p>Diploma in Education</p> <p>Has 37 years' working experience</p> <p>Represents Faith Based Organizations</p>

**Machakos county Bursary Fund
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<p>5.Purity Mulungye</p> 	<p>Date of Birth: 1997 Form Four level Has 6 years working experience as an Mpesa Attentat Represents PWDs</p>
<p>6. Salima Swalleh</p> 	<p>Date of Birth: 1969 Certificate in 6th uluumu diin women symposium Represents Muslims</p>
<p>7. Dennies Musoia</p> 	<p>Date of Birth: 1994 Diploma in sales management and Marketing Has 3 years working experience Represents Youth</p>
<p>8. Cynthia Makau</p> 	<p>Date of Birth:1987 Bachelor degree in commerce Has 5 years work Experience Represents Youth</p>
<p>9.Titus Mutua</p> 	<p>Date of Birth: 1964 Certificate in Accounts Has 30 years of work Experience Represents PWDs</p>

3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'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 entity 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 objective of the Machakos County Bursary Fund 2021-2022 plan is to: Cushion the less fortunate members in the society to educate their children.

The Machakos County Bursary Fund had a budget of ksh.80,389,996 for the FY 2021/2022. This budget was issued to cushion bright but needy students across the 40 wards in Machakos County. Out of this budget, the department managed to disburse ksh.80,389,996 in two tranches to students in secondary and tertiary institutions.

In achieving the objective, the fund faced a myriad of challenges including;





1. The high cost of living has affected businesses leading to low income hence more needy cases.
2. High number of applications leading to allocation of low amounts to the beneficiaries.
3. Limited penetration of internet leading to huge loads of paper work.

Below we provide the progress on attaining the stated objectives:



Program	Objective	Outcome	Indicator	Performance
Program	Objective	Outcome	Indicator	Performance
Bursary	To cushion the less fortunate members of the society educate their children	Increased access, retention and completion rate.	High access, retention and completion rates.	In FY 21/22 we increased the number of learners accessing and completing their education by more than 70%.

**Machakos county Bursary Fund
Reports and Financial Statements
For the year ended June 30, 2022**

4.MANAGEMENT TEAM

Name	Details of qualifications and experience
 <p>Sammy K. Musau</p>	<p>Date of Birth: 1959 Holds Bachelor of arts Has 35 years working Experience in Education Sector.</p> <p>Chairperson of the Fund</p>
 <p>Dr. John Kilonzo (PhD)</p>	<p>Date of Birth: 1972 Holds PhD in Educational Administration Ten years' experience as a Secondary school teacher & Six years as a Quality assurance officer in the Ministry of Education. Serves as the fund Administrator</p>
 <p>Elizabeth Muange</p>	<p>Date of Birth: 1974 Holds Msc.in Development Studies Twenty-one years' experience in Educational matters Director - Education</p>
 <p>Eric Kimuyu</p>	<p>Date of Birth :1985 Holds Bachelor of Business Administration and Management - Finance Certified Public Account - Member No.16495 Ten years' experience in accounting profession Fund Accountant</p>

**Machakos county Bursary Fund
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	<p>Date of Birth: 1987 Holds Bsc.ICTM Fifteen years' experience in ICT Fund ICT Officer</p>
	<p>Date of Birth: 1979 Holds Diploma in ECDE Twelve years' experience in Teaching profession Administrator</p>

