

REPUBLIC OF KENYA



Enhancing Accountability

PAPERS LAID	
DATE	31/5/2023
TABLED BY	Majority Leader
COMMITTEE	—
CLERK AT THE TABLE	Chania

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**LAIKIPIA COUNTY EDUCATION
BURSARY FUND**

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





LAIKIPIA COUNTY EDUCATION BURSARY FUND

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

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

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

Contents

1. Key Entity Information and Management.....	ii
2. Fund Administration Committee.....	iv
3. Management team	v
4. Fund Chairperson’s Report.....	vi
5. Report of the Fund Administrator	vii
6. Statement of Performance Against the County Fund’s Predetermined Objectives	ix
7. Corporate Governance Statement.....	x
8. Management Discussion and Analysis.....	xi
9. Environmental and Sustainability Reporting.....	xiii
10. Report of The Trustees	xiv
11. Statement of Management’s Responsibilities.....	xv
12. Report of The Independent Auditor.....	xvii
13. Statement of Financial Performance for the year ended 30th June 2022	1
14. Statement of Financial Position as at 30 th June 2022.....	2
15. Statement Of Changes in Net Assets for the year ended 30th June 2022	3
16. Statement Of Cash Flows for The Year Ended 30 June 2022.....	4
17. Statement Of Comparison of Budget and Actual Amounts for the year ended 30 June 2022.....	5
18. Notes to the Financial Statements	7
19. Progress On Follow Up of Prior Year Auditor’s Recommendations	37

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

1. Key Entity Information and Management

a) Background information

The Laikipia County Education Bursary Fund (hereinafter referred to as the Fund) is established by the Laikipia County Education Bursary Fund Act, (2014).

The purpose of the Fund is to provide education bursary and scholarship awards to Most needystudents who hail from the County in various education facilities across the Country.

The Fund aims at;

- Increase access to education;
- Promote and increase enrolment, retention, completion and transition rates in schools;
- Improve education standards and literacy levels in the County; and
- Reduce poverty, disparities and inequality.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide education bursary andscholarship awards to students residing in Laikipia County.

c) Fund Administration Committee

Ref	Position	Name
1	Chief Officer – Education, Youth, Sports and Social Services	Evans Kamau Nduta.
2	Chief Officer – Finance & Economic Planning	Paul Njenga Waweru
3	Fund Administrator	Evans Kamau Nduta.

d) Key Management

Ref	Position	Name
1	Fund Administrator	Evans Kamau Nduta.
2	Fund Accountant	Ann Njoki Kinyua

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

e) Fiduciary Oversight Arrangements

Ref	Position
1	Directorate of Internal Audit
2	County Assembly of Laikipia
3	County Executive Committee
4	Laikipia County Executive Audit Committee
5	Senate Public Accounts Committee
6	Office of the Controller of Budget.
7	Office of the Auditor-General
8	Development Partners Oversight

f) Registered Offices

P.O. Box 1271 - 10400
Interim County Headquarter Building Kenyatta Avenue
Nanyuki, KENYA

g) Fund Contacts

Telephone: (254) 0202352720
E-mail: reports.treasury@laikipia.go.ke
Website: www.laikipiacyoungovernment.go.ke

h) Fund Bankers

Family bank Nanyuki, Kenya

i) Independent Auditors



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

j) Principal Legal Adviser

The county Attorney
Office of the governor
Laikipia County Mt Kenya Road- 10
P.O. Box 1271-10400
Nanyuki, Kenya



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

2. Fund Administration Committee.

Name	Details of qualifications and experience
<p>Evans Kamau Nduta – Fund Administrator</p> 	<p>He is currently the chief officer for Education. He holds Bachelor’s degree (Arts Economics) Economics and planning.</p>
<p>Paul Njenga Waweru - Member</p> 	<p>He is currently pursuing his PhD. In Business Administration - Finance. He holds a Master’s in Business Administration (Finance), a Bachelor’s degree in Education (Economics and Mathematics) and a Diploma in Purchasing and Supply</p> <p>He is a Certified Change Manager and a member of CIPS – Chartered Institute of Purchasing and Supply KISM – Kenya Institute of Supply Management.</p> <p>He was born in 1977.</p> <p>He is currently the Chief Officer of Finance and Economic Development Laikipia County.</p>

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

3. Management team

Name	Details of qualifications and experience
<p>1. Evans Kamau Nduta – Fund Administration</p> 	<p>He is currently the chief officer for Education. He holds Bachelor’s degree (Arts Economics) Economics and planning.</p>
<p>2. Ann Njoki Kinyua. - Fund Accountant</p> 	<p>She holds a degree in Bachelor of Commerce (Finance Option) from Kenyatta University. She holds Certified Public Accountant Finalist.</p> <p>She has worked in the County Government of Laikipia as an Accountant in different fields and departments including Agriculture, Administration and Finance</p> <p>She is currently the Accountant for Education & social services and the Fund Accountant for the Bursary Fund.</p>

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

4. Fund Chairperson's Report.

This Laikipia County Bursary Fund Reports and Financial Statement are prepared in accordance with the Public Financial Management Act, 2012. Section 168 of the Act provides for the preparation of the Laikipia County Bursary Fund Reports and Financial Statement by the Fund Administrator.

