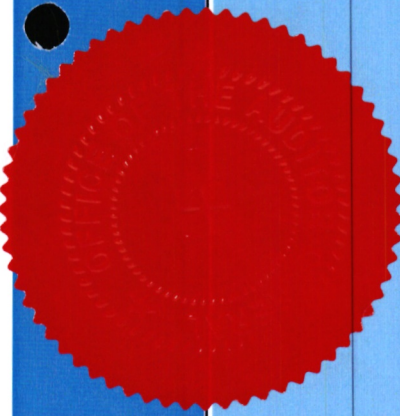


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*Enhancing Accountability*



**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**NAKURU COUNTY BURSARY FUND**

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





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**NAKURU COUNTY BURSARY FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

The Nakuru County Bursary Fund is established by and derives its authority and accountability from Article 116 of Public Finance Management Act and also Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1). The Fund is wholly owned by the County Government of Nakuru and is domiciled in Kenya.

The establishment of the Fund is to provide education bursaries to financially disadvantaged or needy students in the county, including persons with disabilities, who deserve support to pursue their education in recognized schools and educational institutions and to provide for efficient allocation and disbursement of the funds.

**b) Principal Activities**

The functions of the County Bursary Committee shall –

- a. Be a clearing house for applications received from the Wards;
- b. Set the criteria and conditions for granting of bursaries;
- c. Distribute the Bursary Funds among the wards in the county;
- d. Approve disbursement of bursaries to awarded students;
- e. Monitor allocations of bursaries to ensure needy students benefit;
- f. Maintain an up to date database of all applicants and beneficiaries of the Fund;
- g. Raise and solicit funds and other assistance for the Fund;
- h. Receive gifts, donations, grants or endowments made to the Fund and committee;
- i. Grant bursaries to eligible students upon recommendation of the relevant wards;
- j. Produce and share disbursement reports with the Governor and the County assembly every three months.
- k. Consider and entertain appeals from the Wards;
- l. Perform and exercise all other functions and powers conferred on the Committee by Nakuru County Bursary Fund Regulations.

**NAKURU COUNTY BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**c) Nakuru County Bursary Fund Administration Committee**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	GAKAU MBUGUA	FUND CHAIRMAN
2	JAMLECK MAINA	FUND ADMINISTRATOR
3	MILLICENT A. YUGI	FUND SECRETARY
4	JOHN KAELO	FUND ACCOUNTANT
5	FRANCISCA KIPSOI	MEMBER
6	JUSTINE ODUYA	MEMBER
7	SULEIMAN MUSA	MEMBER
8	GICHUHI NJOROGE	MEMBER
9	EUCABETH CHEPTOO	MEMBER
10	JAMES WAWERU	MEMBER

**d) Key Management**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	JAMLECK MAINA	FUND ADMINISTRATOR
2	GAKAU MBUGUA	FUND CHAIRMAN
3	JOHN KAELO	FUND ACCOUNTANT
4		
5		

**NAKURU COUNTY BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**e) Registered Offices**

Nakuru County Bursary Fund  
Department of Education, Culture, Youth Affairs and Social Services Building  
Moi Rd.  
P.O. Box 2870 -20100  
Nakuru, Kenya.

**f) Fund Contacts**

Telephone: (254) 051-2216472  
E-mail: meonaku@yahoo.com  
direducation@nakurucounty.go.ke  
Website: www.nakurucounty.go.ke

**g) Fund Bankers**

Family Bank Ltd - AC No. 019000036428  
P.O. Box 519  
20100  
Nakuru, Kenya





**h) Independent Auditors**

Auditor General  
Office of the Auditor General  
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



