

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
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LIBRARY

OF

THE AUDITOR-GENERAL

ON

NYERI COUNTY ELIMU FUND

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Mas Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



NYERI COUNTY ELIMU FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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



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Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

a) Acronyms

CT	County Treasury
CIDP	County Integrated Development Plan
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSHS	Kenya Shillings
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TNT	The National Treasury
TVETs	Technical and Vocational Educational Training Institutions

b) Definition of Terms

1. Fiduciary Management - The key management personnel who had financial responsibility.

c) A list of Acronyms and Key terms used in the financial report

1. CECM- County Committee Executive Member
2. D.O.B.- Date of Birth
3. PWD - People with disability
4. HRM - Human Resource Management
5. IT - Information Technology

2. Key Entity Information and Management

a) Background information

Nyeri County Elimu Fund is established by and derives its authority and accountability from Nyeri County Elimu Fund Act, 2015 on 31st December, 2015. The Fund is wholly owned by the County Government of Nyeri and is domiciled in Kenya.

The fund's objective is to provide funds to be used for granting money to assist students to pursue education at such recognized institutions not leaving out persons with disabilities who deserve support to pursue their education at recognized schools and educational institutions. The Fund's principal activity is to enhance retention of needy students in learning institutions and enable bright and needy students retained in secondary school level for 4 years and transitioned to the next level of education.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to assist financially needy students to pursue their studies.

c) Board of Trustees/Fund Administration Committee

1	Chairman	Mr Solomon Mworira
2	PWD Representative	Mr Joseph Kagunda Mwangi
3	Fund Administrator to the Board	Mr James Kiretai
4	Board Secretary	Mr. James Gacuiru
5	Youth Representative	Mr Steve Maina Nderi
6	Faith Based Organizations Rep.	Fr Moses Kanyingi
7	Self Help Group Representative	Ms Joan Mathenge
8	Head Teachers Representative	Mrs Rosemary W. Ngunu

d) Key Management

The key management personnel who held office during the financial year ended 30th June, 2024 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Fund Administrator	Mr James Kiretai
2	Board Secretary	Mr. James Gacuiru

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

The Structure of the County Government has Ten Departments. The Departments get all their Financial Budget approvals from the County Executive Committee and the County Assembly. The fund operations are approved by the Fund Board of Management, report to the CECM Finance and the County Assembly every end of Quarter. Audit arrangements are carried out by the Internal Auditor who reports to the County Audit Committee. The Office of the Auditor General does a separate Audit and report to the Public Investment Committee at the Senate.

The office of the Auditor General reports the findings to the County Assembly and Senate.

f) Registered Offices

P.O. Box 1112-10100
Regional Commissioners Complex Nyeri Block C
Kamakwa Road
Nyeri, KENYA

g) Fund Contacts

Telephone:(254) 0771320143
E-mail: educationnyeri.go.ke
Website: www.go.ke

h) Fund Bankers

Kenya Commercial Bank

Nyeri Branch

P.O. Box 192
Nyeri 10100

i) Independent Auditors

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

j) Principal Legal Adviser

Office of County Attorney

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Nyeri County Attorney

Nyeri County Governor's Office

P.O. Box 1112

Nyeri 10100

Nyeri, Kenya

k) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

l) County Attorney





P.O. Box 1112

Postal code 10100

Nyeri Town





County Headquarters, Kenya

3. Trustees/ Fund Administration Committee Profiles



Name	Details of qualifications and experience
 <p>1.Solomon Mworia</p>	<p>D.O.B 16/9/1959. Academic & Professional Qualifications; MS Project Planning and Management, B/ED arts and literature,P1,Dip.in Primary School Management Occupation; Teacher. Work Experience ; 35Years Independent Board Member ; Chairman to the Board</p>
 <p>2. Mr. Joseph Kagunda Mwangi</p>	<p>DOB Academic & Professional Qualifications; BSc in Information Science Occupation; IT Specialist Work Experience; 8 Years Independent Board Member ; V/Chairman to the Board and PWD Representative</p>
 <p>3.James Gichuki Kiretai</p>	<p>DOB 1965 Academic & Professional Qualifications; Bachelor of Education Occupation; Teacher Work Experience ;32 Years Executive Board Member. Fund Administrator</p>
 <p>4.James Mwangi Gacuri</p>	<p>DOB 18/06/1973 Academic & Professional Qualifications; Bachelor of Education; Dip. HRM, MSC Procurement and Entrepreneurship. Occupation; Teacher Work Experience ; 23 Years Main Responsibility; Preparation of Non-Financial reports Executive Board Member. Secretary to the Fund</p>