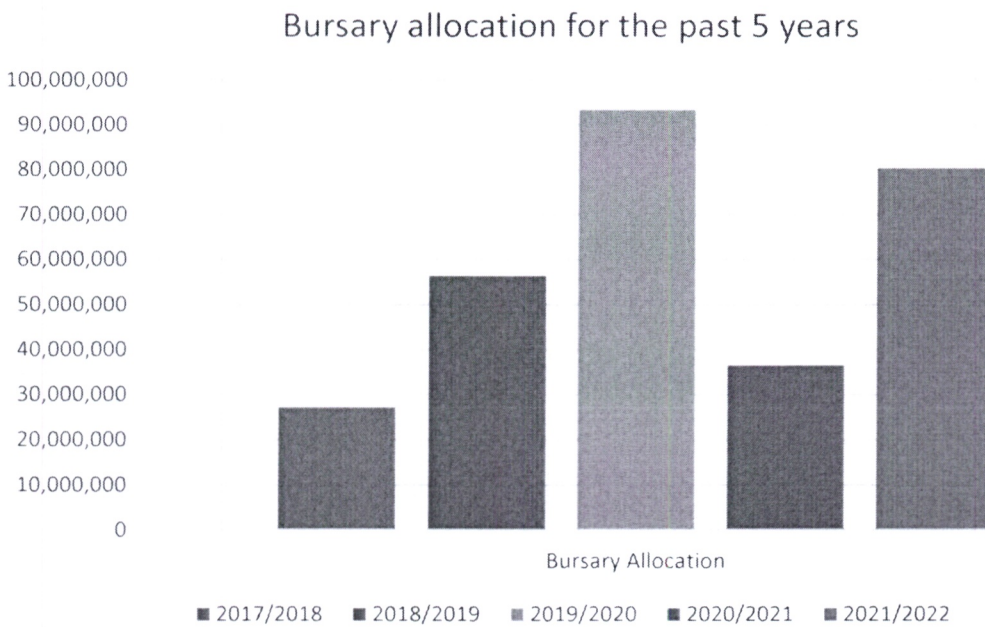
Boniface Muia

Roselyne Mutua



5. FUND CHAIRPERSON’S REPORT

The Machakos County Government recognises the role education plays in the lives of individuals and communities especially in boosting the standards of living. In the last five years it has consistently increased bursary allocation to help the needy gain access to higher education as indicated in the following table:



In the pursuit of the above the Department of Education in the FY 2021/2022 received a cumulative total of ksh.80,389,996 Million which was disbursed to needy students across the nine (9) sub-counties in their respective forty (40) Wards. The funds were disbursed in two tranches of Kshs 40 million and ksh 40,389,996 million, this was awarded to students in both secondary and post-secondary learning institutions. For ease of awarding, the application forms were disbursed to Ward Administrator’s for collection by the potential applicants.

Whereas the goal was to target the brilliant and needy students, the high number of applications and vested interests by the Ward Bursary Committees the County Bursary Committee was forced to institute guidelines that harmonized the amounts going to various categories of students. The guidelines set a minimum of Kshs. 2,000 and kshs 4000 for day scholars and boarders respectively.

Machakos county Bursary Fund
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Generally, this flagship program has been a tremendous success translating to boosted transition and completion rates in the two levels of education.

Despite the high acceptance, the bursary program is faced by a myriad of challenges which overtime need to be addressed as below:

- First and foremost is the high number of applicants to the tune of forty (40,000) thousand who seek support due to overbearing adverse effects of Covid-19, skyrocketing costs of essential goods and services this calls for a further increase in the bursary allocation.
- Secondly, is the ever-increasing cost of loads of paperwork then possibly it's the high time we embrace paperless by going digital.
- Thirdly, is the pressure by stakeholders to have all needy students being treated equally leading to a meagre allocation to all the applicants where a flat allocation of the minimum amount of ksh.2,000 to all learners in some wards is done. This principle defeats the purpose of identifying the bright and needy in the communities. However, this political reality cannot be wished away as the Government of the day is a political progeny

The bursary program remains one of the key programs of the Department that has a lasting impact on the people of Machakos and hopely future regimes will retain it for posterity

Signed: 

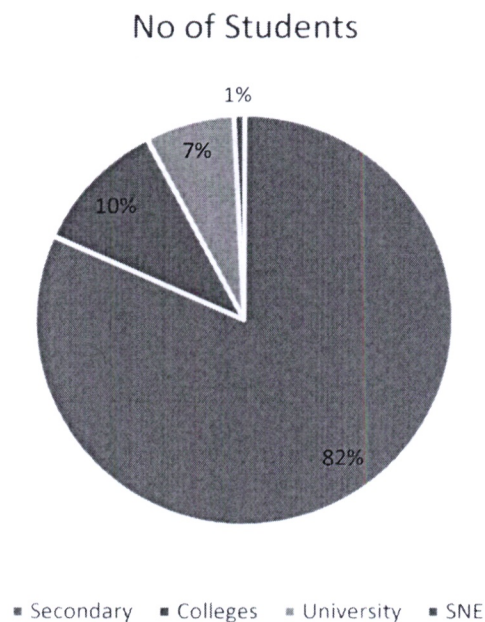
Sammy K.Musau

Chairperson-County Bursary Committee

6. REPORT OF THE FUND ADMINISTRATOR

The County Bursary regulations were reviewed as stipulated on Machakos County Gazette Supplement No.7(31st August 2019) and implemented in disbursing bursaries for FY 2021/2022. The County bursary committee also had new members who took over from former office bearers. The new committee members were appointed on 5th January 2021 and inducted on 1st November 2021. During the induction members were taken through their roles, guidelines and regulations establishing the Fund.

