

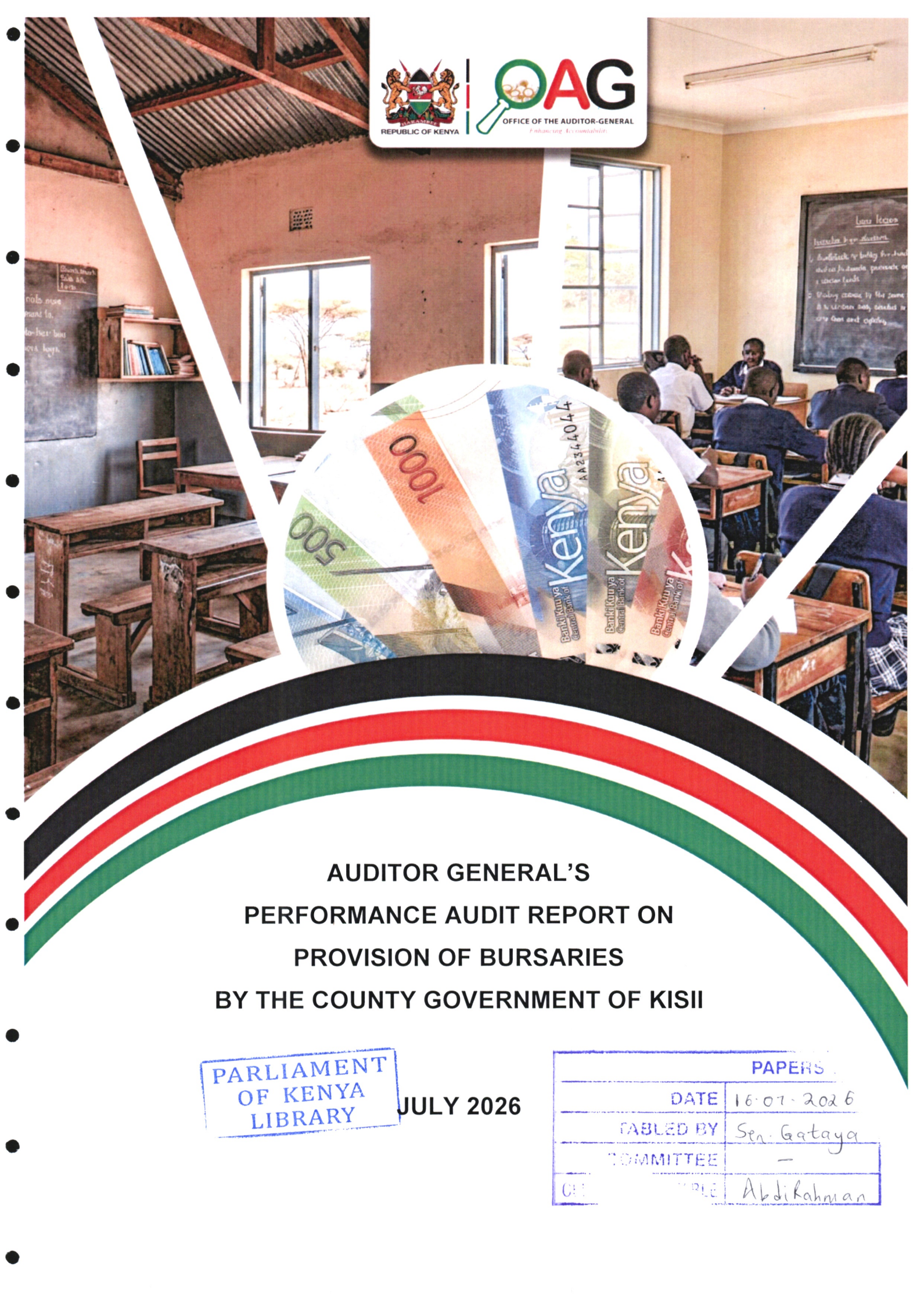


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



AUDITOR GENERAL'S PERFORMANCE AUDIT REPORT ON PROVISION OF BURSARIES BY THE COUNTY GOVERNMENT OF KISII

PARLIAMENT
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JULY 2026

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FOREWORD

I am pleased to present this performance audit report on the Provision of Bursaries to Needy Learners by the County Government of Kisii. My Office carried out the audit under the mandate conferred to me by Article 229(6) of the Constitution of Kenya, 2010, to confirm whether or not public money has been applied lawfully and in an effective way. In addition, Section 36 of the Public Audit Act, 2015 requires the Auditor-General to examine the economy, efficiency and effectiveness with which public money has been expended.

