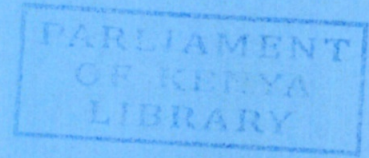




Enhancing Accountability



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REPORT

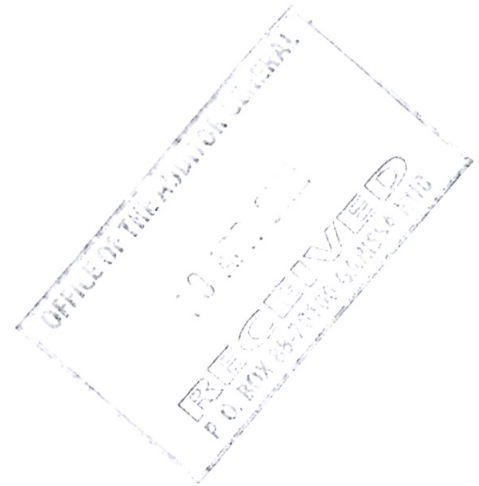
OF

THE AUDITOR-GENERAL

ON

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

FOR THE YEAR ENDED 30 JUNE, 2021



LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

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LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Lamu County Bursary and Sponsorship Board is established by Lamu County Bursary and Scholarship and derives its authority and accountability from the Act of 2019. The Fund is wholly owned by the County Government of Lamu and is domiciled in Kenya.

The fund objective is to provide funds for granting bursaries and scholarships to assist students in secondary schools, colleges and universities to pursue education in recognized institutions and to fund other educational activities in order to improve performance in the education sector. The Fund principal activities are to award scholarship and bursaries to needy students of Lamu County.

b) Principal Activities

- a) To formulate sound policies for regulating the management of the Fund.
- b) To raise and solicit funds and other assistance to promote the functions of the Board.
- c) To set criteria and conditions governing the granting of bursaries and scholarships.
- d) To receive any gifts, donations, grants or endowments made to the Board and to make legitimate disbursements there from.
- e) To establish and maintain links with other person, bodies, or organizations within or outside Kenya, as the Board may consider appropriate for the furtherance of the purposes for which the Board is established.
- f) Grant bursaries and scholarships to eligible students upon recommendations of the committee.
- g) To consider appeals from the committees.
- h) Give annual reports and activities of the Board and Committee, to the Education Executive Committee Member.
- i) To organize payments to beneficiaries' institutions and receive receipts from institutions.
- j) Prepare regular reports for submission to the County Assembly on the execution of the functions of the Board.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

Vision

To be an exemplary customer service regulatory body, raising a generation of professionals and transforming leaders through bursary and scholarship awards.

Mission

To finance individuals in educational institutions through bursary and scholarship programmes at all educational levels.

Objectives

- a) Improve the standard of performance in education in Lamu County.
- b) Promote transitions and completion rates.
- c) Develop and nurture human resource of Lamu County and the country at large.
- d) Reduce disparities and inequalities in the provisions of education.
- e) Ensure retention of students in secondary schools, colleges and universities.
- f) Reduce the burden of financing education on the citizen.
- g) To promote the educational enrolment of marginalized community in Lamu County.

Core Values

Upholding values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Athman Mohamed Amin	Chairman
2	Ummulkheri Athman Bakari	Member
3	Susan Nyanjugu Kibathi	Member
4	Fahad Mohamed Musa	Member
5	Jacob M'ikiranya M'alaine	Member
6	Bakari Mohamed Omar	Member
7	Maliha Mohamed Ali	CEO/ Secretary of the Board

d) Key Management

Ref	Name	Position
1	Said Mohamed Bwanamkuu	Chief Officer - Education and Vocational Training
2	Athman Mohamed Amin	Chairman - Lamu County Bursary and Scholarship Board
3	Maliha Mohamed Ali	CEO/Secretary- Lamu County Bursary and Scholarship Board

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

e) Registered Offices

County Government of Lamu Headquarters
P.O. Box 74- 80500
Mokowe, Lamu.

f) Fund Contacts

Telephone: (254) 768274115
E-mail: lamucountybursary@lamu.go.ke
Website: www.lamu.go.ke

g) Fund Bankers

Gulf African Bank
Lamu Branch
P.O. Box 191- 80500
Lamu - Kenya.

h) Independent Auditors

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

i) Principal Legal Adviser

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

5. BOARD/FUND CHAIRPERSON'S REPORT

On behalf of the board, it is my pleasure to present Lamu County Bursary and Scholarship Fund financial statements which reflect financial performance of the fund for the year ended 30th June 2021.