In the FY 2021/2022 the Machakos County Bursary Fund received Kshs. 80,389,996 million against a planned budget sealing of the same representing 100% actualization of the budget as opposed to the previous FY2021/2022 when 90% was actualised, this allocation was awarded to bright and needy students. The funds were received in two tranches of Kshs 40 Million and Kshs 40,389,996 Million targeting secondary, tertiary and university students. After the award of the second tranche, we got cumulative total of 28,420 students who benefited from the bursary program the FY 2021/2022 broken into 14,042 males and 14,378 females, composed of 6,275 secondary schools' students, 810 Colleges' students 531 University students and 66 special needs students as summarised in the following pie chart.



The benefiting students were to pick their cheques through their respective Ward Administrators' Offices after the Deputy Governor launched in all the 40 wards as indicated by the photo below.



Parents receiving Bursary from H.E The Deputy Governor in the Wards

THE CHALLENGES FACING BURSARY FUND

A number of challenges have continued to face this fund as stated below:

- Overwhelming demand for bursary against a fluctuating allocation from treasury across the years as indicated in the table and chart below:

FINANCIAL YEAR	2018/2019	2019/2020	2020/ 2021	2021/2022
APPROVED BUDGET	120 Million	120 Million	40.261 Million	80,389,996

**Machakos county Bursary Fund
Reports and Financial Statements
For the year ended June 30, 2022**

(Kshs)				
ACTUAL ALLOCATION(Kshs)	56.5 Million	93.573Million	36.55 Million	80,389,996

