

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

**WEST POKOT COUNTY-BURSARY,
EDUCATION DEVELOPMENT AND
INFRASTRUCTURE FUND**

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



Revised 30th June 2022



WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND

Department of Education and Technical Training

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

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Table of Content

1. Key Entity Information and Management.....	iii
2. The board of trustees/ fund administration committee.....	vi
3. Board/Fund Administration Committee Chairperson's Report	vii
4. Report of The Fund Administrator.....	viii
5. Statement of Performance Against the County Fund's Predetermined Objectives	x
6. Corporate Governance Statement.....	xii
7. Management Discussion and Analysis.....	xiii
8. Environmental and Sustainability Reporting	xiv
9. Report of The Trustees	xvii
10. Statement of Management's Responsibilities	xix
11. Report of The Independent Auditor	xx
12. Statement of Financial Performance For The Year Ended 30th June 2022	1
13. Statement of Financial Position As At 30 June 2022.....	2
14. Statement Of Changes in Net Assets for the year ended 30 th June 2022	4
15. Statement Of Cash Flows For The Year Ended 30 June 2022	5
16. Statement Of Comparison Of Budget And Actual Amounts For The Period.....	7
17. Notes to the Financial Statements	8
18. Progress On Follow Up Of Prior Year Auditor's Recommendations.....	37

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

1. Key Entity Information and Management

a) Background information

The County Executive Committee member for finance and Economic Planning in exercise of the powers conferred by section 116 of the PFM Act, 2012 created the *West Pokot County Bursary, Educational Development and Infrastructure fund and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014* to provide funds for granting bursaries to assist needy students to pursue education and enhance educational development and infrastructure development for the promotion of education. The fund's objective is to

Mandate

The mandate of the Fund as derived from West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014 is to:

- i. To provide funds for granting bursaries to assist needy students to pursue education;
- ii. To enhance educational development;
- iii. To enhance infrastructure development for the promotion of education.

b) Principal Activities

The Fund is created as per the PFM ACT, 2012 it falls under the Department of Education and ICT which is headed by CEC Member who is the chair person and the County Governor being the patron, who is responsible for the general policy and strategic direction of the fund.

c) Fund Administration Committee

Ref	Name	Position
1	Julius Lokituman	Accounting Officer
2	Andrew Kasiltich	County Director-Bursary
3	Rebecca Kide	CECM-Education and Technical Training
4	Martin Lotee	Member
5	Samuel Lopale	Member
6	Sarah Serem	Member
7	Amos Koech	Member
8	Priscillah Chebet	Member
9	Simon Yota	Member

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

d) Key Management

Ref	Position	Name
1	Fund Administrator	Julius Lokituman
2	Bursary Director	Andrew Kasiltich
3	Fund Accountant	Kennedy Bulimo

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Directorate Internal Audit	
2	Head of Audit	Tom Lotiaka
3	Audit officer	Zablon Pokor

f) Registered Offices

P.O. Box 222-30600

Office of the Governor Building

Kapenguria, KENYA

g) Fund Contacts

Telephone: (254) 0532014000

E-mail: info@westpokot.go.ke

Website: www.westpokot.go.ke

h) Fund Bankers

1. Equity Bank of Kenya
Kapenguria Branch
P.o Box 75104- 30600
Kapenguria
2. Equity Bank Account
Kapenguria Branch
Pox Kapenguria
Account No:1070262229797

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

i) Independent Auditors

Auditor General

Office of the Auditor - General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) County Principal Legal Adviser

The County Legal Office

P.O. Box 222-

30600

Office of the Governor

Off Kapenguria County Hospital Road

Kapenguria, KENYA

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

2. The board of trustees/ fund administration committee

Name	Details of qualifications and experience
1. Lokituman Julius	Date of Birth: 01/07/1970 Qualification: Graduate Experience: over 28 years in service Position: CO- Education and Technical Training
2. Andrew kasiltich	Date of Birth: 10/11/1966 Qualification: Diploma Experience: 32 years Position: Director County Bursary
3. Rebecca Kide	Date of Birth: 01/01/1967 Qualification: B.Ed. Arts Experience: over 25 years in service Position: CECM-Education and Technical Training
4. Kennedy Bulimo	Date of Birth: 2/10/1990 Qualification: B.com, CPA Experience: 3 years in service Position: Project Accountant

3. Board/Fund Administration Committee Chairperson's Report

Since inception of devolved government, Education in West Pokot have received limited support most in the form of schools Infrastructure and rehabilitation, needy student's fees support (Bursary). To increase student's school completion, retention, and effectiveness of trainings in schools, there is need for the institutions and students to be supported.

West Pokot County Government is categorized as ASAL counties in Kenya. The county poverty levels and an-unemployment's among youths are high. There are no major industries in the region. Most students drop out/leavers in the county are high and they lack basic technical skills to make them competitive in the job market.

On assumption of office H.E, The Governor implemented his manifesto in line with the County Integrated Development Plan -CIDP duped 3-Es (Economy, Education and Equity) with the introduction of County Bursary to support all the needy students in the county in Secondary, Tertiary and Universities.

Herein are some of the outcome that were achieved because of the establishment of the funds:

- Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current 35,400
- Establishment of new schools (25 No.)
- Reduce school drop outs by 40% through cushioning of vulnerable students
- Reduce retrogressive cultures by 60%

Way forward:

Since resources are scarce the department is looking forward in collaborating with other stakeholder's in order to bring in support more learners and improve schools Infrastructure developments.

Signed: _____

ANDREW KASILTICH

BURSARY DIRECTOR

4. Report of The Fund Administrator

In Kenya the greatest drivers for the economy is Education and that is why it is envisaged in the vision 2030, which was also cascaded down to the devolved units of the counties. West Pokot County is one of the few counties in Kenya that were disadvantaged Education wise since they were embracing on its rich cultural practises of which some were overtaken by events. According to the Governors, manifesto Bursary and Infrastructure development fund was anchored on the county government's economic and transformation agenda as enshrined in the County Integrated Development Plan (2018-2022), the third Medium Term Plan of Kenya Vision 2030, the 'Big Four' agenda and the Governor's Manifesto. The manifesto is premised on the 3E's pillar framework of Education, Equity and Economy for sustainable, inclusive development and shared prosperity.

The Financial Year 2020/21 will see a change of priorities with the 3E's getting more attention. Agriculture and livestock sub- sectors will also remain to be a major priority area for the county as it is a mainstay of the county economy. The unveiling of this annual development plan for FY 2020/21 is a clear demonstration of our commitment to the realization of our county vision of being the model county in service delivery.

Education being an equalizer is a priority according to the governor and that was demonstrated through the allocation of funds to the bursary scheme. This has gone a long way, and is demonstrated by continuous increment by both enrolment and budgetary allocation of the bursary and Infrastructure fund. For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

- *Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current over 45,000*
- *Establishment of new schools (35 No.)*

Reduce school drop outs by 40% through cushioning of vulnerable students

- *Reduce retrogressive cultures by 60%*

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

The above was achieved through:

Establishment of robust committees who manages the fund straight from the locational level though the county level

Establishment of the legislation that guides the utilization of the fund

Establishing the management team of the fund among others

The Bursary and infrastructure programme aims to alleviate the suffering meted on the people by hunger and poverty by easing them with the burden and supporting the deserving beneficiaries with bursaries. The parents will now be left to engage in other income generating activities and projects/programme, young people will be able to earn an income to purchase food and other basic needs necessary for improving their situation.

In addition, the programme will help to:

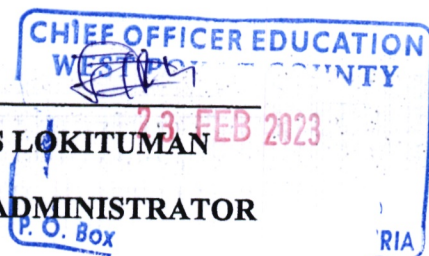
- Engage members of the public in Bursary and infrastructure programme.
- Exchange knowledge and skills to improve the economy of the County.
- Identify, support and partner with positive and effective initiatives and programmes to empower citizens.
- Inculcate the culture of volunteerism among citizens.
- Promote honest hard work, productivity and sustainable development.
- Promote employment creation
- Promote socially acceptable values
- Impact positively on their lives and those of the members of their immediate communities.

See themselves as stakeholders in the development of their communities hence uplifting their emotional well-being.

Signed: _____

JULIUS LOKITUMAN

FUND ADMINISTRATOR



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

Objectives

Guidance

Refer to the entity's annual budget and program plan report on the extent of the county government entity's progress in attaining the plan. Report on the metrics met, objectives yet to be met, challenges and opportunities of the County entity in implementation of its program plan. Refer to the strategic plan if the entity has one.