**2. NAKURU COUNTY BURSARY FUND COMMITTEE**

Name	Details of qualifications and experience
<p><b>1. GAKAU MBUGUA</b></p>  <p><b>Date of Birth: 09-May-1963</b></p>	<ul style="list-style-type: none"> <li>• Higher Diploma in Entrepreneurship KTTC</li> <li>• Diploma in Education Kisii University</li> <li>• Teacher under TSC 2011 – 2016</li> <li>• Executive Secretary Kenya Union of Post Primary Teachers (KUPPET)</li> <li>• Chairman Nakuru County Bursary Fund 2019 to date.</li> </ul>
<p><b>2. JAMLECK MAINA</b></p>  <p><b>Date of Birth: 22-Feb-1960</b></p>	<ul style="list-style-type: none"> <li>• Bachelor of Education (Science)</li> <li>• Chief Officer Education &amp; Vocational Training (County Government of Nakuru)</li> <li>• Nakuru County Bursary Fund Administrator</li> </ul>
<p><b>3. MILLICENT A. YUGI</b></p>  <p><b>Date of Birth: 1969</b></p>	<ul style="list-style-type: none"> <li>• Master's Degree in Education, pursuing PHD</li> <li>• Currently Director of Education County Government of Nakuru having built a career in Education Administration for the past 20 years.</li> <li>• Served as Municipal Education Officer before becoming Director of Education for the County.</li> </ul>
<p><b>4. JOHN KAELO</b></p>  <p><b>Date of Birth: 10-Oct-1967</b></p>	<ul style="list-style-type: none"> <li>• Bachelor of Commerce (Accounting Option)</li> <li>• CPA Holder</li> <li>• Strategic Leadership Development Programme (SLDP)</li> <li>• Diploma in County Governance</li> <li>• Treasurer in various defunct Local Authorities e.g. Narok, Nyando, Trans-Nzoia &amp; Molo 2005-2013</li> <li>• Nakuru County Bursary Fund Accountant</li> </ul>

**NAKURU COUNTY BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Name	Details of qualifications and experience
<p><b>5. FRANCISCA KIPSOI</b></p>  <p><b>Date of Birth: 14-Apr-1984</b></p>	<ul style="list-style-type: none"> <li>• Master of Arts (Diplomacy)</li> <li>• Bachelor of Education</li> <li>• Attended Strategic Leader Development Programme training</li> <li>• Teacher St. Peter's Girls High School 2010</li> <li>• Member Nakuru County Bursary Fund Committee</li> </ul>
<p><b>6. JUSTINE ODUYA</b></p>  <p><b>Date of Birth: 25-Apr-1950</b></p>	<ul style="list-style-type: none"> <li>• Diploma in Administration and Social Work</li> <li>• Child Welfare Society</li> <li>• Administrator Arap Moi Children Home</li> </ul>
<p><b>7. SULEIMAN MUSA</b></p>  <p><b>Date of Birth: 09-Dec-1985</b></p>	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Development Studies.</li> <li>• Executive Committee Member of SUPKEM Nakuru County.</li> <li>• Secretary Jamia Mosque Gilgil.</li> <li>• Have served as Secretary NG-CDFC Gilgil Constituency (2013-2017)</li> <li>• A Member of CBC Nakuru County since 2018</li> </ul>
<p><b>8. GICHUHI NJOROGE</b></p>  <p><b>Date of Birth: 20-Oct-1964</b></p>	<ul style="list-style-type: none"> <li>• Post Graduate training in Leadership - University of the North (RSA).</li> <li>• M.A. - Sociology - Project Planning &amp; Mngt (Project Research Level).</li> <li>• Bachelor of Education (KU).</li> <li>• Teacher in various schools for 12 years.</li> <li>• Headteacher for in various schools for 8 years.</li> <li>• Management in other sectors of Development, e.g. NG-CDF, County Development Programs - (12 years)</li> </ul>

**NAKURU COUNTY BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Name	Details of qualifications and experience
<p><b>9. EUCABETH CHEPTOO</b></p>  <p><b>Date of Birth: 28-Apr-1992</b></p>	<ul style="list-style-type: none"> <li>• Bachelor of special needs Education (Geography and Kiswahili) Kenyatta University.</li> <li>• Practicing teaching as a career for the last 3 years in different institutions across the country.</li> <li>• Have been an ambassador of People Living with Disabilities especially children in terms of care and access to education.</li> <li>• A member of the Nakuru County Bursary committee from the year 2018 to date</li> </ul>
<p><b>10. JAMES WAWERU</b></p>  <p><b>Date of Birth: 30-Aug-1977</b></p>	<ul style="list-style-type: none"> <li>• 16 Years teaching experience.</li> <li>• Currently, the National Vicechair of Kenya Union of the Blind.</li> <li>• Have served as a member of the Board of Directors of Higher Education Board.</li> </ul>

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

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity 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 Nakuru County Bursary Fund 2018-2022 plan are to:




- Enhancing access, transition and retention through provision of bursaries and scholarships to needy students of Nakuru County.

