

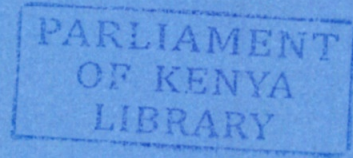
REPUBLIC OF KENYA



Enhancing Accountability

| PAPERS LAID | |
|--------------------|-----------------|
| DATE | 24/4/2024 |
| TABLED BY | Maj. Dep. Whip. |
| COMMITTEE | — |
| CLERK AT THE TABLE | Kavata |

REPORT



OF

THE AUDITOR-GENERAL

ON

**NYAMIRA COUNTY EDUCATION
SUPPORT FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



NYAMIRA COUNTY EDUCATION SUPPORT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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

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Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023

| | |
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1. Acronyms and Glossary of Terms

Acronyms

| | |
|-------|--|
| BOM | Board of Management |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| Kshs | Kenya Shillings |
| FY | Financial Year |

a) Glossary of Terms

| | |
|----------------------|---|
| Fiduciary Management | The key management personnel who had financial responsibility |
|----------------------|---|

Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023

2. Key Entity Information and Management

a) Background information

Nyamira County Education Support 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 grass root 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.

c) Vision: Equitable socio-economic development across the county.

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

e) Board of Trustees/Fund Administration Committee

| NS | NAME | DESIGNATION |
|----|---|------------------------------|
| 1. | Mr.Allred Kenya Sagini | Chairman |
| 2. | MS. Hyline Ogato | Vice Chair |
| 3. | Mr.Vincent Mbura | Members |
| 4. | Mr. Atei Mogambi | Members |
| 5. | Mr. Kennedy Angwenyi (CECM. Education and Vocational Trainings | Members |
| 6. | CCO. Mercy Motanya | Members |
| 7. | CPA. Emilly Ongaga (CECM Finance ICT and Economic Planning) | Members |
| 8. | Ziporrah Orina | Fund administrator |
| 9. | Jackson Oluoch | Fund Administrator(deceased) |

Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023

3. Key Management Team

| Ref | Name | Position |
|------------|---------------------------------------|--------------------------|
| 1 | Fund Administrator | Jackson Oluoch(deceased) |
| 2 | Fund Accountant | Edwine Nyabera |
| 3 | Chief County Officer - Finance | Dominic Barare |
| 4 | Chief County Officer – Education & VT | Mercy Motanya |
| 5 | County Executive Committee Member | Ken Angwenyi |
| 6 | Fund Administrator | Zipporah Orina |

**Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

f) Fiduciary Oversight Arrangements

| SN | Position | Name |
|----|-------------------------|-------------------|
| 1 | Director Internal Audit | CPA Ann Nyanchama |
| 2 | Audit Member | Zachary Ombati |
| 3 | Audit Member | Mary Kerubo |

g) Registered Offices

h) *Nyamira County Education Support Fund*

P.O. Box 434 – 40500

Nyamira Kenya

i) Fund Contacts

Telephone: +254723164413, 0789324353

E-mail: info@nyamira.go.ke

Website: www.nyamira.go.ke

j) 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

k) Independent Auditors

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



l) Principal Legal Adviser

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

m) County Attorney

Nyamira County
Box 434,
Nyamira

4 Fund Administration Committee

| Name | Details of qualifications and experience |
|--|---|
|  <p>MR. ALFRED KENYA SAGINI FUND CHAIRMAN</p> | <p><u>Alfred Kenya Sagini - Chairman</u></p> <p>Sagini was born in Kiabonyoru Ward, has a bachelor's of Education degree from the University of Bugema, and he is a teachers Service commission Member. Sagini has worked as a teacher in several primary schools for five years, He has also worked as a deputy head teacher for three years later promoted as a head teacher for a period Twelve years until his retirement in 2022.</p> <p>Sagini has also worked as a chairperson in exam centre in Nyamira north sub county for five years. Currently he works as a chairman of John Bosco Getare Catholic Centre</p> |
|  <p>MS. HYLINE OGATO – FUND VICE CHAIRPERSON</p> | <p><u>Hyline Ogato - Vice Chairperson</u></p> <p>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. He joined the bursary fund committee as a vice chairperson on April 2016.</p> |



MR. VINCENT MBURA - COMMITTEE MEMBER

Vincent Mbura - 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 to date. He joined the bursary committee as a member on April 2016.





