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REPORT

OF

THE AUDITOR-GENERAL

ON

**NYAMIRA COUNTY EDUCATION
BURSARY FUND**

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



NYAMIRA COUNTY EDUCATION BURSARY FUND

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

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

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

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1. KEY FUND'S INFORMATION AND MANAGEMENT

a) Background information

Nyamira County Education Bursary Fund is established by and derives its authority and accountability from Nyamira County Education Support Act of 2016 on 26th May, 2016. The Fund is wholly owned by the County Government of Nyamira and is domiciled in Kenya.

The fund's objective is to address poverty at grassroot level by providing Education support to its leaners from poor families.

b) Principal Activities

The Fund's principal activity is to provide scholarships, bursary or loans to needy and orphaned students to enable them access education at recognised institutions and for matters incidental thereto and connected therewith to enable them continue with education in order to maintain academic excellence and thereafter give back to the society in a sustainable manner.

Vision: Equitable socio-economic development across the county.

Mission: To provide leadership and policy direction for effective and efficient management of the fund.

c) County Education Committee

Ref	Name	Position
1	Mr. Alfred Nyaboga Kore	Chairman
2	CPA Emilly Moraa Ongaga	CEC – Finance and Economic Planning
3	Mr. Harrison Momanyi	CEC – Education and Vocational Training
4	Ms. Lilian Kerich Cheronon	CCO - Education and Vocational Training
5	Ms. Hyline Ogato	Vice Chairperson
6	Mr. Vincent Mbura	Committee Member
7	Mr. Evans M Atei	Committee Member
8	Director of Education	

d) Key Management

Ref	Name	Position
1	Mr. Jackson Oluoch	Fund Administrator
2	CPA Edwine Nyabera	Fund Accountant

e) Registered Offices

P.O. Box 434 - 40500
Nyamira Kenya

f) Fund Contacts

Telephone: +254723164413, 0789324353
E-mail: info@nyamira.go.ke
Website: www.nyamira.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Kenya Commercial Bank
P.o Box 48231 – 00100.
Nairobi Kenya
Nyamira branch





h) Independent Auditors

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

f) Principal Legal Adviser

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

2. THE COUNTY EDUCATION COMMITTEE

Name	Details of qualifications and experience
 <p>1. Alfred N. Kore - Chairman</p>	<p>Chairperson Kore comes from Itibo ward, Born in 1953. Alfred Kore studied Bachelor of Education, UON 1976, Kore was a member of Teachers service commission was in teaching for about seven (7) years, later own joined KTDA for over twenty years as a manager. Later he joined the bursary committee as a chairman</p>
 <p>2. Hyline Ogato- Vice Chairperson</p>	<p>Vice Chairperson Hyline Ogato was Born 1978 in Gachuba, Ward. Studied computer. Hyline is working as a clerk in Gucha preparatory school for several years. Hyline has an experience in human resource management Having worked in the institution for several years.</p>
 <p>3. Mr. Jackson Oluoch</p>	<p>Fund Administrator. Studied bachelor of Education (Science) from Egerton University (2002) and Masters degree in education Management from Kisii university (2015). Worked with TSC as a high school teacher for 12years. He joined the county as an assistant in 2016 director of administration. Now acts as a director for Vocational training and a Fund administrator.</p>
 <p>4. Mr. Vincent Mbura</p>	<p>Committee Member Was born 1st January 1968 in Kiabonyoru ward. Studied Bachelors in Christian education. From Vision Bible College and seminary, Ohio USA. Mbura Worked in KTDA as a data clerk for 6 years and later on worked as a bursary committee member in Borabu Constituency in 2015 for a period of one year. Mbura is also working as an associate pastor in PAG church in Nyaramba the position he holds todate.</p>