Sustainability

In our pursuit to improve on transparency and accountability in public financial management, the Lamu County Bursary and Scholarship Board has and will continue to manage its finances in accordance with the principles of fiscal responsibility as spelt out in the Public Finance Management Act (2012) and its regulations and any other applicable laws on public finance.

Board and Management Changes

The previous Board term came to an end and a new Board was appointed and start its operation March 2021.

Review of performance

Revenue

The Fund received revenues as transfers from county government grants amounting to Kshs. 125,000,000 being a decrease of 26% from the previous financial year revenue of Ksh. 168,000,000.00

Expenditures

The total expenditures during the period amounted to Ksh 54,142,206 out of which the Fund administrative expenses amounted to Ksh. 3,715,810.00, General Administration Ksh. 235,743.00 and Scholarship and other education benefit disbursement Ksh 50,190,653.

Future outlook

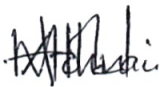
The Board focuses to build a robust and sustainable fund with a motivated workforce and structures that enhances efficiency and effectiveness in the service delivery. The fund looking forward to continued support from the county government and development partners to the realization of its mandate.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

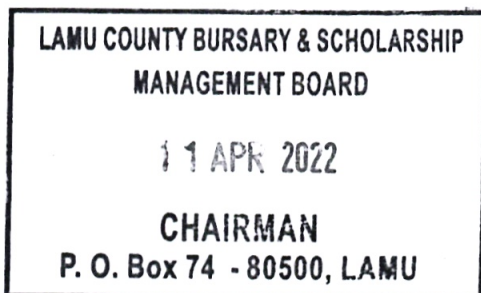
Appreciation

May Glory be to Allah for giving me this opportunity to serve the great people of Lamu. I was successfully vetted by the County Assembly of Lamu and appointed as the Chairman of the Lamu County Bursary and Scholarship Management Board. This is a noble identification, as among the approximately one hundred and forty thousand (140,000) Lamu Residents I was nominated. I honorably acknowledge with thanks, His Excellency Mr. Fahim Yassin Twaha and Members of the County Assembly of Lamu for the position.

I also would like to appreciate the work done by our predecessor for the stepping stones they have laid and also for their cooperation during the transition period. I have done my best to ensure that the goals and aspirations of the Board are realized and felt by each and every person in Lamu County. Thus, displayed tremendous achievements obtained so far is due to our commitments in the dispensation of the mandate as entailed in the Lamu County Bursary and Scholarship Act, 2019. May God bless all of you and the county in general.



Athman Mohamed Amin
Chairman
Lamu County Bursary and Scholarship Management Board.



6. REPORT OF THE FUND ADMINISTRATOR

The Lamu County Bursary and Scholarship Management Board achieved great milestone in the discharging of its mandate. In compliance with the Constitutional requirement and vision 2030 goals, the Board had set a uniform criteria and guidelines that promote equity, equality and fairness in granting of bursaries and scholarships to the people of Lamu. The Board made sure that equal rights are provided to the marginalized and people living with disability.

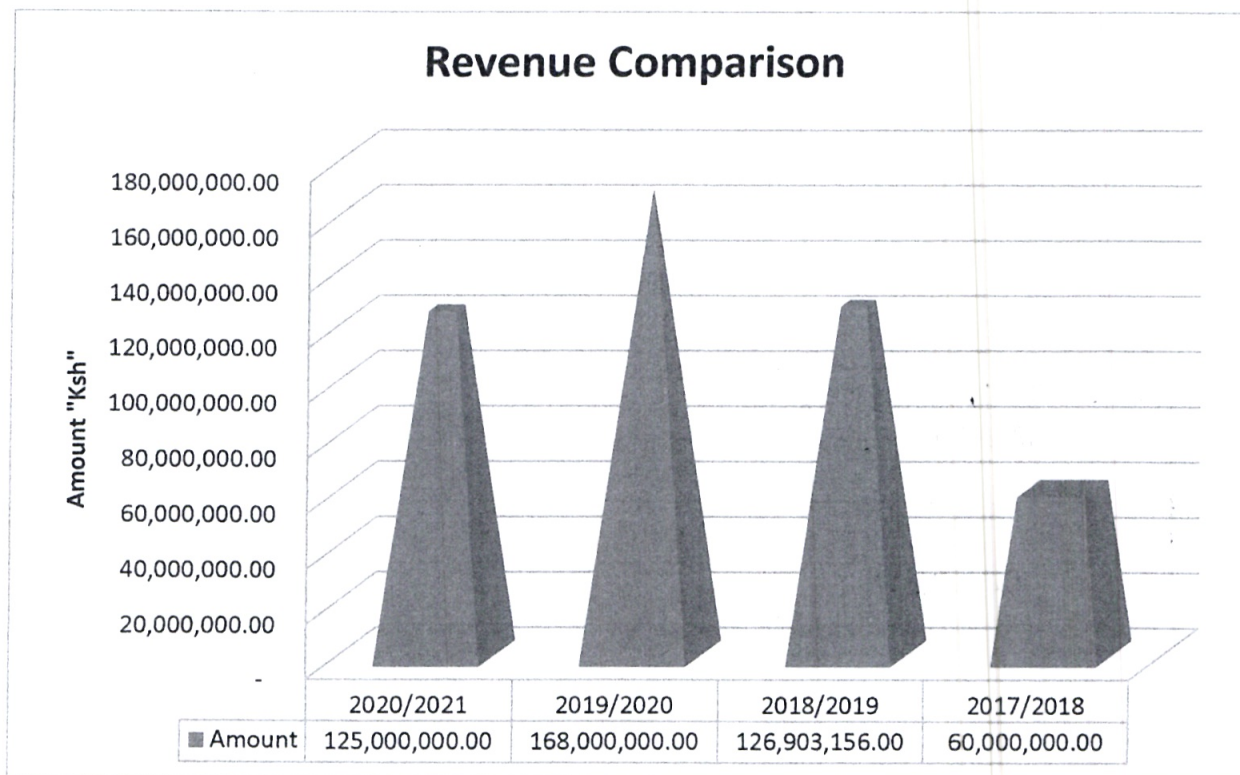
The Board has to a great extent, involved stakeholders created a cohesive environment that enables it to carry its mandate effectively and efficiently. The Board was able to instantly address grievances and acknowledge recommendations from the public. The Board has embraced technology in its service delivery and office operations.