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

 <p>5. Fr.Moses Kanyingi Gichuri</p>	<p>D.O.B 16/9/1981. BA in Philosophy, Bachelor of Sacred of Theology. Occupation; Catholic Priest. Work Experience; 10 Years Independent Board Member. Faith based Organisation Representative</p>
 <p>6.Rosemary Ngunu</p>	<p>D.O.B 20/8/1968. Academic & Professional Qualifications; Bachelor of Education. Occupation; Teacher. Work Experience ;29 Years Independent Board Member. Head Teachers Representative</p>
 <p>7.Joan Mathenge</p>	<p>DOB Academic & Professional Qualifications; BBA Marketing Occupation; Business Lady Work Experience;10 Years Independent Board Member. Self Help Group Representative</p>
 <p>8.Steve Nderi</p>	<p>DOB 1997 Academic & Professional Qualifications; BA in Governance and Public Administration Occupation; Administrator Work Experience; 5 Years Independent Board Member. Youth Representative</p>

4. Key Management Team

Name	Details of qualifications and experience
 1. James Gichuki Kiretai	DOB 1965 Academic & Professional Qualifications; Bachelor of Education Occupation;. Teacher Work Experience ;32 Years Executive Board Member. Fund Administrator Main Responsibility; Accounting Officer of the Fund
 2. James Mwangi Gacuir	DOB 18/06/1973 Academic & Professional Qualifications; Bachelor of Education; Dip.HRM, MSC Procurement and Entrepreneurship. Occupation; Work Experience; 23 Years Executive Board Member. Secretary to the Fund Main Responsibility; Preparation of Fund Minutes and Non-Financial Reports.

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

5. Chairman's Report

It is my pleasure to present, on behalf of the Board of Management, the Nyeri County Elimu Fund Financial Statements for the year ended 30th June, 2024. The financial statements present the financial performance of the fund over the past year.

Board and Management Changes

During the year there were changes in the board of management. One member joined the Board while another appointed Chair of a Constituency Development Fund left the Board.

Review of performance and Income

The fund received KShs.100, 000,000 from County Government of Nyeri and a rollover of Kshs 5,896,013 from the previous year.

Disbursements and Expenditures

The total bursary disbursed to needy students during the period amounted to KShs. 95,736,125 out of which the normal bursary amounted to Kshs 72,367,700, scholarship programme Kshs 12,292,083 and special cases amounted to Kshs 5,732,287, Roll over with Kshs 5,344,055. Administration expenses amounted to KShs. 6,421,258 for the year.

Future outlook

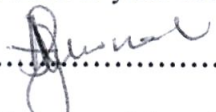
The future of the Fund looks bright. The fund rolled out a 4-year scholarship programme. We have had Six Cohorts of 360 students benefitting in the six years. This financial year the 2nd cohort of 60 students completed the 4 years and the performance was as follows;

No.	Score	No. of Students	No.	Score	No. of Students
1	A	1	6	C+	11
2	A-	4	7	C	5
3	B+	5	8	C-	4
4	B	11	9	D+	1
5	B-	11	10	D	1
Total		54			

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the county government stakeholders, management, staff and the board for their continued support which made us achieve these results.

I look forward to your continued support in the year 2024/2025.

.....  26/09/2024

Name: Solomon Mworira

Chairman Elimu Fund Board.

6. Report of the Fund Administrator

It is my pleasure to present the Nyeri County Elimu Fund Financial Statements for the year ended 30th June, 2024. The Financial Statements present the financial performance of the Fund over the past year.

The fund was established on 31st December, 2015 and the Fund Administrator was appointed on 8th March, 2016. Since then, a total of Kshs 749,000,000 has been received from County Government and disbursed to needy students from Nyeri County.

Financial Performance

a) Revenue

In the year ended 30th June, 2024 the fund Budgeted a transfer from County Government of Kshs 100,000,000. The fund received the Kshs 100,000,000 in actual transfer, representing 100% performance.

