

REPUBLIC OF KENYA

Scanned
18/3/22



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

**KIAMBU COUNTY EDUCATION
BURSARY FUND**

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

PAPERS LAID	
DATE	09/03/2022
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	CHEROP C.



Faint, illegible text or markings in the lower center of the page.

Faint, illegible text or markings in the bottom right corner.



KIAMBU COUNTY EDUCATION BURSARY FUND
REVISED 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)

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

TABLE OF CONTENTS

1. KEY ENTITY INFORMATION AND MANAGEMENT.....	3
2. MANAGEMENT TEAM.....	5
3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITYS STATEMENT PREDETERMINED OBJECTIVES.....	7
4. BOARD CHAIPERSON’S REPORT	8
5. REPORT OF THE FUND ADMINISTRATOR	9
6. CORPORATE GOVERNANCE STATEMENT	11
7. MANAGEMENT DISCUSSION AND ANALYSIS	12
8. STATEMENT OF MANAGEMENT’S ESPONSIBILITIES.....	13
9. REPORT OF THE INDEPENDENT AUDITOR.....	14
10. FINANCIAL STATEMENTS.....	15
10.1 .STATEMENT OF FINANCIAL PERFORMANCE.....	15
10.2 .STATEMENT OF FINANCIAL POSITION.....	16
10.3 STATEMENT OF CHANGES IN NET ASSETS	17
10.4 STATEMENT OF CASH FLOWS	18
10.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	19
10.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	20
10.7 NOTES TO THE FINANCIAL STATEMENTS.....	22
11.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	23

KIAMBU COUNTY EDUCATION BURSARY FUND

Reports and Financial Statements

For the year ended June 30, 2020

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

1(a) Kiambu County Education Bursary Fund is established by and derives its authority and accountability from Kiambu County Education Bursary Fund Act 2014, *Assented on : 19th May, 2014 and Commenced on : 24th June, 2014*. The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

The Fund's objective is to

- (a) Provide financial assistance to the needy, orphaned and vulnerable students in Kiambu County, enrolled in secondary schools, universities, colleges and special primary or secondary schools.

b) Principal Activities

The principal activity/ mandate of the Fund is to: -

- a) Grant scholarships in accordance with the criteria established under the Act; and
b) Meet any expenditure related to administration of the Fund as may be approved by the Executive Member:

**Fund Administration Committee
(JULY 2019- 30 JUNE 2020)**

Ref	Name	Position
1.	William Kimani	Chairman (Chair and C.O. Finance)
2.	Muiru Mwangi	Secretary/Fund Administrator (C.O. Education)
3.	Catherine Nduati	Director-Social services
4.	Max Muturi	Legal Officer
5.	Peter Gichuki	Community Member
6.	Emily Nkoroi	Director Vocational Training

Key Management

Ref	Name	Position
1.	William Kimani	Chairperson (C.O. Finance)
2.	Muiru Mwangi	Secretary/Fund Administrator/ Account Signatory
3.	Catherine Nduati	Director – Social Services
4.	Emily Nkoroi	Director Vocational Training
5.	John Kahuria	Bursary Accountant/ Account Signatory
6.	Scola Wanjohi	Account Signatory
7.	Solomon Waweru	Account Signatory

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

e) Registered Offices

P.O. Box 2344-00900
Kiambu, Kenya

f) Fund Contacts

Telephone: (254) 0675858141
E-mail: ifmis@fep.kiambu.go.ke
Website: www.kiambu.go.ke

g) Fund Bankers

Cooperative Bank of Kenya
Kiambu Branch, Kenya

h) Independent Auditors





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






i) Principal Legal Adviser

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

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

2. MANAGEMENT TEAM

Ref	Name	Position
1.	 Isaac MuiruMwangi	Chief Officer Fund Administrator/ Account Signatory D.O.B-19 th July 1968 M.ED Career teacher, quality assurance officer, Educational Manager
2.	 William Kimani	Chief Officer Finance, ICT & Economic Planning
3.	 Catherine Nduati	Director Social Services County Bursary Committee Member D.O.B -18 th June 1968 Bachelor of Education Director Social Services
4.	 Emily Nkoroi	County Bursary Committee Member D.O.B - 29 th December 1965 Master of Education Director Vocational Education & Training.