Financial Performance

a) Revenue

The Fund received revenues as transfers from county government Scholarship and other education benefit grants amounting to Ksh. 125,000,000. There is a material decrease of Ksh. 43,000,000.00 from the last financial year revenues.

A graphical presentation of revenue received from non-exchange transactions for last the three years

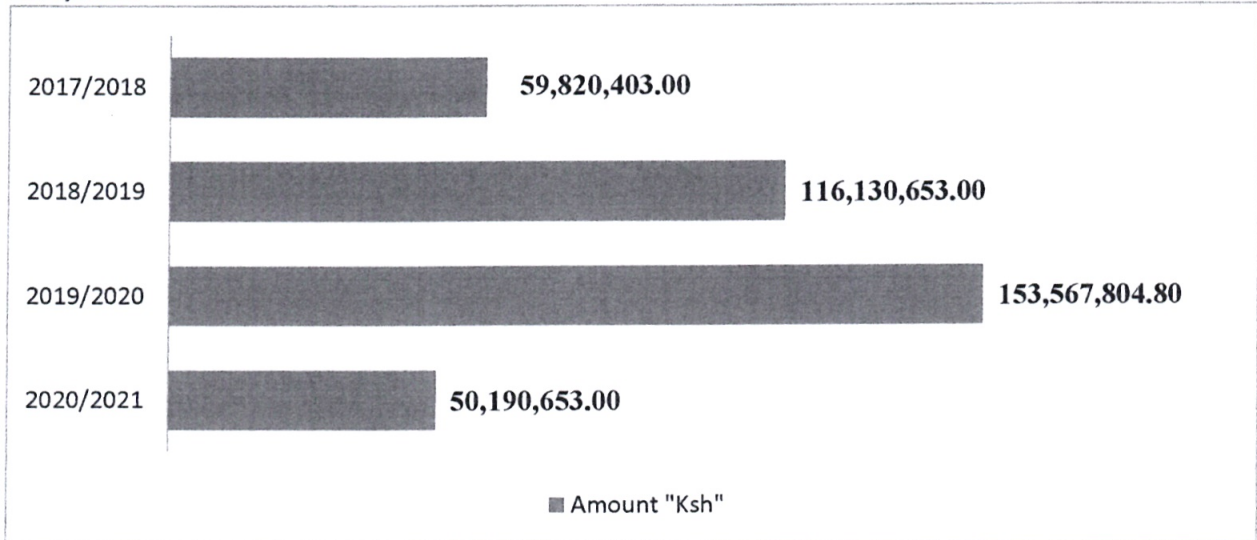


LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

b) Expenditures

The total expenditures during the period amounted to Ksh 54,142,206.00 out of which the Fund administrative expenses amounted to Ksh. 3,715,810.00, General Administration Ksh. 235,743.00 and Scholarship and other education benefit disbursement Ksh 50,190,653.00.

