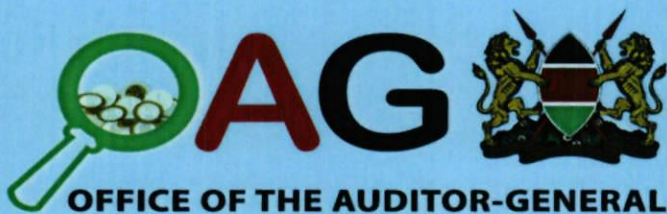


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REPORT

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OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR
ENDED 30 JUNE, 2020**

OFFICE OF THE AUDITOR GENERAL
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WEST POKOT COUNTY BURSARY, EDUCATION
DEVELOPMENT AND INFRASTRUCTURE FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**

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**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**

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.

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 principal activity/mission/ mandate of the Fund is to:

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

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Mr.Simon Kodomuk	Accounting Officer
2	Mr Pkanan Arusio	County Director-Bursary
3	Ruth Kisabit	Member
4	Francis Tikol	member
5	Mr. Joseph Ajore	Member
6	Alphas Kakuko	Member
7	Emmanuel Akasile	Member
8	Dorcas Ngimor	Member

West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
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d) Key Management

Ref	Name	Position
1.	Mr.Simon Kodomuk	Accounting Officer
2.	Mr Pkanan Arusio	Bursary Officer
3.	Emmanuel Akasile	S/County Bursary officer
4.	Francis Tikol	S/County Bursary officer
5.	Mr. Joseph Kiprong	ICT Officer
6.	Ms.Esther Chiyech	Administrative Officer

**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**

e) Registered Offices

County Government of West Pokot
P.O. Box 222-30600
Office of the Governor
Off Kapenguria County Hospital Road
Kapenguria, KENYA

f) Fund Contacts

Telephone: (254) 0532014000
E-mail: info@westpokot.go.ke
Website: www.westpokot.go.ke

g) Fund Bankers

1. Equity Bank Kenya LTD
Kapenguria Branch,
P.o Box 222-30600 -Kapenguria
Account No: 1070262229797

h) Independent Auditors




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

i) County Principal Legal Adviser

The County Attorney
County Legal Office
P.O. Box 222-30600
Office of the Governor
Off Kapenguria County Hospital Road
Kapenguria, KENYA

West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020

2. THE BOARD OF TRUSTEES/FUND ADMINISTRATORS

Name	Details of qualifications and experience
1. Ruth Kisabit 	Date of Birth:1968 Qualification : Med. Administration and Planning Experience: over 28 years in service Position: CEC-Education and Technical Training
2. Simon K. Kodomuk 	Date of Birth: 30/12/1962 Qualification: Master of Education Arts-Kiswahili Experience: over 28 years in service Position: CO- Education and Technical Training
3. Arusio Pkanan 	Date of Birth: 1/1/1973 Qualification: Med. Administration and Planning Experience: over 10 years in service Position: Director County Bursary

3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

Since inception of devolved government, Education in West Pokot have received limited support most in the form of schools Infrastructure and rehabilitation, needy students fees support (Bursary). To increase student's school completion and 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 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

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.

Strategic development objectives (Adopted from West Pokot County Government,

The County's 2018-2022 CIDP has identified three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesized product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the West Pokot County Government County's 2018-2022 CIDP are to:

- a) Provide quality physical schools infrastructure in the County
- b) Reduce illiteracy level within the society
- c) Increase employability youths by acquisition of relevant skills
- d) Reduce retrogressive cultures through establishing of mandatory schooling

Progress on attainment of Strategic development objectives (Adopted from West Pokot County

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and




West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020

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 35,400*
- *Establishment of new schools (25 No.)*
- *Reduce school drop outs by 40% through cushioning of vulnerable students*
- *Reduce retrogressive cultures by 60%*
- *Reduce illiteracy level by 40%*

West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
4. Ruth Kisabit 	Date of Birth:1968 Qualification : Med. Administration and Planning Experience: over 28 years in service Position: CEC-Education and Technical Training
5. Simon K. Kodomuk 	Date of Birth: 30/12/1962 Qualification: Master of Education Arts-Kiswahili Experience: over 28 years in service Position: CO- Education and Technical Training
6. Arusio Pkanan 	Date of Birth: 1/1/1973 Qualification: Med. Administration and Planning Experience: over 10 years in service Position: Director County Bursary

5. BOARD/FUND 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 students fees support (Bursary). To increase student's school completion and 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 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 as a result 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 scares the department is looking forward in collaborating with other stakeholder's in order to bring in support more learners and improve schools Infrastructure developments.