5.	 <p>Max Muturi</p>	<p>County Bursary Committee Member D.O.B. 27th March 1993 LLB Advocate of the High Court Legal Counsel – Office of the County Attorney</p>
6.	 <p>Peter Wanjuki Gichuki</p>	<p>County Bursary Committee Member DOB- 21/04/1976 Education - Degree, BED Science Experience- 16 years of teaching Accountant</p>
7.	 <p>Scola Njeri Wanjohi</p>	<p>Account Signatory D.O.B 11/08/1989 Bachelor of Business Administration MBA CPA Accountant</p>
8.	 <p>Solomon Waweru</p>	<p>Account Signatory D.O.B 07/05/1984 Bcom Finance CPA(K) MSC Finance (On Going) Senior Finance Officer, Financial Reporting.</p>
9.	 <p>John Kahuria</p>	<p>Bursary Accountant D.O.B 20/02/1985 CPA (K) Accountant</p>

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

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

The approved budget was Ksh 100,000,000. This was disbursed to needy students from Kiambu County. These students were selected by bursary ward committee members as per Kiambu County Education Bursary Fund Act. The challenges facing the fund include the increased number of needy students and inability of the fund to pay ward committee allowances and other fund administration expenses.

Introduction

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

The key development objectives of the Kiambu County Education Bursary Fund 2018-2022 plan are to:

- a) Enhance access to education
- b) Promote and increase enrolment, retention, completion and transition rates in schools
- c) Improve education standards and literacy levels
- d) Reduce poverty and inequality

Progress on attainment of Strategic development objectives From Kiambu County Education Fund

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Education Bursary Fund	Increase bursary fund allocation to enhance accessibility to and completion by needy students secondary school and college	Increased access and retention of learners amongst vulnerable Groups	Number of students who benefited from bursary disbursed in 2019/2020 financial year	In financial year 2019/2020 Twenty two thousand eight hundred and nine students benefited from bursary issued in 2019/2020 financial year

4. BOARD/FUND CHAIRPERSON'S REPORTS

Forward

Kiambu County Education Bursary Fund was established under the PFM Act 2012 and County Government of Kiambu Act, 2014. In the year under review, the management of the fund changed its membership following the change in the top leadership of the County and the expiry of the term of the Ward Committees. The changes included the County Executive Committee Member, County Bursary Committee, Fund Account Signatories and Ward Committees.

The budget for the FY 2019/2020 was Kshs 100,000,000.00. This was a reduction from the previous budget of Kshs 200,000,000.00 in the 2018/2019 FY. The budgeted allocation for the wards equitable share of 85% was Kshs 85,000,000.00 as stipulated in the Kiambu County Education Bursary Fund Act of 2014 Section 5(3) "An amount totaling to 85% of the monies set aside for disbursement under the Act shall be allocated equally to all the wards. The budgeted allocation for the marginalized and needy cases was 12% of the total amount which totaled to Kshs 12,000,000.00 as provided in the Act Section 5(4) "An amount totaling to 12% of the monies set aside for disbursement under this Act shall be utilized for special categories in accordance with the formula set out in the regulations". The budgeted allocation for the Administration cost was 3% of the total amount translating to Kshs 3,000,000.00 as outlined in the Act Section 5(1) "...provided that not more than 3% of the total monies consisting of the fund shall be utilized for the administration of the fund."

The balance brought forward from 2018-2019FY was Kshs 10,165,114.20. The fund received Kshs 100,000,000 totaling to 110,165,114.20 for the FY 2019/20. A total amount of Kshs 100,457,971.00 was spent on bursary while Kshs 3,479,935.00 was spent on administration, leaving a balance of Kshs 6,227,208.20 as at 30th June 2020.

In conforming with the core mandate of County Governments, that is, the ECDEs and the Youth Polytechnics, there was a specific allocation to Youth Polytechnics in the month of November 2019 amounting to 18,000,000.00. This was a welcome decision by the County Education Bursary Executive Committee to help needy students enrolled in the Youth Polytechnics.

The challenges facing the fund include the increased number of needy cases and the competing needs in the County.