Performance, financial and compliance audits form the three-pillar audit assurance framework that I have established to give focus to the varied and wide scope of the audit work done by my Office. The framework is intended to provide a high level of assurance to stakeholders that public resources are not only correctly disbursed, recorded and accounted for, but that the use of the resources results in positive impacts on the lives of all Kenyans. The main goal of our performance audits is to ensure effective use of public resources and promote service delivery to Kenyans.

The Report is submitted to the Kisii County Assembly in accordance with Article 229(7) of the Constitution of Kenya, 2010 and Section 39(1) of the Public Audit Act, 2015. I have submitted copies of the Report to the Chief of Staff and Head of Public Service, Principal Secretary, The National Treasury, Principal Secretary, State Department for Devolution, Clerk of the Senate, Governor, County Government of Kisii and the Chairperson, Council of Governors.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

08 July, 2026

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LIST OF ABBREVIATIONS

Abbreviation	Full Term
AIE	Authority to Incur Expenditure
CEC	County Executive Committee
CHP	Community Health Promoter
FY	Financial Year
IQMS	Integrated Quality Management Systems
INTOSAI	International Organization of Supreme Audit Institutions
ISA	International Standards on Auditing
ISSAI	International Standards of Supreme Audit Institutions
KEMIS	Kenya Education Management Information System
Kshs	Kenyan Shilling
NGAAF	National Government Affirmative Action Fund
NG-CDF	National Government Constituencies Development Fund
NGAO	National Government Administrative Officers
OAG	Office of the Auditor-General
PAC	Public Accounts Committee
PSSB	Presidential Secondary School Bursary
PWD	Person with Disability
SDG	Sustainable Development Goal
TVET	Technical and Vocational Education and Training

DEFINITION OF TERMS

Term	Definition
Administrative Expenditure	Costs incurred in the management and operation of the Kisii County Bursary Fund, excluding amounts awarded directly to beneficiaries.
Bursary	Non-repayable financial assistance provided to needy learners to support education costs, including tuition and related expenses.
Bursary Beneficiary	A learner who has been approved and awarded bursary support under the Kisii County Bursary Fund.
Bursary Fund	A public fund established by the Kisii County Government to support needy learners through bursaries.
County Bursaries Management Board	A body established under the Kisii County Bursary Act, 2014 responsible for policy formulation, setting eligibility criteria, approval of bursary awards, oversight, and handling appeals.
Disbursement	The process of releasing bursary funds from the County Government to learning institutions or beneficiaries.
Exchequer Release	Transfer of funds from The National Treasury to the County Government to finance approved expenditures.
Fee Balance	Outstanding amount payable by a learner to a learning institution at the time of bursary application.
Monitoring	Activities undertaken to track bursary awards, verify beneficiary status, confirm receipt of funds by learning institutions, and assess academic progress of beneficiaries.
Needy Learner	A learner from a financially disadvantaged background who requires bursary support to access or continue education.
Persons with Disabilities (PWD)	A learner with a physical, sensory, mental, or other impairment requiring additional support to access education.
Ward Bursary Committee	A committee established under the Kisii County Bursary Act, 2014 responsible for receiving, vetting, recommending bursary applicants, and monitoring beneficiaries at ward level.