Streamlining the disbursement method

Signed: _____

HARON MURUNY

ACCOUNTANT-

ICPAK NO.26158

6. REPORT OF THE FUND ADMINISTRATOR

In Kenya the greatest drivers for the economy is Education and that's 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 practices 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:

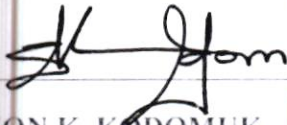
- *Increased enrolment for school going children in secondary school supported by Bursary from 11,000 to current 35,400*
- *Establishment of new schools (25 No.)*
- *Reduce school drop outs by 40% through cushioning of vulnerable students*
- *Reduce retrogressive cultures by 60%*

**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**

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 legislations that guides the utilization of the fund
- ✓ Establishing the management team of the fund among others.

Signed: _____



**SIMON K. KODOMUK
FUND ADMINISTRATOR**



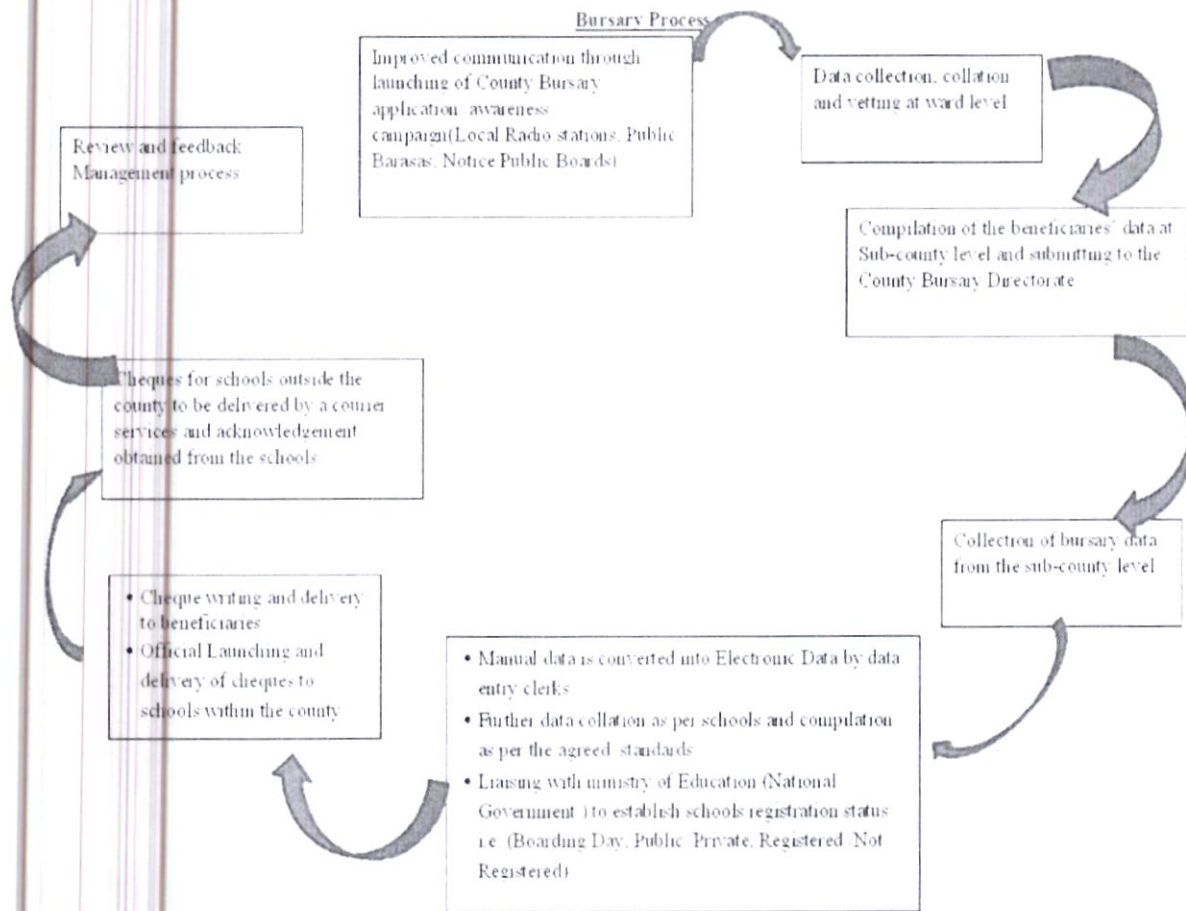
7. CORPORATE GOVERNANCE STATEMENT

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

**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**



8. 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

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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

H.E The Governor implemented his manifesto in line with the 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. From the onset the fund has supported cumulatively over 60,000 learners and the graph is growing hence in a marginalized county like West Pokot it's a greater milestone

2. Environmental performance

Is an environmental friendly activity since it involves public participation and vetting at the same time 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-

Communities are in charge of identifying the beneficiaries and vetting exercise. They are in charge of identifying a representative committee within the location who will be steering the process.

**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**

10. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2020 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, 2020 are set out on page 20

Trustees

The members of the Board of Trustees who served during the year are shown on page 6

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



SIMON K. KODOMUK

Member of the Board

Date: _____



**West Pokot County Bursary, Education Development and Infrastructure Fund
Reports and Financial Statements
For the year ended June 30, 2020**

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 Public Finance Management (West Pokot County Bursary, Education 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.

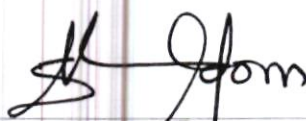
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) 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 Public Finance Management (West Pokot County Bursary, Education 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, 2020, 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 _____ 2020 and signed on its behalf by:


SIMON K. KODOMUK