Table Indicating Allocation across the Years

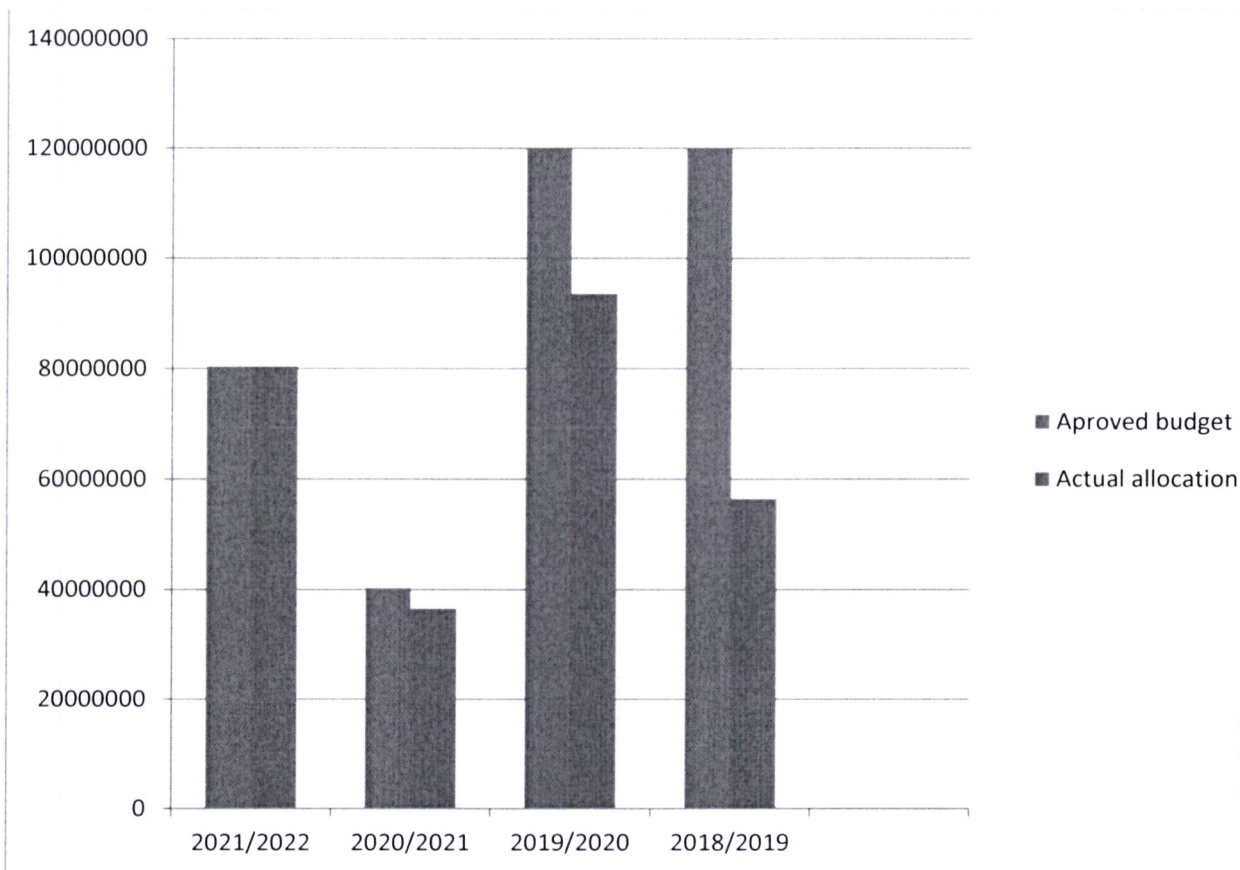


Chart for Bursary Program Allocation across the Years

The inconsistent allocation normally interferes with planning and budgeting the funds for disbursement.

- Secondly, is the Covid 19 pandemic that broke parents' livelihood increasing the number of bursary applications thus outstripping the budget provided by the County Government to cushion the bright and needy students from dropping out of the school system.

Machakos county Bursary Fund
Reports and Financial Statements
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- Thirdly was the mismatch between County budgets and the school calendars where funds are availed after schools are closed or on holidays. This challenge makes the students to be send home unnecessarily as the funds are availed only when government allocation is done. This could be corrected by setting aside the funds early which are then drawn when the school calendar is appropriate.

- The last noted challenge is the current skyrocketing inflation that basically makes even the working class also compete for bursaries a situation that strains the set aside kitty for the less fortunate in society

Generally, the bursary fund continues to play a pivotal role in ensuring that students are retained in school thus improving completion rates in secondary, tertiary and universities. It is the hope of every parent that this program continues and the bursary budget is enhanced.

Signed _____ 

Dr John Kilonzo (PhD)

Chief Officer –Education and Skills Training

7. CORPORATE GOVERNANCE STATEMENT

The Machakos Bursary Fund was operationalized in the year 2014 after passage of the regulations to guide the administration of the fund. According to the regulations the fund meant to benefit students in secondary and tertiary institutions.

The Fund was meant to have a County Bursary Committee which was ideally mandated with the responsibility of running the Fund. The members of the committee are nominated by the chief officer who is the Fund administrator. The County Bursary Committee is assisted by forty ward committees. The committee is vested with the following roles:

1. Raise monies for the Fund
2. Determine, approve and review the policies for administering the Fund.
3. Monitor the application of the Fund by the Ward Bursary Committee and assess if the Fund is being administered in accordance with the Funds object and purpose.
4. Receive and consider appeals from the Ward Bursary Committees.
5. Prepare and forward reports on the Fund to the County Assembly.
6. Undertake such other activities as are necessary for the effective application of the Fund.

The County Bursary Committee for the FY 2021/2022 held four meetings: on 1st November 2021, 29th November 2021, 6th May 2022 and 25th May 2022. Attendance of meetings by members has been excellent. The bursary regulations were reviewed and effected in disbursing bursaries for this financial year. The new bursary committee nominees were vetted and approved by the County Assembly then inducted by the management.

The department of Education and Skills Training where the bursary Fund is domiciled through its heads of sections meetings and County Bursary Committee review policies associated with the bursary administration from time to time. The issues agreed on are cascaded to the Ward Bursary Committees for implementation. This constant consultation have led to quick resolution of complains that emanate from the bursary issuance exercise.

Members of the County Bursary Committee can vacate or be removed from the committee under the following conditions:

1. One can resign by giving a notice in writing addressed to the County Executive member responsible for matters relating to education.

Machakos county Bursary Fund
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2. A member can be removed if he/she is absent from three consecutive meetings of the committee, is in serious violation of these regulations or any other law or is guilty of gross misconduct, is physically or mentally incapable of performing the functions or is adjudged bankrupt.

The committee members are given an allowance every time they attend a meeting of the committee. The Fund is audited by the department's auditor and eventually by the office of the Kenya Auditor General.

8. MANAGEMENT DISCUSSION AND ANALYSIS

In the Financial Year 2021/2022 the Machakos County Bursary fund had a budget of Ksh.80,389,996. All the funds were received and distributed to needy and bright students across the forty wards of Machakos County benefitting 28,420 students 14,042 males and 14,378 Female. This being 6275 secondary schools, 810 colleges, 531 university and 66 special Schools. In identifying these beneficiaries, participation forums were conducted at all the wards being coordinated by the respective, ward bursary committees with priority being given to total orphans, partial orphans and children from destitute families.