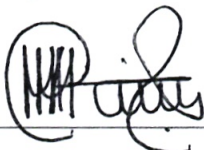
Table below show scholarship and other education benefit disbursed from FY 2017/2018 to 2020/2021



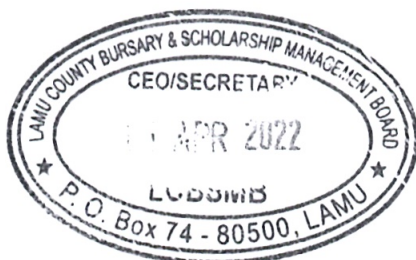
Conclusion

FY 2020/2021 was a good year generally despite the emergence of COVID 19 changes in the management and Board. Good progress was made and a momentum has been created to enable the Board continue on trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank the board members for their support. I would also want to thank all staff whom we have worked with hand in hand to ensure that Lamu County Bursary and Scholarship Fund achieve its mission.

Signed: 

Maliha Mohamed Ali
Fund Administrator.



7. CORPORATE GOVERNANCE STATEMENT

THE BOARD

Lamu County Bursary and Sponsorship Board is established by Lamu County Bursary and Scholarship and derives its authority and accountability from the Act of 2019. The Board objectives is to provide funds to be used for granting bursaries and scholarships to assist students in secondary schools, colleges and universities to pursue education at such recognized institutions and to fund other educational activities to improve performance in the education sector.

The Board is committed to ensuring compliance with the Lamu County Bursary and Scholarship Act of 2019. Essential to the Act is to ensure that management together with the board of trustees is at its apex.

THE MEMBERS OF THE BOARD

Process of Appointment and Removal of Trustees

- (1) The Board shall consist of the following persons appointed by the Governor-
 - (a) Chairman,
 - (b) Five members, of which two shall represent the Islamic religion and the Christian religion, one representative of the youth, one to represent gender and another one to represent special need group;
 - (c) Secretary,
- (2) The members of the Board other than the Secretary shall hold office for a period of three consecutive years and may be eligible for re-appointment.
- (3) The office of a member of the Board other than the Secretary, shall fall vacant
 - (a) If he submits his resignation in writing under his hand to the Governor through the Secretary;
 - b) If the Board is satisfied that such a member is by reason of his physical or mental infirmity unable to ' execute the functions of his office;
 - (c) If he has been adjudged bankrupt by "a competent court of law or has committed a criminal offence which directly or otherwise reflects adversely on his status as a member of the Board;
 - (d) If he is found to have been in contravention of Chapter Six of the Constitution of Kenya; or
 - (e) Upon his death.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

- (4) Where the office of a member becomes vacant under subsection (3), the Secretary, shall forthwith notify the vacancy to the appointing authority for appropriate action.

The board members are responsible for the long-term strategic direction of the fund. The board of members exercise leadership, enterprise, integrity and judgment in directing the Fund.

The members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is vested on the CEO/Secretary who is the fund administrator.

All members of the board have been taken through a comprehensive induction programme, and are adequately trained on their roles as board members. The members are professionals, committed to and guided by the mission, vision and core values of the Fund in the execution of their duties.

BOARD MEETINGS

The board members are to meet at least three times a year in order to monitor the implementation of the funds strategic plan and achievement of the targets. However, as provided by the act the Chairman shall, upon requisition by members convene a special meeting of the board at any time. The members held five full board meetings during the FY 2020/2021

STATEMENT OF COMPLIANCE

The board of trustees confirmed that the fund had throughout the FY 2020/2021 complied with all statutory and regulatory requirements and that the fund had been managed in accordance with the principles of good corporate governance.

INTERNAL CONTROL AND RISK MANAGEMENT

Standing Instructions

The fund is in the process to develop a Code of Ethics and Service Charter that will be applicable to all employees. This will entail a number of standing instructions to employees of the fund designed to enhance internal control.

Organization Structure

The Board is on the process of updating its organizational structure that will clearly detail lines of authority and control responsibilities in line with the Lamu County Bursary and Scholarship Act, 2019.

Internal Control Framework

The fund continues to review its internal control to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed in an ongoing basis. No significant failings or weaknesses were identified during the FY 2020/2021.

Risk Management

The fund targets to develop a risk management framework which will guide the fund in identifying, assessing and managing the risks and prescribe mitigating measures of all the risks both external and internal.

Management Team

The management team headed by the Chairman, the Secretary and Chief Officer for Education implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board objectives are achieved effectively and efficiently.

Auditor

The fund is audited by the Auditor-General.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

8. MANAGEMENT DISCUSSION AND ANALYSIS

The fund has continued to grow over the years and the management has put measures in place to safeguard risks. The management has ensured that we comply with statutory requirements relating to the functions of the fund.