In the table below, we present an analysis of transfer/ issue performance during the year.

Revenue classification	Budget	Actual	Realization
Revenue	Kshs	Kshs	%
Transfers from County Govt.	100,000,000	100,000,000	100%
Total income	100,000,000	100,000,000	100%

b) Disbursements and Expenditures

During the financial year 2023/2024, the fund disbursed KShs 95,736,125. The total number of beneficiaries are 17,585 students. Broken down as follows; Normal bursary Kshs 72,367,700 with 16,343 beneficiaries, Special cases Kshs 5,732,287.00 with 1,035 beneficiaries and full scholarship Kshs 12,292,083 with 240 beneficiaries and a Rollover with Kshs 5,344,055.

The summary of the beneficiaries is tabulated as follows:

i. Normal Bursary.

Categories	No. of Students	Amount Kshs
Secondary	10,680	38,457,700
University	1,793	9,010,000
College	1,540	7,720,000
Polytechnic	1,225	6,145,000
Special Institution	377	1,885,000

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

2jijiri Program	728	9,150,000
TOTAL	16,343	72,367,700

ii. Special cases

Categories	No. of Students	Amount
University	108	570,000
Secondary	755	4,197,287
College	110	585,000
Polytechnic	56	350,000
Special Institution	6	30,000
TOTAL	1035	5,732,287

iii. Full Sponsorship

Categories	No. of Students	Amount
Secondary	240	12,292,083
TOTAL	240	12,292,083

iv. Roll over

Categories	No. of Students	Amount
Secondary		5,344,055
TOTAL		5,344,055

v. Conclusion

FY 2023/2024 was a good year in terms of budget allocation where the Fund received Kshs 100 million from the County Treasury. In terms of academics our Cohort 2 of Governor's scholarship program students sat for KCSE 2023 exams and their performance was quite impressive. We attained a mean score of B- of 7.7 points. We have identified gaps and areas to improve on in the subsequent years. I take this opportunity to thank the board for their support. I thank all staff who have worked hard to ensure that Elimu fund achieves its objectives.

Signed: _____

COUNTY GOVERNMENT OF NYERI
DEPARTMENT OF EDUCATION
AND SPORTS
CHIEF OFFICER
Date:.....

Mr James Kiretai

Fund Administrator.

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each County Government entity is done in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board including a statement of the county government entity’s performance against predetermined objectives.

The key development objectives of the County Government of Nyeri- Department of Education and Training Strategic Plan 2019-2024 are to:

- a) Improve quality of education in ECDE
- b) Improve quality training in VTCs
- c) Support education of students from needy backgrounds through Elimu fund Bursary program.
- d) Improve quality of life of the youth at the VTCs below, we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary/ Education	To support education of children/students from needy background through Elimu Fund Bursary program.	Increased number of students accessing education in the County	Number of students accessing education in the County	In FY 23/24 we increased bursary allocation by Kshs 60 Million in the County compared to F/Year 22/23.
Scholarship	Gives bright needy students scholarship from form one to form 4.	Increased number of students retained in school and completion up to O-level.	Number of students retained & transitioned to next level institutions	FY 23/24 increased the allocation to students in the Scholarship program compared to the year 22/23.

8. Statement of Corporate Governance

The Board

The Nyeri County Elimu Fund is established by and derives its authority and accountability from Nyeri County Elimu Fund Act, 2015.

The Fund shall be managed and administered by a Board. The objective of the Nyeri County Elimu Fund is to provide funds to assist needy students to pursue education at such recognized institutions not leaving out persons with disabilities who deserve support to pursue their education at recognized schools and educational institutions.

Nyeri County Elimu Fund Management Board

Established by Nyeri County Elimu Fund Act, 2015 part III sec 7 (1) inter alia states;

“The Board shall consist of 10 members appointed by the County Executive in –charge of Education in consultation with the Governor. The members of the board shall hold office for a period of three consecutive years and may be eligible for re-appointment for one further and final term”.

The board is provided with full, appropriate and timely information that enables it to maintain full and effective control over the strategic, financial, operational and compliance issues. Whereas the day-to-day running of the operations of the fund is handled by the Fund Administrator.