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	<p>Committee Member Mr. Atei was born in 1959 in Nyamira > he trained as a teacher from Thogoto TTC as a P1 teacher and a Diploma from Kenya Education Management Institute. Worked as a teacher and grew in ranks to become A headteacher for 15 years. He worked in several Primary schools including Esamba Primary school where he retired. He worked as KEPSA Treasurer and chairperson throughout the county</p>
<p>Mr. Atei Mogambi</p> 	<p>CEC – Education and Vocational Training Centre Mr. Momanyi is from Manga ward, Manga sub-county. He holds a Bachelor of Commerce degree (Accounting option). With a wealth of experience spanning 37years, he has worked in various banks locally before moving to the United States of America. Prior to his appointment as Executive Committee Member, he served in the position of Economic Adviser to the Governor</p>
<p>6. Mr. Harrison Momanyi</p>  <p>CPA Emily Moraa Ongaga – CEC Department of Finance and Planning</p>	<p>Academic Qualifications Mrs Emily Moraa Ongaga holds a post graduate in Business Administration (Finance) from Egerton University and a Bachelor of Arts (Economics & Sociology) degree from the University of Nairobi. Prior to her appointment, she served as the Director Corporate Services in the National Commission for Science, Technology and Innovation. She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). She has a wealth of experience from various institutions spanning twenty-one years.</p>





Ms. Lilian Cheron Kerich

Ms. Kerich holds a Bachelor of science Degree in Agricultural Education and Extension from Egerton University. Prior to her appointment as County Chief Officer, she served as an Agronomist with Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) for 10 years where she also acted as the Monitoring and Evaluation Specialist for 2years. Also served in the county as CCO Department of transport Roads & Public Works, also Served in Department of PSM and ALF

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3. MANAGEMENT TEAM

Name	Details of qualifications and experience
 <p>Mr. Jackson Oluoch – Fund Manager NYAMIRA COUNTY</p>	<p>Fund Administrator. Oluoch Studied bachelor of Education (Science) from Egerton University (2002) and Masters degree in education Management from Kisii university (2015). Worked with TSC as a high school teacher for 12years. He joined the county as an assistant in 2016 director of administration. Now acts as a director for Vocational training and a Fund administrator.</p>
 <p>CPA Edwine Momanyi Nyabera – Fund Accountant – NYAMIRA COUNTY</p>	<p>CPA Nyabera has a Bachelor of commerce degree from the University of JKUAT and ICPAK member. Joined The county in 2016 as an Accountant. Previously worked with Coca-Cola Ltd at the Kisii Bottlers Ltd as Operation Supervisor for a period of 5years. He also Worked as a supervisor in Boonwell ltd a shell Petrol dealer for a period of 15 years, worked also in Equip Agencies Ltd for One year as an accountant.</p>

4. COMMITTEE CHAIRPERSON'S REPORT

It is my pleasure to present the third annual report of Nyamira County Education Bursary Fund which was created by the Nyamira County Education Bursary Fund Regulation, 2017. The fund Bursary was started by the County Assembly of Nyamira on 29th April 2016 to support needy students of the Secondary Schools in Nyamira County.

To manage the Education Bursary Fund, County committee was created as per the regulations consisting of 8 members with the responsibility of running day to day activities of the fund being vested on the administration. The committee agreed on the documents that were mandatory on application by students which is still in place as at 30th June 2020 and it includes:

- a) Students' Birth Certificates
- b) Report cards (forms 2,3,4)
- c) Admission letters for form 1 students
- d) Fee structures
- e) Death/Burial certificates
- f) National ID for parents/ Guardian
- g) ID cards/certificate to confirm disability
- h) Chief's /sub-chief recommendation

In the financial year ending 30th June, 2022 the fund had distributed 46,000 forms to the needy students across the County. 34,000 forms were returned to the County Education Committee office for processing and award of the Bursary fund. Out of which 32,500 were successfully considered

The mode of disbursement was as follows

BOARDING SCHOOLS

1. Total orphans-----5,000/=
2. Partial orphans----- 3,000/=
3. Single Parents-----3,000/=
4. Disability (PLWD)...3,000/=
5. Needy students-----3,000/=

DAY SCHOOLS

1. Total orphans-----2,500/=
2. Partial orphans----- 2,500/=
3. Single Parents-----2,500/=
4. Disability (PLWD)...2,500/=
5. Needy students-----2,500/=

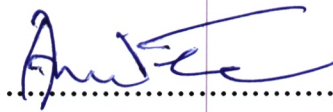
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Scholarship

Each student was given amount equivalent to the school fees of the school. Kshs.55,000 for National schools, kshs. 45,000 for extra county schools including uniform fee. They were also given school Box.