Operational and financial performance of the Fund/Board

During the period under review, the Lamu County Bursaries and Scholarship Fund had an approved budget of Kshs. 125,000,000.00 Due to the changes in the academic calendar because of the corona virus; the Board was able to utilize 40% of the budget. Delays in fund requisition and release causes Ksh. 60,625,000.00 to be credited on the Fund's commercial bank immediately before the end of the financial year and for this reason, it could not be spent. The total expenditures during the period amounted to Ksh 54,142,206 out of which the Fund administrative expenses amounted to Ksh. 3,715,810.00, General Administration Ksh. 235,743.00 and Scholarship and other education benefit disbursement Ksh 50,190,653.

Summary of Scholarship and other education benefit disbursement

SNO	DESCRIPTION	NO. OF STUDENTS	AMOUNT (Ksh)
1	Universities and colleges	14	235,000
2	Vocational Centres	1992	19,920,000
3	Scholarships	903	24,422,653
4	Normal Bursary within/outside the County School	353	2,873,000
5	Marginalised and students with special cases	274	2,740,000
	TOTAL	3536	50,190,653

Key projects or investments decision implemented or ongoing

1. Provision of bursaries to needy students in secondary schools, colleges and universities to pursue education in recognized institutions.
2. Provisions of scholarships to all KCPE students who attain 300 marks from Lamu County Primary Schools to enable them join secondary schools. The aim of the program is to encourage good performance of local students and the schools during KCPE exams.
3. Automation of Lamu County Bursary and Scholarship activities to minimize; duplication, ease tracking of applicants, consolidating all ward applicant's data and system generated reports for the Board to deliberate on.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

Compliance with statutory requirements

The Fund complied with the following listed requirements but not limited to:

- Lamu County Bursary and Scholarship Act 2019
- Public Finance Management Act 2012

Major challenges facing the fund

- Emerging of COVID 19 which disrupted funds operations. The Board could not continue issuing bursaries and scholarships as learning institutions were closed. The spread of the COVID 19 also hindered collection of acknowledgement receipts /letters for the bursaries/scholarships paid.
- Low budgetary allocation compared to the Board needs, made a number of eligible applicants miss bursaries and scholarships. The budget factor also affected the administration of the Board as activities could not be efficiently carried out.
- Delay in amending the county bursary act to enable all the university applicants to benefit from the fund.

Conclusion

We appreciate the unrelenting support from the board of trustees, management, staff, the county government, development partners and all the key stakeholders. We look forward to continuing partnership and cooperation in areas of mutual interest in the FY 2021/2022.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT / SUSTAINABILITY REPORTING

The Board was not involved in any corporate social responsibility activities. However, we are looking forward to get involved in corporate social responsibility activities and the management team has agreed to undertake a civic education exercise to motivate and inspire the students and parents of the scholarship beneficiaries on the importance of working hard to ensure that all of them go to the university.

10. REPORT OF THE TRUSTEES

The Board submitted their report together with the audited financial statements for the year ended June 30, 2021 which showed the state of the Fund affairs.

Principal activities

The principal activities of the Fund is to provide funds to be used for granting bursaries and scholarships to assist students in secondary schools, colleges and universities to pursue education at such recognized institutions and to fund other educational activities to improve performance in the education sector.

Results

The results of the Fund for the year ended June 30, 2021 are set out on page 22 - 26.

Board

The members of the Board who served during the year are shown on page 4 - 6. The first three quarter of the financial year was served by the CEO/Secretary bursary and former board which was changed in March 2021 after the new chairman and members were sworn in.

Auditors

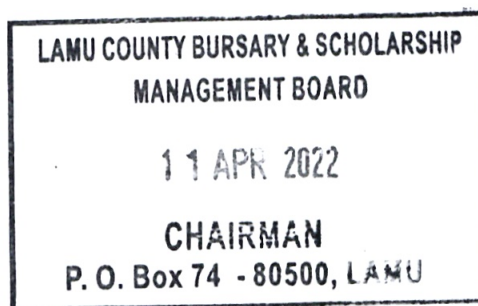
The Auditor General is responsible for the statutory auditing of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.

By Order of the Board



Athman Mohamed Amin
Chairman of the Board

Date: 11/4/22



11. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Lamu County Bursary and Scholarship Board Act 2014 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Fund Administrator of the Lamu County Bursary and Scholarship Board is responsible for the preparation and presentation of the Fund financial statements, which gives a true and fair view of the state of affairs of the Fund at the end of the financial year ended on June 30, 2021.

This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which discloses reasonable accuracy at any given time;
- c) 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, due to error or fraud;
- d) Safeguarding the assets of the Fund;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.

The Fund Administrator of the Lamu County Bursary and Scholarship Board accepts responsibility for the Fund financial statements, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Lamu County Bursary Scholarship Act 2019.