**Progress on attainment of Strategic development objectives (*Adopted from County Government of Nakuru*)**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
SP2.2 Bursaries	Enhancing access, transition and retention through provision of bursaries and scholarships to needy students of Nakuru County	Support for needy children through bursary	Amount of bursary funds budgeted (M)  Number of actual children who benefit from bursaries	Bursary enhanced through ward kitty

**4. MANAGEMENT TEAM**

Name	Details of qualifications and experience
<p><b>1. GAKAU MBUGUA</b></p>  <p><b>Date of Birth: 09-May-1963</b></p>	<ul style="list-style-type: none"> <li>• Higher Diploma in Entrepreneurship KTTC</li> <li>• Diploma in Education Kisii University</li> <li>• Teacher under TSC 2011 – 2016</li> <li>• Executive Secretary Kenya Union of Post Primary Teachers (KUPPET)</li> <li>• Chairman Nakuru County Bursary Fund 2019 to date.</li> </ul>
<p><b>2. JAMLECK MAINA</b></p>  <p><b>Date of Birth: 22-Feb-1960</b></p>	<ul style="list-style-type: none"> <li>• Bachelor of Education (Science)</li> <li>• Chief Officer Education &amp; Vocational Training (County Government of Nakuru)</li> <li>• Nakuru County Bursary Fund Administrator</li> </ul>
<p><b>3. JOHN KAELO</b></p>  <p><b>Date of Birth: 10-Oct-1967</b></p>	<ul style="list-style-type: none"> <li>• Bachelor of Commerce (Accounting Option)</li> <li>• CPA Holder</li> <li>• Strategic Leadership Development Programme (SLDP)</li> <li>• Diploma in County Governance</li> <li>• Treasurer in various defunct Local Authorities e.g. Narok, Nyando, Trans-Nzoia &amp; Molo 2005-2013</li> <li>• Nakuru County Bursary Fund Accountant</li> </ul>

**5. BOARD/FUND CHAIRPERSON'S REPORT**

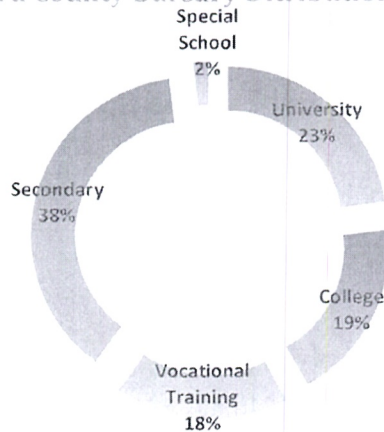
I am pleased to present to you reports and financial statements for The Nakuru County Bursary Fund for the financial year ended June 30, 2020. During the year, the Nakuru County Bursary Fund was allocated a total of Kshs 138,261,667 of the Approved Budget and Balance Brought Forward Kshs. 58,714,253 making a total of Kshs. 196,975,920.

On receipt of the above allocations, The Nakuru County Bursary Fund Committee pursuant to the Public Finance Management (Nakuru County Bursary Fund) Regulations 2015, received Bursary Application Forms for the shortlisted applicants from Ward Bursary Committees in all 55 Wards within the County. The Committee met and approved applications for the applicants who met the set requirements as per the Application Form.

During the year, a total of Kshs 137,718,678 was disbursed to various educational institutions namely Universities, Colleges, Vocational Training, Secondary Schools and Special School being Bursary awarded to needy students within the County and a cost of Kshs 3,221,516 towards Administration Expenses making a budget utilization of 72% totalling to Kshs. 140,940,194 and this necessitated retention and transition rate of pupils to other levels of education.

The Distribution of Funds to Educational Institutions was as follows:

Nakuru County Bursary Distribution



Signed: \_\_\_\_\_

**GAKAU MBUGUA**  
**CHAIRMAN**  
**NAKURU COUNTY BURSARY FUND**

## 6. REPORT OF THE FUND ADMINISTRATOR

- Changes in the Fund during the year

Nakuru County Bursary Fund was established in the year 2014 by Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015. The fund held its first meeting of the year on 10<sup>th</sup> July, 2018 under the management of the following: -

	<b>Name</b>	<b>Position</b>
1	Gakau Mbugua	Fund Chairman
2	Jamleck Maina	Fund Administrator
3	Millicent A. Yugi	Fund Secretary
4	John Kaelo	Fund Accountant
5	Francisca Kipsoi	Member
6	Justine Oduya	Member
7	Suleiman Musa	Member
8	Gichuhi Njoroge	Member
9	Eucabeth Cheptoo	Member
10	James Waweru	Member

There were changes made in the management team during the year with the fund receiving new Chairman Gakau Mbugua and new Account John Kaelo who replaced Charles Maisiba and Mary Kagonya respectively.