Administrator of the 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, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of West Pokot County Bursary, Education Development and Infrastructure Fund set out on pages 20 to 58, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets as at 30 June, 2020, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of West Pokot County-Bursary, Education Development and Infrastructure Fund as at 30 June, 2020, and 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 (West Pokot County Bursary, Education Development and Infrastructure Fund) Regulations, 2014 and Amendment Regulations, 2016.

Basis for Qualified Opinion

Disbursements to Bursary Beneficiaries - Expensing of Infrastructure Development Funds

As disclosed in Note 6(a) to the financial statements, the statement of financial performance reflects an amount of disbursements to bursary beneficiaries of Kshs.421,532,278 for the year ended 30 June, 2020 which includes infrastructure development expenditure 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, available information revealed that the expensing of these development funds was not based on completed and certified work but instead, the funds were expensed upon disbursement.

Consequently, the accuracy of infrastructure development amount of Kshs.37,455,900 for the year ended 30 June, 2020 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 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

1.0 Project Implementation Status

During the year under review, six (6) projects with a total cost of Kshs.5,000,000 were verified during the month of October, 2020. Three (3) projects with a funding of Kshs.1,600,000 were found to be complete, two (2) project with a funding of Kshs.3,000,000 were incomplete while one (1) project of Kshs.400,000 was for purchase of school land where the school is situated but the Fund is yet to clear payment for the land as per the sale agreement.

Consequently, the residents of West Pokot County have not obtained value for money in respect of the projects that are incomplete.

2.0 Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Lack of an Approved Budget

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 an accounting officer to submit the estimates of an entity, which is not a county corporation, to the County Executive 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 the Regulations. Further, Regulation 29(2)(a) and (e) 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; and (e) the estimates are submitted to the County Treasury in the manner and format to be gazetted by the Cabinet Secretary.

Consequently, the Fund Management is in breach of the law and the propriety of the total expenses of Kshs.437,963,186 made during the year ended 30 June 2020 could not be confirmed.

2.0 Over Expenditure on Fund Administration Expenses

The statement of financial performance shows fund administration expenses of Kshs.15,367,700 which was 3.5% of the total budgeted income as shown in the statement of comparison of budget and actual amounts of Kshs.414,215,700. However, this is contrary to Regulation 197(1)(d) of Public Finance Management (County Government) Regulations, 2015 which requires that fund administration costs of a county public fund to be at a maximum of three (3%) percent of the approved budgets of the Fund.