The Administrator of the Fund is of the opinion that the Fund financial statements gives a true and fair view of the state of Fund transactions during the financial year ended June 30, 2020, and of the Fund financial position as at that date. The Administrator further confirms the completion of the accounting records maintained for the Fund, which has been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

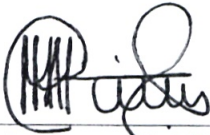
STATEMENT OF MANagements RESPONSIBILITY (Continued)

In preparing the financial statements, the Administrator of the Lamu County Bursary and Scholarship Fund has assessed the Fund ability to continue as an ongoing concern and disclosed, as applicable, matters relating to the use of such concern as a basis for preparation of the financial statements.

Nothing has come to the attention of the Administrator that indicates that the Fund will not remain a concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund financial statement was approved by the Board on 11th April, 2022 and signed on its behalf by:

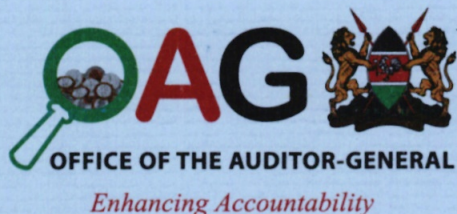


Maliha Mohamed Ali,
Fund Administrator,
Lamu County Bursary and Scholarship Management Fund.



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON LAMU COUNTY BURSARY AND SCHOLARSHIP FUND FOR THE YEAR ENDED 30 JUNE, 2021

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 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

Opinion

I have audited the accompanying financial statements of Lamu County Bursary and Scholarship Fund set out on pages 22 to 40, which comprise the statement of financial

position as at 30 June, 2021, and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Lamu County Bursary and Scholarship Fund as at 30 June, 2021 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 Lamu County Bursary and Scholarship Act, 2019.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflected an approved budget of Kshs.125,000,000. However, the Fund managed to absorb Kshs.53,935,551 or 43% of the total expenditure budget, resulting to budget under-absorption of Kshs.71,064,499 or 57% with implication that many bright and needy students may have missed sponsorship by the Management of the Fund.

In the circumstances, the Management was in contravention of Section 3(2) of the Lamu County Bursary and Scholarship Fund Act, 2019 that states that the object and the purpose of the Fund shall be to provide funds to be used for granting bursaries and scholarships to assist students to pursue education at such recognized institutions and to fund other educational activities to improve performance in the education sector.

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 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

Failure to Deduct Income Tax

The statement of financial performance reflects administrative expenses of Kshs.3,715,810 out of which an amount Kshs.920,000 was in respect of sitting allowances for Board Members. However, no income tax was deducted and submitted to the Commissioner of Income Tax as per Section 37(1) of the Income Tax Act, 470.

Consequently, 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, except for the matter described in the conclusion on Effectiveness on Internal Controls, Risk Management and Governance section of my report, 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

Risk Management Policy

The Fund did not have a Risk Management Strategy contrary to Regulation 158 (1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies, which include fraud prevention mechanism and internal control that builds robust business

operations. Under the circumstances, the Fund may be exposed to operational and other control risks.

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 the Management and the Board of Trustees

The Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 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 Board of Trustees is responsible for overseeing the Fund's 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 July, 2022

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

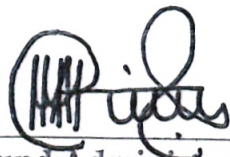
13. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2021

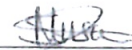
		2020/2021 Ksh	2019/2020 Ksh
REVENUE FROM NON - EXCHANGE TRANSACTIONS			
Scholarship and other education benefit grants	1	125,000,000	168,000,000
Interest Income		-	
TOTAL REVENUES		125,000,000	168,000,000
EXPENSES			
Fund administrative expenses	2	3,715,810	4,313,050
General Administration	3	235,743	963,816
Bursary disbursement	4	50,190,653	153,567,805
TOTAL PAYMENTS		54,142,206	158,844,671
SURPLUS/DEFICIT		70,857,794	9,155,329

The notes set out on pages 28 to 42 form an integral part of these Financial Statements

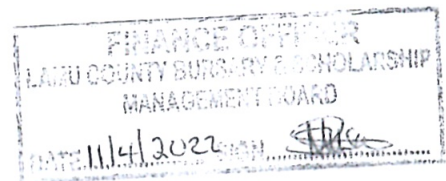
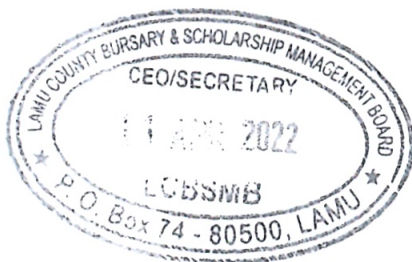
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11th April, 2022 and signed by:



Fund Administrator
Maliha Mohamed Ali



Fund Accountant
Shadya Musa Mwalim

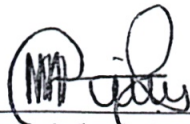


LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

13.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2020-2021 Ksh	2019-2020 Ksh
CURRENT ASSETS			
Cash and Cash Equivalents	6	84,086,931	13,022,482
Total Current Asset		84,086,931	13,022,482
NON CURRENT ASSETS			
Property plant and equipment	7	157,385	364,040
TOTAL FINANCIAL ASSETS		84,244,316	13,386,522
LESS: NON CURRENT LIABILITIES			
			-
NET ASSETS		84,244,316	13,386,522
REPRESENTED BY			
Fund balance b/fwd.		13,386,522	4,231,193
Surplus/Deficit for the year		70,857,794	9,155,329
NET FINANCIAL POSITION		84,244,316	13,386,522

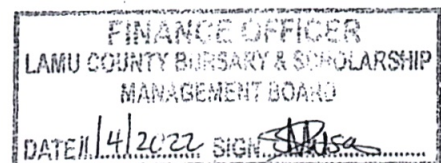
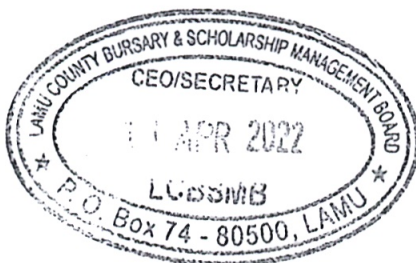
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11th April, 2022 and signed by:



Fund Administrator
Maliha Mohamed Ali



Fund Accountant
Shadya Musa Mwalim



LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

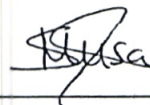
a. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2021

	BURSARY FUND	Accumulated surplus	Total
	Ksh	Ksh	Ksh
Balance as at 1 July 2019	4,231,193	-	4,231,193
Surplus/(deficit) for the period	9,155,329	-	9,155,329
Interest Income		-	0
Balance as at 30 June 2020	13,386,522	-	13,386,522
Balance as at 1 July 2020	13,386,522	-	13,386,522
Surplus/(deficit) for the period	70,857,794	-	70,857,794
Interest Income	0	-	0
Balance as at 30 June 2021	84,244,316	-	84,244,316

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statement was approved on 11th April, 2022 and signed by:



Fund Administrator
Maliha Mohamed Ali

Fund Accountant
Shadya Musa Mwalim



LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

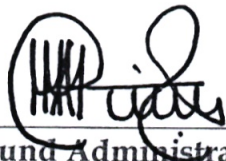
Reports and Financial Statements

For the year ended June 30, 2021

b. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfer from County Government	1	125,000,000	168,000,000
Total receipts		125,000,000	168,000,000
Payments for operating expenses			
Fund administrative expenses	2	3,715,810	4,313,050
General expense	3	29,088	963,816
Bursary disbursement	4	50,190,653	153,567,805
Total Payments		53,935,551	158,844,671
Net cash flow from operating activities		71,064,449	9,155,329
Adjustment			206,655
Depreciation			
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4/7	-	(295,000)
Net cash flows from Investing Activities		-	(295,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		71,064,449	9,066,984
Cash and cash equivalent at BEGINNING of the year		13,022,482	3,955,498
Cash and cash equivalent at END of the year		84,086,931	13,022,482

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11th April, 2022 and signed by:

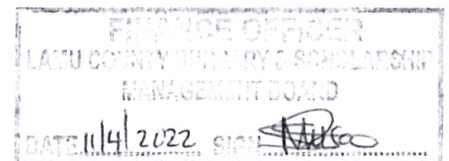
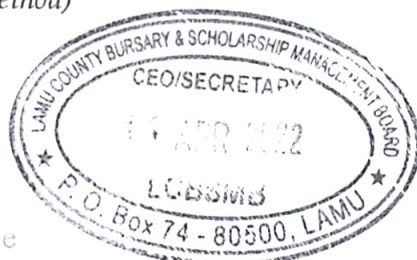


Fund Administrator
Maliha Mohamed Ali



Fund Accountant
Shadya Musa Mwalim

(Direct Method)



c. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2021

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
1	REVENUE FROM NON - EXCHANGE TRANSACTIONS						
	Scholarship and other education benefit grants	125,000,000	-	125,000,000	125,000,000	-	100%
	Total Receipts	125,000,000	-	125,000,000	125,000,000	-	100%
	EXPENSES						
2	Fund administrative expenses	3,720,000		3,720,000	3,715,810	4,190	99.9%
3	General Administration	30,000		30,000	29,088	912	97%
4	Bursary disbursement	121,250,000		121,250,000	50,190,653	70,059,347	41.4%
	Grand Total	125,000,000	-	125,000,000	53,935,551	71,064,499	43%