The Laikipia County Bursary Fund Reports and Financial Statement presents the cumulative and bursary activities and actual fiscal performance of the FY 2021/2022 and makes comparisons to similar period of the previous financial year of 2020/21.

The Financial Statement 2021/2022 is prepared taking into account resources required for the implementation of the Bursary Fund, which, among other things, provides for disbursement of bursaries and scholarships to needy students of Laikipia County. The Laikipia County Bursary Fund commits to fulfil its mandate of promoting enrolment, retention, transition and completion rates of education while reducing poverty and inequality in the county.

It is worth noting that the bursary fund has like many other public and private entities experienced an unprecedented period occasioned by the effects of the covid-19 pandemic in the beginning of 2020. The pandemic brought to fore dynamic challenges most notably change schools' calendar and cash flow problems to the county and national governments that affected disbursements of bursaries to the identified beneficiary students. Apart from the gaps mentioned, fund administration changed from Mr. James Mwangi to Evans Kamau. However, beside the challenges the fund was able to disburse fifty million (Kshs 50,000,000) allocated.

The fund continues employ new ways and methods to make it more efficient and effective to address any gaps and bottlenecks realized during identification, verification, awarding, distribution and getting feedback from beneficiaries.

In conclusion the fund remains committed and emboldened in its objective of ensuring it supports the neediest students in their quest for education empowerment.



Ag CECM-EDUCATION, YOUTH, SPORTS AND SOCIAL SERVICES

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

5. Report of the Fund Administrator

The fund administrator takes delight in presenting the annual financial statements and reports for Laikipia County Education Bursary Fund for the financial year 2021/22 that have been prepared in accordance with the Public Finance Management Act (2012) section 168 and in the prescribed form as guided by the public sector Accounting Standards Board and prepared using the Accrual Basis of Accounting Method.

The main purpose of the fund is;

- i) To increase access to education.
- ii) To promote and increase enrolment, retention, completion and transition rates in school among most needy students' residents within Laikipia county.
- iii) To improve standards and literacy levels.
- iv) Reduce poverty, disparities and inequalities.

The Fund aims to provide bursary awards to students enrolled in secondary schools, special needs schools, technical & vocational training Centre's, colleges and universities to most needy students who are residents of Laikipia County. The Fund is also used to provide scholarship awards for the most deserving and bright students from humble background who if not supported would drop from schooling. The fund also caters for any administrative expenses incurred in the course of implementation.

The fund reported a deficit of eleven million five hundred and fifty thousand and seven hundred and nineteen shillings (**Kshs (10,131,720)**) in its financial activities, and held eight hundred and ninety thousand seven hundred and seventy-six shillings **Kshs 42,224** as its cash and cash equivalents in the form of bank balances in the 2021/22 financial year.

The fund realized nine million eight hundred and seventy-one thousand two hundred and fifty-three shillings (Kshs 9,871,253) had not been utilized by beneficiaries over several years for reasons not known. Thus, a reissue of the same was done to new beneficiaries. Fifteen wards were allocated in respect of the bursary regulations which stipulates seventy five percent be divided

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

equally and 25% guided by the population of the ward. Igwamiti ward had the highest allocation of Kshs 3,360,500 followed by Nanyuki Kshs 2,817,947, Githiga at Kshs 2,370,500, Marmanet at Kshs 2,317,500, olmoran Kshs2,148,000, Ngobit Kshs2,099,000, Tigithi Ksh2,096,000, sosian Kshs2,095,000, thingithu 2,078,500, salama 2,049,500, rumururti 2,009,000, mukogondo east 2,008,500, segera Ksh2,003,000, umande Kshs1,972500 and mukogondo west Kshs1,899,000 respectively.

This translated to nine thousand, four hundred and twenty-seven (9,427) students benefitting from bursary award ranging from ksh2500 for day scholars and Kshs 4,000 for boarders. While those in colleges and universities awarded ksh 5,000. Besides, the fund was able to award ksh100,000 per ward as scholarship The award has been an enabler in ensuring the less privileged in society have not been left out in the endeavour to access and complete academic opportunities.

The Fund would like to appreciate the role performed by the county Assembly Laikipia in budget approval and oversight roles. The County Treasury has been instrumental in transfer of the funds which has been done diligently.