MR. ATEI MOGAMBI - COMMITTEE MEMBER



Mr. Atei Mogambi - 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. He joined the bursary committee on April 2016 as a committee member.

| | |
|---|--|
|  <p>JACKSON OLUOCH FUND ADMINISTRATOR.(DECEASED)</p> | <p>Jackson Oluoch - 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 a deputy director in 2016 in the department of (PSM) administration. Till his demise he was a Fund administrator and acted as a director for Vocational training</p> |
|  <p>MR. KEN ANGWENYI - EDUCATION AND VOCATIONAL TRAINING CECM</p> | <p>Kennedy Angwenyi - Education and Vocational Training CECM Mr. Angwenyi is from Rigoma ward, Masaba North sub-county. He holds a Bachelor of Education degree With a wealth of experience spanning 37years, worked in various Schools as a teacher later promoted to be a principal in which he has served as a principal for over 12yrs in several schools the latest being Serenge secondary school. He was appointed as a CEC member in the month of October 2022.</p> |

| | |
|---|---|
|  <p>CPA. EMILLY ONGAGA - CEC FINANCE, ICT AND ECONOMIC PLANNING</p> | <p>Emilly Ongaga - CEC Finance, ICT and Economic Planning</p> <p>Mrs Emilly 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) of good ratings. She has a wealth of experience from various institutions spanning twenty-one years. She was appointed as a CEC member in the department of Finance, ICT and Economic Planning in the month of January 2021 the position she holds to date.</p> |
|  <p>ZIPPORAH KEMUNTO ORINA-FUND ADMINISTRATOR</p> | <p>Zipporah Kemunto Orina-Fund Administrator</p> <p>She holds a Bachelor of Special Needs Education from Kampala International University, a Diploma in Early Childhood Education and another Diploma from the Kenya Institute for Special Education (KISE). She is a professional teacher with a career progression of over thirty years as a teacher having taught in more than five schools as a P1 teacher including the special unit classes. She takes over as County Chief officer and Fund Administrator.</p> |

5 Management Team

| Name | Details of qualifications and experience |
|--|--|
|  <p>MR. JACKSON OLUOCH - FUND ADMINISTRATOR.(DECEASED)</p> | <p>Jackson Oluoch - 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. Till his demise he was a Fund administrator and acted as a director for Vocational training.</p> |
|  <p>CPA EDWINE MOMANYI NYABERA – FUND ACCOUNTANT</p> | <p>CPA Edwine Momanyi Nyabera – Fund Accountant CPA Nyabera has a Bachelor of commerce degree from the University of JKUAT and member of ICPAK. 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> |



MS. MERCY MORAA MOTANYA - CHIEF OFFICER,

Mercy Moraa Motanya - Chief Officer, Education
Ms. Motanya Mercy holds a PhD in Kiswahili from Kenyatta University, Masters in Kiswahili from Kabianga University. Postgraduate Diploma in Mass Communication KIMC, Diploma in M& E from KU and A Dip in Chinese Language from KU. Prior to her appointment as County Chief Officer, she served as an administrator in digital school of Virtual and Open learning and a part time Lecturer in KU. Has also worked in Itierio and Sironga Girls respectfully. Motanya has also worked in KBC Kiswahili news room for five years.
Ms. Motanya hails from Kiabonyoru ward in Nyamira County.



Zipporah Kemunto Orina-Fund Administrator

She holds a Bachelor of Special Needs Education from Kampala International University, a Diploma in Early Childhood Education and another Diploma from the Kenya Institute for Special Education (KISE). She is a professional teacher with a career progression of over thirty years as a teacher having taught in more than five schools as a P1 teacher including the special unit classes.
She takes over as County Chief officer and Fund Administrator.