Signed: _____

Mary Kamau

TEC EDUCATION, GENDER, CULTURE & SOCIAL SERVICES

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

5. REPORT OF THE FUND ADMINISTRATOR

The scheme is aimed at ensuring that Students especially those from vulnerable grounds access education and are retained in school after enrolment, reducing disparities and inequalities in the provision of education.

Following the approval of Kshs 100,000,000.00 budget for the 2019/2020 FY, it is worth noting that it was a decrease from the previous financial year's Kshs 200,000,000.00 and therefore posing challenges due to the increased numbers of needy cases. There was a full utilization of the budget and the deficit was funded by the opening balance and the reversal of stale cheques as at the close of the previous financial year.

The balance brought forward from 2018-2019 FY was Kshs 10,165,114.20. The fund received Kshs 100,000,000 totaling to 110,165,114.20 for the FY 2019/20. A total amount of Kshs 100,457,971.00 was spent on bursary while Kshs 3,479,935.00 was spent on administration, leaving a balance of Kshs 6,227,208.20 as at 30th June 2020.

Several clauses have been amended in the 2014 Act to comply with the PFM Act and to improve the management of the fund as recorded in the Kiambu County Bursary Fund Amendment Act 2016 and 2018.

George Thuku
Fund Administrator

KIAMBU COUNTY EDUCATION BURSARY FUND

Reports and Financial Statements

For the year ended June 30, 2020

6. CORPORATE GOVERNANCE STATEMENT

The County Bursary Committee holds not less than four times meetings in every financial year, and not more than four months should elapse between the date of one meeting and the date of the next one.

The chairperson may, and upon requisition in writing by at least five members, convene a special meeting of the Committee at any time for the transaction of the business of the Committee. Unless three quarters of the total members of the Committee otherwise agree, at least fourteen days' written notice of every meeting of the Committee is given to every member of the Committee. The quorum for the conduct of the business of the Committee is five members including the chairperson or the person presiding. The chairperson presides at every meeting of the Committee at which he is present but, in his absence, the members present elect one of their numbers to preside, who, with respect to that meeting and the business transacted, assumes all the powers of the chairperson.

The Kiambu County Education Bursary Fund Act 2014 guides the conduct of the meetings.

The Amendment Act 2016 provides for the appointment of the County and Ward Bursary Committee members as follows:-

Ward Bursary Committee:-chairperson appointed by the Executive Member through a competitive process, the county officer in charge of education in the ward is the secretary to the committee, one person with experience in education matters nominated by a joint forum on faith based organizations in the ward, one person experienced in education matters nominated by a joint forum of Non-Governmental Organizations in the ward, one person experienced in education matters nominated by joint organizations of persons with disability in the ward; and one person nominated by a joint forum of youth in the ward.

Their roles and functions include: receiving, reviewing and approving applications for education grant, bursary or scholarship, as the case may be, under the Act; determining the amount of education grant, bursary or scholarship, as the case may be, to be awarded to each approved applicant; monitoring and evaluating the progress and performance of the eligible students supported under the Act.

The County Bursary Committee on the other hand is appointed as follows-(a)the Chief Officer responsible for matters relating to Finance or a designated alternate not being below the level of a finance director; (b)the officer administering the Fund who is an ex-officio member with no right to vote and the secretary to the Committee; (c)the Director of social services in the County Government; (d)Director of polytechnics in the County Government; and (e)two other persons qualified in matters relating to education, community development or law appointed by the Executive Member through a competitive process.

The Committees' functions include (a)approve the disbursement of the education grant, bursary and scholarships to beneficiaries; (b)monitor and evaluate the activities of the Ward committees to ensure the implementation of this Act in a manner that promotes the objects of the Fund; (c)receive and address complaints that may arise from the implementation of the Act;(d)consider appeals from the Ward Committees; (e)make recommendations to the Executive Member on any matter relating to the Fund; (f)compile, update and forward reports to the Executive Member; (g)perform any other function as the Executive Member may determine.