The Fund also appreciates and takes note of the foot soldiers noble tasks carried out tirelessly by the Bursary Ward Committees in ensuring that applicants are fairly considered in bursaries allocation. The applicants are equally appreciated by actively participating and cooperating in the bursary allocation process as directed.

Going forward, the fund will continue to double its efforts to digitize its processes in view on application and feedback mechanism to keep abreast with emerging technologies for a better service delivery. The Fund takes into consideration that the bursaries and scholarships are a huge boost to the public especially since many have lost income due to the post-covid19 pandemic effect on the economy. The fund will also continue to engage with stakeholders in order to discharge its obligations in a fair, transparent and accountable manner.

Evans Kamau Nduta
Fund Administrator

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

6. Statement of Performance Against the County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government 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 are to:

1. Increase access to education
2. Promote and increase enrolment, retention, completion and transition rates in schools;
3. Improve education standards and literacy levels in the County; and
4. Reduce poverty, disparities and inequality.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Education empowerment	1.Increase access to education 2.Promote and increase enrolment, retention, completionand transition rates in schools; 3.Improve education standards and literacy levels in the County;and, 4.Reduce poverty, disparitiesand inequality.	Empowered population	49% of literacy level increased	In FY 21/22 we supported 9,427 students to access and retain them in school

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

7. Corporate Governance Statement

NOT APPLICABLE

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

8. Management Discussion and Analysis

The fund takes delight in presenting the 2021/22 annual financial statements and report. The fund operates under the ambit of the department of Education, Youth, Sports & Social Services. The fund is established under the Laikipia County Education Fund Act of (2014).

The fund is administered by the fund administrator who is also the chief officer of the Education & social Services Department. The purpose of the Fund is to provide education bursary and scholarship awards to most needy students who hail from the County in various education facilities across the Country.

During the third (3rd) quarter of 2021/22 financial year there were changes in the management that saw Evans Kamau appointed to replaced James Mwangi as the Fund administrator and the Chief Officer for the Education & Social Services Department.

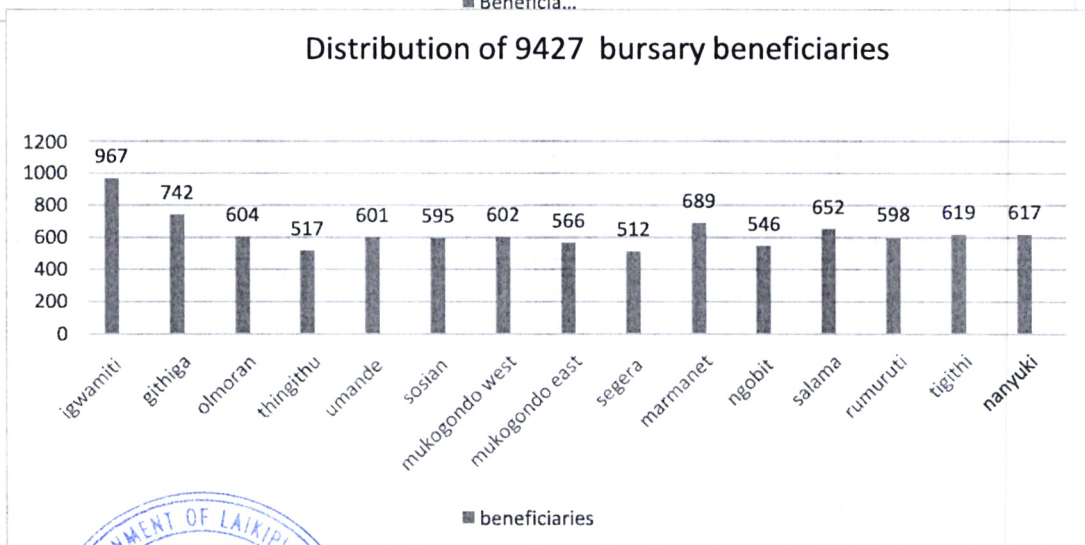
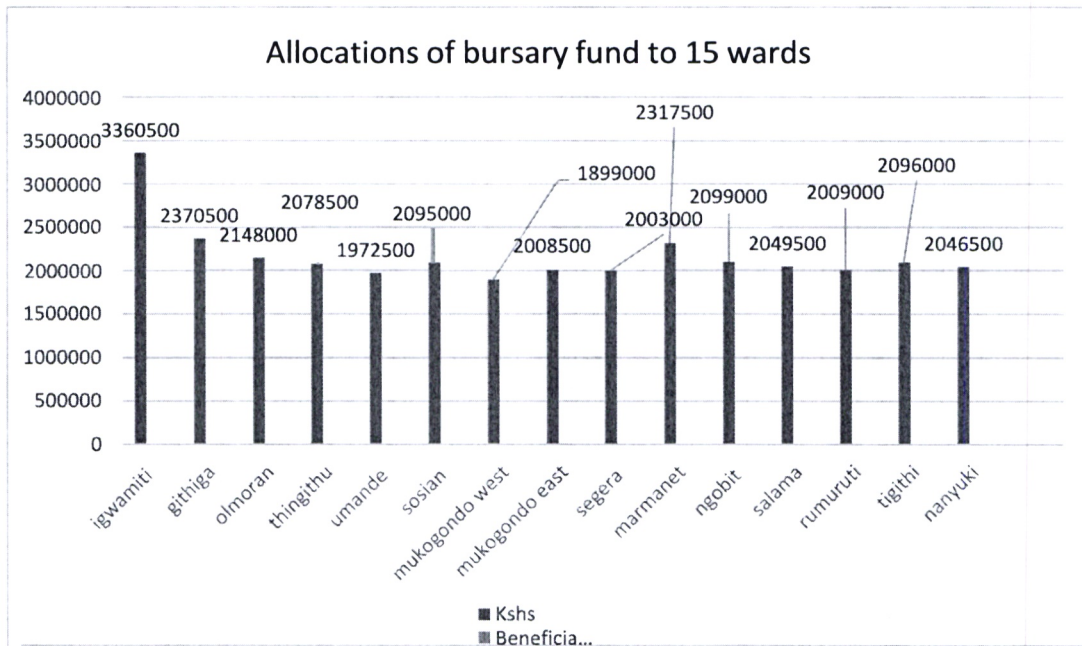
Out of the fifty million shillings (Kshs 50,000,000) allocated for bursary the exchequer released twenty-five million (Kshs 25,000,000) during the 4th quarter in two batches. Hence disbursement was successfully done.