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government Entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Fund as per the strategic plan for *(Indicate period of the strategic plan)* are to:

- a) *Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current over 45,000*
- b) *Establishment of new schools (35 No.)*
- c) *Reduce school drop outs by 40% through cushioning of vulnerable students*

Progress on attainment of Strategic development objectives
 Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
County Bursary, Education and Infrastructure Fund	<ul style="list-style-type: none"> ● <i>To provide funds for granting bursaries to assist needy students to pursue education at recognized institutions.</i> ● <i>To finance Education development and infrastructure development for the promotion of Education</i> 	<ul style="list-style-type: none"> ● <i>Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current over 45,000</i> ● <i>Establishment of new schools (35 No.)</i> ● <i>Reduce school drop outs by 40% through cushioning of vulnerable students</i> 	<ul style="list-style-type: none"> -Number of students beneficiaries -Number of schools established and supported by the fund 	In FY 21/22 we increased bursary access by 25% for the secondary schools level

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

Program 2	Objective	outcome	indicator	Performance

6. Corporate Governance Statement

As stated earlier the fund is operating on legislation established by the West Pokot County Government and was passed by County Assembly.

The committees are the key players in the Bursary process since major operations are done by them that is:

- the identification of the genuine beneficiaries from the community
- data collection
- vetting of the beneficiaries
- Involve in projects monitoring and evaluations
- Community/contact or focal person
- Communication link on government policies and statements

7. Management Discussion and Analysis

The division of Bursary and infrastructure is mandated with identification and provision of bursary to all needy students to pursue education at recognized institutions and to finance educational development and infrastructural developments for the promotion of education. Bursary and infrastructure development addresses the **3Es - Economy, Education and Equity** with the introduction of county bursary for all students in the county who study in the recognized secondary schools, tertiary institutions and universities.

Milestones/Achievements from 2018-date

- ✓ Establishment of 28 new secondary schools and renovation of over 120 schools county wide
- ✓ Tremendous increase of bursary beneficiaries from 11,000 to over 45,000 in a span of two years
- ✓ The establishment of **Peace Border Schools** in (Katikomor, Kanyerus and Akulo) has brought about a lasting Peace, development and harmony among the bordering communities (Turkana, Uganda, Sabaot, Marakwet)
- ✓ Perimeter wall fencing, lighting and Rehabilitation of Makutano primary and Mnagei High school
- ✓ Increase students school retention and completion rates
- ✓ Cushioned vulnerable students from dropping out of school
- ✓ Over 80% Increase In Secondary School Enrolment
- ✓ Fair Practice during Bursary Data Collection, Collation and Disbursements

8. Environmental and Sustainability Reporting

Bursary, Educational Development and Infrastructure Fund has greatly transformed many lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on 3Es pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

To achieve sustainability of bursary and scholarships programme, development partners, donors/NGOs will be engaged for collaboration to entrench the programs in their annual budgetary process. The county should also increase the annual allocation gradually

2. Environmental performance

In the annual Bursary program event, the committee shall organize a tree planting drive to commemorate the event hence liaise with the department of forestry to supply seedlings and initiate a afforestation drive during the period. This will create an environmental friendly activity since it involves public participation within the community level.

3. Employee welfare

Students vetting is open without any biasness and the committee driving the exercise are democratically chosen by the community that represents them.

4. Market place practices-

The beneficiaries apply the bursary from the locational level through a representative committee within the location, who in turn submit the application to the ward committee for vetting and verification. This exercise is done openly to avoid any biasness. Learners who come from humble background or orphaned are identified and submitted with considerations. Applications processes are aired using local radio stations with timelines given in a well and clear elaborated requirements

5. Community Engagements-

Beneficiaries and all stakeholders will be consulted and involved in the design, planning, implementation, monitoring, and evaluation of bursary and scholarships interventions. Encouraging partnerships at Ward, Sub County and County will be key to programme implementation. There will also be the adoption of a multi-sectoral and multi-agency approach to create synergy particularly in identifying the beneficiaries and vetting exercise in the ward level

6. Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

The County Government in line with the County Integrated Development Plan (CIDP) aims at addressing educational needs and skills-gap. County Bursary and infrastructure programme is intended to support students who are needy and vulnerable due to family or social settings, has special needs or is deemed to be exceptionally gifted or pursuing courses of strategic interest in the county. It also aims at increasing literacy levels by increasing access, enrolment, and retention and completion rate in the county.

b) Responsible Supply chain and supplier relations

The beneficiaries apply the bursary from the locational level through a representative committee within the location, who in turn submit the application to the ward committee for vetting and verification. This exercise is done openly to avoid any biasness. Learners who come from humble background or orphaned are identified and submitted with considerations. Applications processes are aired using local radio stations with timelines given in a well and clear elaborated requirements

c) Responsible marketing and advertisement

The beneficiaries apply the bursary from the ward level through a committee representative, who in turn submits the application to the County committee for vetting and verification, this exercise shall be done transparently. Applications processes shall be communicated using local radio stations with timelines given in a well and clear elaborated requirement

d) Product stewardship

All strategies, plans and programmes in the policy will mainstream PLWDs, gender issues at all levels. In recognition of the fact that men and women, and boys and girls, are affected differently by the same risks and face different types of risks, efforts shall be made to assess the implications for both males and females of any planned social protection activity at every level. In accordance with the Constitution and international agreements, social protection will ensure the promotion, and protection of workers while conforming to international labour standards. Issues of youth, women, PWDs and minority groups will also be mainstreamed at all levels.

7. Community Engagements

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community (The organisation gives details of CSR activities carried out in the year and the impact to the society. The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives)

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

9. Report of The Trustees

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.

Principal activities

The principal activities of the Fund are provision of Bursary to needy students in Secondary, Colleges and Universities

Results

The results of the Fund for the year ended June 30, 2022 are set out on page 1


Trustees

The members of the Board of Trustees who served during the year are shown on page v

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


CHIEF OFFICER EDUCATION
WEST POKOT COUNTY
JULIUS LOKITUMAN 3 FEB 2023
Member of the Board
P. O. Box RIA

Date: 23rd February 2023

Administrator of the County Public Fund

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

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By Order of the Board

ANDREW KASILTICH



Chair of the Board/Fund Administration Committee

Date: 23rd February 2023

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

10. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014, 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, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the 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 West Pokot Bursary, Educational Development and Infrastructure Fund Act 2013 and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2021, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

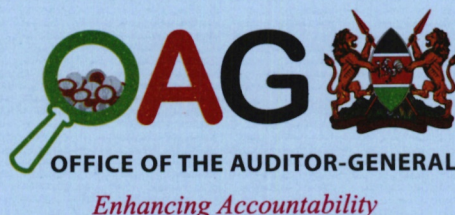
Approval of the financial statements

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


CHIEF OFFICER EDUCATION
WEST POKOT COUNTY
23 FEB 2023
P. O. Box
RIA

Name: **JULIUS LOKITUMAN - Administrator of the County Public Fund**

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON WEST POKOT COUNTY-BURSARY, EDUCATION DEVELOPMENT AND INFRASTRUCTURE 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

Adverse Opinion

I have audited the accompanying financial statements of West Pokot County-Bursary, Education Development and Infrastructure Fund set out on pages 1 to 58, which comprise

Report of the Auditor-General on West Pokot County-Bursary, Education Development and Infrastructure Fund for the year ended 30 June, 2022

the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the West Pokot County Bursary, Education Development and Infrastructure 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) and do not comply with the West Pokot County Public Finance Management Bursary, Education Development and Infrastructure Fund, Regulations, 2014 and Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents of Kshs.4,831 as disclosed in Note 11 to the financial statements. The cashbook was updated using cheques paid as no payment vouchers were prepared with details of the names and number of students for whom bursary was paid. The cashbook was not ruled daily and checked by a responsible official. The officer maintaining the cashbook was also the one doing bank reconciliation statements hence no separation of roles as a control.

In addition, bank statements for the month of July and August 2021 were not provided for audit review to confirm continuity of bank balances.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents could not be confirmed.

2. Unsupported and Irregular Cash Withdrawals

The statement of financial position reflects cash and cash equivalents total of Kshs.4,831 as disclosed in Note 11 to the financial statements. Examination of the Bursary, Education Development and Infrastructure Fund bank statements maintained at a local bank revealed that there were irregular direct cash withdrawals totaling to Kshs.111,110,000 which the Management failed to explain or support. The counterfoil cheques relating to the cash withdrawals were not provided for audit review and as a result it was difficult to confirm the purpose of the cash withdrawals. Further, no contra entries were made in the cashbook to show how the cash withdrawals were subsequently paid out or other supporting documentation on who was paid the sums withdrawn in cash.

In addition, there were multiple cash withdrawals made on single day on different dates most of which were over Kshs.1,000,000 per transaction. This was contrary to the Banking Circular No 1 of 2016 of the Central Bank of Kenya, and Regulations, 31 of the Proceeds of Crime and Anti-Money Laundering Regulations, 2013 which requires institutions to obtain written statements from customers confirming that the nature of their business activities normally and reasonably generates substantial amounts of cash to support large, frequent or unusual cash deposit or withdrawals.

In the circumstances, the validity of the cash withdrawals could not be confirmed.

3. Unaccounted for Expenditure

The statement of financial performance reflects use of goods and services total of Kshs.112,661,375 as disclosed in Note 7 to the financial statements. However, no documentation was provided to support the expenditure totalling to Kshs.112,661,375. This was contrary to Section 104(1) Public Finance Management (County Governments) 2015 which stipulates that all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, the Management was in breach of the law and the accuracy and validity of the expenditure of Kshs.112,661,375 could not be ascertained.