Consequently, the Management is in breach of the law.

3.0 Disbursements to Bursary Beneficiaries

3.1 Unsupported Bursary Disbursements

The statement of financial performance reflects disbursements to bursary beneficiaries amount of Kshs.421,532,278 comprising of bursary disbursements of Kshs.384,076,378 and infrastructure development expenditure of Kshs.37,455,900. However, there was no evidence that the bursary beneficiaries were recommended by the ward bursary, education development and infrastructure 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 to Regulation 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.

Consequently, the Fund Management is in breach of the law and propriety of the bursary disbursements of Kshs.384,076,378 for the year ended 30 June, 2020 could not be confirmed.

3.3 Unsatisfactory Matters in the Contract for the Construction of Multipurpose Hall at Ortum Secondary School

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 a multipurpose hall. The tender for construction of the hall was advertised in public place during the month of March, 2020. The tender documents were subsequently opened on 8 April, 2020 in the school's boardroom. The tender evaluation was carried out on 10 April, 2020 at Kalya Hotel, and the tender awarding committee awarded the tender to a local contractor on 13 April, 2020 and the resulting contract agreement was signed on 20 May, 2020.

Audit review of the procurement process and contracts for the works revealed that the tender opening committee consisting of three (3) members were appointed on 8 April, 2020 while the four (4) members of tender evaluation committee were appointed 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.

In addition, no appointment letters to the adhoc tender opening committee and adhoc evaluation committee members were provided as required by Section 46(1) of Public Procurement and Assets Disposal Act, 2015 which states that an Accounting officer shall ensure that an ad hoc evaluation committee is established in accordance with this Act and Regulations made thereunder and from within the members of staff, with the relevant expertise.

Available information revealed that the bills of quantities prepared by the county engineer were for only the 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 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.

Further, the notification of award, acceptance letters and certified payment certificate from the works officer were not provided. Further, there was 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 states 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 the reasons thereof. According to minutes of the tender awarding committee held on 13 April, 2020 at Horizon Resort, the committee awarded the labour contract to a local contractor at Kshs.495,402. The expenditure returns provided further revealed total payments of Kshs.2,994,917 for the same contract. However, the Fund Management did not provide the approval for the over-payment of Kshs.2,499,515.

Further, there was no documentary evidence to show that the inspection and acceptance committee confirmed 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 states that the inspection and acceptance committee shall (a) ensure that the correct quantity of the goods is received; (b) 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.

Physical verification of the project carried out during the month of October, 2020 revealed that the project is incomplete five months after signing of the contract agreement. The major activities done include foundation, pillars and beams. However, walling and roofing, fixing of doors and windows, plastering and painting works were not done and the contractor was not on site. Further, the Management has not explained measures being taken to complete the project.

Consequently, the project management breached the law and the residents of West Pokot County have not received value for money on the Kshs.2,000,000 incurred on the project.

3.4 Construction of a Twin Laboratory - St. Anthony of Padua Sina Secondary School

Included in the disbursement to bursary beneficiaries figure of Kshs.421,532,278 is an amount of 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, a copy of the advertisement, tender opening minutes, tender evaluation reports and tender award committee minutes, and the report of the inspection and acceptance committee were not provided for audit review.

A physical verification of the project carried out 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 are still outstanding. Further, the Management has not availed measures it has put in place to ensure the project is completed as planned.

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.

3.5 Unsupported Expenditure on Purchase of Land - St. Paul Kipkomo Boys Secondary School

Further, included in the disbursement to bursary beneficiaries amount of Kshs.421,532,278 is an amount of 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, which were written by the 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 and 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.

In addition, according to a 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.

The Management negotiated with the land owners and agreed to pay Kshs.450,000 per acre resulting to new 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.

Further, during the financial year 2019/2020 a total of Kshs.400,000 was paid to the vendors leaving a balance of Kshs.1,425,000. However, copies of titles deeds, payment vouchers, the new agreement, an official search, rates clearance certificate and rent clearance in respect of the property and evidence of involvement of a Government land surveyor were not provided for audit review.

Consequently, propriety of payments amounting to Kshs.400,000 for the year ended 30 June, 2020 could not be confirmed.

