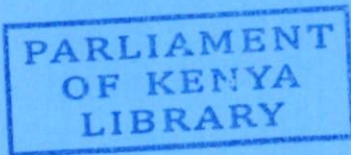


REPORT



OF

THE AUDITOR-GENERAL

ON

**TRANS NZOIA COUNTY ELIMU
 BURSARY FUND**

**FOR THE YEAR ENDED
 30 JUNE, 2019**

DATE	31/1/2021
TABLED BY	Deputy Senate Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Kwalata M.



TRANS-NZOIA COUNTY ELIMU BURSARY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

I. Table of Contents

I.	KEY TRANS-NZOIA COUNTY INFORMATION AND MANAGEMENT	III
II.	FORWARD BY THE CHIEF OFFICER EDUCATION & ICT.....	V
III.	STATEMENT OF MANAGEMENT RESPONSIBILITIES	VII
IV.	REPORT OF THE INDEPENDENT AUDITORS ON THE TRANS NZOIA COUNTY ELIMU BURSARY FUND	IX
V.	STATEMENT OF RECEIPTS AND PAYMENTS.....	1
VI.	STATEMENT OF ASSETS	2
VII.	STATEMENT OF CASHFLOW.....	3
VIII.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	4
IX.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	5
X.	SIGNIFICANT ACCOUNTING POLICIES.....	6
XI.	NOTES TO THE FINANCIAL STATEMENTS	8
XII.	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	10

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

II. KEY TRANS-NZOIA COUNTY INFORMATION AND MANAGEMENT

1. Background information

The Trans Nzoia County Elimu Bursary Fund is constituted as per the Trans Nzoia County Elimu Bursary Fund Act 2014, with amendments of 2016.

2. Key Management

The key management of day to day of Elimu Bursary Fund is under the County Bursary Board constituted as per the Trans Nzoia Elimu Bursary Fund Act 2014. They were:

- Chairman/ CEC Education.....Hon. Dr. Isaac Kogo
- Secretary/CO Education..... M/s Linekar N. Bwile
- Member from Finance.....Mr. Moses Orone
- Youth Representative.....M/s Lydia Chemutai Maritim
- Women Representative..... M/s Margaret Kasisi
- People living with Disability.....Mr. Robert Moseti
- Member of County AssemblyHon. Simon Nyongesa Makhanu

3. Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Officer-Education & ICT	M/s Linekar N. Bwile
2.	Chief Officer- Finance	Mr. Emmanuel Wanjala
3.	Principal Accountant	Mr. Bernard L. Madegwa

Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2019 were:

- *Internal Audit department (County Treasury)*
- *Members of County Assembly*
- *Office of the Controller of Budget*
- *Education stakeholders*

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

4. Trans Nzoia County Elimu Bursary Headquarters

P.O. Box 4211-30200
Social Hall Building
Machinjoni Road
Next to Kitale Nursing home (Maitha)
KITALE, KENYA

5. Fund Contacts

Telephone: (254) 30301/2
E-mail: countyoftransnzoia@gmail.com
Website: www.countyoftranszoia.go.ke

6. Fund Bankers

1. **Kenya Commercial Bank**
Account No. 1202165516

7. Independent Auditors

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

8. Principal Legal Adviser

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

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

III. FORWARD BY THE CHIEF OFFICER EDUCATION & ICT

Budget performance

The Trans Nzoia Elimu Bursary Fund had a budget of Kshs. 100 Million for the FY 2018/19. The Fund received Kshs. 50 Million on 7th January, 2019 which was disbursed during the first phase. The balance of Kshs.50 Million was received on 27th June, 2019 to be disbursed in the subsequent financial year.

As at 30th June 2019, Kshs. 50,139,100.00 translating to 50.139% of the total amount received for Elimu Bursary Fund, had been disbursed to (Seven thousand, two hundred and twenty-two (7,222) beneficiaries across the County and vetting process for the second disbursement was ongoing in the respective wards.

The amounts spend for use of Goods and Services totalled Kshs. 1,471,671.40 which translates to 2.9% of total expenditure during the year.

Performance of key development projects

A total of seven thousand, two hundred and twenty-two (7,222) students benefited from the Fund during the financial year ended 30th June 2019.

Comment on value-for-money achievements

During the financial year ended 30th June 2019, we attained increased transition rates and retention of students in their respective learning institutions.