The 2021/22 financial year reported receipts of Kshs 25,000,000.00 and expenditure of ksh 35,131,720 resulting into a deficit of Kshs (10,131,720). The fund held Kshs 42,224 its cash and cash equivalents as at 30th June 2022.

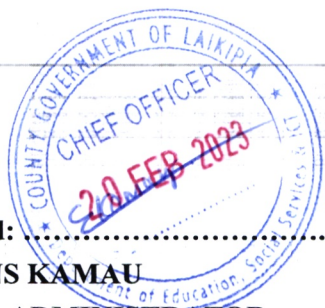
The award was as stipulated below;

SNO.	Category	Amount (Kshs)
1.	Day secondary school	2,500
2.	Boarding secondary school	4,000
3.	Special schools	4,000
4.	Colleges, VTCs & universities	5,000
5.	Scholarships	100,000 per ward

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



Signed:
EVANS KAMAU
FUND ADMINISTRATOR



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

9. Environmental and Sustainability Reporting

(NOT APPLICABLE)

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

10. Report of The Trustees

(NOT APPLICABLE)

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

11. Statement of Management's Responsibilities.

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Laikipia County Education Bursary Fund Act, (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, 2022. This responsibility includes:

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates. In conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Laikipia County Education Bursary Fund Act, (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, 2022, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Fund manager on 26th September 2022 and signed on its behalf by:



Evans Kamau
Administrator of the County Public Fund

REPUBLIC OF KENYA



Enhancing Accountability

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 LAIKIPIA COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia County Education Bursary Fund set out on pages 1 to 38, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia County Education Bursary Fund as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Laikipia County Education Bursary Fund Act, 2014.

Basis for Qualified Opinion

1. Prior Year Adjustment

Note 24 to the financial statements reflects prior year adjustment of Kshs.468,000 and Kshs.154,000 for 2021-2022 and 2020-2021 respectively. However, no schedules supporting the balances were presented for audit review. Further, the comparative balance of Kshs.154,000 was not included in 2020/2021 signed financial statements.

In the circumstances, the accuracy and validity of the prior year adjustment balances of Kshs.468,000 and Kshs.154,000 for 2021/2022 and 2020/2021, respectively, could not be confirmed.

2. Doubtful Bursary Disbursement

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.35,131,720 in respect to use of goods and services which further includes Kshs.33,596,292 on bursaries and scholarships disbursed to various secondary schools and tertiary institutions for the benefit of needy students. However, no acknowledgement receipts supporting the disbursement were provided for audit review.

In the circumstance, the accuracy and validity of the disbursement of Kshs.33,596,292 could not be confirmed.

3. Inaccuracies in the Statement of Cashflows

The statement of cashflows for the year ended 30 June, 2022 reflects Kshs.50,000,000 in respect to transfers from the County Government. However, the statement of financial performance and Note 2 reflects Kshs.25,000,000 on the same item resulting to unexplained and unreconciled variance of Kshs.25,000,000.

Further, the statement reflects Kshs.47,793,219 in respect to total payments while the statement of financial performance reflects total expenses of Kshs.35,131,720 resulting to unexplained and unreconciled variance of Kshs.12,661,499.