3.6 Implementation of Oversight Bodies Recommendations

Available information reveals that statutory audits of the Fund for the years ended 30 June, 2016, 30 June, 2017 and 30 June, 2018 were concluded and audit certificates issued to the Fund Management by the Auditor-General.

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. Further, Regulation 19(1)(f) and (g) of the Public Finance Management (County Governments) Regulations, 2015 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;

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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Management of Infrastructure Funds

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 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 the infrastructure development funds 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.

Consequently, public funds are likely to be lost due lack of adequate internal controls in management and accountability for infrastructure development funds.

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 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.

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

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

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

Those charged with governance are responsible for overseeing the 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 noncompliance. 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 the Fund 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

09 February, 2022

West Pokot County Bursary, Education Development and Infrastructure Fund
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13. FINANCIAL STATEMENTS


13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th
 JUNE 2020

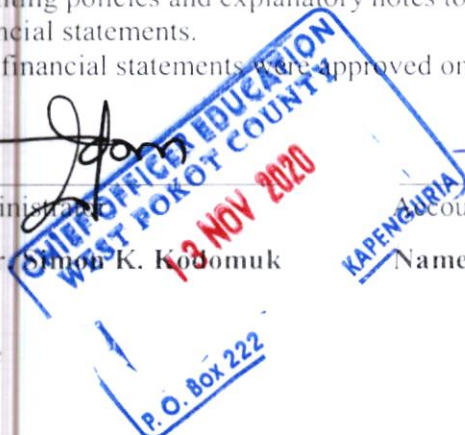
	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	2	439,035,000	301,500,000
Fines, penalties and other levies	3	-	-
		439,035,000	301,500,000
Revenue from exchange transactions			
Interest income	4	-	-
Other income	5	-	-
		-	-
Total revenue		439,035,000	301,500,000
Expenses			
Disbursements to Bursary Beneficiaries	6a	421,532,278	296,197,000
Fund administration expenses	6 b	15,367,700	4,996,200
General expenses	8	1,063,208	197,914
Finance costs	7	-	-
Total expenses		437,963,186	301,391,114
Other gains/losses			
Gain/loss on disposal of assets	9	-	-
Surplus/(deficit) for the period		1,071,814	108,886

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 _____ 2020 and signed by:


 Fund Administrator
 Name: Mr. Simon K. Kodomuk


 Accountant
 Name: Haron Muruny ICPAK No.26158




West Pokot County Bursary, Education Development and Infrastructure Fund
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13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	1,180,700	108,886
Current portion of long- term receivables from exchange transactions	11	-	-
Prepayments	12	-	-
Inventories	13	-	-
		1,180,700	108,886
Non-current assets			
Property, plant and equipment	14	-	-
Intangible assets	15	-	-
Long term receivables from exchange transactions	11	-	-
Total assets		1,180,700	108,886
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	16	-	-
Provisions	17	-	-
Current portion of borrowings	18	-	-
Employee benefit obligations	19	-	-
Non-current liabilities			
Non-current employee benefit obligation	19	-	-
Long term portion of borrowings	18	-	-
Total liabilities		-	-
Net assets		1,180,700	108,886
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		1,180,700	108,886
Total net assets and liabilities		1,180,700	108,886

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 _____ 2020 and signed by:


 Administrator of the Fund
 Name: Kodonuk Simon


 Accountant
 Name: Haron Muruny
 ICPAK Member Number: 26158



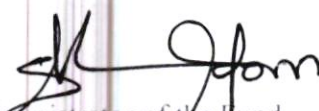
West Pokot County Bursary, Education Development and Infrastructure Fund
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13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2018	-	-	-	-
Surplus (deficit) for the period	-	-	108,886	108,886
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	-	-	108,886	108,886
Balance as at 1 July 2019	-	-	108,886	108,886
Surplus (deficit) for the period	-	-	1,071,814	1,071,814
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
	-	-	-	-
Balance as at 30 June 2020	-	-	1,180,700	1,180,700

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 _____ 2020 and signed by:


 Administrator of the Fund
 Name: Kodomuk Simon


 Accountant
 Name: Haron Muruny
 ICPAK Member Number: 26158



West Pokot County Bursary, Education Development and Infrastructure Fund
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13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		439,035,000	301,500,000
Interest received		-	-
Receipts from other operating activities		-	-
Total Receipts		439,035,000	301,500,000
Payments			
Disbursements to Bursary Beneficiaries		421,532,278	296,197,000
Fund administration expenses		15,367,700	4,996,200
General expenses		1,063,208	197,914
Finance cost		-	-
		437,963,186	301,391,114
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	21	-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	-	-
Net cash flows from operating activities		1,071,814	108,886
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and 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		-	-

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Net increase/(decrease) in cash and cash equivalents		1,071,814	108,886
Cash and cash equivalents at 1 JULY	15	108,886	75,855,868
Cash and cash equivalents at 30 JUNE	15	1,180,700	108,886

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 _____ 2020 and signed by:


 Administrator of the Fund
 Name: Kodomuk Simon
**CHIEF OFFICER EDUCATION
 WEST POKOT COUNTY**
13 NOV 2020
P. O. Box 222
KAPENGURIA



Accountant
 Name: Haron Muruny –ICPAK No.26158

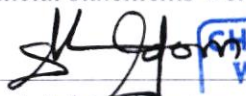
(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)

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13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE
 2020


	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	441,106,814	-	441,106,814	439,035,000	2,071,814.00	0%
Interest income	-	-	-	-	-	
Other income	-	-	-	-	-	
Bank Balance FY 2018/19	-	108,886	108,886	-	108,886.33	100%
Total income	441,106,814	108,886	441,215,700	439,035,000	2,180,700	0%
					-	
Expenses						
Disbursements to Bursary Beneficiaries	422,101,736	-	422,101,736	421,532,278	569,458	0%
Fund administration expenses	15,502,212	108,886	15,611,098	15,367,700	243,398	2%
General expenses	1,250,352	-	1,250,352	1,063,208	187,144	15%
Finance cost	-	-	-	-	-	
Total expenditure	438,854,300	108,886	438,963,186	437,963,186	1,000,000	0%
Surplus for the period	2,252,514	-	2,252,514	1,071,814	1,180,700	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13 NOV 2020 and signed by:


 Fund Administrator

Name: Mr. Simon K. Kodomuk

**CHIEF OFFICER EDUCATION
 WEST POKOT COUNTY**
13 NOV 2020
P. O. Box 222
KAPENGURIA


 Accountant

Name: Haron Muruny-ICPAK No.26158

13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

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

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

2. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <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

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Standard	Effective date and impact:
	<p>held;</p> <ul style="list-style-type: none"> • 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>N/A</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p>N/A</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting

**West Pokot County Bursary, Education Development and Infrastructure Fund
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Standard	Effective date and impact:
	<p>frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

c) Early adoption of standards

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The original budget for FY 2019/2020 was approved by the County Assembly on West Pokot. 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 438,963,186 on the FY 2019/2020 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 13 of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

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

6. Intangible assets

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

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

7. Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventories

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

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

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

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

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

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

9. Provisions

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

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

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

Contingent liabilities

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

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

10. Nature and purpose of reserves

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

N/A

11. 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.

12. 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.

13. 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. 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.

15. 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.

16. 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established by section 116 of the PFM Act, 2012 of *West Pokot County Bursary, Educational Development and Infrastructure fund and West Pokot County Bursary, Educational Development and Infrastructure fund regulations 2014* under the Department of Education and ICT. Its ultimate parent is the County Government of West Pokot. 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.

20. Currency

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Significant judgments and sources of estimation uncertainty

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

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

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

Useful lives and residual values

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

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

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 I

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. 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 2020				
Receivables from exchange transactions				-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
	-	-	-	
At 30 June 2019				
Receivables from exchange transactions				-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The entity has significant concentration of credit risk on amounts due from 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 2020				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total				
At 30 June 2019				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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 US\$	Total Kshs
At 30 June 2020			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables			
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency sensitivity analysis

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

	Change in	Effect on surplus/ deficit	Effect on
	currency rate		equity
	KShs	KShs	KShs
2020			
Euro	10%		-
USD	10%	-	-
2019		-	
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. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs.1,071,814 (2019 – KShs.108,886)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Capital risk management

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

	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

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13.7. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	00	00
Contributions from the public	00	00
Total	00	00