- Review of the Fund's performance

The opening balance for the year was Kshs 58,714.253 and it received Kshs. 138,261,667 from the Nakuru County Consolidated Fund. These funds were applied as follows: -

	<b>Amount Kshs.</b>
Administration Expenses	3,221,516
Scholarship and other educational benefits	137,718,678
<b>Total</b>	<b><u>140,940,194</u></b>

The balance of Kshs 56,035,726 was carried forward to the following year to be disbursed to the needy case.

Th fund operates its own account No. 019000036428 held at Family Bank Ltd Nakuru.

The Signatories to the account during the year were: -

1. Gakau Mbugua
2. Jamleck Maina
3. John Kaelo

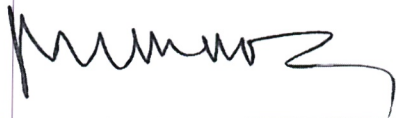
**NAKURU COUNTY BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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- Future outlook of the Fund

The Fund will strive to ensure that it is managed prudently and ensuring the Nakuru County needy community at large obtain assistance from the Nakuru County Bursary fund when Needed.

The fund closed the year with a cash book balance of Kshs 56,035,726.



SIGNED:

**JAMLECK MAINA**  
**FUND ADMINISTRATOR**  
**NAKURU COUNTY BURSARY FUND**

## **7. CORPORATE GOVERNANCE STATEMENT**

Section 166 of the PFM Act 2012 requires that an Accounting Officer for a Nakuru County Bursary Fund prepares a report for each quarter of the financial year in respect of the Nakuru County Bursary Fund. The County Executive Committee (CEC) member for finance being the head of the County Treasury is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the year ended on June 30, 2018.

- Committee Members

The members of Nakuru County Bursary Fund Committee as listed on page xi.

- Committee meetings held and those in-attendance

The Nakuru County Bursary Fund Committee held a total of 19 meetings. In all the meetings all the above committee members attended.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

- Financial Performance and Operations

Financial operations in broader sense refers to the degree to which financial objectives being or has been accomplished. It is used to measure firm's overall financial health over a given year of time.

Financial performance analysis includes analysis and interpretation of financial statements in such a way that it undertakes full diagnosis of the financial soundness of the fund. As it is, the fund is performing well financially and its operations within the scope of the fund.

- Compliance with statutory requirements

The fund Committee and Management team have generally complied with statutory requirements

- Major Risks facing the fund

Risk Management Techniques: One key to controlling financial management risks is the development and use of effective internal controls. Which involve general management controls and accounting controls.

Misuse of funds: The board is responsible for ensuring that the fund expenditure/expenses stays focused on its mission. An excellent way to monitor progress is through its use of funds.

General Management control: General management controls consist of the board's and senior management's responsibilities for establishing the proper oversight of financial operations. The board should require clear and informative financial reports and statements on a regular basis.

The distribution of the funds was as tabulated on Appendix 1 page 20:

Description	FY2019/2020 KShs
Scholarship and Other Educational Benefits - University	24,419,200
Scholarship and Other Educational Benefits - College	21,242,000
Scholarship and Other Educational Benefits - Vocational	20,322,100
Scholarship and Other Educational Benefits - Secondary	69,034,378
Scholarship and Other Educational Benefits - Special Schools	2,701,000
<b>Total</b>	<b>137,718,678</b>
<b>Administration</b>	
Postage	222,200
Bank service commission and charges	239,316
Other operating expenses (Ward Committee Facilitation)	2,760,000
	<b>3,221,516</b>
<b>Total</b>	<b>138,180,194</b>

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

There was no corporate social responsibility under taken by the fund.

## 10. REPORT OF THE FUND MANAGEMENT COMMITTEE

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 Nakuru County Bursary Fund are (*continue to be*) support for children through provision of bursaries and scholarships to needy students of Nakuru County to ensure higher transition and retention rate.

### Results

The results of the Fund for the year ended June 30, 2020 are set out on page xiv.

The Management received its direction from the Committee.

During the year the Committee held 19 No. of sittings out of which the management was directed to distribute bursary as per ward summary appendix on page 20.