Board Meetings

The board meets at least Four times in a year. The Chairperson shall, upon requisition in writing by at least four members convene a special meeting of the board at any time when need arise. The board held three full board meetings and did not hold any special meeting during the FY 2023/2024.

9. Management Discussion and Analysis

The fund has continued to grow over the years and the management has put measures in place to safeguard against risks.

Business Performance

Revenue

The fund received Kshs 100,000,000.00 from the County Government. The Funds hit the Fund Bank account no.1181214947 on 11th January, 2024. Kshs 5,896,013 was rolled over to FY 2023/2024.

Cash flow

The cash and cash equivalents increased from KShs 32,086,013 as at 30 June, 2023 to KShs 32,491,675 as at 30 June, 2024.

Operational Performance

c) Disbursements and Expenditures

During the financial year 2023/2024, the fund disbursed KShs.95,736,125. The total number of beneficiaries are 17,585 students. Broken down as follows; Normal bursary Kshs 72,367,700 with 16,343 beneficiaries, Special cases Kshs 5,732,287 with 1,035 beneficiaries and full scholarship Kshs 12,292,083 with 240 beneficiaries and a Roll over with Kshs 5,344,055.

The summary of the beneficiaries is tabulated as follows:

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Polytechnic	1,225	6,145,000
Special Institution	377	1,885,000
2jijiri Program	728	9,150,000
Total	16,343	72,367,700

ii) Special cases

Categories	No. of Students	Amount
University	108	570,000
Secondary	755	4,197,287
College	110	585,000

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Polytechnic	56	350,000
Special Institution	6	30,000
Total	1035	5,732,287

iii) Full Sponsorship

Categories	No. of Students	Amount
Secondary	240	12,292,083
Total	240	12,292,083

iv) Roll over

Categories	No. of Students	Amount
Secondary		5,344,055
TOTAL		5,344,055

No. of Students.

Categories	Normal	Special	Scholarship
University	1,793	108	0
Secondary	10,680	755	240
College	1,540	110	0
Polytechnic	1,225	56	0
Special Institution	377	6	0
2jijiri Program	728	0	0
TOTAL	16,343	1035	240

Management Discussion and Analysis (Continued)

Amount Issued.

Categories	Normal	Special	Scholarship	Roll over
University	9,010,000	570,000	0	0
Secondary	38,457,700	4,197,287	12,292,083	5,344,055
College	7,720,000	585,000	0	0
Polytechnic	6,145,000	350,000	0	0
Special Institution	1,885,000	30,000	0	0
2jijiri Program	9,150,000	0	0	0
TOTAL	72,367,700	5,732,287	12,292,083	5,344,055

Employees

Human capital is a critical ingredient towards ensuring realisation of our key strategic objectives and mandate. As our stakeholders increase their expectations, it is imperative to ensure adequate and motivated human resource capacity is available to provide services.

Conclusion

We appreciate the unrelenting support from the board, staff, the county government and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2023/2024.

10. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The Elimu Fund Act provides for Edowment Fund. This is a Fund into which Funds are deposited from the Allocation on Bursary for future Sustainability.

b) Environmental performance

The Fund promotes education to the needy students in Nyeri County by issuing bursary Cheques. The students are identified through public participation.

c) Employee welfare

Employees working with the Fund are guided by Terms and Conditions of Service, Scheme of Service for Employees working in the County Departments.

d) Marketplace practices

Public participation is held in all the 256 Sub locations in Nyeri County and these improves the transparency and accountability of the fund.

e) Corporate Social Responsibility

As part of CSR the Fund has awarded Scholarship to needy Students for a 4 (Four) year program to ensure they complete their 'O' Level Education.

11. Report of the Trustees/Committee

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of affairs for the Fund.

Principal activities

The principal activities of the Fund is to provide bursaries to the needy students.

Results

The results of the Fund for the year ended June 30, 2024 are set out on pages 21 to 25.

Trustees

The members of the Board of Trustees who served during the year are shown on page vi and vii.