2. Transfers from County Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	439,035,000.00	301,500,000.00
Payments by County on behalf of the entity	0.00	0.00
Total	439,035,000.00	301,500,000.00

3. Fines, penalties and other levies

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	00	00
Fines	00	00
Total	00	00

4. Interest income

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage loans	0	0
Interest income from car loans	0	0
Interest income from investments	0	0
Interest income on bank deposits	0	0
Total interest income	00	00

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5. Other income

Description	2019/2020	2018/2019
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender documents	0	0
Miscellaneous income	0	0
Total other income	00	00

6a. Disbursements to Bursary Beneficiaries

Description	2019/2020	2018/2019
	KShs	KShs
Bursaries	384,076,378	284,197,000
Infrastructure	37,455,900	12,000,000
Total	421,532,278	296,197,000

6b. Fund administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Staff costs (Note 7)	0	0
Loan processing costs	0	0
Professional services costs	0	0
Administration fees	15,367,700	4,996,200
Total	15,367,700	4,996,200

7. Staff costs

Description	2019/2020	2018/2019
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. General expenses

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	0	0
Electricity and water expenses	0	0
Fuel and oil costs	0	0
Insurance costs	0	0
Postage	0	0
Printing and stationery	0	0
Rental costs	0	0
Security costs	0	0
Telecommunication	0	0
Bank Charges	1,063,208	197,914.00
Hospitality	0	0
Depreciation and amortization costs	0	0
Other expenses	0	0
Total	1,063,208	197,914.00

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Finance costs

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	--	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

11. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
Car loan account	-	-
County mortgage account	-	-
Fixed deposits account	-	-
On – call deposits	-	-
Current account	1,180,700	108,886
Others	-	-
Total cash and cash equivalents	1,180,700	108,886

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Financial institution	Account number	2019/2020 KShs	2018/2019 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 Kenya Limited. Kapenguria Branch	1070262229797	1,180,700	108,886
		-	-
Sub- total		1,180,700	108,886
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		1,180,700	108,886

12. Receivables from exchange transactions

Description	2019/2020 KShs	2018/2019 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	-	-

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Additional disclosure on interest receivable

Description	2019/2020	2018/2019
	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. Revenue from Non-Exchange transaction

	KShs	KShs
Description	2019/2020	2018/2019
	KShs	KShs
Transfer to County Executive	-	-
Transfer to other Fund	-	-
Total receivables from non-exchange transactions	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Prepayments

Description	2019/2020	2018/2019
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
Total	-	-

15. Inventories

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Property, plant and equipment

Cost	Land and Buildings KShs	Motor vehicles KShs	Furniture and fittings KShs	Computers and office equipment KShs	Total KShs
At 1 st July 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
At 30 th June 2019	-	-	-	-	-
At 1 st July 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 th June 2020	-	-	-	-	-
Depreciation and impairment					
At 1 st July 2018	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June 2019	-	-	-	-	-
At 1 st July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 th June 2020	-	-	-	-	-
Net book values					
At 30 th June 2019	-	-	-	-	-
At 30 th June 2020	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Intangible assets-software

Description	2019/2020	2018/2019
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV		

18. Trade and other payables from exchange transactions

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	-	-

19. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2018)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year (30.06.2019)				

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Borrowings

Description	2019/2020	2018/2019
	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 domestics borrowings during the period	-	-
Balance at end of the period		

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

	2019/2020	2018/2019
	KShs	KShs
External Borrowings		
Dollar denominated loan from Bank	-	-
Sterling Pound denominated loan from Bank	-	-
Euro denominated loan from Bank	-	-
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	2019/2020	2018/2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 18 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
Account receivable as at 1 st July 2019 (A)	-	-
Account receivable issued during the year (B)	-	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D = A+B-C	-	-

22. CHANGES IN ACCOUNTS PAYABLE

Description of the error	2019 - 2020	2018 - 2019
Accounts Payable as at 1 st July 2019 (A)	-	-
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D = A+B-C	-	-

23. Employee benefit obligations

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash generated from operations

	2019/2020	2018/2019
	KShs	KShs
Surplus/ (deficit) for the year before tax	1,071,814	108,886
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	1,071,814	108,886