Challenges Encountered are as follows;

1. Released forms not reaching some of the needy students.
2. There was a challenge in delivering schedules to schools.
3. Inaccuracy in school bank account numbers.
4. Inadequate funds for administration (3% was not adequate).



.....

**ALFRED N. KORE.
CHAIRPERSON
COUNTY EDUCATION COMMITTEE**

Nyamira County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2022

5. REPORT OF THE FUND ADMINISTRATOR

Section 14 (e) of the Nyamira County Education Bursary Regulations, 2017 provides that the administrator of the fund shall prepare, sign and transmit to the Auditor General in respect of each financial year and within three months after the end thereof, a statement of the accounts relating to the Fund, prepared and signed by him/her specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the committee may from time to time direct in accordance with public Finance Management Act 2012.

The Nyamira County Education Bursary Fund was operationalized in 13th February 2017, and the following table illustrates the receipts for the past three years to date.

F/Y	2019/2020	2020/2021	2021/2022
Amount received in kshs.	126,520,000	0	110,706,801

In the financial year under review, the Nyamira County Education Bursary Fund was allocated Ksh.110,706,800 in addition to Kshs.14,750,380 balance brought forward from last financial year. Kshs 110,863,345 was awarded to students, including kshs.10,942,178.00 as a full scholarship to form one student. The Education Support fund was issued equitably to all the 20 wards as follows.

S/no.	Ward	Amount	S/no.	Ward	Amount (Kshs.)
1	Township	5,373,000	11	Rigoma	5,982,000
2	Bokeira	5,329,564	12	Kemera	5,502,759
3	Bomwagamo	5,455,912	13	Magombo	5,948,000
4	Bonyamatuta	5,528,500	14	Bosamaro	5,905,000
5	Nyansiongo	5,321,000	15	Ekerenyo	5,362,364
6	Manga	5,484,500	16	Esise	5,588,694
7	Nyamaiya	5,500,500	17	Bogichora	5,791,500
8	Gachuba	5,551,070	18	Kiabonyoru	5,815,930
9	Gesima	5,326,035	19	Magwagwa	5,190,335
10	Itibo	5,325,382	20	Mekenene	5,581,300
		54,195,463			56,667,882
				Grand Total	110,863,345

The initial Fund governing regulations provided for only equal allocation of funds in all twenty (20) wards but was later amended to equitable distribution since all wards don't have the same capacity of absorption.

It is my pleasure to present the end year Report and financial statements of Nyamira County Education Bursary Fund for the financial year ended 30th June, 2022.



JACKSON OLUOCH
Fund Administrator

6. CORPORATE GOVERNANCE STATEMENT

The Nyamira County Education Bursary Fund is composed of a Chairman appointed by H.E Governor, CEC member responsible for Finance, CEC member for Education, Chief Officer Education who is the secretary, County Director of Education who is an ex-official member, three persons appointed by CEC member each representing women youth and persons living with disability. The above members are entitled to three sittings in a year with a remuneration stipulated in the SRC report.

The functions of the Fund Committee;

To oversight the process of bursary awarding right from public awareness or civic education, application by the beneficiaries, verification of the application forms, the board MUST verify beneficiaries at school level to rule out the chances of awarding ghost beneficiaries before identifying eligible vulnerable students, awarding of the bursary and returns from schools to formulate policies for regulating the disbursement, management of bursaries and to advise the CEC member on bursary disbursement.