The Board set aside 5% of the allocation to physically challenged students and 30% for students in the Vocational Training Institutions which was spent during the period and the Board executed its mandate in accordance with the Trans Nzoia County Elimu Bursary Fund Act, 2014 with amendments of 2016.

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

Challenges and Recommended Way Forward

1. There is an increase in number of needy students hence more funds should be allocated to the Elimu Bursary Fund in subsequent years to accommodate them.
2. As a result of an increase in the number of students to benefit, it has necessitated the reduction of the amount of bursary from the amount stipulated in the Act. In some instances, those in Secondary Schools have been allocated less than Kshs 5,000, Colleges less than Kshs 10,000 and universities less than Kshs 15,000. This can only be achieved by getting an increase in the allocation to the Elimu Bursary Fund. This will enhance adherence to the Act.



LINEKAR N. BWILE
Secretary- County Bursary Fund Board
TRANS NZOIA COUNTY GOVERNMENT

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

IV. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of Trans-Nzoia County Governments Entities, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) Member for Education & ICT of the Trans-Nzoia County Government is responsible for the preparation and presentation of the Trans-Nzoia County Elimu Bursary Fund financial statements, which give a true and fair view of the state of affairs of the Trans-Nzoia County Elimu Bursary Fund for and as at the end of the financial year ended on June 30, 2019. 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 Trans-Nzoia County Elimu Bursary 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 Trans-Nzoia County Elimu Bursary Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC Member for Education & ICT accepts responsibility for the Trans-Nzoia County Elimu Bursary fund financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC Member for Education & ICT is of the opinion that the Trans-Nzoia County Elimu Bursary Fund financial statements give a true and fair view of the state of the Trans-Nzoia County Elimu Bursary Fund transactions during the financial year ended June 30, 2019, and of its financial position as at that date. The CEC Member for Education & ICT further confirms the completeness of the accounting records maintained for the Trans-Nzoia County Elimu Bursary Fund which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC Member for Education & ICT confirms that the Trans-Nzoia County Elimu Bursary fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Trans-Nzoia County Elimu Bursary fund's received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC Member for Education & ICT confirms that the Trans-Nzoia County Elimu Bursary fund's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

Approval of the financial statements

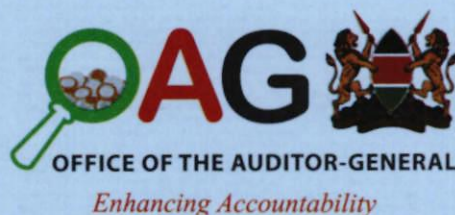
The Trans-Nzoia County Elimu Bursary Fund financial statements were approved and signed by the CEC member for Education & ICT on 19th Sept 2019.



DR. ISAAC KOGO
Chair Person- County Bursary Fund Board
TRANS NZOIA COUNTY GOVERNMENT

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 TRANS NZOIA COUNTY ELIMU BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Trans Nzoia County Elimu Bursary Fund set out on pages 1 to 13, which comprise of the statement of financial assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the 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 Trans Nzoia County Elimu Bursary Fund as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Trans Nzoia Elimu Bursary Fund Act, 2014.

Basis for Qualified Opinion

1. Unsupported Emergency Bursary Awards

As disclosed under Note 4 to the financial statements, the statement of receipts and payments reflects other grants and transfers balance of Kshs.50,139,100. Included in this balance is an amount of Kshs.5,139,100 in respect of emergency bursary to beneficiaries during the year. However, the bursary was not supported with application forms, letters from the schools/institutions and fee balance confirmation. Further, no evidence was provided indicating that the Board was involved in vetting and approval of the beneficiaries.

In addition, there was no documentary evidence to show that the ward bursary committees were involved in the determination and issuance of the emergency bursaries contrary to Section 11(6c) of the Trans Nzoia Elimu Bursary Fund Act, 2014 which provides that an emergency shall be construed to mean an urgent, unforeseen bursary

need for which it is in the opinion of the ward bursary committee that it cannot be delayed until the next disbursement without harming the interest of the beneficiary.