### Trustees

The members of the Nakuru County Bursary Committee who served during the year are shown on page v. The changes in the Board during the financial year are as shown below:

S/No	New Member	Former Member	Position
1	GAKAU MBUGUA	CHARLES MAISIBA	CHAIRMAN
2	JOHN KAELO	MARY KAGONYA	FUND ACCOUNTANT

### 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

Member of the Nakuru County Bursary Fund

Date: 6.8.2020

## **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 (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1) 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 (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1). 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**

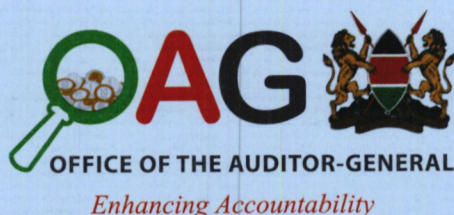
The Fund's financial statements were approved by the Nakuru County Bursary Fund Committee on 6.8 2020 and signed on its behalf by:



---

**Fund Administrator**  
**Jamleck Maina**  
**Nakuru County Bursary Fund**

# REPUBLIC OF KENYA



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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 NAKURU COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Nakuru County Bursary Fund set out on pages 1 to 18, which comprise the statement of financial position as at 30 June, 2020, and statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nakuru County Bursary Fund as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015.

#### Basis for Qualified Opinion

##### 1. Inaccuracies in the Financial Statements

The financial statements as prepared and presented for audit had the following anomalies:

- i. The statement of comparison of budget and actual amounts reflects an amount of Kshs.196,975,920 as actual transfers from the County Government against an amount of Kshs.138,261,667 as shown in the statement of financial performance resulting to an unexplained variance of Kshs.58,714,253; and
- ii. The statement of comparison of budget and actual amounts indicates final expenditure budget of Kshs.196,975,920. However, the reported expenditure amount differs with the expenditure of Kshs.168,857,517 indicated in the Fund's approved final budget resulting to an unexplained variance of Kshs.28,118,403.

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

## **2. Unreconciled Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.56,035,726 as disclosed in Note 11 to the financial statements. The bank reconciliation statement as at 30 June, 2020 reflects payments in cash book not in bank statement totalling Kshs.5,381,604. The unrepresented cheques balance of Kshs.5,381,604 includes an amount of Kshs.139,000 cleared by the bank on 23 June, 2020 and therefore should be excluded from the reconciliation statement.

In the circumstances, the accuracy and completeness of the bank balance amounting to Kshs.56,035,726 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final expenditure budget of Kshs.196,975,920 against actual expenditure of Kshs.140,940,194 resulting to an overall underperformance of Kshs.56,035,726 or 28% of the budget. The under expenditure affected the planned activities and may have impacted negatively on the service delivery to the residents of Nakuru County.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

## **Basis of Conclusion**

### **Non-Compliance with Prescribed Format**

The annual reports and the financial statements as prepared and presented for audit had the following errors: -

- i. The Corporate Governance Statement at page Xiii refers to the entity as County Government and County Executive Committee (CEC) Member of Finance as the Accounting Officer responsible for the preparation of financial statements instead of the Fund Administrator as set out under Section 167 of the Public Finance Management Act, 2012. In addition, the statement indicates 30 June, 2018 as the reporting period instead of 30 June, 2020;
- ii. Report of the Fund Management Committee on page xvi has not been signed contrary to the requirements of the Public Sector Accounting Standards Board;
- iii. The Statement of Management Responsibilities at page xvii refers to the Accounting Officer of a County Government Entity instead of the Fund Administrator;
- iv. The statement of compliance and basis of preparation thereof at page 6 indicates the financial statements have been prepared in accordance with cash basis instead of accrual basis;
- v. The paragraph on reporting entity at page 6 indicates that the financial statements encompass the reporting entity as specified under Section 81 (which relates to National Government Entities) of the Public Finance Management Act, 2012 instead of Section 167 of the Public Finance Management Act, 2012;
- vi. Note 22 to the financial statements refers to Board of Trustee as a related party instead of Fund Committee. Similarly, Note 22b lists board of trustees as part of Key Management instead of Fund Committee;
- vii. The Statement of Management Responsibilities at page vii indicates County Public Fund instead of Nakuru County Bursary Fund;
- viii. The progress on follow up of prior year auditors' recommendations is blank and has not been signed by the Accounting Officer.
- ix. The Management Discussion Analysis under section 8 of the financial statements shows total distribution of the funds amounting to Kshs.138,180,194. However, a casting error of Kshs.2,760,000 was noted resulting to correct total distribution of funds balance of Kshs.140,940,194.

Consequently, the annual report and the financial statements as prepared and presented for audit was not in the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1)(d) of the Public Finance Management Act, 2012.

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 governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Risk Management Policy**

The Fund does not have a risk management policy in place contrary to the provisions of 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, the fund does not have a formal process for identifying, preventing and mitigating risks and fraud.