6 Board/Fund Chairperson's Report

It is my pleasure to present the third quarter annual report of Nyamira County Education Support Fund which was created by the county education regulation of 2017. The fund Bursary was approved 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 2023 the fund had distributed 46,000 forms to the needy students across the county. 34,000 forms were returned to the county 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

DAY AND BOARDING SCHOOLS

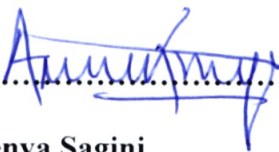
- 1. Total orphans-----5,000/=
- 2. Partial orphans----- 3,300/=
- 3. Single Parents-----3,300/=
- 4. Disability (PLWD)... 3,300/=

Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Needy students-----3,300/=

SCHOLARSHIP

Each student was to given a cheque amount equivalent to the school fees of the particular school per year and school uniform respectively. The year under review no uniform was a warded to form II students.

Signature.....

Alfred Kenya Sagini

Chairperson of the Fund

Date.....26/01/2024

**Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

7 Report of the fund administrator

Section 14 (e) of the Nyamira County Education Support Regulations, 2017 provides that the administrator of the fund shall prepare, sign and transmit to the Office of 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 Support Fund was operationalized in 13th February 2017, and the following table illustrates the receipts for the past three years to date.

| F/Y | 2020/2021 | 2021/2022 | 2022/2023 |
|--------------------|-----------|-------------|-------------|
| | Kshs | Kshs | Kshs |
| Amount received in | 0 | 110,706,800 | 122,000,000 |

In the year under review, the Nyamira County Education Support Fund had received **kshs.122, 000,000 with** a balance brought forward of Kshs 10,889,767 in the account, a total of kshs. **18,911,269.00** was awarded to students and kshs **3,166,624** spent on administration, leaving a balance of kshs. **Kshs. 110,811,874** .The Education Support fund was issued equitably to all the 20 wards as follows.

| S/no. | Ward | Amount | S/no. | Ward | Amount |
|-------|------------------|------------------|-------|--------------------|----------------------|
| 1 | Township | 904,825 | 11 | Rigoma | 962,455 |
| 2 | Bokeira | 920,495 | 12 | Kemera | 946,534 |
| 3 | Bomwagamo | 993,865 | 13 | Magombo | 947,561 |
| 4 | Bonyamatuta | 974,635 | 14 | Bosamaro | 972,355 |
| 5 | Nyansiongo | 992,579 | 15 | Ekerenyo | 973,785 |
| 6 | Manga | 953,245 | 16 | Esise | 907,365 |
| 7 | Nyamaiya | 891,875 | 17 | Bogichora | 936,875 |
| 8 | Gachuba | 981,635 | 18 | Kiabonyoru | 905,554 |
| 9 | Gesima | 963,875 | 19 | Magwagwa | 924,665 |
| 10 | Itibo | 947,756 | 20 | Mekenene | 909,335 |
| | Sub total | 9,524,785 | | Sub total | 9,386,484 |
| | | | | Grand Total | 18,911,269.00 |

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.

Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023

It is my pleasure to present the end year Report and financial statements of Nyamira County Education Support Fund for the FY 2022 / 2023.

Signed:  _____

Zipporah Orina
Fund Administrator
Nyamira County

8 Corporate Governance Statement

The Nyamira County Education Support 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 Support 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 | Sitting allowances |
|--------------|---------------------------|
| | Kshs |
| Chairman | 15,000 |
| Vice Chair | 12,000 |
| Members | 10,000 |
| Fund Manager | 10,000 |

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.

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.

**Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

9 Management Discussion and Analysis

Section 14 (e) of the Nyamira County Education Support 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 Support Fund was operationalized in 13th February 2017, and the following table illustrates the receipts to date.

| F/Y | 2020/2021 | 2021/2022 | 2022/2023 |
|--------------------|------------------|------------------|------------------|
| | Kshs. | Kshs. | Kshs. |
| Amount received in | 0 | 110,706,801 | 122,000,000 |

In the financial year 2022/2023, the Nyamira County Education Support Fund disbursed funds of **Ksh 18,911,269 which** is for the General Bursary award and **kshs. 3,166,624** for administration expenditure.

The initial Fund governing regulations provided that the funds were equally shared to all twenty (20) wards but later it was amended to provide for equitable distribution since all wards don't have same capacity of absorption.

10 Environmental and 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 County supports bright students from vulnerable families by offering scholarship opportunities for their secondary education.

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.

**Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11 Report of the Trustees

The Trustees submit their report together with the audited financial statements for the FY 2022/2023 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to continue award bursary and scholarships to orphans and needy students in high schools and TVET in Nyamira County.

Results

The results of the Fund for the year under review are set out on page 10

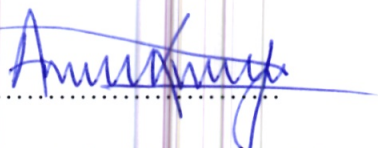
Trustees

The members of the Board of Trustees

| NS | NAME | DESIGNATION |
|----|---|---------------------------|
| 1. | Mr.Allred Kenya Sagini | Chairman |
| 2. | MS. Hyline Ogato | Vice Chair |
| 3. | Mr.Vincent Mbura | Members |
| 4. | Mr. Atei Mogambi | Members |
| 5. | Mr. Kennedy Angwenyi (CECM. Education and Vocational Trainings) | Members |
| 6. | CCO. Mercy Motanya | Members |
| 7. | CPA. Emilly Ongaga (CECM Finance ICT and Economic Planning) | Members |
| 8. | Ziporrah Orina | Fund administrator |
| 9. | Mr. Jackson Olouch | Fund Manager(deceased) |

Auditors

The Office of 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.



Mr Alfred Kenya Sagini

Chair of the Fund Administration Committee

Date: 26/01/2024

12 Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Nyamira County Education Support Act, 2016. Under which the fund Administrator 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 the year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Nyamira County Education Support Act, 2016. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 28th September 2023 and signed on its behalf by:

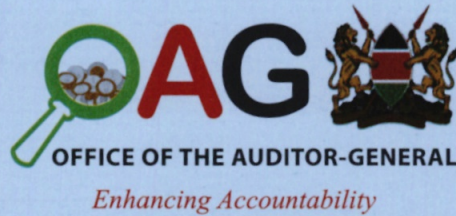

.....

**Zipporah Orina
Fund Administrator**



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 SUPPORT FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- 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 the 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, risk management environment and 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 Support Fund set out on pages 1 to 14, which comprise the statement of financial position

as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Nyamira County Education Support Fund as at 30 June, 2023 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 Support Act, 2016.

Basis for Qualified Opinion

1. Unsupported Use of Goods and Services Expenditure

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects use of goods and services amount of Kshs.3,166,624 while supporting schedules reflects amounts totalling Kshs.2,937,704 resulting to unreconciled variances as detailed below;

| Item | Financial Statements Amount (Kshs.) | Supporting Schedule Amount (Kshs.) | Variance (Kshs.) |
|--------------------------------------|--|---|-------------------------|
| General Office Expenses | 0 | 1,384,980 | (1,384,980) |
| Administration Fees | 1,234,300 | 616,500 | 617,800 |
| Committee Allowances | 626,000 | 0 | 626,000 |
| Bank Charges | 45,724 | 46,724 | (1,000) |
| Fuel and Oil Costs | 57,000 | 131,000 | (74,000) |
| Printing and Stationery | 208,500 | 206,500 | 2,000 |
| Sound Systems, Tents and Chairs Hire | 850,100 | 285,000 | 565,100 |
| Hospitality | 145,000 | 267,000 | (122,000) |

Further, supporting documents including, payment vouchers, stores ledgers, counter requisition and issues vouchers, work tickets and fuel registers were not provided for audit review.