Budget notes

1. General Administration expenses exceeded budgeted due to depreciation fixed assets

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

d. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Fund financial statement has been prepared in accordance 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 statement has been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statement is prepared on accrual basis.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standard/ Amendments :	Impact
Applicable: 1st January 2021:	
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	<i>There was no impact</i>

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
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Standard	Effective date and impact:
	<i>(State the impact of the standard to the entity if relevant)</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

c) Early adoption of standards

The entity did not early - adopt any new or amended standards in year 2021

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

The entity did not accrue any interest income.

4. Budget information

The original budget for FY 2020/2021 was approved by the County Assembly on June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 12.5 of these financial statements

5. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The fund uses straight line method for calculating depreciation at 30%. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

6. Intangible assets

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

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

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

7. Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

e. NOTES TO THE FINANCIAL STATEMENTS

REVENUE FROM NON - EXCHANGE TRANSACTIONS		2020-2021	2019-2020
		Kshs	Kshs
1	Scholarship and other education benefit grants	125,000,000	168,000,000
	Interest Income	0	
	Total	125,000,000	168,000,000
FUND ADMINISTRATIVE EXPENSES		2020-2021	2019-2020
		Kshs	Kshs
2	Utilities, supplies and services	3,200	9,000
	Communication, supplies and services	127,570	96,500
	Domestic travel and subsistence	940,800	1,287,850
	Printing, advertising and information supplies &	7,500	10,000
	Rentals of produced assets	242,500	180,000
	Training expenses	24,000	71,500
	Hospitality supplies and services	1,531,350	1,740,750
	Office and general supplies and services	356,640	419,950
	Other operating expenses	424,350	415,300
	Routine maintenance – other assets	57,900	82,200
	Total	3,715,810	4,313,050
GENERAL EXPENSES		2020-2021	2019-2020
		Kshs	Kshs
3	Bank Charges	29,088	639,006
	Depreciation	206,655	324,810
	Total	235,743	963,816
Bursary Disbursement		2020-2021	2019-2020
		Kshs	Kshs
4	Scholarships and other educational benefits	50,190,653	153,567,805
	Total	50,190,653	153,567,805
ACQUISITION OF ASSETS		2020-2021	2019-2020
		Kshs	Kshs
4	Purchase of ICT Equipment	0	295,000
	Total	0	295,000

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2021

5 Bank Accounts

Name of Bank, Account No. & currency	Indicate whether recurrent, development	2020-2021	2019-2020
		Kshs	Kshs
<i>Gulf African Bank - Lamu County Bursaries and Scholarship Account No. 0570000101</i>	<i>Fund</i>	84,086,931	13,022,482
Total		84,086,931	13,022,482

6 Cash and cash equivalent

Description		2020-2021	2019-2020
		Kshs	Kshs
<i>Gulf African Bank - Lamu County Bursaries and Scholarship Account No. 0570000101</i>		84,086,931	13,022,482
Total		84,086,931	13,022,482

7 Property, Plant machinery and equipment

Cost		Computers and equipment	Total
		Ksh	Ksh
At 1st July 2019		393,850	393,850
Additions		295,000	295,000
Disposals		0	0
At 30th June 2020		688,850	688,850
At 1st July 2020		688,850	688,850
Additions		0	0
Disposals		0	0
At 30th June 2021		688,850	688,850
Depreciation and impairment			
At 1 st July 2019		118,155	118,155
Depreciation		206,655	206,655
Impairment		0	0
At 30th June 2020		324,810	324,810
At 1st July 2020		324,810	324,810
Depreciation		206,655	206,655
Disposals		0	0
At 30th June 2021		531,465	531,465
Net book values			
At 30th June 2020		364,040	364,040
At 30th June 2021		157,385	157,385

LAMU COUNTY BURSARY AND SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2021

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

The following is a 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)
	Acknowledgement of bursaries and scholarship through official receipts and acknowledgements letters	Will ensure official receipts and acknowledgement letters are collected for all bursaries and scholarship disbursed	Mohamed Shee Sagara Fund Administrator	Partial Resolve - Closure of learning institutions due to COVID 19	Awaiting discussion by PAIC (County Assembly)
	Incomplete cashbook recording	Will ensure completeness recording of cashbook	Mohamed Shee Sagara Fund Administrator	Resolved	Awaiting discussion by PAIC (County Assembly)