Consequently, the accuracy, completeness and validity of emergency bursary amount of 5,139,100 included in other grants and transfers could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Trans Nzoia County Elimu 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Lack of Approved Budget

The summary statement of appropriation; recurrent and development combined reflects final budget of Kshs.100,000,000 against a Nil actual receipt and Kshs. 50,139,100 actual payments during the year under review. However, the approved budget for 2018/2019 was not provided for audit review contrary to Section 149(2h) of the Public Finance Management Act, 2012, which requires the Accounting Officer to prepare estimates of expenditure of the Fund in conformity with the strategic plan.

Consequently, the Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of Conclusion

Weak Governance and Internal Control Environment

Review of the Fund's governance and internal control environment revealed the following;

- (i) There was no evidence indicating that the Internal Audit Department of Trans Nzoia County Executive had reviewed and evaluated budgetary performance, transparency and accountability mechanisms and processes of the Fund since its inception in the year 2014 in line with Regulations 153(1) of the Public Finance Management (County Governments) Regulations, 2015.
- (ii) Acknowledgement receipts from beneficiary institutions were not presented to confirm if the bursary reached the intended students and reflected in the students' accounts as required.
- (iii) The vetting criteria used lacked due diligence to ensure that only genuine students and institutions benefit from the kitty to avoid fraudulent payments.

As a result, the Fund may not have been efficiently managed in line with best practices.

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

Responsibilities of Management and County Bursary Fund Board

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

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 terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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's to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

13 October, 2021

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019 Kshs	2017-2018 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	100,000,000	50,000,000
Refunds	2	208,000	-
TOTAL RECEIPTS		100,208,000	50,000,000
PAYMENTS			
Use of goods and services	3	1,471,671	1,774,870
Other grants and transfers	4	50,139,100	77,981,459
TOTAL PAYMENTS		51,610,771	79,756,329
SURPLUS/DEFICIT		48,597,229	(29,756,329)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Trans-Nzoia County Elimu Bursary Fund financial statements were approved on 19th Sept 2019 and signed by:


 Secretary- County Bursary Fund Board


 Fund Accountant



TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019


VII. STATEMENT OF ASSETS

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5	48,878,512	281,283
Total Cash and cash equivalent		48,878,512	281,283
TOTAL FINANCIAL ASSETS		48,878,512	281,283
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		<u>48,878,512</u>	<u>281,283</u>
REPRESENTED BY			
Fund balance b/fwd	6	281,283	30,037,612
Surplus/Deficit for the year		48,597,229	(29,756,329)
NET FINANCIAL POSITION		<u>48,878,512</u>	<u>281,283</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Trans-Nzoia County Elimu Bursary Fund financial statements were approved on 19th Sept 2019 and signed by:



 Secretary- County Bursary Fund Board



 Fund Accountant



TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

VIII. STATEMENT OF CASHFLOW

	2018-2019	2017-2018
	Kshs	Kshs
Receipts for operating income		
Transfers from Other Government Entities	1 100,000,000	50,000,000
Refunds	2 208,000	
Payments for operating expenses		
Use of goods and services	3 1,471,671	1,774,870
Other grants and transfers	4 50,139,100	77,981,459
Net cash flow from operating activities	48,597,229	(29,756,329)
NET INCREASE IN CASH AND CASH EQUIVALENT	<u>48,597,229</u>	<u>(29,756,329)</u>
Cash and cash equivalent at BEGINNING of the year	5 281,283	30,037,612
Cash and cash equivalent at END of the year	<u>48,878,512</u>	<u>281,283</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Trans-Nzoia County Elimu Bursary Fund financial statements were approved on 19th Sept 2019 and signed by:



 Secretary- County Bursary Fund Board



 Fund Accountant



TRANS-NZOIA COUNTY ELIMU BURSARY FUND

Reports and Financial Statements

For the year ended June 30, 2019

IX. STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	-	-	-	-	-	-
Transfers from Other Government Entities	100,000,000	-	100,000,000	50,139,100	49,860,900	50.0%
TOTAL AMOUNT	100,000,000.00	-	100,000,000.00	50,139,100.00	49,860,900.00	50%
PAYMENTS						
Use of goods and services	3,000,000	-	-	1,471,671	(1,471,671)	0%
Other grants and transfers	97,000,000	-	100,000,000	50,139,100	49,860,900	50%
TOTAL AMOUNT	100,000,000	-	100,000,000	51,610,771	48,389,229	52%

The actual expenditure was Kshs. 50,139,100.00 Million translating to 50 % of the total allocation.