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT / SUSTAINABILITY
REPORTING**

The Machakos County Bursary Fund did not carry out Social Responsibility activities during the financial year 2021/2022

10. FUND ADMINISTRATION COMMITTEE

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Fund affairs.

10.1 Principal activities

The principal activity /mission of the bursary fund scheme is to provide financial assistance in form of fees to the needy learners in Machakos County.

10.2 Performance

The performance of the Fund for the year ended June 30, 2022, are set out on page 6.

10.3 Trustees

The *Administration Committee* who served during the year are shown on page 5 (*refer to the key entity information and management page*).

10.4 Auditors

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

By Order of the Fund Administration Committee

Chair of Fund Administration Committee

Date: 17/07/2023

Sign: 

Name: Samuel Mwan

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Section 116 of the PFM Act 2012 as stipulated on Machakos County Gazette Supplement No.7 (30th August 2019) 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 Machakos County Bursary Fund Regulations of 2019. 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.

**Machakos county Bursary Fund
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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 Fund administration Committee on 27/09 2022 and signed on its behalf by: _____

Name: Oscar Mutie.



Administrator of the County Public Fund

Machakos county Bursary Fund
Reports and Financial Statements
For the year ended June 30, 2022

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 Fund administration Committee on 27/06 2022 and signed on its behalf by: _____

Name:



Administrator of the County Public Fund

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MACHAKOS 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 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 Machakos County Bursary Fund set out on pages 24 to 63, 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 the statement of comparison of budget and actual

Report of the Auditor-General on Machakos County Bursary Fund for the year ended 30 June, 2022

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Machakos 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 Machakos County (Bursary Fund) Regulations, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Discrepancies Between the Trial Balance and the Financial Statements

The statement of financial performance reflects general expenses of Kshs.79,563,909. Included in the amount are bursaries disbursed during the year of Kshs.79,450,169. However, the expenditure on bursaries as per the trial balance is Kshs.81,766,776 resulting to an unexplained difference of Kshs.2,316,607.

In the circumstances, the accuracy and completeness of general expenses amount of Kshs.79,563,909 for the year ended 30 June, 2022 could not be confirmed.

2. Un-supported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.151,665 and as disclosed in Note 10 to the financial statements. The balance comprises of Machakos County Bursary Fund and Machakos County Bursary Operations accounts balances of Kshs.151,010, and Kshs.655 respectively. However, the bank reconciliation statements for the Machakos County Bursary Fund includes unrepresented cheques totalling Kshs 19,269,850 which were not supported by detailed schedules.

In the circumstances, the accuracy and fair statement of the cash and cash equivalents balance of Kshs.151,665 as at 30 June, 2022 could not be confirmed.

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

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

Inadequate Bursaries Disbursed

The statement of financial performance reflects general expenses amount of Kshs.79,563,909 which includes bursaries expenditure of Kshs.79,450,169. Review of the list of beneficiaries revealed that bursaries were awarded at a uniform rate to the beneficiaries instead of being based on the applicant's need. Further, review of bursary report dated 8 September, 2022 revealed that the bursary faces a number of challenges which include interference by the ward bursary committee and county bursary committee who are stakeholders. The stakeholders prepare guidelines for award of bursaries at a uniform rate without considering the needs or vulnerability level of the applicants. The objective of the Fund to assist students on a need basis is therefore not met.

In the circumstances, the objective of the Fund and value for money may not have been achieved due to unrealistic award criteria and interference by ward and county committee members.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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 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

30 March, 2023

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13. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2022.

	Note	FY 2021/2022	2020/2021
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	0	0
Transfers from the County Government	2	80,389,996	36,550,000
Fines, penalties and other levies	3	0	0
		80,389,996	36,550,000
Revenue from exchange transactions			
Interest income	4	0	0
Other income	5	0	0
		0	0
Total revenue		80,389,996	36,550,000
Expenses			
Fund administration expenses	6	2,413,400	1,966,050
General expenses	7	79,563,909	34,397,982
Finance costs	8	0	0
Total expenses		81,977,309	36,364,032
Other gains/losses			
Gain/loss on disposal of assets	9		
Surplus/(deficit) for the period		(1,587,313)	185,968

The notes set out on pages 50 to 62 form an integral part of these Financial Statements.