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

25. Related party balances

a) Nature of related party relationships

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties	439,035,000	301,500,000
Transfers to related parties	-	-

c) Key management remuneration

	2019/2020	2018/2019
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2019/2020	2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Total	-	-

e) Due to related parties

	2019/2020	2018/2019
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

26. Contingent assets and contingent liabilities

Contingent liabilities	2019/2020	2018/2019
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
Total	-	-

(Give details)

For the year ended June 30, 2020

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Pkanan Arusio-Director Bursary</i>)	Status: (<i>Resolved/Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
4.0 Presentation of Financial statement	The statement of cash flows as at 30 th June 2019 reflects a net balance of Ksh 108,886, however a re-computation of the statement gives a balance of Khs 75,746,978. further the statement excludes bank balances of Khs 75,855,864 as a brought forward figure.	Management response action The omission of this key component of the financial statement was erroneous. Consequently the Cash-flow Statement and Summary Statement of Appropriation has been prepared in accordance with the prescribed International Public Sector Accounting Standards (IPSAS) and submitted in the amended financial statement.	Pkanan Arusio-Director Bursary	Resolved	Two days

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Pkanan Arusio-Director Bursary</i>)	Status: (<i>Resolved/Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
5.0 Inaccuracies in the Financial Statements	The statement of Receipts and Payments for the year ended 30 June 2019 reflected brought forward of ksh 75,855,864. The figures represent cash balance as at 30 th June 2018. Further the statement of receipts and payments reflects transfer from other government entities of ksh 302,000.00 which is at variance with the figures of the County Revenue Fund of Ksh 300,000,000.00 resulting in unexplained	This was an oversight error; it has since been corrected in the amended financial statements.	<i>Pkanan Arusio-Director Bursary</i>	Resolved	One day

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Pknan Arusio- Director Bursary</i>)	Status: (<i>Resolved/Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
6.0 Bank balance	The statement of financial position as at 30 th June 2019 reflects bank balances of Kshs 108,886. However the balances has not been supported with a bank reconciliation statement and a certificate of bank balance	This key financial documents (Bank reconciliation statement and a certificate of bank balance) was not among the provided during the exercise, but the management has since availed the documents for the exercise, we regret the delay	Pknan Arusio- Director Bursary	Resolved	one day
7.0 Disbursements to Bursary Beneficiaries	The statement of receipts and payments for the year ended 30 th June 2019 reflects disbursements to bursary beneficiaries of Kshs 372,472,364 which includes an amount of Kshs 26,750,000 in respect of Infrastructure as disclosed under note 2 to the financial	It is agreed that the function of Infrastructure support is a national government function but this two levels of government (County government and National government) has signed a memorandum of understanding document so as the County government through public participation can identify	Pknan Arusio- Director Bursary	Resolved	Immediately

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Reference No. on the external audit Report	Issue / Observations From Auditor	Management comments	Focal Point person to resolve the issue (Phanani Arusio- Director Bursary)	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statements. However it is not clear and management has not explained why disbursements had to be made to schools since the function of schools is a national government function which ought to have been implemented with the concurrence of National Government in accordance with article 186 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 expenditure	and support schools/institutions on Infrastructure improvement and other education activities within the county. The audit team was vanished with the benefiting schools project files and the memorandum documents, hence in compliance with the Kenyan constitution 2010.			

West Pokot County Bursary, Education Development and Infrastructure Fund
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Pkanan Arusio- Director Bursary</i>)	Status: (<i>Resolved/Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
8.0 Budget performance	<p>returns to show how the funds were utilized were not availed for audit review.</p> <p>Lack of approved budget Included in the financial statement of the fund is the figure of disbursement to bursary beneficiaries of Ksh 372,472,364 for the year ended 30th June 2019. However the management did not provide the approved budget.</p>	<p>Management response action It is agreed that the function of Infrastructure support is a national government function but this two levels of government (County government and National government) has signed a memorandum of understanding document so as the County government through public participation can identify and support schools/institutions on Infrastructure improvement and other</p>	<i>Pkanan Arusio- Director Bursary</i>	Resolved	Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Phanani Arusio- Director Bursary)	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		education activities within the county. The audit team was vanished with the benefiting schools project files and the memorandum documents, hence in compliance with the Kenyan constitution 2010.			

Guidance Notes:

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



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