4. Unsupported Bursary Payments

The statement of financial performance reflects expenditure on disbursement to bursaries and infrastructure of Kshs.460,434,944 as disclosed in Note 6 to the financial statements. This expenditure however includes bursary payments totalling to Kshs.25,332,500 which were not supported by complete lists of beneficiaries.

In the circumstances, the completeness and occurrence of the bursary payments of Kshs.25,332,500 could not be confirmed.

5. Payments Made to Undisclosed Schools/ Beneficiaries

The statement of financial performance reflects expenditure on disbursement and infrastructure of Kshs. 460,434,944 as disclosed in Note 6 to the financial statements., This included Kshs.74,432,444 sent to schools whose identities/ names were not disclosed.

In the circumstances, the accuracy and occurrence of the bursary payments of Kshs.74,432,444 could not be confirmed.

6. Bursary Payment to Incomplete Peace Border Schools

The statement of financial performance reflects disbursements to bursary and infrastructure beneficiaries of Kshs.460,434,944 as disclosed in note 6 to the financial statements. Included in the expenditure was disbursement of Kshs.3,640,000 and Kshs.1,300,000 as bursaries to two peace border schools. However, physical verification

done in November 2022 revealed that the schools were still under construction and were yet to admit any students.

In the circumstances, the existence and occurrence of the payment of Kshs.4,940,000 as bursary could not be confirmed.

7. Irregular Expenditure

The statement of financial position reflects cash and cash equivalents of Kshs.4,831 as disclosed in Note 11 to the financial statements. However, examination of the Fund's bank statements maintained at a local bank revealed that cheques totaling to Kshs.3,247,000 had bounced as result of insufficient funds in the bank account resulting to penalties of Kshs.180,000 which could have been avoided had appropriate cashflow management measures been put in place as per Regulation 82(7) of Public Finance Management (County Governments) Regulations, 2015 which stipulates that no official county government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit authorized by the County Treasury in line with Section 119(4) of the Act.

In the circumstances, the Management were in breach of the law and regulations.

8. Irregular Bursary Payments

Included in the disbursements to bursary and infrastructure amount of Kshs.460,434,944 was Kshs.3,360,000 paid to schools for students who had completed school long before the bursary support was disbursed while Kshs.950,000 was paid for persons who were not bonafide students of the respective schools to which the amounts were sent and the bursary money was still lying idle in the respective schools' accounts.

No explanation was provided for these anomalies.

Further, the criteria used to identify the bursary beneficiaries, vetting reports and minutes from the county and ward bursary committees indicating how the beneficiaries were identified; and acknowledgements in form of official receipts from the respective institutions confirming receipt of bursary disbursements were not provided for audit review.

In the circumstances, validity of disbursement to bursaries and infrastructure totalling Kshs.4,310,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the West Pokot County-Bursary, Education Development and Infrastructure 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 adverse opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2021 highlighted various issues on the report on financial statements presented for audit and the report on lawfulness in use of public resources. Although Management has indicated in the report on progress made in follow-up of auditor's recommendations that the matters were resolved immediately, the actual status of the matters will be confirmed after they are discussed by the Legislature.

Other Information

The Fund Administration Committee are responsible for the other information, which comprises the Fund administration committee chairman's report, Fund administrators' report, the statement of corporate governance, management discussions and responsibilities, statement of corporate social responsibility and the statement of Fund administration committee responsibilities. The other information does not include the financial statements and my report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Expenditure Beyond the Budget Ceiling

The statement of financial performance reflects use of goods and services total of Kshs.112,661,375 as disclosed in Note 7 to the financial statements. Review of the documents provided for audit revealed that the Fund budget for general expenses was Kshs.17,253,000. However, the Fund management spent Kshs.112,661,375 on general expenses representing 653% of the budgeted amount. This was contrary to the Regulation 195(1) (d) of the Public Finance Management (County Governments)

Regulations, 2015 which provides that, the administration costs of the Fund shall be a maximum of three (3%) percent of the approved budget of the Fund.

In the circumstances, Management was in breach of 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, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Missing Counterfoil Cheque Books

The statement of financial position reflects cash and cash equivalents total of Kshs.4,831 as disclosed in Note 11 to the financial statements. However, it was noted that the Fund management did not maintain a cheque book register to account for the used and unused cheque books. It was not possible to physically check the bursary cheque books to confirm existence, continuity of issue out and control as only two (2) used cheque books were provided leaving approximately fifty-two (52) cheque books unaccounted for which is contrary to Section 118(2) of the Public Finance Management Act, 2015 which stipulate that accountable documents whether manual or electronic shall be under strict control at all times.

In the circumstances, Management were in breach of law, and control over the use of cheque books could not be ascertained.

2. Board of Survey Report

There was no evidence of appointment of the Board of Survey at the close of the financial year, to examine and verify cash on hand and bank balances as at the last working day of the financial year. There was therefore no assurance that the cash and bank balances reported as at 30 June, 2022 were confirmed to exist.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 governance.

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 March, 2023

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE 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	573,100,000.00	292,000,000.00
Fines, Penalties and Other Levies	3		
		573,100,000.00	292,000,000.00
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
Total Revenue			
Expenses			
Disbursement to Bursaries and Infrastructure	6	460,434,944.00	284,307,500.00
Use of goods and services	7	112,661,375.00	5,769,069.00
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		573,096,319.00	290,076,569.00
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Surplus/(Deficit) For The Period		3,681.00	1,923,431.00

CHIEF OFFICER EDUCATION
 WEST POKOT COUNTY
 23 FEB 2023
 P.O. Box
 RIA

Name: JULIUS LOKITUMAN
 Administrator of the Fund

Bulimo

Name: KENNEDY BULIMO
 Fund Accountant
 ICPAK Member Number: 23101

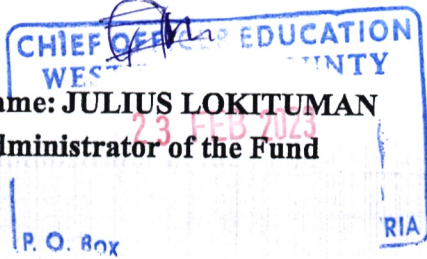
WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

13. Statement of Financial Position As At 30 June 2022

	Note	2021-2022	Restatement 2020-2021	2020- 2021
		Kshs	Kshs	Kshs
Assets				
Current Assets				
Cash and Cash Equivalents	11	4,831.00	1,150.00	50,670.00
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		4,831.00	1,150.00	50,670.00
Liabilities				
Current Liabilities				
Trade and Other Payables from Exchange Transactions	17	-	-	49,520.00
Provisions	18	-	-	-
Current Portion of Borrowings	19	-	-	-
Employee Benefit Obligations	20	-	-	-
Non-Current Liabilities				
Non-Current Employee Benefit Obligation	20	-	-	-
Long Term Portion of Borrowings	19	-	-	-
Total Liabilities				
Net Assets				
Revolving Fund		-	-	-
Reserves		-	-	-
Accumulated Surplus		4,831.00	1,150.00	1,150.00
Total Net Assets and Liabilities		4,831.00	1,150.00	50,670.00

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 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: KENNEDY BULIMO
Fund Accountant
ICPAK Member Number: 23101

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE 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			(1,922,281.00)	(1,922,281.00)
Surplus/(Deficit) For the Period			1,923,431.00	1,923,431.00
Funds Received During the Year			-	-
Transfers			-	-
Revaluation Gain			-	-
Balance As At 30 June 2021			1,150.00	1,150.00
Balance As At 1 July 2021			1,150.00	1,150.00
Surplus/(Deficit) For the Period			3,681.00	3,681.00
Funds Received During the Year			-	-
Transfers			-	-
Revaluation Gain			-	-
Balance As At 30 June 2022			4,831.00	4,831.00

(Provide details on the nature and purpose of reserves)

CHIEF OFFICER EDUCATION
 WEST POKOT COUNTY
 29 FEB 2023
 Name: JULIUS LOKITUMAN
 Administrator of the Fund
 P. O. Box RIA

Bulimo

Name: KENNEDY BULIMO
 Fund Accountant
 ICPAK Member Number: 23101

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements For the period ended 30th June, 2022

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

	Note	2021-2022	Restatement 2020-2021	2020-2021
		Kshs	Kshs	Kshs
Cash flows from operating activities				
Receipts				
Public contributions and donations		-	-	-
Transfers from the county government		573,100,000.00	292,000,000.00	292,000,000.00
Interest received		-	-	-
Total receipts		573,100,000.00	292,000,000.00	292,000,000.00
Payments				
Disbursement to Bursaries and Infrastructure		460,434,944.00	284,307,500.00	284,307,500.00
General expenses		112,661,375.00	5,769,069.00	5,769,069.00
Finance cost		-	-	-
Total Payment		573,096,319.00	290,076,569.00	290,076,569.00
Surplus/Deficit for the Period		3,681.00	1,923,431.00	1,923,431.00
Cash generated from operation	21	-	-	1,972,951.00
Cash flows from investing activities				
Purchase of property, plant, equipment and Intangible assets		-	-	-
Proceeds from sale of property, plant & equipment		-	-	-
Proceeds from loan principal repayments		-	-	-
Loan disbursements paid out		-	-	-
Net cash flows used in investing activities				
Cash flows from financing activities				
Proceeds from revolving fund receipts		-	-	-
Additional borrowings		-	-	-
Repayment of borrowings		-	-	-
Net cash flows used in financing activities				
Net increase/(decrease) in cash & cash Equivalents		3,681.00	1,923,431.00	-
Cash and cash equivalents at 1 july	11	1,150.00	(1,922,281.00)	(1,922,281.00)
Cash and cash equivalents at 30 june	11	4,831.00	1,150.00	50,670.00