Machakos county Bursary Fund
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13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2021/2022	2020/2021
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	151,665	1,738,978
Current portion of long- term receivables from exchange transactions	11	0	0
Receivables from Non- exchange transactions	12	0	0
Prepayments	13	0	0
Inventories	14	0	0
		0	0
Non-current assets			
Long term receivables from exchange transactions	11	0	0
Property, plant and equipment	15	0	0
Intangible assets	16	0	0
		0	0
Total assets		151,665	1,738,978
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	0	0
Provisions	18	0	0
Current portion of borrowings	19	0	0
Employee benefit obligations	20	0	0
		0	0
Non-current liabilities			
Long term portion of borrowings	19	0	0
Non-current employee benefit obligation	20	0	0
Total liabilities		0	0
Net assets		151,665	1,738,978
Revolving Fund		0	0
Reserves		0	0
Accumulated surplus		1,738,978	1,553,010
Surplus/deficit for the period		(1,587,313)	185,968
Total net assets and liabilities		151,665	1,738,978

**Machakos county Bursary Fund
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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:



Administrator of the Fund
Name: Dr. John Kilonzo (PhD)



Fund Accountant
Name: Eric Kimuyu
ICPAK Member Number: 16495

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13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2020	0	0	0	0
Surplus/(deficit) for the period	0	0	1,738,978	1,738,978
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2021	0	0	1,738,978	1,738,978
Balance as at 1 July 2021	0	0	1,738,978	1,738,978
Surplus/(deficit) for the period	0	0	(1,587,313)	(1,587,313)
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2022	0	0	151,665	151,665

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13.4 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	1	0	0
Transfers from the County Government	2	80,389,996	36,550,000
Interest received	5	0	0
Receipts from other operating activities		0	0
Total Receipts		80,389,996	80,389,996
Payments			
Fund administration expenses	6	2,413,400	1,966,050
General expenses	7	79,563,909	34,397,982
Finance cost	8	0	0
Total Payments		81,977,309	36,364,032
Net cash flows from operating activities	21	(1,587,313)	185,968
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		(1,587,313)	185,968
Cash and cash equivalents at 1 JULY	10	1,738,978	1,553,010
Cash and cash equivalents at 30 JUNE	10	151,665	1,738,978

13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2022.

	Original budget	Adjustments	Final budget	Actual on comparable basis	% utilisation	Remarks
	2022	2022	2022	2022	2022	
	KShs	KShs	KShs	KShs		
Revenue						
Public contributions and donations	0	0	0	0	0	
Transfers from County Govt.	80,389,996	0	80,389,996	80,389,996	1%	
Interest income	0	0	0	0	0	
Other income	0	0	0	0	0	
Total income	80,389,996	0	80,389,996	80,389,996	1%	
Expenses						
Fund administration expenses	2,417,895	0	2,417,895	2,413,400	99%	
Bursaries	77,772,101	0	77,772,101	79,450,169	100%	
Bank Charges	200,000	0	200,000	113,740	50%	
Total expenditure	80,389,996	0	80,389,996	81,977,309	100%	
Surplus for the period				(1,587,313)		

13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

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

Standard/ Amendments: Applicable: 1st January 2021:	Impact
<p>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</p>	<p>There was no impact of the amendment to IPSAS 13 with respect to the current financial report</p>
<p>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</p>	<p>There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2021/2022</p>
<p>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.</p>	<p>There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.</p>
<p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>	<p>No impact</p>

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

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

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Standard	Effective date and impact:
	<p>(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>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>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.</p> <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>

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

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

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 10th June 2022. 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 did not record any additional amount.

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.

Machakos county Bursary Fund
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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

b) Financial liabilities

Initial recognition and measurement

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

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

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.

4. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

5. Provisions

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

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

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent liabilities

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

Contingent assets

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

6. Nature and purpose of reserves

The Entity does not create or maintain reserves.

7. 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.

8. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

9. 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.

10. 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.

11. Related parties

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. 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 Commercial Bank 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.

13. Comparative figures

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

14. Events after the reporting period

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

15. Ultimate and Holding Entity

The entity is a County Public Fund established by and derives its authority and accountability from Public Financial Management Act, 2012 (Section 116). The Machakos County (Bursary Fund) Regulations were made by The Machakos County Executive Committee Member for Finance and Revenue Collection while exercising the powers conferred by section 116 of the PFM Act 2012 as stipulated on Machakos County Gazette Supplement No. 7 (31st August 2019) under the Department of Education, Skills Training Its ultimate parent is the County Government of Machakos.