In the circumstances, the accuracy, existence and completeness of the expenditure amount of Kshs.3,166,624 could not be confirmed.

2. Unsupported Disbursements to Beneficiaries

The statement of financial performance and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.18,911,269 in respect of disbursements to beneficiaries.

However, review of list of student beneficiaries revealed total expenditure of Kshs.21,049,216 resulting to unexplained and unreconciled variance of Kshs.2,137,947. Further, the schedule provided in support of the disbursements to beneficiaries did not include the name of students and their admission numbers. Also, the payments were not supported with cheque dispatch register and acknowledgement receipts from the school and tertiary institutions.

In addition, supporting documents including payment vouchers provided for audit review was totalling Kshs.10,381,053 resulting to unsupported expenditure amount of Kshs.8,530,216.

In the circumstances, the accuracy and completeness of the expenditure amount of Kshs.18,911,269 could not confirmed.

3. Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 4 to the financial statements reflects a balance of Kshs.110,811,874 in respect of cash and cash equivalents. However, review of the bank reconciliation statements revealed Kshs.807,100 in respect of payments in cash book not in bank statements relating to unrepresented cheques issued on 6 March, 2023 which were not supported with cheque register and bank statements. In addition, the bank reconciliation statement reflects receipts in cash book not yet recorded in bank statement of Kshs.110,379,625.

In the circumstances, the accuracy and completeness of the balance of Kshs.110,811,874 in respect of cash and cash equivalents could not be confirmed.

4. Unsupported Cash Withdrawals

The cash book for the Fund revealed several cash withdrawals totalling Kshs.2,991,900 which were made during the year. However, cash withdrawals were in respect of the standing imprest which were paid and not included as fund administration costs.

In the circumstances, the accuracy, propriety and completeness of the expenditure amount of Kshs.2,991,900 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 Support 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget expenditure and actual on comparable basis amounts of Kshs.122,000,000 and Kshs.22,077,893 respectively resulting to under-absorption of Kshs.99,922,107 or 82% of the budget.

The under-absorption could have affected the planned activities and may have impacted negatively on service delivery to the residents of Nyamira County.

My opinion is not modified in respect of this matter.

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

Unresolved Prior Year Matters

As disclosed under the progress on follow up of auditor's recommendation section of the financial statements, Management presents three (3) prior year audit issues indicated as resolved but do not relate to the issues raised in the previous audited year 2021/2022. Further, Management did not provide reasons for the delay in resolving the prior year audit issues.

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

Non-Compliance with the Public Sector Accounting Standards Board Requirement on Presentation of the Financial Statements

The financial statements for the year under review did not comply with reporting format as prescribed and published by the Public Sector Accounting Standards Board as Note 4

to the financial statements in respect of detailed analysis of cash and cash equivalents have the years of reporting not indicated.

In the circumstances, the financial statements were not presented in accordance with the applicable financial framework as prescribed by the Public Sector Accounting Standards Board (PSASB).

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Change of the Fund Name

The financial statements for the year ended 30 June, 2023 submitted for audit, reflects the name of the Fund as Nyamira County Education Support Fund contrary to Regulation 3(1) of Nyamira County Education Fund Regulations, 2017 which established the Fund to be known as Nyamira County Education Bursary Fund.

In the circumstances, Management was in breach of the law.

2. Lack of Risk Management Policy

Review of documents and records provided for audit revealed that the Fund Management had not established a Risk Management Policy. This is contrary to Regulation 158(1)(a) & (b) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management was in breach of the law and was not able to identify risks and develop mitigating strategies.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 those Charged with Governance

The 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 controls 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue 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.