Appointment and Succession of office

The committee members of the fund are appointed and removed in accordance with the laid regulations of Nyamira County Assembly for example the board members are appointed for a term of three years and are eligible for reappointment for one further term.

Under section 5 of the Nyamira county education bursary fund regulation 2017 provides for the establishment of bursary fund management committee. The Education Support Bursary fund committee was created as per the regulations consisting of 8 members with the responsibility of running day to day activities of the fund being vested on the administration of the bursary.

During the year under review, a total of four meetings were held by the support fund committee as indicated below

Date of meeting	Members present	Members absent
October 5, 2021	8	0

Remuneration:

Cadre	Amount (Kshs.)
	Sitting
Chairman	15,000
Vice Chair	12,000
Members	10,000
Fund Manager	10,000
Total	41,000

Trainings

The fund committee has undergone induction and training since its inauguration in November 2016. During the induction, the fund committee was reminded on issues of integrity and misconduct as well as their mandate as follows.

Nyamira County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2022

1. Secrecy/Confidentiality to all information during the appropriation of the Fund must be upheld.
2. Avoiding conflict of interest during appropriation
3. Fines and penalties to those who are found guilty of offences.

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7. MANAGEMENT DISCUSSION AND ANALYSIS

Section 14 (e) of the Nyamira County Education Bursary Fund Regulation 2017 provides that the administrator of the fund shall prepare, sign and transmit to the Auditor General in respect of each financial year and within three months after the end thereof, a statement of the accounts relating to the Fund, prepared and signed by him/her specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the committee may from time to time direct in accordance with public Finance Management Act 2012.

The Nyamira County Education Bursary Fund was operationalized in 13th February 2017, and the following table illustrates the receipts to date.

F/Y	2019/2020	2020/2021	2021/2022
Amount received in Kshs.	126,520,000	0	110,706,801

In the financial year 2021/2021, the Nyamira County Education Bursary Fund disbursed funds of **Ksh 110,706,800** at the end of the financial year 2021/2022 we anticipate to disburse **Kshs.107,385,596** after deduction of 3% has been considered.

The initial Fund governing regulations provided for only equal allocation of funds in all twenty (20) wards but was later amended to equitable distribution since all wards don't have same capacity of absorption.

8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Nyamira County exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Improving on general literacy levels throughout the county irrespective of the economic background of its citizens is the priority.

The management has ensured that there is involvement of members of the community from the county and other stakeholders in budget making process (County Integrated Development Plans (CIDPs), strategic Plans, Annual Development Plans, Annual Budgets, Finance Bills, regulations, and all policy frameworks).

The budgetary allocation of the fund was appropriated by the County assembly and equitably disbursed to needy students in all the 20 wards of Nyamira County.

9. REPORT OF THE COUNTY EDUCATION COMMITTEE MEMBERS

The Committee Members submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are the continual awarding of bursary and scholarships to orphans and needy high school and TVET students in Nyamira County.

Results

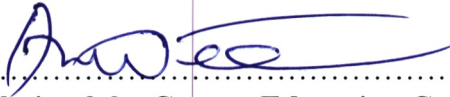
The results of the Fund for the year ended June 30, 2022 are set out on page 1.

Committee Members

The members of the County Education Committee who served during the year are shown on page v. There was no change in the board of trustee.

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.



.....
Chair of the County Education Committee

Date:

10. 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 the Nyamira County Education Bursary Fund established by Nyamira County Education Support Act, 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the 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 Nyamira County Education Support Act, 2016. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2022, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund’s ability to continue to sustain its services and disclosed, as applicable, matters relating to the use of applicable basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not continue to sustain its services for at least the next twelve months from the date of this statement.

Approval of the financial statements

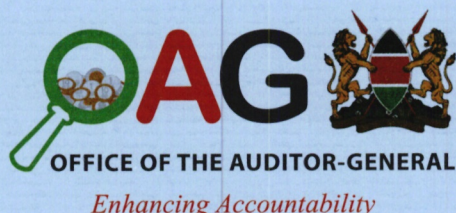
The Fund’s financial statements were approved by the Committee on _____ 2022 and signed on its behalf by:

..... 