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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

CHIEF OFFICER EDUCATION
WEST POKOT COUNTY
[Signature]
23 FEB 2023
Name: JULIUS LOKITUMAN
Administrator of the Fund
P. O. Box RIA

[Signature]

Name: KENNEDY BULIMO
Fund Accountant
ICPAK Member Number: 23101

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE 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	% Utilisation
	2022	2022	2022	2022	2022	2022
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Public Contributions And Donations	-	-	-	-	--	-
Transfers From County Govt.	455,100,000.00	120,000000.00	575,100,000.00	573,100,000.00	2,000,000.00	99%
Interest Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Income						
Expenses						
Disbursement to Bursary & Infrastructure	441,447,000.00	120,000,000.00	557,847,000.00	460,434,944.00	97,412,056.00	83%
General Expenses	13,653,000.00	-	17,253,000.00	112,661,375.00	-95,408,375.00	653%
Finance Cost	-	-	-	-	-	-
Total Expenditure	455,100,000.00	-	575,100,000.00	573,096,319.00	-	-
Surplus For The Period	-	-	-	3,681.00	-	-

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

17. Notes to the Financial Statements

1. General Information

West Pokot County Bursary, Education And Infrastructure Fund entity is established by west Pokot County and derives its authority and accountability from Section 116 of PFM Act 2012 Act. The entity is wholly owned by the West Pokot County Government and is domiciled in Kenya. The entity's principal activity is granting bursaries to assist needy students to pursue Education and enhance education development and infrastructure development for the promotion of education.

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	<p>Applicable: 1st January 2023:</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>

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE 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 IPSAS 41, Financial Instruments</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.

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact:
	<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> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <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>

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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.

4. 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 West Pokot County. 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 120,000,000 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 xxx of these financial statements.

Summary Of Significant Accounting Policies (Continued)

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.

Summary Of Significant Accounting Policies (Continued)

Held-to-maturity

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

Impairment of financial assets

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

- The debtors or a 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.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Summary Of Significant Accounting Policies (Continued)

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.

Summary Of Significant Accounting Policies (Continued)

Contingent assets

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

d) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

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.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Summary Of Significant Accounting Policies (Continued)

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 imprests 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 Section 116 of PFM Act 2012, under the Ministry of Education and Technical Training. Its ultimate parent is the County Government of West Pokot.

n) Currency

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

Summary Of Significant Accounting Policies (Continued)

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.

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

6. Notes To The Financial Statements

1. Public contributions and donations

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

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt. –Operations		
Payments By County On Behalf Of The Entity	573,100,000.00	292,000,000.00
Total	573,100,000.00	292,000,000.00

3. Fines, penalties and other levies

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

4. Interest income

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements Continued

5. Other income

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

6. Disbursement to Bursary and Infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Disbursement to Bursary and Infrastructure		
	460,434,944.00	284,307,500.00
	-	-
	-	-
	-	-
	-	-
Total	460,434,944.00	284,307,500.00

7. Use of Goods and Services

Description	2021/22	2020/21
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Fund Administration Expenses	112,410,000.00	5,519,520.00
Committee Allowances	-	-
Bank Charges	251,375.00	249,549.00
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Total	112,661,375.00	5,769,069.00

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

8. Depreciation and Amortization Expense

Description	2021/22	2020/21
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

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

10. Gain/(loss) on disposal of assets

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements Continued

11. Cash and cash equivalents

Description	2021-2022	Restatement 2021-2022	2020-2021
	Kshs	Kshs	Kshs
Xxx Car Loan Account	-	-	-
Xxx County Mortgage Account	-	-	-
Fixed Deposits Account	-	-	-
On – Call Deposits	-	-	-
Current Account	4,831.00	1,150.00	50,670.00
Others	-	-	-
Total Cash And Cash Equivalents	4,831.00	1,150.00	50,670.00

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

Financial Institution	Account number	2021-2022	Restatement 2021-2022	2020-2021
		Kshs	Kshs	Kshs
a) Fixed Deposits Account				
Kenya Commercial Bank		-	-	-
Equity Bank, Etc.		-	-	-
Sub- Total		-	-	-
b) On - Call Deposits				
Kenya Commercial Bank		-	-	-
Equity Bank - Etc.		-	-	-
Sub- Total		-	-	-
c) Current Account				
Equity Bank	1070262229797	4,831.00	1,150.00	50,670.00
Bank B		-	-	-
Sub- Total		4,831.00	1,150.00	50,670.00
d) Others(Specify)				
Cash In Transit		-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Cash In Hand		-	-	-
Sub- Total		-	-	-
Grand Total		4,831.00	1,150.00	50,670,00

12. Receivables from exchange transactions

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

Additional disclosure on interest receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

13. Prepayments

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

14. Inventories

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30th June 2021	-	-	-	-	-
At 1st July 2021					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June 2022	-	-	-	-	-
Depreciation And Impairment					
At 1st July 2020	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2021	-	-	-	-	-
At 1st July 2021					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes To The Financial Statements (Continued)

16. Intangible assets

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

17. Trade and other payables from exchange transactions

Description	2021-2022	Restatement 2021-2022	2020-2021
	Kshs		Kshs
Trade Payables	-	-	49,520.00
Refundable Deposits	-	-	-
Accrued Expenses	-	-	-
Other Payables	-	-	-
Total Trade And Other Payables	-	-	49,520.00

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year (1.07.2021)	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End Of The Year (30.06.2022)	-	-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes To The Financial Statements (Continued)

19. Borrowings

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

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

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

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

21. Cash generated from operations

	2021-2022	Restatement 2020-2021	2021-2021
	Kshs	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	3,681.00	1,923,431.00	1,923,431.00
Adjusted For:			
Depreciation	-	-	-
Amortisation	-	-	-
Gains/ Losses On Disposal Of Assets	-	-	-
Interest Income	-	-	-
Finance Cost	-	-	-
Working Capital Adjustments			
Increase In Inventory	-	-	-
Increase In Receivables	-	-	-
Increase In Payables	-	-	49,520.00
Net Cash Flow From Operating Activities	3,681.00	1,923,431.00	1,972,951.00

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

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'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

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

d) Due from related parties

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Other Disclosures Continued

e) Due to related parties

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

23. Contingent assets and contingent liabilities

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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

Foreign currency sensitivity analysis

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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 00 (2022: KShs 00). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 00 (2021 – KShs 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:

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

	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	00%	00%

WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0	<p align="center">Financial statements</p> <p align="center">4.1 Presentation, Accuracy and Disclosure of Financial Statements</p> <p>Audit Finding/Observation</p> <p>a) The management of West Pokot Bursary, Education Development and Infrastructural Fund submitted for audit funds financial statements for the year ended 30th June 2021. Audit review of the financial statement however reveals that the financial statements were prepared using the recommended international Public Sector Accountings Standards (Accrual basis).</p> <p>i) Illustrative notes The financial statement contains illustrative notes from the reporting templates which otherwise should not be part of the published accounts.</p> <p>ii) The names of the funds does not tally across the document</p> <p>iii) Missing Passport size photos The board of trustees/Fund Administrators and management team passport size photos not included as in the financial statement as required by public sector accounting standards</p> <p>iv) Principal Legal Advisor</p>	<p align="center">Management Response/ Action</p> <p>The management has since made the corrections in the amended financial statements</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>The Attorney General is indicated as County's principal legal advisor instead of the County Attorney</p> <p>v) The page numbering</p> <p>The page numbering of the financial statement for the year ending 31st June 2021 is not done consistently</p> <p>vi) 2019/2020 Auditors Progress report (Recommendations)</p> <p>The progress follow up of prior auditors recommendations under note 15 of the financial statement was not filled</p> <p>vii) Statement of management responsibilities:</p> <p>The Statement of management responsibilities does not reflect enabling legislature that created the fund</p> <p>viii) 2019/2020 Auditors Progress report (Recommendations)</p> <p>Progress on follow up under note 15 on prior year auditors recommendations was not filled</p> <p>ix) Inaccuracies in financial statement</p>			
	<p>a) Comparative Figures</p> <p>Audit Finding/Observation</p> <p>The financial statement of the West Pokot Bursary, Education Development and Infrastructural Fund for 2020/2021 FY</p> <p>For the year under review indicated different comparative figures for the previous year (2019/2020) as detailed below:</p> <p>Component: Fund administration expenses</p> <p>Financial statement for the year ended 30th June 2021 (Kshs): 12,931,700.00</p> <p>Financial statement for the year ended 30th June 2021 (Kshs): 15,367,700.00</p> <p>Difference (Kshs) : (2,436,000.00)</p> <p>b) Misclassification of expenses</p>	<p>Management Response/ Action</p> <p>The management is regrettable of this oversight error. It has been corrected in the amended financial statements</p> <p>The management is regrettable of this oversight error. It has been corrected in the amended financial statements</p> <p>It was an oversight error. It has been corrected in the amended schedules</p>	<p>Resolved</p> <p>Resolved</p>	<p>Immediately</p> <p>Immediately</p>