Those charged with Governance are 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 March, 2024


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Annual Report and Financial Statements for the year ended June 30, 2023**

14 Statement of Financial Performance for the Year Ended 30th June 2023

| Description | Note | 2022/2023 | 2021/2022 |
|---|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Revenue From Non-Exchange Transactions | | | |
| Transfers From the County Government | 1 | 122,000,000 | 110,706,801 |
| Total Revenue | | 122,000,000 | 110,706,801 |
| | | | |
| Expenses | | | |
| Use of goods and services | 2 | 3,166,624 | 3,704,069 |
| Disbursement to Beneficiaries | 3 | 18,911,269 | 110,863,345 |
| Total Expenses | | 22,077,893 | 114,567,414 |
| | | | |
| Surplus/(Deficit) for the Period | | 99,922,107 | (3,860,613) |

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 28th September, 2023 and signed by:


Zipporah Orina
Fund Administrator


Edwine Momanyi Nyabera
Fund Accountant
ICPAK Member Number: 21882

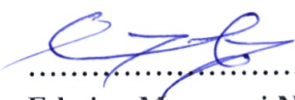
**Nyamira County Education Support Fund
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15 Statement of Financial Position As at 30 June 2023

| | Note | 2022/2023 | 2021/2022 |
|---|------|--------------------|-------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 4 | 110,811,874 | 10,889,767 |
| Total current assets | | 110,811,874 | 10,889,767 |
| | | | |
| Intangible asset | 5 | 0 | 100,000 |
| Total Assets | | 110,811,874 | 10,989,767 |
| | | | |
| Liabilities | | | |
| Total current liabilities | | 0 | 0 |
| | | | |
| Non-Current Liabilities | | | |
| Total Liabilities | | 0 | 0 |
| | | | |
| Net Assets | | 110,811,874 | 10,989,767 |
| | | | |
| | | | |
| Total Net Assets and Liabilities | | 110,811,873 | 10,989,767 |

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 28th September 2023 and signed by:


.....
Zipporah Orina
Fund Administrator


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

**Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

16 Statement Of Changes in Net Assets for the year ended 30th June 2023

| Description | | |
|-----------------------------------|--------------------|--------------------|
| | | |
| Balance As At 1 July 2021 | 14,750,381 | 14,850,381 |
| Surplus/(Deficit) For the Period | (3,860,614) | (3,860,614) |
| Balance As At 30 June 2022 | 10,889,767 | 10,989,767 |
| | | |
| Balance As At 1 July 2022 | 10,889,767 | 10,989,767 |
| Surplus/(Deficit) For the Period | 99,922,107 | 99,822,107 |
| Balance As At 30 June 2023 | 110,811,874 | 110,811,874 |

**Nyamira County Education Support Fund
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17 Statement of Cash Flows for The Year Ended 30 June 2023

| Description | Note | 2022/2023 | 2021/2022 |
|---|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from the county government | 1 | 122,000,000 | 110,706,800 |
| Total receipts | | 122,000,000 | 110,706,800 |
| Payments | | | |
| Use of goods and services | 2 | 3,166,624 | 3,704,069 |
| Disbursement to Beneficiaries | 3 | 18,911,269 | 110,863,345 |
| Total payments | | 22,077,893 | 114,567,414 |
| | | | |
| Net cash flows from operating activities | | 99,922,107 | (3,860,614) |
| | | | |
| Net increase/(decrease) in cash & cash Equivalents | | 99,922,107 | (3,860,614) |
| Cash and cash equivalents at 1 July | | 10,889,767 | 14,750,381 |
| Cash and cash equivalents at 30 June | | 110,811,874 | 10,889,767 |

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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**18 Statement of Comparison of Budget and Actual Amounts For The Period ended
30th June 2023**

| Receipt/expense item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------|--------------------|-------------|--------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Revenue | | | | | | |
| Transfers from County Govt. | 122,000,000 | - | 122,000,000 | 122,000,000 | - | 100% |
| Total Income | 122,000,000 | - | 122,000,000 | 122,000,000 | - | 100% |
| Expenses | | | | | | |
| Use of goods and services | 3,660,000 | - | 3,660,000 | 3,166,624 | 493,376 | 87% |
| Disbursement to beneficiaries | 118,340,000 | - | 118,340,000 | 18,911,269 | 99,428,731 | 16% |
| Total Expenditure | 122,000,000 | - | 122,000,000 | 22,077,893 | 99,922,107 | 18% |
| Surplus For The Period | - | - | - | 99,922,107 | | |