A member of the Committee may at any time resign from office by notice in writing to the Executive Member or be removed from office by the Executive Member, if the person has been absent for three consecutive meetings of the Committee without the permission of the chairperson, is convicted of a criminal offence, and sentenced to imprisonment, is convicted of an offence involving dishonesty or fraud, is adjudged bankrupt, or enters into a composition scheme of arrangement with his or her creditors, is incapacitated by prolonged physical or mental illness, or is deemed otherwise unfit to discharge his or her duties as a member of the Committee, or fails to comply with any of the provisions of the Act.

On conflict of interest, if a member is directly or indirectly interested in any contract, proposed contract or other matter before the Committee, and is present at a meeting of the Committee at which the contract, proposed contract or other matter is the subject of consideration, the member should disclose the fact before the meeting starts, and is barred from taking part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the contract or matter: Provided that, if the majority of the members present are of the opinion that the experience or expertise of such a member is vital to the deliberations of the meeting, the Committee may permit the member to participate in the deliberations subject to such restrictions as it may impose, but the member is not eligible to vote on the matter in question. A member of the Committee shall be considered to have a conflict of interest for the purposes of the Act if he or she acquires any pecuniary or other interest that could conflict with the proper performance of his or her duties as a member of the Committee. Where the Committee becomes aware that a member has a conflict of interest in relation to any matter before the Committee, the Committee shall direct the member to refrain from taking part, or taking any further part, in the consideration or determination of the matter.

If the chairperson has a conflict of interest he should, in addition to complying with the other provisions of this section, disclose the conflict in writing to the Executive Member. Upon the Committee becoming aware of any conflict of interest, it decides as to whether in future the conflict is likely to interfere significantly with the proper and effective performance of the functions and duties of the member or the Committee, and the member with the conflict of interest does not vote on this determination.

Upon their appointment, members of both Committees are inducted and briefed on all the related bursary procedures. They carry out their roles and functions as outlined in the act. The allowances paid are determined by the County Treasury in consultation with the Salaries and Remuneration Commission.

7. MANAGEMENT DISCUSSION AND ANALYSIS

The Kiambu County Education Funds discussion and analysis provides an overview of the Funds financial activities for the fiscal year ended 30th June 2020. Since this information is designed to focus on the current years activities resulting changes and currently known facts, it should be read in conjunction with the Funds Financial Statements. The financial report is prepared using appropriate accounting policies and in conformity with the IPSAS

CASH RECEIVED FROM COUNTY

The statement shows a decrease of the transfers from the County Government from Kshs 102,500,000 to Kshs 100,000,000 translating to more 2.44% decrease.

EXPENDITURE

The amount of expenditure reported in the current year also decreased from Kshs 3,923,590.00 to Kshs 3,479,935.00.

CASH AND CASH EQUIVALENT

This consists of cash in funds bank account. The amount of cash and cash equivalent reported in the current year is Kshs 6,227,208.20

8. 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 *(The Fund should state the appropriate legislation establishing the Fund)* 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 *Kiambu County Education Fund*. 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 confirms 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.

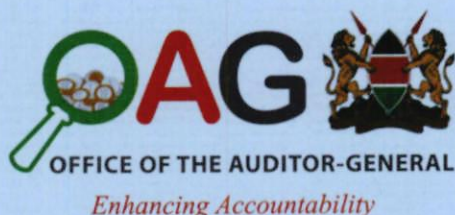
Approval of the financial statements

The Fund's financial statements were approved by the Board on 30th June 2020 and signed on its behalf by:



Administrator of the County Public Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kiambu County Education Bursary Fund, set out on pages 15 to 34, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 the Kiambu County Education Bursary Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Adjustments in the Statement of Changes in Net Assets

The statement of changes in net assets as at 30 June, 2019 and 30 June, 2020 reflects balances amounting to Kshs.1,775,027 and Kshs.1,689,779 described as adjustments-reversed stale cheques, however supporting journals have not been provided for audit verification. Further it was not possible to confirm how reconciliation items would affect the net assets.

Consequently, the accuracy and validity of the adjustments could not be confirmed.

2. Inaccurate Statement of Cash Flows

The statement of cash flows for the year ended 30 June, 2020 reflects a balance of Kshs.8,475,334 and Kshs.10,165,114 in respect of cash and cash equivalents balances as at 30 June, 2019 and 1 July, 2019 respectively resulting to unexplained and unreconciled variance amounting to Kshs.1,689,780.