Auditors

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

By Order of the Board



.....
Chairman of the Board

Date: 26/09/2024

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 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 Nyeri County Elimu Fund is responsible for the preparation and presentation of the Fund/Scheme’s financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on 30th June, 2024. 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 Nyeri County Elimu 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 Nyeri County Elimu Fund Act, 2015. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Nyeri County Elimu Fund has assessed the Fund’s ability to continue as a going concern and disclosed as applicable. 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

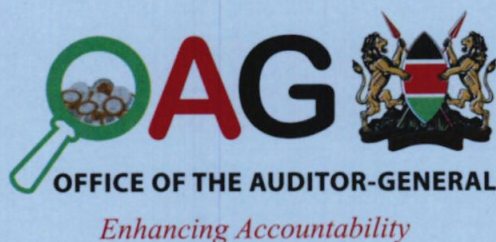
The Fund’s financial statements were approved by the Trustee/Committee on 25/09/ 2024 and signed on its behalf by:



.....
Administrator of the Nyeri County Elimu Fund

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 NYERI COUNTY ELIMU FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the 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; and,
- C. Report on the 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nyeri County Elimu Fund set out on pages 21 to 45, which comprise the statement of receipts and payments for the year ended 30 June, 2024 and the statement of comparison of budget and actual amounts for

Report of the Auditor-General on Nyeri County Elimu Fund for the year ended 30 June, 2024

the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nyeri County Elimu Fund as at 30 June, 2024 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 County Government Act, 2012, the Nyeri County Elimu Fund Act, 2025 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

Other Information

Conclusion

The Management is responsible for the other information set out on page iii to xix which comprise of Key Entity Information and Management, Trustees/Fund Administration Committee Profiles, Key Management Team, Chairman's Report, Report of the Fund Administrator, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Statement of Corporate Governance, Report of the Trustees/Committee, and Statement of Management Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I

conclude that there is a material misstatement of this other information and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Opinion, I confirm that other information is not materially inconsistent with the financial statements

My Opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 effect of 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

Expenditure Beyond Set Threshold on Administration Costs

The statement of financial performance reflects total revenue of Kshs.102,563,045 out of which the Management was supposed to spend 3% which is Kshs.3,076,891 on administration costs. However, Management spent a total of Kshs.6,421,258 on Fund administration expenses resulting to an overspending of Kshs.3,344,367 beyond the required threshold contrary to Section 5.(1) of the Nyeri County Elimu Fund Act, 2015 states that the Fund shall be used for - (e) meeting any expenditure related to administration of the Fund as may be approved by the board; provided that not more than three per cent of the total monies consisting of the Fund shall be utilized for administration of the Fund.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require 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 THE 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 effect of the matter described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Approved Bursary Policy

The statement of financial performance and as disclosed in Note 10 to the financial statements is a balance of Ksh.95,736,125 in respect of bursaries issued. However, Management did not have an approved policy, criteria and conditions governing the granting of bursaries, contrary to Section 12(a)(d) of the Elimu Fund Amendment Act, 2020. Consequently, some needy students may not have benefited from the bursary fund as intended.

In the circumstances, the effectiveness of the internal controls in regard to the issuance of bursaries could not be confirmed.

The audit was conducted in accordance with 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 the Management and the Trustee

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 governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Trustees 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

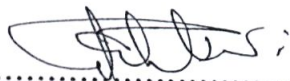
24 December, 2024

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Financial Performance for the Year Ended 30th June 2024

		KShs	KShs
Revenue From Non-Exchange Transactions			
Transfer from Fixed Deposit		0	9,000,000
Transfers from the County Government	2	100,000,000	40,000,000
Sub Total		100,000,000	49,000,000
Revenue From Exchange Transactions			
Interest income from Bank Deposit	4	2,054,597	637,603
Other income- Refund of Imprest	5	508,448	-
Sub Total		2,563,045	637,603
Total Revenue		102,563,045	49,637,603
Expenses			
Bursaries Issued	6	95,736,125	44,574,191
Fund administration expenses	7	6,421,258	6,147,955
Transfer to Endowment Account	12	2,000,000	1,640,000
Transfer to Call Account			9,000,000
Total Expenses		104,157,383	61,362,146
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	-
Surplus/(Deficit) For The Period		- 1,594,338	-11,724,543



Name: JAMES KIRETAI
Fund Administrator/Accounting Officer



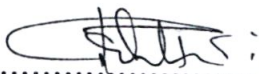
Name: RICHARD KIMANI
Fund Accountant/DIRECTOR FINANCE
ICPAK Member Number: 6447