Notes

- a) The Use of goods and services was under spend by 17% due to late disbursement from county executive
- b) Disbursement to beneficiaries were underutilized by 84% due to late disbursement from county executive

19 Significant Accounting Policies

1. General Information

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 30th September 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.

a) 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.

b) 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.

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

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022 / 2023 was approved by the County Assembly on 28th June 2022. 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. Accordingly, the Fund recorded additional appropriations of on the FY 2022/ 2023 budget following the governing body's approval.

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

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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 19 of these financial statements.

c) Property, plant and equipment

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

a) 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.

**Nyamira County Education Support Fund
Annual Report and Financial Statements For the year ended 30th June 2023**

20 Notes To The Financial Statements

1. Transfers from County Government

| Description | 2022/2023 | 2021/2022 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Transfers From County Govt. –Operations | 122,000,000 | 110,706,801 |
| | | |
| Total | 122,000,000 | 110,706,801 |

2. Use of Goods and Services

| Description | 2022/2023 | 2021/2022 |
|------------------------------------|------------------|------------------|
| | Kshs. | Kshs. |
| General Office Expenses | 0 | 277,000 |
| Administration Fees | 1,234,300 | 1,923,950 |
| Committee Allowances | 626,000 | 265,000 |
| Bank Charges | 45,724 | 58,139 |
| Fuel And Oil Costs | 57,000 | 30,000 |
| Printing And Stationery | 208,500 | 1,149,980 |
| Sound system, Tent and chairs hire | 850,100 | 0 |
| Hospitality | 145,000 | 0 |
| | 0 | |
| Total | 3,166,624 | 3,704,069 |

**Nyamira County Education Support Fund
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3. Disbursement to beneficiaries

| Description | 2022/2023 | 2021/2022 |
|-------------------------------|-------------------|--------------------|
| | Kshs. | Kshs. |
| Disbursement to beneficiaries | 18,911,269 | 110,863,345 |
| Total | 18,911,269 | 110,863,345 |

4. Cash and cash equivalents

| Description | 2022/2023 | 2021/2022 |
|--|--------------------|-------------------|
| | Kshs | Kshs |
| Current Account | 110,811,874 | 10,889,767 |
| Total Cash And Cash Equivalents | 110,811,874 | 10,889,767 |

Notes To The Financial Statements continued

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

| Financial Institution | Account number | Insert Current FY | Insert Comparative FY |
|---------------------------|----------------|--------------------|-----------------------|
| | | Kshs | Kshs |
| a) Current Account | | | |
| Kenya Commercial Bank | 1182983871 | 110,811,874 | 10,889,767 |
| Sub- Total | | 110,811,874 | 10,889,767 |

5. Intangible assets

| Description | 2022/2023 | 2021/2022 |
|-------------------------|-----------|----------------|
| | Kshs. | Kshs. |
| Acquisition of software | 0 | 100,000 |
| Total | 0 | 100,000 |

**Nyamira County Education Support Fund
Annual Report and Financial Statements For the year ended 30th June 2023**

21 Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| 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) |
|---|--|--|---|--|---|
| 1.0 Presentation of the Financial Statements | <p>1.1 The statement of changes in net assets and statement of comparison of budget and actuals amounts availed for audit review reflected the subtitle "as at 30 June, 2020" and "period ended 30 June, 2020" respectively not in line with PASB template instead of "for the year ended" without a disclosure stating the reason(s) for usage of the "period ended" contrary to the requirement of Section 66 (a) of IPSAS 1 on the presentation of financial statements.</p> <p>1.2 The financial statement availed for review did not reflect progress on follow up of</p> | <p>We concur with the Auditors observations and the correct template has since been used.</p> <p>We concur with the Auditors observations and progress on follow up of auditor's recommendations has since been included</p> | Jackson Gichana Oluoch - Fund Administrator | Resolved | |