In the circumstances, the accuracy of the financial statements as at 30 June, 2022 could not be confirmed.

4. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total income of Kshs.50,042,224 while the statement of financial performance and Note 2 reflects receipts of Kshs.25,000,000 resulting to unexplained and unreconciled variance of Kshs.25,042,224.

Further, the statement reflects total payments of Kshs.49,361,220 while the statement of financial performance reflects total expenses of Kshs.35,131,720 resulting to unexplained and reconciled variance of Kshs.14,229,500.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia County Education Bursary Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Prior Year Matters

In the audit report of the previous year, one paragraph was raised under the Report on Financial Statements and two paragraphs under Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in 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 Fund's 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 April, 2023

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

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

13. Statement of Financial Performance for the year ended 30th June 2022

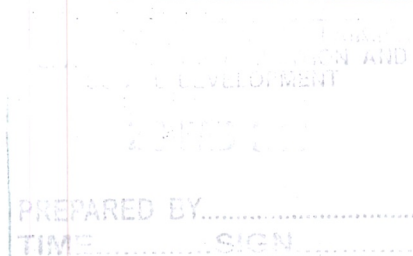
Description	Note	FY 2021/2022	FY 2020/21
		Kshs	Kshs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	25,000,000	50,000,000
Fines, penalties and other levies	3	-	-
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	1,100,000
Total revenue		25,000,000	51,100,000
Expenses			
Use of Goods and Services	7	35,131,720	50,465,311
Finance costs	9	-	-
Total expenses		35,131,720	50,465,311
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Surplus/(deficit) for the period		(10,131,720)	634,689

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 20th Feb 23 and signed by:

.....
Evans Kamau
Administrator of the Fund



.....
Ann Kinyua
Fund Accountant
ICPAK Member Number: 24979



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


14. Statement of Financial Position as at 30th June 2022

DESCRIPTION	Note	FY 2021/22 KShs	FY 2020/21 KShs
Assets			
Current assets			
Cash and cash equivalents	11	42,224	(264,558)
Receivables from non- exchange transactions	12	800,000	25,000,000
Total assets		842,224	24,735,442
Liabilities			
Current liabilities			
Trade and other payables non-Exchange transactions	17	-	14,229,500
Total liabilities		-	14,229,500
Net assets		842,224	10,505,942
Accumulated surplus		842,222	10,505,942
Total net assets and liabilities		842,222	10,505,942

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 20th Feb 23..... and signed by:



Evans Kamau
Administrator of the Fund



Ann Kinyua
Fund Accountant
ICPAK Member Number:24979

COUNTY GOVERNMENT OF LAIKIPIA
 DEPARTMENT OF EDUCATION AND
 SOCIAL DEVELOPMENT
 20 FEB 2023
 PREPARED BY.....
 TIME.....SIGN.....

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

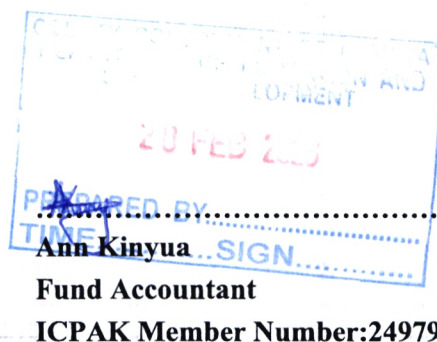
15. Statement Of Changes in Net Assets for the year ended 30th June 2022

DESCRIPTION	Accumulated surplus	Total
	KShs	KShs
Balance as at 1 July 2020	9,871,253	9,871,253
Surplus/(deficit) for the period	634,689	634,689
Funds received during the year	-	-
Revaluation gain	-	-
Balance as at 30 June 2021	10,505,942	10,505,942
Balance as at 1st July 2021	10,505,942	10,505,942
Surplus/(deficit) for the period	(10,131,720)	(10,131,720)
Funds received during the year	-	-
Prior Year Adjustment	468,000	468,000
Balance as at 30th June 2022	842,222	842,222

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 20th Feb. 23. and signed by:



Evans Kamau
Administrator of the Fund



Ann Kinyua
Fund Accountant
ICPAK Member Number:24979

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

16. Statement Of Cash Flows for The Year Ended 30 June 2022

DESCRIPTION	Note	FY 2021/2022	FY 2020/21
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	2	50,000,000	25,000,000
Total Receipts		50,000,000	25,000,000
Payments			
Ward Committee Allowances		620,000	-
Fund administration expenses		880,000	1,695,000
Use of Goods and Services		46,257,792	34,524,339
Bank charges.		35,427	16,472
Total Payments		47,793,219	36,235,811
Net cash flows from operating activities		2,206,781	(11,235,811)
Adjusted For:			
Changes in Account Receivables	12	(800,000)	-
TOTAL		(800,000)	-
Cash flows from financing activities			
Additional borrowings		-	1,100,000
Repayment of borrowings	19	(1,100,000)	
Net cash flows used in financing activities		(1,100,000)	1,100,000
Net increase/(decrease) in cash and cash equivalents	-	306,781	(10,135,811)
Cash and cash equivalents at 1 JULY 2021		(264,558)	9,871,253
Cash and cash equivalents at 30 JUNE 2022	11	42,223	(264,558)