The Trans-Nzoia County Elimu Bursary Fund financial statements were approved on 19th sept 2019 and signed by:


 Secretary- County Bursary Fund Board



 Fund Accountant


TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

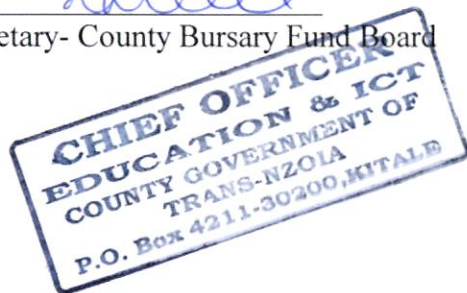
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	-	-	-	-	-	
Transfers from Other Government Entities	100,000,000	-	100,000,000	50,139,100	49,860,900	50 %
TOTAL AMOUNT	100,000,000	-	100,000,000	50,139,100	49,860,900	50 %
PAYMENTS						
Use of goods and services	3,000,000	-	3,000,000	1,471,671	(1,471,671)	0%
Other grants and transfers	97,000,000	-	100,000,000	50,139,100	49,860,900	50 %
TOTAL AMOUNT	100,000,000	-	100,000,000	51,610,771	48,389,229	52%

The actual expenditure was Kshs. 50,139,100.00 Million translating to 50 % of the total allocation.

The Trans-Nzoia County Elimu Bursary Fund financial statements were approved on 19th Sept 2019 and signed by:


 Secretary- County Bursary Fund Board


 Fund Accountant



XI. 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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Trans-Nzoia County *Elimu Bursary Fund* and all values are rounded to the nearest shillings. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. Recognition of revenue and expenses

The Trans-Nzoia County *Elimu Bursary Fund* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Trans-Nzoia County *Elimu Bursary Fund*. In addition, the Trans-Nzoia County *Elimu Bursary Fund* recognises all expenses when the event occurs and the related cash has actually been paid out by the Trans-Nzoia County *Elimu Bursary Fund*.

3. In-kind contributions

In-kind contributions are donations that are made to the Trans-Nzoia County *Elimu Bursary Fund* 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 Trans-Nzoia County *Elimu Bursary Fund* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. 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.

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

5. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Trans-Nzoia County *Elimu Bursary Fund* budget was approved as an allocation of the department of Education and ICT from Trans-nzoia County approved Budget as required by Law.

6. Comparative figures

The comparative figures for the previous financial year have been maintained to conform to the certified figures by the Auditor General in the financial year 2017/2018.

7. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

XII. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Transfers from Counties-County Treasury	100,000,000	50,000,000
TOTAL AMOUNT	100,000,000	50,000,000

2 REFUNDS

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Refunds	208,000	-
TOTAL AMOUNT	208,000	-

3 USE OF GOODS AND SERVICES

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Hospitality supplies and services	1,325,000	1,635,000
Other operating expenses	146,671	139,870
Total	1,471,671	1,774,870

4 OTHER GRANTS AND OTHER PAYMENTS

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Scholarships and other educational benefits	50,139,100	77,981,459
Total	50,139,100	77,981,459

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 Bank Accounts

Name of Bank, Account No. & currency	Type of Account	2018 - 2019	2017 - 2018
		Kshs	Kshs
Trans Nzoia Elimu Bursary Fund- KCB Advantage A/c No.1202165516	Recurrent	48,878,512	69,398.00
Trans Nzoia Elimu Bursary Fund-Eco Bank A/C No. 0100015023860101	Recurrent	-	211,885
Total Amount		48,878,512	281,283

6 FUND BALANCE BROUGHT FORWARD

	2018 - 2019	2017 - 2018
	Kshs	Kshs
Bank accounts	48,878,512	281,283
Total Amount	48,878,512	281,283

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

XIII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Use of Goods and Services	<p>Included in the use of goods and services figure of Kshs. 1,774,870 is Kshs. 1,635,000 for hospitality and supplies and Kshs.139,870 for other operating expenses of which the payment vouchers verified indicated that both payments related to allowances paid to committee members who worked in the prior period of 2016/2017. However, it was noted that there was no budget provision during the year under review for committee members' allowances. An audit visit conducted on some wards revealed that committee members are finding it difficult to execute their mandate due to lack of any form of facilitation since the whole amount of Kshs. 50,000,000.00 received during the year was disbursed to various institutions as student bursaries, leaving the Fund without any money for administrative expenses as per the requirements of Part II, Section 6 (7) of Trans Nzoia Elimu Bursary Fund, 2014.</p> <p>In the circumstances, it was not possible to</p>	The Board approved the allowances	M/s Linekar N. Bwile Chief Officer Education & ICT	Resolved	The board allowances were paid during the financial year ended 30 th June 2019