Jackson Oluoch
Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NYAMIRA COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyamira County Education Fund set out on pages 1 to 15, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net

assets, statement of cash flows and 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 Nyamira County Education Bursary Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Nyamira County Education Bursary Regulations, 2016.

Basis for Qualified Opinion

1. Unexplained Variance in Use of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.3,704,069, whereas the supporting schedules and payment vouchers provided for audit reflects a corresponding amount of Kshs.3,887,959, resulting to an unreconciled variance of Kshs.183,890.

In the circumstance, the accuracy and completeness of the reported use of goods and services amount of Kshs.3,704,069 could not be confirmed.

2. Unsupported Transfers to Schools

The statement of financial performance reflects transfers to schools an amount of Kshs.110,863,345, whereas payment vouchers provided for audit reflects bursaries totaling to Kshs.107,762,178, resulting in an unreconciled variance of Kshs.3,101,167.

In the circumstance, the accuracy and completeness of the reported transfers to schools amounting to Kshs.3,101,167 for the year ended 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

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 for Conclusion

Irregular Appointment of the Fund Administrator

Review of the financial statements revealed that the substantive Fund Administrator was not the Chief Officer responsible for matters relating to Education as provided under Regulation 14(1) of the Nyamira County Education Bursary Regulations, 2016.

in the circumstances, 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 audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 the County Education Committee

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

The County Education Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability 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 the 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, SBS
AUDITOR-GENERAL

Nairobi

05 April, 2023

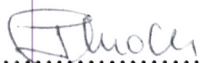
Nyamira County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2022

12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs.	Kshs.
Revenue From Non-Exchange Transactions			
Transfers from the county government	1	110,706,800	-
Total revenue		110,706,800	-
Expenses			
Use of goods and services	2	3,704,069	2,101,365
Transfer to schools	3	110,863,345	106,779,000
Total expenses		114,567,414	108,880,365
Deficit for the year		(3,860,614)	(108,880,365)

The notes set out on pages 6 to 11 form an integral part of these Financial Statements



.....
Jackson Oluoch
Administrator of the Fund




.....
CPA Edwine Nyabera
Fund Accountant
ICPAK Member Number: 21882


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

13. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs.	Kshs.
Assets			
Current Assets			
Cash and cash equivalents	4	10,889,767	14,750,381
Non-Current Assets			
Intangible assets	5	100,000	100,000
Total assets		10,989,767	14,850,381
Net Asset			
Accumulated Surplus		10,989,767	14,850,381
Total net assets		10,989,767	14,850,381

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund's financial statements were approved on 30th September 2022 and signed by:

.....

Jackson Oluoch
Administrator of the Fund

.....

Edwine Nyabera
Fund Accountant
ICPAK Member Number: 21882

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

14. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2022

	Accumulated Surplus	Total
	Kshs.	Kshs.
Balance as at 1 July 2020	123,730,746	123,730,746
Deficit for the period	(108,880,365)	(108,880,365)
Balance as at 30 June 2021	14,850,381	14,850,381
Balance as at 1 July 2021	14,850,381	14,850,381
Deficit for the period	(3,860,614)	(3,860,614)
Balance as at 30 June 2022	10,989,767	10,989,767



.....
Jackson Oluoch
Administrator of the Fund



.....
Edwine Nyabera
Fund Accountant
ICPAK Member Number: 21882

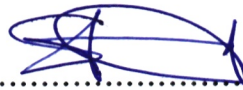
*Nyamira County Education Bursary Fund
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15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	110,706,800	-
Total receipts		110,706,800	-
Payments			
Use of goods and services	2	3,704,069	2,101,365
Transfer to schools	3	110,863,345	106,779,000
Total payments		114,567,414	108,880,365
Net cash flows from operating activities		(3,860,614)	(108,880,365)
Net decrease in cash and cash Equivalents		(3,860,614)	(108,880,365)
Cash and cash equivalents at 1 July 2021	4	14,750,381	123,630,747
Cash and cash equivalents at 30 June 2022	4	10,889,767	14,750,381