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 20th Feb. 23 and signed by:


 Evans Kamau
 Administrator of the Fund

COUNTY GOVERNMENT OF LAIKIPIA
 DEPARTMENT OF EDUCATION AND
 SOCIAL DEVELOPMENT
 20 FEB 2023
 PREPARED BY.....
 Ann Kinyua
 Fund Accountant
 ICPAK Member Number:24979

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

**17. Statement Of Comparison of Budget and Actual Amounts for the year ended 30 June
2022**

DESCRIPTION	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from County Govt.- FY 2021/22	0	25,000,000	25,000,000	25,000,000	-	100
Transfers from County Govt. - FY 2020/21	25,000,000		25,000,000	25,000,000		100
Fund balance brought forward	42,224	-	42,224	42,224	-	100
Interest income	-	-	-	-	-	-
Other income (Bank Accommodation)	-	-	-	-	-	-
Total income	25,042,224	25,000,000	50,042,224	50,042,224	-	
Expenses						
Bursaries and scholarships	9,995,500	24,225,000	34,220,500	33,596,292	624,208	98
Accrued Bursaries and scholarships	14,229,500	-	14,229,500	14,229,500	-	100
Fund administration expenses & Finance Costs (Bank Charges)	751,267	750,000	1,501,267	1,535,428	(34,161)	102
Payments of Reversed Cheques	-	-	-	-	-	-
Total expenditure	24,976,267	24,975,000	49,951,267	49,361,220	590,047	
Surplus for the period	65,957	25,000	90,957	681,004	(590,047)	

Budget Notes.

Over/Under-realization of the Expenditure budget was due to:

1. The over-utilization of finance costs (102%) was as a result of bank charges for accrued bursaries and scholarships.

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

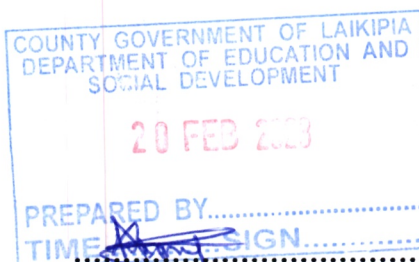
Reconciliation statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance:

Item Description.	Statement of Performance	Statement of Comparison of Budget and Actuals	Differences	Explanation
Transfer from County Government - FY 2021/22	25,000,000	25,000,000	0	
Transfer from County Government - FY 2020/21	0	25,000,000	(25,000,000)	Reduction in Receivables.
Use of Goods.	35,227,720	49,457,220	(14,229,500)	Accrued Payables.

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 20th Feb. 23 and signed by:



Evans Kamau
Administrator of the Fund



Ann Kinyua
Fund Accountant
ICPAK Member Number:24979

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

18. Notes to the Financial Statements

1. General Information

Laikipia County Bursary Fund is established by and derives its authority and accountability from Education Bursary Fund Act. The entity is wholly owned by the Laikipia County Government and is domiciled in Kenya. The entity's principal activity is to provide education bursary and scholarship awards to students residing in Laikipia County.

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.

Adoption of new and revised standards

1. 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.

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their

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

Standard	Effective date and impact:
	<p>assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. <p>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>
<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> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; access, completion, and transition to different levels of education. (b) The key features of the operation of those social benefit schemes; identification and award of financial benefits to the neediest students within Laikipia county. (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>Literacy levels have gone up in Laikipia county.</p>

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

Standard	Effective date and impact:
<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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</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>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</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</p>

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

Standard	Effective date and impact:
	<p>faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<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>

3. Early adoption of standards

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

4.) Significant Accounting Policies

Revenue recognition.

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.

Revenue from exchange transactions

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discount estimates 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.

Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on 30th July 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs 25,000,000 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 page 9 of these financial statements.

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2022
Summary Of Significant Accounting Policies (Continued)

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.

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.

e.) 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.

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2022
Summary Of Significant Accounting Policies (Continued)

Held-to-maturity

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

Impairment of financial assets

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

The debtors or an entity of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

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.

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2022
Summary Of Significant Accounting Policies (Continued)

f.) 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.

g.) 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.

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

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.

Nature and purpose of reserves

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

Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

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.

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.

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

Summary Of Significant Accounting Policies (Continued)

1.) 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.

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.

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.