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	ascertain probity of the expenditure of Kshs.1,774,870 incurred on use of goods and services during the year.				
Un-Disbursed Funds	The approved final budget for financial year 2017/2018, Elimu Bursary Fund was allocated a total of Kshs.143,000,000 and the amounts appropriately allocated by the ward bursary committees from various wards in the County. However, only Kshs.50,000,000 was disbursed leaving a balance of Kshs.93,000,000 undisbursed from the County Treasury. Further, the County Treasury has not yet disbursed the balance of Kshs.93,000,000 as per the requirement of Part II, Section 11 (5) of Trans Nzoia Elimu Bursary Fund. Failure to disburse the funds in time may have denied the needy students of the much required bursaries as per the requirements of Part II, Section 10 (6) of the Trans Nzoia Elimu Bursary Fund Act, 2014.	Bursary is a recurrent item in the Budget. Any delay in the disbursement of funds from the national treasury, do affect it. The failure to disburse the balance is as a result of the cash flow disbursement delays	Chief Officer Finance Mr.Emmanuel Wanjala	Not resolved	30 th June 2021
Non-Provision of Emergency Fund	Out of Kshs. 50,000,000 received during the year, the management was expected to set aside Kshs. 2,500,000 (5% of Kshs.5,000,000) for emergency. However, no such provision was made	Delays in the disbursement schedule from the National Treasury	Chief Officer Education and ICT Ms Linekar N Bwile	Resolved	30 th June 2019

TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>as per the requirements of Part II Section 11 (6) (a) of The Trans Nzoia Elimu Bursary Fund, 2014.</p> <p>In the circumstances, the residents of Trans Nzoia may not have received the services planned and approved and further, the Fund breached the regulation requiring 5% emergency to be set aside.</p>				
Unsubmitted Board's Report to the County Assembly	<p>Review of records availed for audit revealed that since inception of the Fund in 2014, the Board has not prepared a report and submitted to the Committee of the Assembly detailing summary of the beneficiaries from the wards in the preceding disbursement and a summary of the status of the disbursements from the County Government as per the requirement of Section 8 (3) of Trans Nzoia Elimu Bursary Fund, 2014.</p>	<p>The Assembly Committee of Education met with the Departmental officers in a retreat in Eldoret , various issues were discussed including the list of beneficiaries, an increasing number of applicants for bursary, need to enhance the bursary fund etc</p>	<p>Chief Officer of Education and Ms Linekar N Bwile</p>	Resolved	The matter was resolved before the end of 30 th June 2020
Non-Disclosure of Prior Year Matters	<p>It was noted that progress on follow up of prior year matters on audit recommendations was not recorded in the audited copy of financial statements for the year 2017/18 as per the provisions of Public Sector Accounting Standards</p>	<p>The issue has been resolved.</p>	<p>Chief Officer education and ICT Ms Linekar N Bwile</p>	Resolved	30 th June 2020



TRANS-NZOIA COUNTY ELIMU BURSARY FUND
Annual Report and Financial Statements
For the year ended 30 June 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point : person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Board.				
Unequitable Distribution of Bursary Funds	<p>The verification of the list provided by the management indicates that Kaplamai Ward received an allocation of Kshs.2,000,000 for bursary during the year under review to be distributed to students from various institutions and the beneficiaries identified from various sub-locations in the ward. Further, it was noted that one institution, Kapchepsir Vocational Training Centre benefited with a total of Kshs.1,640,000, leaving only Kshs.360,000 to be shared among students from other institutions including secondary and universities, resulting into unequal allocation of the bursaries contrary to the provisions of Part 3 Section 11 of the Trans Nzoia County Elimu Bursary Fund, 2014.</p> <p>In the circumstances, the management of Fund was in breach of the regulations.</p>	The issue has been noted and won't recur again.	<p>Chief Officer Education and ICT</p> <p>Ms Linekar N Bwile</p>	Resolved	30 th June 2021