In the circumstances, the accuracy, completeness, presentation and disclosure of the statement of cash flows could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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. Over Expenditure

The statement of comparison of budget and actual amounts reflects final expenditure budget of Kshs.100,000,000 against actual expenditure of Kshs.103,937,870 resulting to unapproved over expenditure of Kshs.3,937,870 or 4%.

In the circumstances budget and budgetary controls were not adhered to.

2. Non Compliance with the Prescribed format

A review of the financial statements presented for audit reflects the following anomalies:

- (i) The statement of management responsibilities on page 13 of the financial statements does not indicate the appropriate legislation establishing the fund as required by section 167 of the Public Finance Management Act, 2012,
- (ii) Page 1 and 2 of the financial statements includes the cover page and table of contents respectively.

The financial statements presented did not comply with the financial reporting template recommended by the Public Sector Accounting Standards Board (PSASB).

2. Compliance with Kiambu County Education Bursary Fund Act, 2014

2.1 Ineffective Bursary Awards

As disclosed in Note 3 to the financial statements, the statement of financial performance reflects bursary disbursements amounting to Kshs.100,457,971 to assist needy students in various learning institutions. However, a review of records of disbursement reflects

award of bursary amounts to beneficiaries as little as Kshs.1,000 and Kshs.2,000 by the Bursary Committees. Further, contrary to Section 5 of the Kiambu County Education Bursary Fund Regulations, 2014, the County Executive Committee Member in charge of Finance did not issue guidelines stipulating the minimum amounts that may be awarded to an applicant in relation to the type or level of school the applicant is attending.

No explanation was provided for the little amounts issued which made little impact on the intended beneficiaries resulting to ineffective use 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 ability of the Fund to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi
08 February, 2022

KIAMBU COUNTY EDUCATION BURSARY FUND
 Reports and Financial Statements
 For the year ended June 30, 2020

10. FINANCIAL STATEMENTS

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

	Note	2019/2020	2018/2019
		KShs	KShs
Transfers from the County Government	1	100,000,000.00	102,500,000.00
Total revenue		100,000,000.00	102,500,000.00
Expenses			
Fund administration expenses	2	3,479,935.00	3,923,590.00
General expenses-Bursary disbursement	3	100,457,971.00	108,238,208.00
Total expenses		103,937,906.00	112,161,798.00
Other gains/losses			
Surplus (deficit) for the period		-3,937,906.00	-9,661,798.00

The notes set out on pages 20 to 34 and the Annexes attached form an integral part of these Financial Statements.

KIAMBU COUNTY EDUCATION BURSARY FUND


Reports and Financial Statements

For the year ended June 30, 201


10.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		KShs	KShs
Assets	Note	FY2019/2020	FY2018/2019
Current assets			
Cash and cash equivalents	4	6,227,208.20	8,475,334.20
Total assets		6,227,208.20	8,475,334.20
Liabilities			
Current liabilities			
Total liabilities			
Net assets		6,227,208.20	8,475,334.20
Accumulated surplus		6,227,208.20	8,475,334.20
Total net assets and liabilities		6,227,208.20	8,475,334.20

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on 30TH JUNE 2020 and signed by:



Administrator of the Fund
Name: George Thuku



Fund Accountant
Name: John Kahuria
ICPAK Member
Number: 23571

KLAMBU COUNTY EDUCATION BURSARY FUND

Reports and Financial Statements

For the year ended June 30, 2020

10.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020

	Accumulated surplus	Total
	KShs	KShs
Balance as at 1 July 2018	16,362,105.20	16,362,105.20
Surplus/(deficit) for the period	-9,661,798.00	-9,661,798.00
Funds received during the year	1,775,027.00	1,775,027.00
Revaluation gain	-	00
Balance as at 30 June 2019	8,475,334.20	8,475,334.20
Balance as at 1 July 2019	8,475,334.20	8,475,334.20
Surplus/(deficit) for the period	-3,937,906.00	-6,316,641.00
Funds received during the year	1,689,779.00	1,689,779.00
Revaluation gain	-	00
Balance as at 30 June 2020	6,227,208.20	6,227,208.20