#### **2. Poor Controls Over Ward Committee Allowances**

As disclosed in Note 6 to the financial statements, the statement of financial performance reflects fund administration expenses amounting to Kshs.2,760,000 relating to ward committee facilitation. However, the allowances were paid in cash to the ward committee members. This is indicative of poor controls over administration of committee allowances.

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, risk management and overall 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 to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund 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 overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

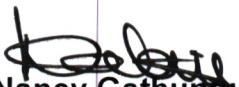
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise service 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, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 February, 2022

NAKURU COUNTY BURSARY FUND  
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13. FINANCIAL STATEMENTS

13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup>  
 JUNE 2020

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	138,261,667	119,712,850
Fines, penalties and other levies	3	-	-
<b>Revenue from exchange transactions</b>			
Interest income	4	-	-
Other income	5	-	-
<b>Total revenue</b>		<b>138,261,667</b>	<b>119,712,850</b>
<b>Expenses</b>			
Fund administration expenses	6	2,760,000	1,100,000
Scholarship and other educational benefits	7	137,718,678	59,761,930
General expenses	8	461,516	367,506
Finance costs	9	-	-
<b>Total expenses</b>		<b>140,940,194</b>	<b>61,229,436</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	10	-	-
<b>Surplus/( deficit) for the period</b>		<b>(2,678,527)</b>	<b>58,483,414</b>

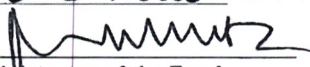
The notes set out on pages 9 to 18 form an integral part of these Financial Statements


**NAKURU COUNTY BURSARY FUND**  
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**13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	56,035,726	58,714,253
Current portion of long term receivables from exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
<b>Non-current assets</b>			
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
Long term receivables from exchange transactions	12	-	-
<b>Total assets</b>		<b>56,035,726</b>	<b>58,714,253</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	17	-	-
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	20	-	-
Long term portion of borrowings	19	-	-
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Net assets</b>			
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		56,035,726	58,714,253
<b>Total net assets and liabilities</b>		<b>56,035,726</b>	<b>58,714,253</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nakuru County Bursary Fund financial statements were approved on 6.8.2020 2020 and signed by:

  
 Administrator of the Fund  
 Jamleck Maina

  
 Fund Accountant  
 John Kaelo  
 ICPAK Member Number:

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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
<b>Balance as at 1 July 2018</b>	-	-	230,839	<b>230,839.0</b>
Surplus/(deficit) for the period	-	-	58,483,414	<b>58,483,414</b>
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	-	-	<b>58,714,253</b>	<b>58,714,253</b>
<b>Balance as at 1 July 2019</b>	-	-	<b>58,714,253</b>	<b>58,714,253</b>
Surplus/(deficit) for the period	-	-	(2,678,527)	<b>(2,678,527)</b>
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	-	-	<b>56,035,726</b>	<b>56,035,726</b>

**NAKURU COUNTY BURSARY FUND**  
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**13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	FY2019/2020	FY2018/2019
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the County Government		138,261,667	119,712,850
Interest received		-	-
Receipts from other operating activities		-	-
<b>Total Receipts</b>		<b>138,261,667</b>	<b>119,712,850</b>
<b>Payments</b>			
Fund administration expenses		2,760,000	1,100,000
Scholarship and other educational benefits		137,718,678	59,761,930
General expenses		461,516	367,506
Finance cost		-	-
<b>Total Payments</b>		<b>140,940,194</b>	<b>61,229,436</b>
<b>Net cash flows from operating activities</b>	<b>21</b>	<b>(2,678,527)</b>	<b>58,483,414</b>
<b>Cash flows from investing activities</b>			
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		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,678,527)</b>	<b>58,483,414</b>
Cash and cash equivalents at 1 JULY	11	58,714,253	230,839
<b>Cash and cash equivalents at 30 JUNE</b>	<b>11</b>	<b>56,035,726</b>	<b>58,714,253</b>

NAKURU COUNTY BURSARY FUND  
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**13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	138,261,667	58,714,253	196,975,920	196,975,920	-	100%
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
<b>Total income</b>	<b>138,261,667</b>	<b>58,714,253</b>	<b>196,975,920</b>	<b>196,975,920</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>						
Fund administration expenses	2,760,000	-	2,760,000	2,760,000	-	100%
Scholarship and other educational benefits	135,040,151	58,714,253	193,754,404	137,718,678	56,035,726	71%
General expenses	461,516	-	461,516	461,516	-	100%
Finance cost	-	-	-	-	-	-
<b>Total expenditure</b>	<b>138,261,667</b>	<b>58,714,253</b>	<b>196,975,920</b>	<b>140,940,194</b>	<b>56,035,726</b>	<b>72%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,035,726</b>	<b>(56,035,726)</b>	<b>-</b>