15. Statement of Financial Position as at 30 June, 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	32,491,675	32,086,013
Outstanding Transfer From County	18	0	0
		32,491,675	32,086,013
Non-Current Assets		0	0
Total Assets		32,491,675	32,086,013
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions			-
Provisions			-
Non-Current Liabilities			
Non-Current Employee Benefit Obligation			-
Long Term Portion of Borrowings			-
Total Liabilities			-
Net Assets		32,491,675	32,086,013
Fund Balances			
Endowment Fund Balance	13	28,190,000	26,190,000
Accumulated Bursary Fund surplus/deficit		4,301,675	5,896,013
Outstanding Transfer From County	18	0	0
Total net assets and liabilities		32,491,675	32,086,013

Notes; The Outstanding Transfer from the County Government of Nyeri was for the F/ Y 2021/2022. The same has been removed since no County Government will provide funds for prior year.

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 25/09/2024 and signed by:



Name: JAMES KIRETAI
Fund Administrator/Accounting Officer



Name: RICHARDO KIMANI
Fund Accountant / DIRECTOR FINANCE
ICPAK Member Number: 6447

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

16. Statement Of Changes in Net Assets for the year ended 30th June, 2024

	Endowment Fund	Accumulated Surplus/Deficit	Total
	2023-2024	2023-2024	2023-2024
	Kshs	Kshs	Kshs
Balance as at 1 July 2023	26,190,000	5,896,013	32,086,013
Surplus/(deficit) for the period	-	- 1,594,338	- 1,594,338
Funds received during the year	2,000,000	-	2,000,000
Balance as at 30 June 2024	28,190,000	4,301,675	32,491,675
Balance as at 1 July 2024	28,190,000	4,301,675	32,491,675

17. Statement of Cash Flows for The Year Ended 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	2	100,000,000	40,000,000
Interest received	4	2,054,597	637,603
Transfer from Fixed Deposit		0	9,000,000
Other Income		508,448	
Total Receipts		102,563,045	49,637,603
Payments			
Bursaries Issued	6	95,736,125	44,574,191
Fund administration expenses	7	6,421,258	6,147,955
Total Payments		102,157,383	50,722,146
Net cash flows from operating activities		405,662	-1,084,543
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Call Deposit Investment		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		405,662	-1,084,543
Cash and cash equivalents at 1 st JULY, 2023		32,086,013	43,010,556
Cash and cash equivalents at 30th June, 2024		32,491,675	32,086,013

Note. The Cash and Cash Equivalents for the previous year was erroneous and has been corrected to reflect the correct Cash and Cash Equivalent as at 30th June, 2023.

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

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June, 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from County Govt.	100,000,000	0	100,000,000	100,000,000	-	0
Interest income	2,500,000	0	2,500,000	2,054,597	445,403	85
Roll Over	5,896,013	0	5,896,013	5,896,013	-	100
Other Income	0	0	0	508,448	508,448	
Total income	108,396,013	0	108,396,013	108,459,058	63,045	100
Expenses						
Bursaries Issued	103,271,013	-	103,271,013	95,736,125	7,534,888	93
Fund administration expenses	3,075,000	-	3,075,000	6,421,258	3,346,258	209
Endowment Fund	2,050,000	-	2,050,000	2,000,000	50,000	100
Total expenditure	108,396,013		108,396,013	104,157,383	4,238,630	96
Surplus for the period	0	0	0	4,301,675	4,301,675	

Budget notes

1. A commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)

-Interest Income was lower than anticipated since the County Treasury was not able to release the funds in the second Quarter. The Funds are placed in a Call Account until the Bursary Process is completed for the Cheques to be released.

2. There were no changes between original and final budget (IPSAS 24.29)

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nyeri County Elimu Fund is established by and derives its authority from Nyeri County Elimu Fund Act, 2015. The entity is wholly owned by the County Government of Nyeri and is domiciled in Kenya. Nyeri County Elimu Fund principal activity is to support needy students.