16. Currency

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure

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required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

18. 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.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

The 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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.

d) Foreign currency risk

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2022			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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
2021			
Euro	10%	-	-
USD	10%	-	-
2020			
Euro	10%	-	-
USD	10%	-	-

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

f) Capital risk management

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

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2021/2022	2020/2021
	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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14. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2021/2022	2020/2021
	KShs	KShs
Donation from development partners	0	0
Contributions from the public	0	0
Total	0	0

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2021/2022	2020/2021
	KShs	KShs
Transfers 1 (Bursary Account)	40,000,000	36,550,000
Transfer 1 (Bursary Operations Account)	0	0
Transfer 2 (Bursary Account)	40,389,996	0
Transfer 2 (Bursary Operations Account)	0	0
Other Income (Bursary Operations Account)	0	0
Total	80,389,996	36,550,000

3. Fines, penalties and other levies

Description	2021/2022	2020/2022
	KShs	KShs
Late payment penalties	0	0
Fines	0	0
Levies	0	0
Licences	0	0
Total	0	0

(Provide brief explanation for this revenue)

4. Interest income

Description	2021/2022	2020/2021
	KShs	KShs
Interest income from Mortgage loans	0	0
Interest income from car loans	0	0
Interest income from investments	0	0
Interest income on bank deposits	0	0
Total interest income	0	0

(Provide brief explanation for this revenue)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2021/2021	2020/2021
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender documents	0	0
Miscellaneous income (specify)	0	0
Total other income	0	0

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

6. Fund administration expenses

Description	2021/2022	2020/2021
	KShs	KShs
Office Expenses	0	0
Loan processing costs	0	0
Professional services costs	0	0
Administration fees	0	0
Postage	0	0
Fuel & Oil Costs	74,500	32,000
Printing & Stationeries	131,850	110,500
Telecommunication	101,300	231,500
Hospitality	2,105,750	1,536,050
Other Expenses	0	56,000
Total	2,413,400	1,966,050

6A. Staff costs

Description	2021/2022	2020/2021
	KShs	KShs
Salaries and wages	0	0
Staff gratuity	0	0
Staff training expenses	0	0
Social security contribution	0	0
Other staff costs	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. General expenses

Description	2021/2022	2020/2021
	KShs	KShs
Bank Charges (Bursary Account)	109,900	83,459
Bank Charges (Bursary Operations Account)	3,840	4,575
Bursaries	79,450,169	34,309,948
Insurance costs	0	0
Postage	0	0
Rental costs	0	0
Security costs	0	0
Depreciation and amortization costs	0	0
Total	79,563,909	34,397,982

8. Finance costs

Description	2021/2022	2020/2021
	KShs	KShs
Interest on Bank overdrafts	0	0
Interest on loans from banks	0	0
Total	0	0

9. Gain/(loss) on disposal of assets

Description	2021/2022	2020/2021
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Cash and cash equivalents

Description	2021/2022	2020/2021
	KShs	KShs
Car loan account	0	0
County mortgage account	0	0
Fixed deposits account	0	0
On – call deposits	0	0
Current account – Machakos County Bursary Fund	655	1,732,782
Machakos County Bursary Operations Account	151,010	6,196
Total cash and cash equivalents	151,665	1,738,978

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			
Kenya Commercial bank		0	0
Equity Bank, etc		0	0
Sub- total		0	0
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank - etc		0	0
Sub- total		0	0
c) Current account			
Kenya Commercial bank	1166439682	151,010	1,732,782
Bank B	1251927483	655	6,196
Sub- total		151,665	1,738,978
d) Others(specify)		0	0
Cash in transit		0	0
Cash in hand		0	0
Mobile Money		0	0
Sub- total		0	0
Grand total		151,665	1,738,978

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Receivables from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Current Receivables		
Interest receivable	0	0
Current loan repayments due	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total Current receivables		
Non-Current receivables		
Long term loan repayments due	0	0
Total Non- current receivables	0	0
Total receivables from exchange transactions	0	0

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	0
Accrued interest receivable from of long-term loans of previous years	0	0
Interest receivable from current portion of long-term loans issued in the current year	0	0
Current loan repayments due		
Current portion of long-term loans from previous years	0	0
Accrued principal from long-terms loans from previous periods	0	0
Current portion of long-term loans issued in the current year	0	0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Receivables from Non-Exchange transaction

Description	2021/2022	2020/2021
	KShs	KShs
Transfer from County Executive	0	0
Transfer from Fund	0	0
Total receivables from non-exchange transactions	0	0

13. Prepayments

Description	2021/2022	2020/2021
	KShs	KShs
Prepaid rent	0	0
Prepaid insurance	0	0
Prepaid electricity costs	0	0
Other prepayments(specify)	0	0
Total	0	0