**NAKURU COUNTY BURSARY FUND  
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**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 financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the Nakuru County Bursary Fund. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

**a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**Transfers from the Exchequer**

Transfers from County Government/The Exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

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During the year ended June 30, 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

**Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the year when the compensation is paid.

**Use of Goods and Services**

Goods and services are recognized as payments in the year when the goods/services are paid for. Such expenses, if not paid during the year where goods/services are consumed, shall be disclosed as pending bills.

**Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. 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.

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**NAKURU COUNTY BURSARY FUND**  
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**8. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting year, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**10. Unutilized Fund**

Unutilized funds consist of bank balances in the Nakuru County Bursary Fund Account and funds not yet disbursed by the Committee at the end of the financial year. These balances are available for use in the subsequent financial year to fund bursary approved in the respective prior financial years.

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same year as the financial statements

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

**14. Errors**

Material prior year errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior year(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior year presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior year presented.

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes

**NAKURU COUNTY BURSARY FUND**  
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**13.7. NOTES TO THE FINANCIAL STATEMENTS**

**1. Public contributions and donations**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Donation from development partners	-	-
Contributions from the public	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**2. Transfers from County Government**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Transfers from County Govt. – operations	53,678,500	55,000,000
Transfers from County Govt. – operations	30,750,258	5,000,000
Transfers from County Govt. – operations	29,428,759	907,000
Transfers from County Govt. – operations	10,000,000	58,805,850
Transfers from County Govt. – operations	7,523,000	-
Transfers from County Govt. – operations	6,881,150	-
Payments by County on behalf of the entity	-	-
<b>Total</b>	<b>138,261,667</b>	<b>119,712,850</b>

**3. Fines, penalties and other levies**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Late payment penalties	-	-
Fines	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. Interest income**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Interest income from loans (mortgage or car loans)	-	-
<b>Total interest income</b>	<b>-</b>	<b>-</b>

**5. Other income**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
<b>Total other income</b>	<b>-</b>	<b>-</b>

**NAKURU COUNTY BURSARY FUND**  
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**6. Fund administration expenses**

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Scholarship and other educational benefits (see Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Other operating expenses (Ward Committee Facilitation)	2,760,000	1,100,000
	-	-
<b>Total</b>	<b>2,760,000</b>	<b>1,100,000</b>

**7. Scholarship and other educational benefits**

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
University	24,419,200	13,696,000
College	21,242,000	11,403,782
Vocational	20,322,100	10,745,240
Secondary	69,034,378	22,720,308
Special Schools	2,701,000	1,196,600
	-	-
<b>Total</b>	<b>137,718,678</b>	<b>59,761,930</b>

**8. General Expenses**

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	222,200	135,500
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Bank service commission and charges	239,316	232,006
Refund to CRF	-	-
<b>Total</b>	<b>461,516</b>	<b>367,506</b>

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**9. Finance costs**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10. Gain on disposal of assets**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**11. Cash and cash equivalents**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	56,035,726	58,714,253
Others	-	-
<b>Total cash and cash equivalents</b>	<b>56,035,726</b>	<b>58,714,253</b>

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

		FY2019/2020	FY2018/2019
Financial institution	Account number	Kshs	Kshs
<b>a) a) Fixed deposits account</b>			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
<b>Sub- total</b>		-	-
<b>b) b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank - etc		-	-
<b>Sub- total</b>		-	-
<b>c) c) Current account</b>			
Family Bank Ltd	A/C No. 019000036428	56,035,726	58,714,253
Bank B		-	-
<b>Sub- total</b>		<b>56,035,726</b>	<b>58,714,253</b>
<b>d) d) Others(specify)</b>			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>56,035,726</b>	<b>58,714,253</b>

**12. Receivables from exchange transactions**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
<b>Current Receivables</b>		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total Current receivables</b>	-	-
<b>Non Current receivables</b>		
Long term loan repayments due	-	-
<b>Total Non current receivables</b>	-	-
<b>Total receivables from exchange transactions</b>	-	-

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**13. Prepayments**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
<b>Total</b>	-	-

