

# REPORT

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OF

## THE AUDITOR-GENERAL

ON

## VIHIGA COUNTY EDUCATION FUND

**FOR THE YEAR ENDED**  
**30 JUNE, 2018**



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# COUNTY GOVERNMENT OF VIHIGA

DEPARTMENT OF EDUCATION, SCIENCE, TECHNICAL AND  
VOCATIONAL TRAINING  
VIHIGA COUNTY EDUCATION FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2018

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



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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

The Vihiga County Education Fund was formed after extensive consultations between the County Executive and the members of the Vihiga County Assembly vide the Public Finance Management Act 2012, (Vihiga County Education Fund Act 2014).

The fund's objective is to Providing supplementary education grants or bursaries to eligible Students, Granting Scholarship in accordance with criteria established under the Act, Meeting any expenditure related to administration of the fund.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to provide for funds for financial assistance to bright and needy students from the county pursuing education in various levels of education.

**c) Fund Administration Committee**

Name	Position
1. Mary Anyiendah	CO- ECDE
2. Albert Ingati	Chairperson
3. Jahonga Benard	Student Network Representative
4. Roselidah Marende	Vihiga County PWD
5. Samuel Kiplagat	Minority representative
6. Andrew Loreng'e	Fund Administrator
7. Lynett Odida	Director Social Services
8. Jacintar Mung'aya	National Youth Council
9. Joseph A. Ollando	CO Finance and Economic planning Representative
10. Harrison Matevwa	Director, PSACCA
11. Abisai Amatalo	CO- TVET

**d) Key Management**

Ref	Name	Position
1.	Andrew Loreng'e	Fund Administrator
2.	Felix Mugalitsi	Fund Accountant
3.	Susan Anyiendah	Chief Officer

*Vihiga County Education Fund*  
Reports and Financial Statements  
For the year ended June 30, 2018

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e) Registered Offices

Vihiga County Government,  
Department of Education, Science, Technical and Vocational Training,  
P.O Box 344-50300,  
Maragoli, Kenya.  
Offices located at the county headquarters, Mbale.

f) Fund Bankers

KCB Bank Kenya Limited,  
KCB Mbale-4119  
Maragoli.

g) Independent Auditors

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

h) Principal Legal Adviser

The County Attorney  
P.O Box 344-50300,  
Maragoli, Kenya

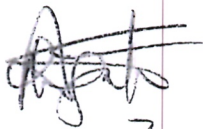
## 2. BOARD/FUND CHAIRPERSON'S REPORT

Section 167 of the PFM Act, 2012 require administrator of a County Public Fund established by the constitution, an Act of Parliament or County Legislation to prepare Financial Statement for the fund for each Financial Year in a form prescribed by PSASE.

The Financial Statement should be submitted to Auditor general by 30<sup>th</sup> September with a copy of the report to CEC-Member responsible for that fund.

However, in reference to the above sections of the PFM Act, the responsible fund management at the time under review failed to comply with the requirement. Following discussion with the Office of the Auditor it was agreed that the current fund management prepare the Financial Statement for the 2017-2018 Financial Year. The current management is committed in complying with statutory requirements and Acts governing the fund.

Since there was no handing over of the previous year's Fund records, the Financial Statements have been prepared from the extract of the Bank Statement for year under review. Therefore, it was not possible to obtain supporting documents for the stated figures in the report.



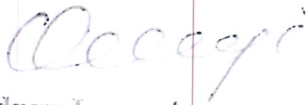
ALBERT E. INGATI

3. REPORT OF THE FUND ADMINISTRATOR

I am presenting the un-audited report for Vihiga County Education Fund Report for FY 2017/18 based on bank statement; the statement has been extremely useful in preparing this report since the current management did not have any other source of information. All activities relating to bursaries transactions were carried out in the Vihiga County education Fund main account. The previous management of the Fund including Fund Administrator, Director Education and Former Chief Officer-Education are out of the office after expiry of their contracts in 2018.

The Act Governing the Fund, *Vihiga County Education Fund act, 2014* was gazetted on 11<sup>th</sup> July, 2014.

During the period under review, the fund was allocated K.shs. 125,788,462. This comprised of kshs. 4,537,185 utilized for administration cost expenses, kshs. 121,250,000 disbursed to ward bursary accounts as per the bank statement analysis.



Andrew Loreng'e

Fund Administrator

4. REPORT OF THE TRUSTEES

The Trustees submit their report together with the un-audited financial statements for the year ended June 30, 2018 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to offer financial assistance to the bright and needy student in the county pursuing their education, provision of necessary legal framework for administration of the fund and other related activities.

Trustees

The members of the Board of Trustees who served during the year under review not provided since their details could not be found and ascertained.



**5. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**


The board presents their report together with unaudited financial report and statement for the year ended 30<sup>th</sup> June 2018.

The Act requires the board to prepare financial statements for each financial year which show a true and fair view of the financial transactions of the fund for the year and of disposition at year end of its assets and liabilities. It also requires that the fund keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the fund.