14. Inventories

Description	2021/2022	2020/2021
	KShs	KShs
Consumable stores	0	0
Spare parts and meters	0	0
Catering	0	0
Other inventories(specify)	0	0
Total inventories at the lower of cost and net realizable value	0	0

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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 2019	0	0	0	0	0
Additions	0	0	0	-	0
Disposals	(0)	(0)	-	-	(0)
Transfers/adjustments	0	(0)	0	(0)	(0)
At 30th June 2020	0	0	0	0	0
At 1st July 2020					
Additions	0	0	0	-	0
Disposals	(0)	-	-	-	(0)
Transfer/adjustments	(0)	0	0	(0)	(0)
At 30th June 2021	0	0	0	0	0
Depreciation and impairment					
At 1 st July 2019	(0)	(0)	(0)	(0)	(0)
Depreciation	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	-	-	-	(0)
At 30th June 2020	0	0	0	0	0
At 1st July 2020					
Depreciation	(0)	(0)	(0)	-	(0)
Disposals	0	-	-	-	0
Impairment	(0)	(0)	-	-	(0)
Transfer/adjustment	0	(0)	(0)	0	0

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 30 th June 2021	0	0	0	0	0
Net book values					
At 30 th June 2020	0	0	0	0	0
At 30 th June 2021	0	0	0	0	0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	2021/2022	2020/2021
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

17. Trade and other payables from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Trade payables	0	0
Refundable deposits	0	0
Accrued expenses	0	0
Other payables	0	0
Total trade and other payables	0	0

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	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount and time value for money	(0)	(0)	(0)	(0)
Transfers from non -current provisions	0	0	0	0
Balance at the end of the year (30.06.2022)	0	0	0	0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	2021/2022	2020/2021
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the period	(0)	(0)
Repayments of domestic borrowings during the period	(0)	(0)
Balance at end of the period	0	0

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 'xxx organisation'	0	0
Sterling Pound denominated loan from 'yyy organisation'	0	0
Euro denominated loan from 'zzz organisation'	0	0
Domestic Borrowings		
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Borrowings from other government institutions	0	0
Total balance at end of the year	0	0

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

2020/202	2021/2022	2021/2020
	KShs	KShs
Short term borrowings(current portion)	0	0
Long term borrowings	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
Total employee benefits obligation	0	0	0	0

21. Cash generated from operations

	2021/2022	2020/2021
	KShs	KShs
Surplus/ (deficit) for the year before tax	0	0
Adjusted for:		
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	(0)	(0)
Interest income	(0)	(0)
Finance cost	0	0
Working Capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in payables	0	0
Net cash flow from operating activities	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

	2021/2022	2020/2021
	KShs	KShs
Transfers from related parties'	80,389,996	36,550,000
Transfers to related parties	0	0

c) Key management remuneration

	2021/2022	2020/2021
	KShs	KShs
Board of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

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d) Due from related parties

	2021/2022	2020/2021
	KShs	KShs
Due from parent Ministry	0	0
Due from County Government	0	0
Due from County Assembly	0	0
Total	0	0

e) Due to related parties

	2021/2022	2020/2021
	KShs	KShs
Due to parent Ministry	0	0
Due to County Government	0	0
Due to Key management personnel	0	0
Due to County Assembly	0	0
Total	0	0

23. Contingent assets and contingent liabilities

Contingent liabilities	2021/2022	2020/2021
	KShs	KShs
No Court case against the Fund	0	0
Bank guarantees	0	0
Total	0	0

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.4	Unsupported Bursary Disbursements	Bursary disbursements supported by availing lists of beneficiaries	Not Resolved	30 th September 2023
4.5	Budget Control and Performance	Cashflow issues at the Controller of Budget	Resolved	Received all the monies as per the budget
4.2	Non-adherence to Bursary Guidelines	Strict adherence to Bursary guidelines as issued	Resolved	Stricked adherence to bursary guidelines in FY 2021/2022
4.3	Loss of Funds through Fraud	Follow-up and recovery of lost funds	Not Resolved	30 th September 2023

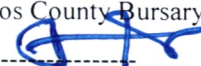


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16. APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the County Executive of Machakos County Government				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Transfer from Machakos County Treasury	25 th Oct 2021	40,000,000	2021/2022
	Transfer from Machakos County Treasury	21 st April 2022	40,389,996	2021/2022
		Total	80,389,996	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		Total	0	

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

Finance Manager
Machakos County Bursary Fund
Sign 

Head of County Treasury at
Machakos County
Sign 