**14. Inventories**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

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**15. Property, plant and equipment**

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

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**16. Intangible assets-software**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	-	-

**17. Trade and other payables from exchange transactions**

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
<b>Total trade and other payables</b>	-	-

**18. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non-current provisions	-	-	-	-
<b>Total provisions</b>	-	-	-	-

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19. Borrowings

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
<b>Balance at beginning of the year</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the year</b>	-	-

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

	FY2019/2020	FY2018/2019
	Kshs	Kshs
<b>External Borrowings</b>		
	-	-
	-	-
	-	-
<b>Domestic Borrowings</b>		
	-	-
	-	-
	-	-
	-	-
<b>Total balance at end of the year</b>	-	-

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

Description	FY2019/2020	FY2018/2019
	Kshs	Kshs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	-	-

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**20. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-

**21. Cash generated from operations**

	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
<b>Surplus for the year before tax</b>	-	-
<b>Adjusted for:</b>		
Depreciation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
<b>Net cash flow from operating activities</b>	-	-

**22. Related party balances**

**Nature of related party relationships**

Entities and other parties related to the Nakuru County Bursary 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 of Nakuru;
- b) The Parent County Government Ministry; Department of Education, ICT & e-Government/Department of Finance
- c) Key management;
- d) Board of Trustees; Nakuru County Bursary Committee

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**a) Related party transactions**

	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Transfers from related parties'	-	-
Transfers to related parties	-	-

**b) Key management remuneration**

	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Board of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**c) Due from related parties**

	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Due from parent Ministry	-	-
Due from County Government	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**d) Due to related parties**

	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**23. Contingent assets and contingent liabilities**

<b>Contingent liabilities</b>	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Court case against the Fund	-	-
Bank guarantees	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

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**Appendix I: Schedule of Bursary Distribution per Ward**

S/No	Ward	Amount
1	AMALO WARD	1,765,500
2	BAHATI WARD	2,597,035
3	BARUTI WARD	2,680,500
4	BIASHARA-NAIVASHA WARD	1,937,200
5	BIASHARA-NAKURU WARD	2,821,900
6	DUNDORI WARD	1,991,000
7	EBURRU/BARUK WARD	2,681,000
8	ELBURGON WARD	2,449,000
9	ELEMENTAITA WARD	2,975,000
10	FLAMINGO WARD	1,862,000
11	GILGIL WARD	2,533,800
12	HELLS GATE WARD	2,835,500
13	KABATINI WARD	2,431,400
14	KABAZI WARD	3,448,500
15	KAMARA WARD	1,867,000
16	KAPKURES WARD	3,457,800
17	KAPTEMBWA WARD	1,845,500
18	KERINGET WARD	3,368,500
19	KIAMAINA WARD	2,952,500
20	KIHINGO WARD	1,947,500
21	KIPTAGICH WARD	1,881,000
22	KIPTORORO WARD	3,029,000
23	KIVUMBINI WARD	3,402,500
24	LAKE VIEW WARD	2,571,000
25	LANET/UMOJA WARD	1,880,500
26	LARE WARD	3,173,600
27	LONDON WARD	1,026,000
28	MAAI MAHIU WARD	4,039,000
29	MAIELLA WARD	2,996,200
30	MALEWA WEST WARD	1,838,000
31	MARIASHONI WARD	1,930,000
32	MAU NAROK WARD	1,973,500
33	MAUCHE WARD	1,991,100
34	MENENGAI WARD	3,672,535
35	MENENGAI WEST WARD	2,881,500
36	MOLO WARD	1,940,000
37	MOSOP WARD	1,728,000
38	MURINDATI WARD	3,024,500

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S/No	Ward	Amount
39	NAIVASHA EAST WARD	1,964,200
40	NAKURU EAST WARD	2,090,108
41	NESSUIT WARD	2,843,500
42	NJORO WARD	1,657,500
43	NYOTA WARD	2,660,500
44	OLKARIA WARD	7,076,000
45	RHONDA WARD	1,939,900
46	SHABAAB WARD	2,167,500
47	SIRIKWA WARD	2,817,000
48	SOIN WARD	1,894,000
49	SOLAI WARD	1,914,000
50	SUBUKIA WARD	2,440,400
51	TINET WARD	1,903,000
52	TURI WARD	1,952,200
53	VISOI WARD	1,901,500
54	VIWANDANI WARD	4,098,400
55	WASEGES WARD	972,900
<b>TOTAL</b>		<b>137,718,678</b>