Comparative figures

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

Events after the reporting period

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

Ultimate and Holding Entity

The entity is a County Public Fund established by vide Section 4 of the Laikipia County Education Bursary Fund Act, (2014) under the Department of Education Youth Sports and Social Services. Its ultimate parent is the County Government of Laikipia.

Currency

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

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

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 18.

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.

**Laikipia County Education Bursary 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	FY	FY 2020/21
	2021/2022	
	Kshs	Kshs
Donation from development partners	-	-
Contributions from the public	-	-
Total		

2. Transfers from County Government

Description	FY	FY 2020/21
	2021/2022	
	Kshs	Kshs
Transfers from County Govt. – operations	25,000,000	25,000,000
Transfers from County Govt. – operations	-	25,000,000
Total	25,000,000	50,000,000

3. Fines, penalties and other levies

Description	FY. R	FY 2020/21
	2021/2022	
	Kshs	Kshs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY.2021/2022	FY 2020/21
		Kshs
Interest income from loans (mortgage or car loans)	-	-
Total interest income	-	-

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

Notes to the Financial Statements Continued

5. Other income

Description	FY	FY 2020/21
	2021/2022	Kshs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Saving interest	-	-
Bank Borrowing	-	1,100,000
Total other income	-	1,100,000

6. Employee Costs

Description	FY	FY 2020/21
	2021/2022	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

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

7. Use of Goods and Services

Description	FY	FY
	2021/2022	2020/21
	Kshs.	Kshs.
Bursaries and Scholarships	33,596,292	48,753,839
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	300,000	1,695,000
Ward Committee Allowances	1,200,000	-
Bank Charges	35,428	16,472
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Total	35,131,720	50,465,311

8. Depreciation and Amortization Expense

Description	FY 2021/2022	FY 2020/21
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

Laikipia County Education Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2022****9. Finance costs**

Description	FY 2021/2022	FY 2020/21
		Kshs
Bank Charges	-	-
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Fixed deposits account		
On – call deposits		
Current account- 064000065823	42,224	- 264,558
Others		
Total cash and cash equivalents	42,224	- 264,558

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

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

DESCRIPTION	FY 2021/2022	FY 2020/21
Financial institution	Kshs	Kshs
a) Fixed deposits account		
Family Bank		
Sub- total		
b) On - call deposits	-	-
Sub- total		
c) Current account		
Family Bank	42,224	(264,558)
Sub- total	42,224	(264,558)
d) Others(specify)		
Cash in transit	-	-
Cash in hand	-	-
M Pesa	-	-
Sub- total		
Grand total	42,224	(264,558)

12. Receivables from Exchange Transactions

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

Description	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Current Receivables:		
Balance b/d	25,000,000	
new loan issued	-	
Other Charges Added to Principal Loan:		
Court Servers charges added to principal loans		
Interest receivable	-	-
Current loan repayments	-	-
Other exchange debtors	-	-
other receivables (Money Lend to Another department)	800,000	25,000,000
Less: impairment allowance		
Total Current receivables	25,800,000	25,000,000
Non-Current receivables		
Receivables repayments	(25,000,000)	
Interest received		
Total Non-current receivables	(25,000,000)	-
Total receivables from exchange transactions	800,000	25,000,000

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		

13. Prepayments

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

Description	FY	FY 2020/21
	2021/2022	
	Kshs	Kshs
Prepaid loan	-	-
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Total	-	-

14. Inventories

Description	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Total inventories at the lower of cost and netrealizable value	-	-

**Laikipia County Education Bursary 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 1 st July 2020					
Depreciation					
Impairment					
At 30th June 2021					
At 1st July 2021					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
At 30th June 2022					
Net Book Values					
At 30th June 2021					
At 30th June 2022					

**Laikipia County Education Bursary 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	FY 2021/2022.	FY 2020/21
	Kshs	Kshs
Bal b/f.	14,229,500	
Trade payables		
Paid Payable	- 14,229,500	
Accrued expenses		
Other payables	-	14,229,500
Total trade and other payables	-	14,229,500

18. Provisions

Description	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Balance at the beginning of the year	-	-
Additional Provisions	-	-
Provision utilised	-	-
Change due to discount and time value for money	-	-
Transfers from non -current provisions	-	-
Total provisions	-	-

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2022
Notes To the Financial Statements (Continued)**

19. Borrowings.

Description.	FY 2021/2022	FY 2020/21
	KShs	KShs
Balance at beginning of the period	1,100,000	
External borrowings during theyear		
Domestic borrowings during theyear	-	1,100,000
Repayments of external borrowings during the period		
Repayments of domestics' borrowings during the period	- 1,100,000	
Balance at end of the period	-	1,100,000