2. Statement of compliance and basis of preparation

Nyeri County Elimu Fund’s financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Bursary Fund/Scheme. 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 financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held	<i>Applicable 1st January 2025</i> The Standard requires,

Nyeri County Elimu Fund

Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17. In IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>

Standard	Effective date and impact:
	statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

Revenues from non-exchange transactions 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.

b) Budget information

The original budget for FY 2024 was approved by the County Assembly on 15th June, 2024. 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 Nyeri County Elimu Fund upon receiving the respective approvals in order to conclude the final budget. The Nyeri County Elimu Fund recorded additional appropriations of Kshs. NIL on the FY 2023/2024 budget.

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

In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification plans 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 page 5 of these financial statements.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(i) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

(ii) Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

(iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is

recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iv) Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

(v) Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

(vi) Trade and other receivables

Trade and other receivables are recognized at fair values, less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

(vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are not set out.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Provisions

Provisions are recognized when the Nyeri County Elimu Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Nyeri County Elimu Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

e) Contingent liabilities

Nyeri County Elimu Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is probable.

f) Contingent assets

Nyeri County Elimu Fund does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Nyeri County Elimu Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

g) Nature and purpose of reserves

The Nyeri County Elimu Fund creates and maintains reserves in terms of specific requirements. Nyeri County Endowment Account has been operationized for this purpose.

h) Changes in accounting policies and estimates

The Nyeri County Elimu Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

j) Related parties

The Nyeri County Elimu Fund 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 Nyeri County Elimu Fund, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Fund administrator and Senior managers.

k) 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.

l) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

No Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from the County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	100,000,000	40,000,000
Payments By County On Behalf of The Entity	0	0
Total	100,000,000	40,000,000

7. Public Contributions and Donations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

8. Finance income

Description	2023-2024	2022-2023
	KShs	KShs
Interest income from Bank deposit	2,054,597	637,603
Total	2,054,597	637,603

Funds deposited in the Call Account generate the Interest.

9. Other income

Description	2023-2024	2022-2023
	Kshs	Kshs
Refund of Imprest	508,448	-
Total Other Income	508,448	-

Nyeri County Elimu Fund

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10. Bursary Transfers

Description	2023-2024	2022-2023
	Kshs	Kshs
Normal Bursary	72,367,700	20,763,000
Full Scholarship	12,292,083	14,420,335
Special Cases	5,732,287	9,390,856
Roll over	5,344,055	0
Total	95,736,125	44,574,191

11. Scholarship grants

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Universities	0	0
TVETs and Colleges	0	0
Secondary schools	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

12. Use of Goods and Services

Code	Description	2023-2024	2022-2023
		Kshs.	Kshs.
2110300	Casual Wages- Data Entry Clerks	481,101	200,735
2210300	Communication Supplies& services	161,500	50,000
2210400	Domestic Travel & Subsistence	2,186,636	2,701,900
2210600	Advertising & Information	400,800	511,900
2210700	Training Expenses	10,000	-
2211200	General Supplies & Services	464,689	179,450
2210800	Hospitality Supplies & Services	1,081,220	1,097,730

Nyeri County Elimu Fund

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2211300	Fuel, Oil and Lubricants	1,446,335	1,300,000
2220300	Routine Maintenance	128,120	-
2220400	Bank Charges	60,857	106,240
	Total	6,421,258	6,147,955

13. Cash and cash equivalents as at 30th June, 2024

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	32,491,675	32,086,013
Total cash and cash equivalents	32,491,675	32,086,013

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1181214947	4,301,675	5,896,013
Sub- Total		4,301,675	5,896,013
b) Endowment Account	1292606193		
KCB- Call Deposit		28,190,000	26,190,000
Transfer to Call Account.			
Sub- Total		28,190,000	26,190,000
c) On - call deposits			
Kenya Commercial Bank		-	-
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		32,491,675	32,086,013

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14. Non-Exchange Receivables

Description	Insert Current FY 2023/24	Insert Comparative FY 2022/2023
	Kshs	Kshs
Revenue receivable	0	0
Others	0	0
Total non-exchange receivables	0	0

15. Exchange Receivables

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest receivable	0	0
Others	0	0
Total exchange receivables	0	0

16. Trade and other payables

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade Payables	0		0	
Other Payables	0		0	
Total Trade and Other Payables	0		0	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	0		0	