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

10.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	FY 2019/2020	FY 2018/2019
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		100,000,000.00	102,500,000.00
Total Receipts		100,000,000.00	102,500,000.00
Payments			
Fund administration expenses		3,479,935.00	3,923,590.00
General expenses		100,457,971.00	108,238,208.00
Total Payments		103,937,906.00	112,161,798.00
Net cash flows from operating activities		-3,937,906.00	-9,661,798.00
Cash flows from investing activities			
Net cash flows used in investing activities		00	00
Cash flows from financing activities	1		
Net cash flows used in financing activities		00	00
Net increase/(decrease) in cash and cash Equivalents	4	-3,937,906	-9,661,798
Cash and cash equivalents at 1 JULY	5	10,165,114.20	18,137,132.20
Cash and cash equivalents at 30 JUNE	5	6,227,208.20	8,475,334.20

NOTE –During the financial year under consideration there were no provision for accounts receivables and payables

10.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
2020

	Original budget 2020	Disbursements 2020	Final budget 2020	Actual comparable 2020
Revenue	KShs	KShs	KShs	K
Public contributions and donations				
Transfers from County Govt.	100,000,000	NIL	100,000,000	100,000,000.00
Balance b/f10,165,114.20		-	xxx	10,165,114.20
Total income	100,000,000	NIL	100,000,000	110,165,114.20
Expenses				
Fund administration expenses	3,000,000.00	-	3,000,000.0	3,479,935.00
General expenses - Disbursements	97,000,000.00		97,000,000	100,457,971.00
Total expenditure	100,000,000		100,000,000	103,937,906.00
Surplus for the period	NIL	NIL	NIL	6,227,208.20

10.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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

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

2. Adoption of new and revised standards

The entity did not adopt any new or amended standards in the current year under review.

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.

The original budget for FY 2019/2020 was approved by the County Assembly on March 2019. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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 cash 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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section 9 of these financial statements.

5 Property, plant and equipment

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

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.

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an 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 an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments

- 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.

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.

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,

which the change occurs.

10 Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Changes in accounting policies and estimates

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

11 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.

12 Related parties

The Fund 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 Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the County Executive Members and County Assembly of Kiambu.

13. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Bank account balances include amounts held at Cooperative bank at the end of the financial year.

14. Comparative figures

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

15. Events after the reporting period

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

16. Ultimate and Holding Entity

The entity is a County Public Fund established by Kiambu County Education Bursary Fund Act under the Department of Education Culture, Gender and Social services. Its ultimate parent is the County Government of KIAMBU.

17. Currency

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

18. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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:

	amount	performing	Kshs	Kshs
	Kshs	Kshs		
At 30 June 2019				
Receivables from exchange transactions	00	00	00	00
Receivables from non-exchange transactions	00	00	0	0
Bank balances	00	00	00	00
Total	00	00	00	00
At 30 June 2018				
Receivables from exchange transactions	00	00	00	00
Receivables from non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00

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

The 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 3 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Trade payables	-	-	-	-

Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2018				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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

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.

monetary liabilities at the end of the reporting period are as follows:

	KShs	Other currencies KShs	Total KShs
At 30 June 2019			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2020			
Euro	10%	0	0
USD	10%	0	0
2019			
Euro	10%	0	0
USD	10%	0	0

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

Management of interest rate risk

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

KIAMBU COUNTY EDUCATION BURSARY FUND
Reports and Financial Statements
For the year ended June 30, 2020

10.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from County Government

Description	FY 2019/2020	FY 2018/2019
	KShs	KShs
Transfer from county Govt.-operations	100,000,000.00	102,500,000.00
Total	100,000,000.00	102,500,000.00

2. Fund administration expenses

Description	FY 2019/2020	FY 2018/2019
	KShs	KShs
Staff costs (Note 3)*See Note 2(i)	2,566,375.00	3,081,000.00
Printing Charges *See Note 2(ii)	418,400.00	748,000.00
Bank Charges * See Note (iii)	495,160.00	94,590.00
Total	3,479,935.00	3,923,590.00