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

DESCRIPTION	FY YEAR 2021/2022	FY 2020/21
	KShs	KShs
External Borrowings		
Dollar denominated loan from organization'		
Sterling Pound denominated loan from organization'		
Euro denominated loan from organization'		
Domestic Borrowings		
Kenya Shilling loan from Familybank		1,100,000
Kenya Shilling loan from Barclays Bank		
Kenya Shilling loan from Consolidated Bank		
Borrowings from other government institutions		
Total balance at end of the year	-	1,100,000

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

Notes To the Financial Statements (Continued)

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

Description	FY YEAR2021/2022	FY 2020/21
	KShs	KShs
Short term borrowings (currentportion)		1,100,000
Long term borrowings		-
Total	-	1,100,000

20. Employee benefit obligations

Description	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Current benefit obligation	-	-
Non-current benefit obligation	-	-
Total employee benefits obligation	-	-

21. Cash generated from operations

DESCRIPTION	FY 2021/2022	FY 2020/21
	Kshs	Kshs
Surplus for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities		

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

Other Disclosures.

22. Related party balances

b) 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

c) Related party transactions

DESCRIPTION	FY YEAR	
	2021/2022	FY 2020/21
	Kshs	Kshs
Transfers from related parties'	50,000,000	25,000,000
Transfers to related parties	-	-
	50,000,000	25,000,000

d) Key management remuneration

DESCRIPTION	FY YEAR	
	2021/2022	FY 2020/21
	Kshs	Kshs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

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

e) Due from related parties

DESCRIPTION	FY YEAR	
	2021/2022	FY 2020/21
	Kshs	Kshs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

f) Due to related parties

DESCRIPTION	FY YEAR	
	2021/2022	FY 2020/21
	Kshs	Kshs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent liabilities	FY 2021/2022		FY 2020/21	
		Kshs		Kshs
Court case against the Fund		-		-
Bank guarantees		-		-
Total		-		-

24. Prior Year Adjustment

Description.	FY 021/2022		FY 2020/21	
		KShs		KShs
Brought forward		154,000		-
Current Year Adjustment.		1,414,000		154,000
borrowing that never materialized.FY 2020/21		1,100,000		
Total		468,000		154,000

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

Other Disclosures Continued

25. 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:

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

DESCRIPTION	Total amount	Fully performing
	Kshs	Kshs
At 30 June 2022		
Receivables From Exchange Transactions	-	-
Receivables From Non-Exchange Transactions	-	-
Bank Balances	-	-
Total	-	-
At 30 June 2021		
Receivables From Exchange Transactions	-	-
Receivables From Non-Exchange Transactions	-	-
Bank Balances	-	-
Total	-	-

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

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

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.

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

	Less than 1 month	Between 1-3 months
	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		

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.

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

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

d. foreign currency risk

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

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Kshs	Other currencies Kshs
At 30 June 2021		
Financial Assets	-	-
Investments	-	-
Cash	-	-
Debtors/ Receivables	-	-
Liabilities	-	-
Trade And Other Payables	-	-
Borrowings	-	-
Net Foreign Currency Asset/(Liability)	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

i. Foreign currency sensitivity analysis

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

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

	Change in	Effect on surplus/
	currency rate	deficit
	Kshs	Kshs
2022		
Euro	0%	0%
USD	0%	0%
2021		
Euro	0%	0%
USD	0%	0%

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 endeavored to bank with institutions that offer favorable interest rates.

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

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

e. Capital risk management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	0%	0%
Revolving fund	0%	0%
Accumulated surplus	0%	0%
Total funds	0%	0%

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

19. 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)	Time frame:
1.0 (2020/2021)	<p>Fund Administration Costs.</p> <p>Statement of Financial Performance revealed that the total administrative costs were Ksh, 1,711,472 which had exceeded 3% of the total monies consisting in the fund.</p> <p>This was against the Laikipia County Education Bursary Fund Act which provides a ceiling of 3%.</p>	<p>Kshs 178,472 will be refunded to the bursary fund account.</p>	Not resolved.	FY2022/2023
2.0 (2020/2021)	<p>Wards Education Bursary Committees.</p> <p>Laikipia County Education Bursary Education Fund spent Ksh 1,695,000 in administrative costs.</p> <p>However, the term of Ward Committee Members had expired in January 2020 and there is no evidence of their renewal.</p> <p>Further, there were eleven Committee Members as per the payment schedule in Igwamiti, whereas Section 6(2) of Laikipia County Education Fund Act 2014 provides for (8) Committee Member in each Ward.</p> <p>In addition, some ward committee members did not present ID copies, KSCE certificate or experience in community development, education administration or management leadership as provided by Section</p>	<p>Appointment Letter of the relevant Ward Committee have been signed and submitted in softcopy.</p>	Resolved	

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

	6(3) the Laikipia County Education Bursary Fund Act 2014.			
--	---	--	--	--



Evans Kamau Nduta
Fund Administrator