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>The statement of financial performance reflects finance cost figure of Ksh 249,549.08 as at 30th June 2021, However the amount was misclassified as finance cost yet it was bank charges for the year.</p> <p>c) Comparison of Financial statement Figure and supporting schedules The comparison of financial statement figures and supporting schedules revealed payments amounting to Ksh 286,289,300 compared to supporting schedules amount of Ksh 273,020,500 resulting to differences of Ksh 13,268,800 as summarized below:</p> <p>Item: Disbursement to bursary beneficiaries Ksh 286,289,300.00 as per financial Statement Disbursement to bursary beneficiaries Ksh 273,020,500.00 as per supporting Schedule Difference Ksh 13,268,800.00</p> <p>d) Variance between Financial statements and supporting schedules –Fund Administration Expense</p> <p>The statement of financial performance for the year ended 30 June 2021 reflects fund administration expenses amounting to Kshs.5, 460,001.27. However, the supporting schedule reflects a figure of Kshs.5,470,000 resulting to unexplained variance of Kshs.9,998.73 as tabulated below;</p>	<p>The management is regrettable of this oversight error. It has been corrected in the amended financial statements</p>	<p>Resolved</p> <p>Resolved</p>	<p>Immediately</p> <p>2 days</p>
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**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

5.0	<p>5.1 Bursary Disbursements</p> <p>Audit Finding/Observation The statement of financial performance for the year ended 30 June 2021 reflects disbursements to bursary beneficiary's balance of Kshs.286, 289,300. However, supporting schedules availed support an amount of Kshs.273, 020,500 comprising of bursary disbursements of Kshs.130, 907,500 and school infrastructure development of Kshs.142, 113,000 resulting to unexplained /reconciled variance of Kshs13, 268,800. Further, minutes of the County Fund and ward bursary committees indicating how the beneficiaries were identified and acknowledgement in form of official receipts from the respective institutions confirming receipt of bursary disbursements of Kshs.130, 907,500 was not availed for audit review.</p>	<p>Management Response/ Action</p> <p>-The management is regrettable of this oversight error. It has been corrected in the amended financial statements -We have also amended the bursary and infrastructure schedules</p>	Resolved	2 days
	<p>5.2 Infrastructure Funds Audit</p> <p>Finding/Observation The statement of financial performance for the year ended 30 June 2021 reflects disbursements to bursary beneficiaries balance of Kshs.286,289,300 which includes an amount of Kshs.142,113,000 disbursed to various primary schools, secondary schools and technical colleges for infrastructure development. However, the disbursement of funds to various primary schools, secondary schools and technical colleges are not a devolved function for the county government to undertake and can only be undertaken with the concurrence of National Government in accordance with Article 186 (1) and (2) of the Constitution of Kenya, 2010. In addition, the disbursement of the funds was done without formal guidelines/terms indicating how the funds were to be accounted for. Further, the actual expenditure returns for Kshs.142,113,000 disbursed, Ward Bursary Appraisal Committee infrastructure progress reports, project</p>	<p>It is agreed that the function of Infrastructure support is a national government function but this two levels of governments (County government and National government) signed a Memorandum of understanding so as the County government through public participation can identify and support schools /institutions on matters Infrastructure improvement and other educational activities within the county. The audit team was vanished with the benefiting schools project files and the memorandum documents as per the auditor request hence in compliance with the Kenyan constitution 2010.</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	files together with certified payment certificates from the county engineer were not availed for audit review to confirm the status of the projects and how the funds were utilized.			
	<p align="center">5.2 Infrastructure Funds</p> <p align="center">Audit Finding/Observation</p> <p>The statement of financial performance for the year ended 30 June 2021 reflects disbursements to bursary beneficiaries balance of Kshs.286,289,300 which includes an amount of Kshs.142,113,000 disbursed to various primary schools, secondary schools and technical colleges for infrastructure development. However, the disbursement of funds to various primary schools, secondary schools and technical colleges are not a devolved function for the county government to undertake and can only be undertaken with the concurrence of National Government in accordance with Article 186 (1) and (2) of the Constitution of Kenya, 2010. In addition, the disbursement of the funds was done without formal guidelines/terms indicating how the funds were to be accounted for. Further, the actual expenditure returns for Kshs.142,113,000 disbursed, Ward Bursary Appraisal Committee infrastructure progress reports, project files together with certified payment certificates from the county engineer were not availed for audit review to confirm the status of the projects and how the funds were utilized.</p>	<p>It is agreed that the function of Infrastructure support is a national government function but this two levels of governments (County government and National government) signed a Memorandum of understanding so as the County government through public participation can identify and support schools /institutions on matters Infrastructure improvement and other educational activities within the county. The audit team was vanished with the benefiting schools project files and the memorandum documents as per the auditor request hence in compliance with the Kenyan constitution 2010.</p> <p>-The management also sought the intervention of the County M&E team to conduct project monitoring and evaluation</p>	Resolved	3 days
6.0	<p>Dishonoured Cheques Charges</p> <p>Audit Finding/Observation</p> <p>The statement of financial performance reflects finance cost balance of Kshs.249,549 for the year ended 30</p>	<p>Management Response/ Action</p> <p>Bursary circle starts with data collection, sorting, vetting, verification, collation, cheque writing and disbursement to benefitting institutions,</p>	Resolved	2 days

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>June 2021 as disclosed in note 8 to the financial statements. However, audit review of the Fund's bank statements for the year under review revealed that included in this amount are bank commission charges for dishonored cheques amounting to Kshs.53,400 as detailed in Appendix I which could have been avoided. No explanation has been availed on the cause of the dishonored cheques.</p>	<p>acknowledgement, review and the circle starts again. The department budgets the funds and makes a formal request from the National treasury through the County Treasury before the disbursements are made.</p> <p>The management is regrettable that after all the processes the department has fallen a victim of technological delays especially with the IFMIS (system crash) that was beyond its scope that led to an accessibility of the system at the same time leading to subsequent failure by banks to honour -Updating cashbook to date</p>		
7.0	<p>Cash and Cash Equivalents</p> <p>Audit Finding/Observation The statement of financial position as at 30 June 2021 reflects bank balance of Kshs.50,670. However, cash book balance and bank reconciliation as at 30 June 2021 reflects an amount of Kshs.12,846,884 resulting to unexplained/ reconciled variance of Kshs.12,796,214. In addition, review of the cashbook revealed that the cashbook has not be checked and signed off by a senior officer. Further, the statement of financial position reflects comparative cash and cash equivalent figure of Kshs.1,248,289 while the statement of cash flow reflects a figure of Kshs.(1,922,281) resulting to unexplained/reconciled variance of Kshs.(673,992).</p>	<p>Management Response/ Action</p> <p>This was an oversight error and the management has since made the corrections in the amended financial statements -Cash book and bank reconciliations was done as per the auditors recommendations</p>	Resolved	2 days
8.0	<p>Statement of Changes in Net Assets</p> <p>Audit Finding/Observation The statement of changes in net assets reflects a balance of Kshs.50,670 as at 30 June 2021. However, the surplus for the year amounting to Kshs.1,150 was not captured in the statement.</p>	<p>Management Response/ Action</p> <p>This was an oversight error and the management has since made the corrections in the amended financial statements to include the surplus for the year</p>	Resolved	One days

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

9.0	Project Verification	Management Response/ Action	Resolved	Immediately
	<p>Audit Finding/Observation During the year under review, six (6) projects with total disbursements of Kshs.4,100,000 were verified. Out of these, two (2) projects with total disbursements amounting to Kshs.1,500,000 were found to be complete and in use while four (4) projects with a disbursement of Kshs.2,600,000 were in progress as detailed below:</p>	<p>The county government conducts county wide public participation to earmark the school for infrastructural improvement and support. Here in are the details of the highlighted project progress and report:</p> <ol style="list-style-type: none"> 1. Muruny Primary Ksh 500,000 in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2021/2022 to boost PTA subject to availability of funds 2. Kapkanyar Primary Ksh 1,000,000 in progress in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2021/2022 to boost PTA subject to availability of funds 3. Loyamuruk Primary Ksh 600,000 in progress in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2021/2022 to boost PTA subject to availability of funds 4. Kamelei Secondary Ksh 500,000 in progress in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds 5. St. Lukes Ptop Secondary Ksh 500,000 in progress in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds 6. ELCK Chepkalit Mixed Sec Ksh 500,000 in progress in progress it's a counter funding project initiated by 		