.....
Jackson Oluoch
Administrator of the Fund



.....
Edwine Nyabera
Fund Accountant
ICPAK Member Number: 21882

*Nyamira County Education Bursary Fund
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16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2022	2022	2022	2022	2022	2022
Revenue	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Transfers From County Govt.	110,706,800	-	110,706,800	110,706,800	-	100%
Total revenue	110,706,800	-	110,706,800	110,706,800	-	100%
Expenses						
Use of goods and services	3,321,204		3,321,204	3,704,069	382,865	112%
Transfer to schools	107,385,596	-	107,385,596	110,863,345	3,477,749	103%
Total expenses	110,706,800	-	110,706,800	114,567,414	3,860,614	103%
Surplus (Deficit) For The Period	-	-	-	(3,860,614)	3,860,614	

Budget Notes

1. Use of Goods and Services

The over expenditure in use of goods and services by 12% was because the Management introduced Scholarships to students from disadvantaged families that necessitated verification before their issuance. Cost of the verification had not been budgeted for since it was not foreseen.

2. Transfer to schools

The management introduced Scholarships to students from disadvantaged families during the financial year under review.

17. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Nyamira County Education Support Fund is established by and derives its authority and accountability from 2016 Act. The entity is wholly owned by the Nyamira County Government and is domiciled in Kenya. The entity's principal activity is Education Support Fund to bright students from needy and poor families.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

4. Significant Accounting Policies

a) Revenue Recognition

Revenue From Non-Exchange Transactions

Transfers from other government entities

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

b) Budget Information

The original budget for FY 2021-2022 was approved by the County Assembly on__.

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

same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

c) Intangible Assets

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

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

d) Changes in accounting policies and estimates

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

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

f) Comparative figures

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

g) Events after the reporting period

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

h) Currency

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

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

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

b) Useful lives and residual values

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

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

6. Notes To The Financial Statements

1) Transfers from County Government

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Transfers from County Government–operations	110,706,800	-
Total	110,706,800	-

2) Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs.	Kshs.
General office expenses	277,000	383,000
Administration fees	1,923,950	1,175,640
Committee allowances	265,000	-
Bank charges	58,139	122,725
Fuel	30,000	-
Printing and stationery	1,149,980	100,000
Hire chairs, tent, sound system	-	300,000
Soft drink and mineral water	-	20,000
Total	3,704,069	2,101,365

3) Transfers to Schools

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Student bursaries	110,863,345	106,779,000
Total	110,863,345	106,779,000

4) Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Current Account	10,889,767	14,750,381
Total	10,889,767	14,750,381

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs.	Kshs.
Current Account			
Kenya Commercial Bank	1182983871	10,889,767	14,750,381
Total		10,889,767	14,750,381

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

5) Intangible assets

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Cost		
At beginning of the year	100,000	100,000
Impairment loss	-	-
At end of the year	100,000	100,000
Net book value	100,000	100,000

6) Other Disclosures

Related party balances

a) Nature of related party relationships

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

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

b) Related Party Transactions

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Transfers From Related Parties'	110,706,800	-
Transfers To Related Parties	110,863,345	-

c) Key Management Remuneration

Description	2021-2022	2020-2021
	Kshs.	Kshs.
County Education Committee members	85,000	75,000
Key Management Compensation	8,000	8,000
Total	93,000	83,000