**Nyamira County Education Support Fund
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| 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) |
|--|--|---|--|-----------------------------------|--|
| | auditor's recommendations contrary to the Public Sector Accounting Standards Board (PSASB) template | | | | |
| Budgetary Control and Performance | The statement of comparison of budget and actual amounts for the period ending 30 June, 2020 reflects total expenditure budget of Kshs.126,520,000 against total actual expenditure of Kshs.3,953,420 resulting to an overall under expenditure of Kshs.122,566,580 The overall under expenditure of the budget by Kshs.122,566,580 or 97% is a clear indication that the fund did not achieve its intended objectives thus denying residents of Nyamira County the much-needed services. There is need therefore to | The money was not disbursed to beneficiaries due COVID 19 pandemic that led to indefinite closure of schools. | Jackson Gichana Oluoch (Fund Administrator) | (Resolved) | Resolved (As at 30 th June 2021) |

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| 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) |
|---|---|---|---|--|---|
| | recheck the budget making process with a view to focusing on priority areas that impact positively to improving indication standards of Nyamira County students | | | | |
| Lack of Segregation of Duties | Audit review of the internal controls of the Nyamira County Educational Support Fund revealed that there was no segregation of duties. It was observed that one officer would initiate a transaction, approve it, authorize withdrawal of the cash from the bank as one of the signatories, receive the cash, incur the expenditure and later surrender, and approve the expenditure. | Duties were properly segregated where the fund accountant was initiates the transaction and voucher authorization done by both senior accountant AIE holder (fund administrator) The management resolved the chairman shall not incur expenditure on behalf of the fund. | Jackson Gichana Oluoch (Fund Administrator) | (Resolved) | Resolved (As at 30 th June 2020) |

**Nyamira County Education Support Fund
Annual Report and Financial Statements For the year ended 30th June 2023**

| 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) |
|--|---|---------------------|--|-----------------------------------|--|
| | It was also noted that the Chairman of the fund receives cash and incurs expenditure on behalf of the fund contrary section 110(2)(c) of the Public Finance Management (County Governments) Regulation, 2015 which require segregation of duties. | | | | |

Sign.....

Dr. Geoffrey Morara
CECM FINANCE ICT AND ECONOMIC PLANNING

Date.....26/01/2024.....

**Nyamira County Education Support Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex II: Inter-Fund Confirmation Letter

Nyamira County Education Support Fund
P.O BOX 434 – 40500
NYAMIRA

The **Nyamira County Education Support fund** wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by Nyamira County Education Support Fund as at 30 th June 2023 | | | | | | | |
|--|----------------|---|--------------------------|-----------------------|---------------------------|---|------------------------------|
| Reference Number | Date Disbursed | Amounts Disbursed by Nyamira County Executive to Nyamira County Education Support Fund IS (Kshs122,000,000) as at 30 th June 2023 | | | | Amount Received by Nyamira County Education Support (KShs) as at 30 th June 2023 (E) | Differences (KShs) (F)=(D-E) |
| | | Recurrent (A) | Development (B) | Inter-Ministerial (C) | Total (D)=(A+B+C) | | |
| ROC0010008876 | 02/03/2023 | | 11,620,372 | 0 | 11,620,372 | 11,620,372 | 0 |
| REC0000037781 | 30/06/2023 | 110,379,628 | 0 | 0 | 110,379,628 | 110,379,628 | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | <u>110,379,628</u> | <u>11,620,372</u> | <u>0</u> | <u>122,000,000</u> | <u>122,000,000</u> | 0 |
| In confirm that the amounts shown above are correct as of the date indicated. | | | | | | | |
| Head of Accountants department of beneficiary Fund: | | | | | | | |