3. Bursary Disbursement

Description	FY 2019/2020	FY 2018/2019
	KShs	KShs
Bursary disbursements	100,457,971.00	108,238,208.00
Total	100,457,971.00	108,238,208.00

4 Cash and cash equivalents

Description	FY 2019/2020	FY 2018/2019
	KShs	KShs
Current account	6,227,208.20	8,475,334.20
Total cash and cash equivalents	6,227,208.20	8,475,334.20

5. FY. 2019/2020 Opening Balance Adjustments

Description	Kshs
Unadjusted Balance B/f- 1 st July 2019	8,475,334.20
Add. Cancelled stale Cheques	1,689,779
Adjusted Opening balance	10,165,114.20

KIAMBU COUNTY EDUCATION BURSARY FUND

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***Note (i): Staff Costs**

It is worth noting that the staff costs for the year 2019/2020 reduced from Ksh. 3,081,000.00 in 2018/2019 Financial Year to Ksh. 2,566,375.00. This was due to the fact that there was a committee sitting allowance that was not paid in the month of November 2019.

***Note (ii): Printing Charges**

The printing charges for the year 2019/2020 also reduced from Ksh 748,000.00 in 2018/2019 FY to Ksh. 418,400.00. This was due to a management decision which reduced the quality of printing papers from glossy A3 papers to normal printing papers.

***Note (iii): Bank Charges**

The bank charges for the 2019/2020 FY increased from Ksh. 94,590.00 in 2018/2019 FY to Ksh. 495,160.00. This was due to an introduction of stamp duty and excise duty and other cheque book charges in acquiring of cheque books. The year 2018/2019 did not incur any cheque book charges since the left-overs from 2017/2018 FY were used. The additional charges in acquiring of the cheque books were not anticipated and thus the high cost of the bank charges.

10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments th
 nominated focal persons to resolve the various issues as shown below with the associated time frame
 resolved.

Reference No. on the external audit Report	Issue / Observations from the Auditor	Management comments	Focal Point person to re: the issue (Name and Designation)
4.1	Failure to Submit Financial Statements	To ensure timely submission of financial reports	Fund Administrator
4.2.1	Inaccuracy in Opening Balances	To amend the financial statements	Fund Administrator
4.2.2	Inaccuracy in Accumulated Surplus	To amend the financial statements	Fund Administrator
4.3	Variance between the Figures in Financial Statement and Schedules Supporting the Figures in the Financial Statement	To amend the financial statements	Fund Administrator
4.4	Inaccuracy of Cash and Cash Equivalence.	To amend the financial statements	Fund Administrator
4.4.1	Un presented stale cheques	To cancel the staled cheques	Fund Administrator
4.4.3	Failure to Prepare a Trial Balance	The aforesaid trial balance was prepared and going forward a trial balance is generated before preparing the final accounts	Fund Accountant

4.5	Under Absorption of Budget	The department has absorbed 100% allocated budget in the subsequent FY	Fund Administrator	Done	Yearly
4.6	Eligibility of Full Scholarships	Fund administrator noted the recommendations and formulated criteria for the award, management and disbursement of full scholarships.	Fund Administrator	Done	Immediate
4.7	Excess Payment of School Fees under Full Scholarship Criteria	The shared lists had an error and was corrected immediately	Fund Administrator	Done	Immediate
4.8	Irregular Allocation of Bursary under Partial Scholarship	The shared lists had an error and was corrected immediately	Fund Administrator	Done	Immediate

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

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	-	-

21. Changes in receivable

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
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
	KShs	KShs
Accounts Payable as at 1 st July 2019 (A)	268,829	1,329,129
Accounts Payable held during the year (B)	503,597	-
Accounts Payable paid during the Year (C)	-	(1,060,300)
Net changes in account receivables D= A+B-C	772,426	268,829

23. Employee benefit obligations

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

NYANDARUA COUNTY EMERGENCY FUND
Reports and Financial Statements
For the year ended June 30th 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Cash generated from operations

	2019/2020	2018/2019
	KShs	KShs
Surplus/ (deficit) for the year before tax	14,814,155	(13,273,308)
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	503,597	-
Net cash flow from operating activities	15,317,752	(13,273,308)

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

b) Related party transactions

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties'	-	-
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
--	-----------	-----------