The board is responsible for the preparation of the financial statements that give a true and fair view in accordance with IPSAS and PFM Act 2012 for such internal control as the board determines is necessary to enable preparation of financial statements that are free from financial misstatement whether due to error or fraud.

The board certifies that to the best of their knowledge and belief, the information furnished for the purpose of internal control is correct and complete in every aspect.

Signature:

Chairperson:  .....

Date: 06.OCT.2018.

Secretary:  .....

Date: 06.OCT.2018.

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON VIHIGA COUNTY EDUCATION FUND FOR THE YEAR ENDED 30 JUNE, 2018

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### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

I have audited the accompanying financial statements of Vihiga County Education Fund set out on pages 8 to 18, which comprise the statement of financial Position as at 30 June, 2018, and the statement of performance, statement of cash flows 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, public money has not been applied lawfully and in an effective way.

#### Basis for Disclaimer of Opinion

##### 1.0 Late Submission of the Financial Statements

Section 167(3) of the Public Finance Management Act, 2012 requires the County Fund Administrator to prepare and submit for audit the financial statements of the Fund within three (3) months after the end of each financial year.

However, the financial statements were submitted for audit on 24 January, 2020 one year and three months later contrary to the stipulated required date, on or before 30 September, 2018.

Consequently, the Management therefore breached the law.

##### 2.0 Doubtful Comparative Balances

As previously reported, the expenses, assets and surplus balances in the financial statements for the year ended 30 June, 2017 could not be confirmed as fairly stated since

the Management did not provide the supporting documents such as; payment vouchers, cash book, ledgers, bursary applications and screening documents for audit review.

Consequently, the accuracy and completeness of the opening balances reflected in these financial statements for the year ended 30 June, 2018 could not be confirmed.

### **3.0 Unsupported Fund Administration Expenses**

The statement of financial performance and Note 2 to the financial statements reflects Kshs.4,537,185 as fund administration expenses. However, the balance could not be confirmed since the relevant supporting documents such as; the payment vouchers, cash book, ledgers, bursary applications and screening documents were not provided for audit scrutiny.

Consequently, the propriety, completeness, accuracy and validity of the fund administration expenses balance of Kshs.4,537,185 for the year ended 30 June, 2018 could not be confirmed.

### **4.0 Unsupported Ward Bursary Disbursement**

Included in the statement of financial performance total expenses figure of Kshs.125,787,185 is Ward bursary disbursement of Kshs.121,250,000. However, the balance could not be confirmed as correctly stated since the relevant supporting documents such as bursary application documents, payment vouchers, cash books and acknowledgements by various Institutions were not provided for audit review.

Consequently, the propriety, completeness, accuracy and validity of the Ward Bursary disbursements balance of Kshs.121,250,000 for the year ended 30 June, 2018 could not be ascertained.

### **5.0 Failure to Incorporate Financial Information in the Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts was not populated with the budget and actual amounts for the year as required by the reporting standards.

The Management therefore breached the Standard.

### **Responsibilities of Management and those Charged with Governance**

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 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 appropriate 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 as a going concern or 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 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

12 January, 2022

*Vihiga County Education Fund*  
 Reports and Financial Statements  
 For the year ended June 30, 2018

6. FINANCIAL STATEMENTS

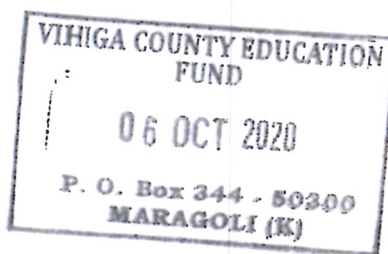
6.1. STATEMENT OF FINANCIAL PERFORMANCE

	Note	2017/2018	2016/2017
		KShs	KShs
Revenue From Non-Exchange Transactions			
Transfers from the County Government	1	125,788,462	81,286,580
Total Revenue		125,788,462	81,286,580
Expenses			
Fund administration expenses	2	4,537,185	2,353,951
Ward Bursary Disbursement	3	121,250,000	75,000,000
County Bursary Disbursement	4	-	3,437,720
Total Expenses		125,787,185	81,291,671
Surplus/( deficit) for the period		1,277	(5,091)

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 06 OCT 2020 and signed by:

*Andrew Loreng'e*

Administrator of the Fund  
 Name: Andrew Loreng'e



*Felix Mugalitsi*

Fund Accountant  
 Name: Felix Mugalitsi

*Vihiga County Education Fund*  
 Reports and Financial Statements  
 For the year ended June 30, 2018

6.2. STATEMENT OF FINANCIAL POSITIONS AT 30 JUNE 2018

	Note	2017/2018 KShs	2016/2017 KShs
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	5	1,277	(5,091)
<b>Total Assets</b>		<b>1,277</b>	<b>(5,091)</b>
<b>Financed By:</b>			
Surplus for the period		1,277	(5,091)
		<b>1,277</b>	<b>(5,091)</b>

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 06 OCT 2020 and signed by:

*Andrew Loreng'e*

Administrator of the Fund  
 Name: Andrew Loreng'e

**VIHIGA COUNTY EDUCATION  
 FUND**  
**06 OCT 2020**  
 P. O. Box 344 - 50300  
 MARAGOLI (K)

*Felix Mugalitsi*  
 Fund Accountant  
 Name: Felix Mugalitsi



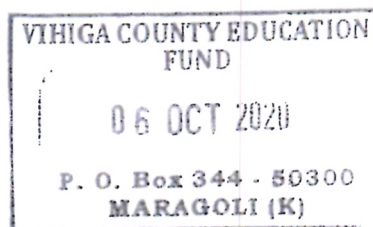
63. STATEMENT OF CASHFLOWS

	Note	2017/2018	2016/2017
		KShs	KShs
<b>Cashflows From Operating Activities</b>			
Receipts			
Transfers from the County Government	1	125,788,462	81,286,580
<b>Total Receipts</b>		<b>125,788,462</b>	<b>81,286,580</b>
Payments			
Fund administration expenses	2	4,537,185	2,853,951
Ward Bursary Disbursement	3	121,250,000	75,000,000
County Bursary Disbursement	4	-	3,437,720
<b>Total Payments</b>		<b>(125,787,185)</b>	<b>(81,291,671)</b>
<b>Net Cashflows From Operating Activities</b>		<b>1,277</b>	<b>(5,091)</b>
<b>Cash Flows From Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Cashflows From Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>		<b>1,277</b>	<b>(5,091)</b>
Cash and cash equivalents at 1 JULY 2016			
<b>Cash and cash equivalents at 30 JUNE</b>		<b>1,277</b>	<b>(5,091)</b>

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 06 OCT 2020 and signed by:

*Andrew Loreng'e*

Administrator of the Fund  
 Name: Andrew Loreng'e



*Felix Mugalitsi*

Fund Accountant  
 Name: Felix Mugalitsi

5.4. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2018

	Original budget 2017/2018	Adjustments 2017/2018	Final budget 2017/2018	Actual on comparable basis 2017/2018	Performance difference 2017/2018	% utilization 2017/2018
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Transfers from County Govt.						
Interest income						
Other income						
Total Income	-	-	-	-	-	
Expenses						
Fund administration expenses						
General Expenses						
Finance Cost						
Total Expenditure	-	-	-	-	-	
Surplus For The Period	-	-	-	-	-	

Budget notes

1. The budget figures could not be provided because there was no hand over of the Fund Assets, liabilities and (or) any other document by the previous management.

## 6.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. 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.

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.

### 2. 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.

### 3. Budget information

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. 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 actual as per the statement of financial performance has been presented.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. 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. The Fund did not have any Property, Plant and Equipment.

**5. Changes in accounting policies and estimates**

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

**6. Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**7. Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**8. Cash and cash equivalents**

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

**9. Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation. Since this is the first year of reporting, there were no comparative figures.

**10. Events after the reporting period**

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

*Vihiga County Education Fund*  
Reports and Financial Statements  
For the year ended June 30, 2013

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**11. Ultimate and Holding Entity**

The entity is a County Public Fund established by Public Finance Management Act 2012, (Vihiga County Education Fund Act 2014) under the Department of Education, Science and Technical Vocational Training. Its ultimate parent is the County Government of Vihiga.

**12. Currency**

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

*Vihiga County Education Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**6.6. NOTES TO THE FINANCIAL STATEMENTS**

**1. Transfers from County Government**

Description	2017/2018 KShs	2016/2017 KShs
1 <sup>st</sup>	-	25,000,000
2 <sup>nd</sup>	-	2,000,000
3 <sup>rd</sup>	-	25,020,000
4 <sup>th</sup>	-	2,000,000
5 <sup>th</sup>	124,195,850	26,000,000
Returned Cheques	1,592,612	1,266,580
<b>Total</b>	<b>125,788,462</b>	<b>81,286,580</b>

**2. Fund administration expenses**

Description	2017/2018 KShs	2016/2017 KShs
Expenses	4,502,941	2,793,450
Bank Charges	34,244	60,501
<b>Total</b>	<b>4,537,185</b>	<b>2,853,951</b>

**3. Ward Bursary Disbursement**

Description	2017/2018 KShs	2016/2017 KShs
22.06.2016	121,250,000	75,000,000
<b>Total</b>	<b>121,250,000</b>	<b>75,000,000</b>

**4. County Bursary Disbursement**

Description	2017/2018 KShs	2016/2017 KShs
30.06.2016	-	3,437,720
<b>Total</b>	<b>-</b>	<b>3,437,720</b>

*Vihiga County Education Fund*  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

5. Cash and cash equivalents

Description	2017/2018	2016/2017
	KShs	KShs
Bank Balance Main Account	1,277	(5,091)
<b>Total Cash And Cash Equivalents</b>	<b>1,277</b>	<b>(5,091)</b>

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

Financial Institution	Account number	2017/2018	2016/2017
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1173663711	1,277	(5,091)
<b>Grand total</b>		<b>1,277</b>	<b>(5,091)</b>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Related party balances

a) Nature of related party relationships

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

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



7. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

Since this is the third year of reporting the Funds' Financial Statement has never been audited.