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

18. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS

The following is the summary of issues raised by the Auditor-General, and management comments that were provided to the auditor. We have indicated the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON THE FINANCIAL STATEMENTS				
Basis for Qualified Opinion				
1	<p>Inaccuracies in Cash and Cash Equivalent</p> <p>The statement of financial position reflects cash and cash equivalents balance of Kshs.14,750,381 as disclosed in Note 5 to the financial statements. However, the bank reconciliation statement reflects a cash book balance of Kshs.14,710,375 leading to an unexplained variance of Kshs.40,006.</p> <p>Further the bank reconciliation statement as at 30 June, 2021 also reflects payments in cash book not yet recorded in the bank statement of Kshs.423,000 . However, this reconciling figure could not be traced in the cash book.</p> <p>In addition review of bank statement revealed that cheques amounting to Kshs.2,565,000 had been cancelled but had not been reversed in the cash book. It was also observed that paid cheques amounting to</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs.3,170,960 were credited in the bank statements but were not reversed in the cash book. Consequently, the accuracy and completeness of the cash and cash equivalent balance of Kshs.14,750,381 as at 30 June, 2021 could not be confirmed.			
2	Understated Fund Administration Expenses The statement of financial performance for the year ended 30 June, 2021 reflects expenditure of Kshs.1,175,640 in respect of Fund administration expenses. However, the payment vouchers provided for audit review amounted to Kshs.1,510,640, resulting in an understatement of Kshs.335,000. In the circumstances, Fund administration expenses of Kshs.1,175,640 is understated.			
3	Unsupported General Expenses The statement of financial performance reflects general expenses amount of Kshs.925,725 out of which expenditure amounting to Kshs.803,000 was not supported with payment vouchers and necessary procurement documents. In the circumstances, the accuracy and completeness of the general expenses of Kshs.925,725 for the year ended 30 June, 2021 could not be confirmed.			
4	Unsupported Bursary Disbursements			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of financial performance reflects an expenditure of Kshs.106,779,000 in respect of students' bursary. This was at variance with the supporting schedules amount of Kshs.111,561,000 leading to an unreconciled and unexplained difference of Kshs.4,782,000.</p> <p>Further, the payment for the bursaries were made to the various wards and not to the specific institutions where the beneficiaries were undertaking their studies. In addition, particulars and appointment letters of each ward appraisal committee member, the fund's annual work plan, advertisement for application notice for bursary, register of bursary applications, bursary applications forms, minutes of ward appraisal committees and schedules of recommended bursary beneficiaries from each ward were not provided for audit review.</p> <p>In the circumstances, the accuracy, completeness and validity of the expenditure of Kshs.106,779,000 incurred on student bursary for the year ended 30 June, 2021 could not be ascertained.</p>			
5	Incorrect Presentation of Total Net Assets and Liabilities			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The statement. of financial position reflects Nil liabilities and net assets of Kshs.14,850,381. However, total net assets and liabilities reflects an amount of Kshs.29,700,762 instead of Kshs.14,850,381. In the circumstances, the total net assets and liabilities balance is not correctly stated.			
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Basis for Conclusion				
	<p>Administrator of the Fund Review of the financial statements for the year ended 30 June, 2021 revealed that the substantive Fund Administrator was not the Chief Officer responsible for matters relating to Education as provided under Regulation 14(1) of the Nyamira County Education Bursary Regulations, 2017. In the circumstances, Management was in breach of the law.</p>			
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
Basis for Conclusion				
	<p>Lack of Segregation of Duties As previously reported, review of the internal controls of the Nyamira County Educational Bursary Fund revealed that there was no segregation of duties. It was</p>	Duties were properly segregated where the fund accountant initiated the transaction and voucher authorization done by	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>observed that one officer would initiate a transaction, approve it, authorize withdrawal of the cash from the bank, receive the cash, incur the expenditure and later surrender, and approve the expenditure.</p> <p>In the circumstances, the Fund lacked an effective internal control system for recording, controlling and accounting for its cash.</p>	<p>both senior accountant AIE holder (fund administrator). The management resolved the chairman shall not incur expenditure on behalf of the fund.</p>		

Sign.....

Date.....23/10/2023

CPA Emilly Moraa Ongaga
CEC, Finance and Economic Planning
Nyamira County

[Faint blue ink stamps and handwritten notes, including 'COMMITTEE', 'FAC', and 'BUREAU']