17. Cash generated from operations.

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	-1,594,338		-11,724,543	
Adjusted For:				
Working Capital Adjustments				
Increase In Receivables	(0)		(0)	
Increase In Payables	0		0	
Net Cash Flow from Operating Activities	-1,594,338		-11,724,543	

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

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18. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund/Scheme 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) Key management.
- c) Board of Trustees, etc.

b) Related party transactions

Description	Insert Current FY 2023/2024	Insert Comparative FY 2022/2023
	Kshs	Kshs
Transfers from related parties	100,000,000	40,000,000
Transfers to related parties	0	0
Total	100,000,000	40,000,000

c) Key management remuneration

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Board of Trustees	0	0
Total	0	0

d) Due from related parties

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Due From County Government	0	3,000,000
Total	0	3,000,000

Other Disclosures Continued**e) Due to related parties**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Due to County Government	0	0
Due to Key Management Personnel	0	0
Total	0	0

19. Contingent assets and contingent liabilities

Contingent Liabilities	Insert Current FY 2023/2024	Insert Comparative FY 2022/2023
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
Total	0	0

20. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund/Scheme does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Fund/Scheme's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impair ed Kshs
At 30 June (Current Year)				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	32,491,675	0	0	0
Total	32,491,675	0	0	0
As at 30th June (Previous Year)				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	32,086,013	0	0	0
Total	32,086,013	0	0	0

(NB: No credit risk is disclosed in the Fund's statement of financial position)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund/Scheme Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund/Scheme under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	0	0	0	0
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Total	0	0	0	0
As at 30 June (Previous FY)				
Trade Payables	0	0	0	0
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

c) Market risk

The Fund/Scheme has put in place an internal audit function to assist it in assessing the risk faced by the Fund/Scheme on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund/Scheme's finance department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The Fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Cash	0	0	0
Debtors/ Receivables	0	0	0
Liabilities	0	0	0
Trade And Other Payables	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund/Scheme's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the two main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
		Kshs	Kshs
(Current FY)			
Euro	x%	0	0
USD	x%	0	0
Other (<i>Specify</i>)	x%	0	0
(Comparative FY)			
Euro	x%	0	0
USD	x%	0	0
Other (<i>Specify</i>)	x%	0	0

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund/Scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund/Scheme's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	Current FY 2023/2024	Comparative FY
	Kshs	Kshs
Accumulated surplus	0	0
Total funds	0	0
Less: cash and bank balances	(0)	(0)
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0%	0%

21. Events after the reporting period

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

22. Currency

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

Nyeri County Elimu Fund

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20. 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. in the external audit Report	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe (Date when the matter resolved)
2020/2021;	Variance in the Financial Statements	Correction done	Resolved	23/05/2024
2019/2020; 2020/2021;2021/2022	Unconfirmed Bursaries/ Shedula	Collected about 99% of Targeted Receipts	Resolved	23/05/20254
2019/2020; 2020/2021;2021/2022	Administrative Costs beyond Allowable Limit	Cost of going through the Bursary process higher than the amount provided.	Not Resolved	FY 2024/2025
2021/2022	Late Submission of Financial Statements	The Officer was away	Not Resolved	N/A



Fund Administrator

Date: 26/09/2024

Nyeri County Elimu Fund

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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: NYERI COUNTY TREASURY

Name of beneficiary entity: NYERI COUNTY ELIMU FUND

Confirmation of amounts received by Nyeri County Elimu Fund as at 30th June, 2024.

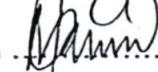
Reference Number	Date Disbursed	Amounts Disbursed by Nyeri County Treasury- Department of Finance and Planning (Kshs) as at 30 th June, 2024			Amount Received by Nyeri County Elimu Fund (Kshs) as at 30 th June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
REC/000166337NY	11 th Jan, 2024	100,000,000	0	100,000,000	100,000,000	0
Total		100,000,000	0	100,000,000	100,000,000	0

I confirm that the amounts shown above are correct as of the dates indicated.

Head of Accounts Department - Disbursing Entity:

Name JOHN NAWAY Sign  Date 23/9/2024

Head of Accounts Department - Beneficiary Entity:

Name RICHARD KIMANI Sign  Date 23/09/2024
DIRECTOR FINANCE & ACCT