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

No	Payee	Project Name	Amt Disbursed- (Kshs)	Delivery Status (%)	Project Verification	Remarks
1	Muruny Primary School	Construction of Administration block to completion	500,000	98%	98%	PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds. A team to conduct projects monitoring and evaluations
2	Kapkanyar Primary School	Construction of two classrooms to completion	1,000,000	98%	98%	The funds were for the Secondary school but were channeled through the primary school account since the secondary school was yet to acquire a bank account. Classrooms complete and in use. Also, 3 latrines with 10 doors in total were constructed and are in use.
3	Loyamuruk Primary School	Construction of one classroom	600,000	70%	70%	On-going - Flooring, walling, plastering, fixing of doors and windows and roofing done painting not yet done. Classroom in use. Incomplete slab for another classroom done.
4	Kamelei Secondary School	Construction of lintel and roofing of a twin school laboratory	500,000	60%	60%	On-going- Lintel and roofing done. Plastering, fixing of doors and windows, painting and equipping of the laboratory not yet done
5	St. Lukes Ptop Secondary School	Construction of two classrooms	1,000,000	70%	70%	On-going foundation works, roofing, walling done but plastering, windows and doors fitting not yet done.
6	ELCK Chepkalit Mixed Secondary School	Construction of administration block	500,000	60%	60%	Ongoing- foundation works, walling and lintel done but roofing, plastering, fixing of doors and windows not yet done

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

10.0	<p>Lack of Approved Budget for FY 2020/2021</p> <p>Audit Finding/Observation The statement of financial performance for the year ended 30 June 2020 reflects total receipts of Kshs.292,000,000 and total payments of Kshs.286,289,300. However, approved fund budget for the year ended 30 June 2021 has not been availed for audit review.</p>	<p>Management Response/ Action</p> <p>The budget for Bursary programme was initiated through the budget estimates of the Department of Education and Technical Training which was subjected to all the budget making process culminating in the approval by County assembly. The approved budget for FY 2020/2021 was 322,000,000 while the actual amount disbursed stands at Ksh 292,000,000 for 2020/2021 FY. This explains the disbursement including administrative expenditure. The approved and supplementary budget has since been provided.</p>	Resolved	one day
11.0	<p>Statement of Comparison of Budget and Actual Amounts</p> <p>Audit Finding/Observation The statement of comparison of budget and actual amounts reflects total budgeted revenue of Kshs.322,000,000 and total expenditure of Kshs.291,998,850. However, the actual total revenue and expenditure was Kshs.292,000,000 and Kshs.291,998,850 respectively. Management have not explained the shortfall of Kshs.30,000,000 in revenue.</p>	<p>Management Response/ Action</p> <p>The management hand amended financial statements and attached the correct ledger of bursary disbursements to beneficiaries as per the auditors request for verification</p>	Resolved	One day

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

12.0	<p>12.1 Unresolved Prior Year Matters</p> <p>Audit Finding/Observation The following matters raised during the audit for the 2019/2020 financial year have not been resolved;</p> <p>12.1 Disbursements to Bursary Beneficiaries</p> <p>12.1.1 Infrastructure Development Funds – Expensed</p> <p>The statement financial performance reflects disbursements to bursary beneficiaries amount of Kshs.421,532,278 for the year ended 30 June, 2020 which includes infrastructure development of Kshs.37,455,900. The funds were disbursed to various primary schools, secondary schools and technical colleges within the county for infrastructure development. However, the expensing of development funds was not based on completed and certified work, instead, the funds were expensed upon disbursement.</p> <p>Consequently, the accuracy of infrastructure development amount of Kshs.37,455,900 for the year ended 30 June, 2020 could not be confirmed.</p>	<p>Management Response/ Action</p> <p>The management hand amended financial statements and attached the correct audit responses as per the auditors request for verification</p>	Resolved	Immediately
	<p>12.2 Lack of Approved Budget</p> <p>Audit Finding/Observation The statement of financial performance reflects total receipts of Kshs.439,035,000 and total payments of Kshs.437,963,186 for the year ended 30 June, 2020. However, there was no evidence that the Fund's budget for the year ended 30 June, 2020 was prepared and approved contrary Section 149(1)(a) of Public Finance Management Act, 2012 which states that an accounting officer is accountable to the county assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized. Section 149(2) (h) requires accounting officer to prepare estimates of expenditure of the entity in conformity with the strategic plan referred to in paragraph (g). Further, Section 149(2)(i) requires accounting officer to submit the estimates of an entity, which is not a county corporation, to the County Executive</p>	<p>Management Response/ Action</p> <p>The budget for Bursary programme was initiated through the budget estimates of the Department of Education and Technical Training which was subjected to all the budget making process culminating in the approval by County assembly. The approved budget for FY 2019/2020 was 302,000,000 while and an approved supplementary budget within the same FY was raised of Ksh 412,000,000.00. There was further disbursement of Ksh 26,000,000 being a delayed carry forward of Infrastructure fund for 2018/2019 FY and a further Ksh 1,035,000.00 for sponsoring students in Churchil academy (Laugh industry) making the total available for disbursement to be 439,035,000.00. This explains the disbursement including administrative</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>Committee member for finance and regulation 29(1) of the Public Finance Management (County Governments) Regulations, 2015 states that the accounting officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations 29(2)c further states that The accounting officer is responsible, in particular for ensuring that - (a) all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his County Government entity during the financial year; (c) the estimates are submitted to the County Treasury in the manner and format to be gazetted by the Cabinet Secretary.</p> <p>Consequently, the Fund Management is in breach of the law and the propriety of the total payments of Kshs.437,963,186 during the year ended 30 June 2020 could not be confirmed.</p>	<p>expenditure. The approved and supplementary budget has since provided for review</p>		
	<p>12.3 Fund Administration Expenses</p> <p>Audit Finding/Observation Included in the expenses of Kshs.437,963,278 reflected in the statement of financial performance for the year ended 30 June, 2020 is fund administrative expenses of Kshs.15,367,700 which was 3.5% of the actual income of Kshs.439,035,000 Contrary to Section 197(1)(d) of Public Finance Management (County Government) Regulations, 2015 which requires that fund administration costs of county public Fund to be at a maximum of three (3%) percent of the approved budgets of the Fund.</p> <p>Consequently, the Management is in breach of the law.</p>	<p>Management Response/ Action According to the auditors observation it's true that 3.5% was utilized for administration. This is due to delay in disbursement of the funds on time hence some funds Kshs20,000,000.00 were disbursed in FY 2021/2021 despite being accounted in FY 2019/2020. Despite being confusing but the primary reason is delayed disbursement that affected the calendar causing such anomalies .</p>	<p>Resolved</p>	<p>Immediately</p>
	<p>12.4 Disbursements to Bursary Beneficiaries</p> <p>Audit Finding/Observation 12.4.1 Bursary Disbursement</p>	<p>Management Response/ Action The management has since provided evidence of bursary disbursement schedules, minutes of the Bursary committee and acknowledgements letters from the benefiting institutions as per</p>	<p>Resolved</p>	<p>Immediately</p>

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>The statement of financial performance for the year ended 30 June, 2020 reflects disbursements to bursary beneficiaries amount of Kshs.421,532,278 comprising of bursary disbursements of Kshs.384,076,378 and infrastructure development of Kshs.37,455,900. However, there was no evidence that the bursary beneficiaries were recommended by the ward bursary, education development and appraisal committee contrary to Regulation 10(c) of the Public Finance Management (West Pokot County Bursary, Education Development and Infrastructure Fund) Regulations 2014 which states that the function of the ward bursary, education development and appraisal committee shall be – to recommend to the County Bursary, Education Development and Infrastructure committee the grant or award of bursaries to eligible students. Further, bursary disbursements of Kshs.384,076,378 were not supported by acknowledgement in the form of official receipts from the respective institutions confirming receipt of bursary disbursements of Kshs.384,076,378 contrary Section 104(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that; all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.</p> <p>Consequently, the Management is in breach of the law and propriety of the bursary disbursement of Kshs.384,076,378 for the year ended 30 June, 2020 could not be confirmed.</p>	<p>the auditor’s request. Certified bank statements from schools and institutions were not among our disbursement requirements but we are going to include it in our subsequent disbursements as per the auditors request</p>		
	<p>12.4.2 Infrastructure Development Funds Audit Finding/Observation The statement of financial performance for the year ended 30 June, 2020 reflects disbursements to bursary beneficiaries amount of Kshs.421,532,278 which includes figure Kshs.37,455,900 disbursed to various leaning institutions for infrastructure development. However, this amount of Kshs.37,455,900</p>	<p>Management Response/ Action It is agreed that the function of Infrastructure support is a national government function but this two levels of governments (County government and National government) signed a Memorandum of understanding so as the County government through public participation can identify and support schools</p>	<p>Resolved</p>	<p>Immediately</p>

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>includes an amount of Ksh.35,855,900 as indicated in Appendix I disbursed to various primary schools, secondary schools and technical colleges which are not devolved functions for the county government to undertake and can only be undertaken with the concurrence of National Government contrary to Article 186(1) of the Constitution of Kenya, 2010 which states that except as otherwise provided by this Constitution, the functions and powers of the national government and the county governments, respectively, are as set out in the Fourth Schedule and article 187(1) which states that a function or power of government at one level may be transferred to a government at the other level by agreement between the governments.</p> <p>Consequently, the Fund Management is breach of constitution and the public is likely to lose funds due to likely duplication of projects by National and County Governments.</p>	<p>/institutions on matters Infrastructure improvement and other educational activities within the county. The audit team was vanished with a formal Funding guidelines form, schools project files and the memorandum documents as per the auditor request hence in compliance with the Kenyan constitution 2010.</p>		
	<p>12.4.3 Construction of Multipurpose Hall - Ortum Secondary School Audit Finding/Observation The statement of financial performance for the year ended 30 June, 2020 reflects disbursement to bursary beneficiaries figure of Kshs.421,532,278 which includes Kshs.2,000,000 disbursed to Ortum Secondary School for supply of materials to erect pillars and beams for multipurpose hall. The tender for construction of the works was advertised in conspicuous place during the month of March, 2020. The tender documents were opened on 8 April, 2020 in school's boardroom. The evaluation was carried on 10 April, 2020 at Kalya Hotel, and the tender awarding committee awarded the tender to M/s Chelini Contractors Limited on 13 April, 2020 and the resulting contract agreement was signed on 20 May, 2020.</p> <p>Audit review of the procurement process and contracts for the works revealed following unsatisfactory matters:</p>	<p>Management Response/ Action</p> <p>It is true that the project is in progress and incomplete as per the auditors observations. The management through public participation earmarked the school for support though it's a co-funded project between school PTA and the county government. This project was initiated by the former school principal and in the process of the exercise the former principal was transferred and the management was informed that no formal taking- handing-over was done hence the new principal was unable to access the project file for support hence the management advised the new principal to re-do the process and vanish the department on the progress. The department also demanded the principal to provide a proof of the expenditure of the funds disbursed. The County government Bursary and Scholarships scheme according to regulations only supports the infrastructural</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>I. The tender opening committee three (3) members were appointed on 8 April, 2020 and the four (4) members of tender evaluation committee on 10 April, 2020 and prepared the tender opening minutes and tender evaluation reports respectively. However, both minutes were not signed by all members present as required by Section 78(11) of Public Procurement and Assets Disposal Act, 2015 which states that to acknowledge that the minutes are true reflection of the proceedings held, each member of the tender opening committee shall (a) initial each page of the minutes;(b) append his or her signature as well as initial to the final page of the minutes indicating their full name and designation.</p> <p>In addition, no appointment letters to the ad hoc tender opening committee and ad hoc evaluation committee members were availed for audit review as required by Section 80(1) of Public Procurement and Assets Disposal Act, 2015 which states that the evaluation committee appointed by the accounting officer pursuant to Section 46 of this Act, shall evaluate and compare the responsive tenders other than tenders rejected under section 80(7) .The evaluation report shall be signed by each member of evaluation committee.</p> <p>II. According to the Bills of Quantities prepared by county engineer revealed that the bills of quantities for only for pillars and beams and not the total cost of the project as required by Section 70(6) of the Public Procurement and Assets Disposal Act, 2015 which states that the tender documents shall</p>	<p>projects based on availability of funds and therefore the project of Ortum boys was only a support as the rest of the funds was to be shouldered by the PTA.</p> <p>The management has budgeted phase 2 to support the project based on the availability of funds in the FY 2020/2021.</p> <p>The management has since availed the documents requested by the auditor for verification.</p>		
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**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>set out the following if works are being procured, relevant drawings and bills of quantities shall be disclosed and the projects total estimated cost evaluated only on the basis of criteria disclosed, but a person shall not be disqualified on the basis that a bidder quoted above or below a certain percentage of engineer's estimates;</p> <p>Further, the notification of award, acceptance letters, certified payment certificate from the works officer and no evidence that the management notified unsuccessful tenderers in writing as required by Section 87(3) of the Public Procurement and Assets Disposal Act, 2015 which state that when a person submitting the successful tender is notified under subsection (1), the accounting officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof.</p> <p>III. According to minutes of tender awarding committee held on 13 April, 2020 at Horizon Resort. The committee awarded labour contract to M/s Chelini Contractors Limited at Kshs.495,402. The expenditure returns availed for audit review revealed total payment of Kshs.2,994,917.</p> <p>However, there was no documentary evidence to show that inspection and acceptance Committee confirmed that the materials delivered and works complied with specification of the contract or bill of quantities as required in Section 48(4) of Public Procurement and Assets Disposal Act, 2015 which state that the inspection and acceptance committee shall (a) ensure that the correct quantity of the goods is received; (b)</p>			
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**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>ensure that the goods, works or services meet the technical standards defined in the contract; (c) ensure that the goods, works or services have been delivered or completed on time ,or that any delay has been noted; (d) ensure that all required manuals or documentation has been received; and (e) issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract.</p> <p>IV. Physical verification of the project during the month of October, 2020 revealed that the project is incomplete. The major activities done include foundation, pillars and beams. However, walling and roofing, fixing of doors and windows and plastering, painting works are not done and the contractor is not on site. Further, the Management has not explained measures being taken to complete the project.</p> <p>Consequently, the project management breached the law and the residents of West Pokot County have not received value for money on Kshs.2,000,000 incurred on the project.</p>			
	<p>12.4.4 Construction of Twin Laboratory– St. Anthony of Padua Sina Secondary School</p> <p>Audit Finding/Observation The statement of financial performance for the year ended 30 June, 2020 reflects disbursement to bursary beneficiaries figure of Kshs.421,532,278 which includes Kshs.1,000,000 disbursed to St. Anthony of Padua Sina Secondary School in respect of construction of twin laboratory. According to bill of quantities availed for audit review revealed that the total cost of the project is Kshs.4,337,783. However,</p>	<p>Management Response/ Action The school in question has history of perennial issues during the period in question it has since been resolved hence let to change over that led to the current school leadership. The management through public participation earmarked the school for support and in the process demanded the current leaderships to practise financial prudence and since the disbursement of the funds the institution has experienced a meaningful developments and it has since vanish the management with a proof of the expenditure of the funds disbursed.</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>copy of the advertisement, tender opening minutes, tender evaluation reports and tender award committee minutes, and report of the inspection and acceptance committee were not availed for audit review.</p> <p>Audit inspection of the project in October, 2020 revealed that the project is incomplete and is almost 60% complete. The major activities done include foundation works, superstructure and roofing, while all other works still outstanding. Further, the Management has not availed measures it has put in place to ensure the project is completed</p> <p>Consequently, the objectives of the project have not been achieved and no value for money for the expenditure of Kshs.1,000,000 has been obtained.</p>	<p>The County government Bursary and Scholarships scheme according to regulations only supports the infrastructural projects based on availability of funds and therefore the project of St Anthony of Padua Sina sec was only a support as the rest of the funds was to be shouldered by the school PTA. The management has since availed the documents requested by the auditor for verification.</p>		
	<p>12.4.5 St. Paul Kipkomo Boys Secondary School</p> <p>Audit Finding/Observation</p> <p>The statement of financial performance for the year ended 30 June, 2020 reflects disbursement to bursary beneficiaries amount of Kshs.421,532,278 which includes Kshs.400,000 disbursed to St. Paul Kipkomo Boys Secondary School in respect of purchase of school land. According to the Purchase agreements signed on 2 December, 2014, written by the area Assistant Chief of Korellach sub-location, the school entered into an agreement to purchase 5.5 acres from three (3) vendors at a total price of Kshs.1,730,000 to be paid between 30 June, 2015 to 31 December, 2016 out of which an amount of Kshs.650,000 was paid as at 31 December, 2018 with a balance of Kshs.1,080,000.</p> <p>In addition, according to board meeting held on 30 March, 2019, the vendors demanded a new a rate of Kshs.500,000 per acre from the initial agreed rate of Kshs.310,000 per acre because the management of the school did not adhere to the agreed payments terms.</p> <p>The Management negotiated with the land owners and agreed to pay Kshs.450,000 per acre resulting to new</p>	<p>Management Response/ Action</p> <p>It is true that school management entered into agreement with the land owners (Vendors) and agreed to pay the said amount of money to the vendors has observed by the auditor. The issue of land here in West Pokot and other areas within the republic of Kenya is an issue that needs to be looked and critically and more so the communal land since 90% of them has no legal documents. The land regulations spells that Community land shall vest in and be held by communities identified on the basis of ethnicity, culture or similar community of interest. A clear mechanism should be laid down in order to transfer the community land for public use.</p> <p>The issue of Kipkomo Boys and the vendors involved the, community elders provincial, administration and the school management. The management is following the case closely amongst other related land transactions involving communal land cases to explore a more proactive and exploring crystal mechanism of solving communal land issues which is a torn in the</p>	<p>Resolved</p>	<p>Immediately</p>

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>agreed amount of Kshs.2,475,000 out of which an amount of Kshs.650,000 had already been paid leaving a balance of Kshs.1,825,000 to be cleared by 31 December, 2022.</p> <p>Further, during the year 2019/2020 a total of Kshs.1,050,000 was paid to the vendors in three (3) instalments resulting to a balance of Kshs.775,000. However, copy of titles deeds, payment vouchers, new agreement, official search, rates clearance certificate and rent clearance in respect of the property and evidence of involvement of land surveyor were not availed for audit review.</p> <p>Consequently, propriety of payments amounting to Kshs.400,000 for the year ended 30 June, 2020 could not be confirmed.</p>	<p>flesh. The issue was a negotiated matter between the elders and the vendors to create room for expansion for the school and them (vendors) relocating to another area hence a consensus was arrived at in a Barasa. The management has initiated a process of addressing the public schools lands registration county wide to acquire titles.</p>		
	<p>12.5 Project Verification Audit Finding/Observation</p> <p>During the year under review, six (6) projects costing Kshs.5,000,000 were verified during the month of October, 2020. Three (3) projects with funding of Kshs.1,600,000 were found to be complete, two (2) project with funding of Kshs.3,000,000 are incomplete while one (1) project of Kshs.400,000 for purchase of school land where the school is situated in as detailed in Appendix II.</p> <p>Consequently, the residents of West Pokot County have not obtained value for money in respect of the projects that are incomplete.</p>	<p>Management Response/ Action</p> <p>The county government conducts county wide public participation to earmark the school for infrastructural improvement and support. Here in are the details of the highlighted project progress and report:</p> <ol style="list-style-type: none"> 1. Ortum boys secondary Ksh 2,000,000 in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds 2. St Anthony of Padua Sina secondary Ksh 1,000,000 in progress in progress it's a counter funding project initiated by PTA the project will be considered for phase 2 funding in the FY 2020/2021 to boost PTA subject to availability of funds 	Resolved	Immediately
	<p>12.6 Implementation of Oversight Bodies Recommendations Audit Finding/Observation</p> <p>Public Finance Management (West Pokot County Bursary, Education Development and Infrastructure Fund) Regulations was established in 2014</p>	<p>Management Response/ Action</p> <p>As per the auditors' findings concerning the audited financial statements not being submitted to the County implementation of oversight bodies for discussion and recommendations, the</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	<p>and an amendment in 2016. The object and the purpose of the fund shall be to provide funds for granting bursaries to assist needy students to pursue education at a recognized institution and to finance educational development and infrastructure development for the promotion of education. Available information indicates that West Pokot County has an internal audit function and an audit committee. Further, statutory audits of the fund for the year ended 30 June, 2016, 2017 and 2018 were concluded and audit certificates issued to the Fund Management by the Auditor General.</p> <p>However, there was no evidence the financial statements have been submitted to the County Assembly contrary to section 149(1) of the Public Finance Management Act, 2012 which states that an accounting officer is accountable to the county assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is — (a) lawful and authorized; and (b) effective, efficient, economical and transparent and regulation 19(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the standing committee shall generally be responsible for the following - (f) monitor the effectiveness of the corporate governance practices under which the entity operates and propose revisions as may be required from time to time; (g) monitoring timely resolution of audit issues;</p> <p>Consequently, the Fund Management is breach of law and regulations and timely implementation of Auditor-Generals recommendations may not be achieved in absence of effective oversight of public funds.</p>	<p>management categorically states that 2019 audited report was received in the month of February and subsequently the outbreak of the historic <i>Corona Virus Covid-19</i>, therefore delayed the process of submissions. The management is ready to submit the reports when called for since there was no formal request made by those entities. Kenya and in extension West Pokot County was in partial operation country since the outbreak of the disease/ pandemic.</p> <p>-Bursary Reports have since being submitted to the county Assembly Education department</p>		
	<p>12.7 Management of Infrastructure Funds</p> <p>Audit Finding/Observation The statement of financial performance reflects disbursements to bursary beneficiaries amount of Kshs.421,532,278 for the year ended 30 June, 2020 comprising of bursary</p>	<p>Management Response/ Action</p> <p>It is agreed that the function of Infrastructure support is a national government function but this two levels of governments (County government and National government) signed a Memorandum of understanding</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

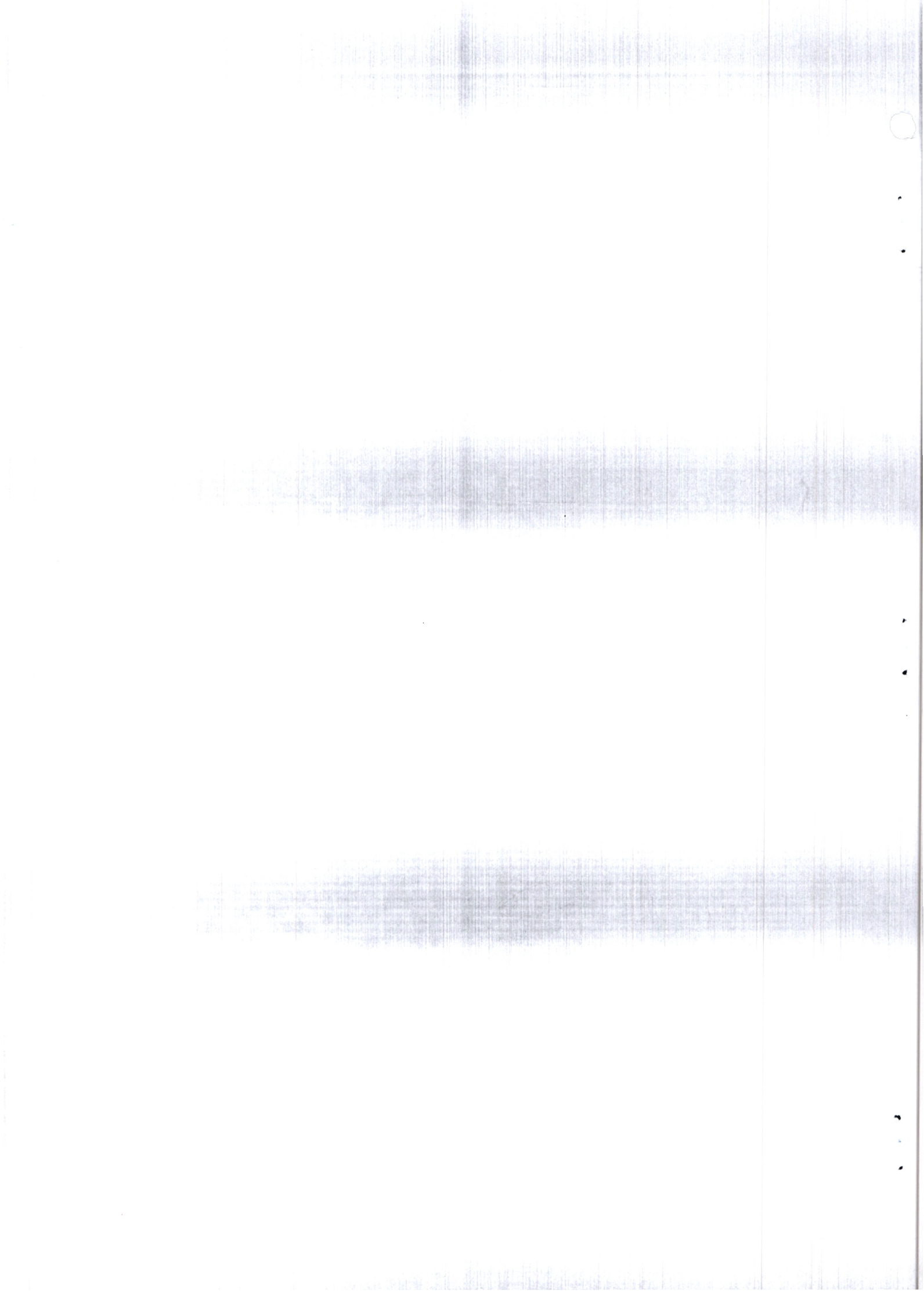
	<p>disbursement of Kshs.384,076,378 and infrastructure development of Kshs.37,455,900 as disclosed in Note 6a to the financial statements. However, the disbursement of infrastructure development funds of Kshs.37,455,900 during the year was not supported by formal policy guidelines on fund disbursement criteria, project management, implementation and accountability for the funds contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that – (a) the county government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the county government entity develops a system of risk management and internal control that builds robust business operations.</p> <p>Consequently, public funds are likely to be lost due lack of adequate internal controls in management and accountability for infrastructure development funds.</p>	<p>so as the County government through public participation can identify and support schools /institutions on matters Infrastructure improvement and other educational activities within the county. The audit team was vanished with the benefiting schools project files and the memorandum documents, the same project files are handed over to ward bursary committees and County Monitory and Evaluation committee to ensure consistent project monitoring and evaluation as per the auditor request hence in compliance with the Kenyan constitution 2010</p>		
	<p>12.8 Monthly Financial and Non-Financial Budgetary Reports</p> <p>Audit Finding/Observation The statement of financial performance reflects total payments amounting to Kshs.291,998,850 comprising of bursary disbursements amount of Kshs.286,289,300, administration expenses of Kshs.5,460,001 and bank charges of Kshs.249,549 for the year ended 30 June 2021 as disclosed in note 2-8 of the financial statements. However, there was no evidence availed for audit review to show that the Fund management prepared and submitted monthly financial and non-financial budgetary reports to the County Treasury and copies to Controller of Budget and Auditor General during the year ended 30 June 2021. No reason or justification was given for failure to prepare and submit monthly financial</p>	<p>Management Response/ Action</p> <p>According to the auditors' observation that the management /fund administrators to prepare regular reports and submit them to respective bodies within the stipulated timelines. The management is regrettable that the aforementioned items was not availed during the period under review since they were not part of the requested items for review but it has since availed its annual quarterly reports for verifications as per the audit request.</p>	Resolved	Immediately

**WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022**

	and non-financial budgetary reports as required.			
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Guidance Notes:

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



WEST POKOT COUNTY BURSARY, EDUCATION AND INFRASTRUCTURE FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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