EXECUTIVE SUMMARY

Background of the Audit

1. Bursaries are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Bursaries are awarded to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses.
2. The Kisii County Government has established a County Bursary Fund to assist students from needy groups such as; orphans, those from poor families, and those with special needs, to pursue education at recognized institutions. This promotes access to secondary and tertiary education, for needy and vulnerable learners in the County.
3. The mandate for the provision of bursaries in Kisii County is vested in the County Bursaries Management Board. The Board is responsible for; formulating sound policies for regulating the management of the bursary funds, raising and soliciting for the funds, and setting the criteria and conditions governing the eligibility of awarding bursaries to applicants. The activities involved in the provision of bursaries fall within the Education Sector, under the County Executive Committee Member of Education.
4. The Auditor-General authorized the audit after considering the following factors: -
 - i. Review of the Hansard report dated 30 April, 2024, indicated that the Senate discussed the oversight of county governments in the management of bursary funds, highlighting issues of mismanagement and corruption across several counties. The Members also underscored the need for regular monitoring and evaluation, in order to assess the impact of bursary programs, thereby improving access to education and retention for learners.
 - ii. In September 2024, Members of the National Assembly discussed the need to have the various bursary and scholarship funds consolidated, in order to

address gaps in the current education funding model. This consolidation should aim to create a more efficient system for providing bursaries, ensuring resources are more equitably distributed and increasing access to funds for more needy learners .

- iii. Considering that the Kisii County Government cumulatively spent Kshs.533,610,548 during the financial years 2022/2023 to 2024/2025, it was essential to assess the efficiency and transparency with which the County utilized and disbursed funds to beneficiaries.
 - iv. Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in Kisii County. The results of the Pre-study indicated that the provision of bursaries by the County faced various set-backs that hindered the full achievement of the intended objectives. These included late disbursement of bursary funds, lack of coordination amongst the various bursary and scholarship providers, inadequacies in verification of applicants, and a lack of regular monitoring and evaluation, which prevent the County from effectively measuring the Fund's impact and informing necessary adjustment.
 - v. The provision of bursaries is also linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.
5. Given the above factors, an audit on the provision of bursaries was necessary to assess the progress made by the Kisii County Government in eliminating barriers to access to education by needy learners. It was essential to assess the efficiency and transparency with which the County utilized and disbursed bursary funds to beneficiaries.

Objective and Scope of the Audit

6. The audit assessed the extent to which the Kisii County Government ensured access to bursaries by needy learners. Specifically, the objective was to assess whether the Kisii County Government ensured adequate allocation of bursary funds and timely disbursement of bursaries to needy students.

Summary of Audit Findings

7. The audit established that the County Government of Kisii supported 99,813 learners through bursaries between Financial Years 2022/2023 and 2024/2025. Despite this scale of support, systemic weaknesses undermined equitable allocation, efficiency, accountability, and timely delivery of bursary assistance.

i. Inadequate Identification and Selection of Needy Beneficiaries

8. The audit established that ward bursary committees did not consistently verify applicants' financial need as required under the Kisii County Bursary Fund Act, 2014. Review of 191 sampled application forms revealed that 25% were not properly filled, and 32% lacked mandatory attachments, including admission letters, fee statements, identification documents, or proof of vulnerability. The absence of a standardized vetting tool and ineffective oversight by the County Bursary Management Board compromised fairness and transparency in beneficiary selection, and created uncertainty as to whether bursaries reached the neediest learners.

ii. Bursary Awards Not Based on Beneficiaries' Financial Needs

9. Bursary allocations were not linked to fee balances or socio-economic assessment. In the sampled wards, learners were uniformly awarded Kshs.3,000, regardless of school fees requirements. Further, in the Financial Year 2024/2025, 1,594 driving school trainees received awards ranging from Kshs.11,000 to Kshs.16,000 without documented needs assessment. Failure to apply differentiated award criteria undermined equity, diluted impact, and exposed vulnerable learners to continued fee arrears and potential school discontinuation.

iii. Learners Benefitting from Multiple Awards

10. Analysis of beneficiary lists revealed duplication of awards across wards. In Financial Year 2024/2025, 18,956 beneficiaries, representing 19.38%, of reviewed records appeared more than once in the beneficiary list. This was attributed to weak data controls and absence of an integrated beneficiary tracking system, resulting in inequitable distribution of limited resources and reduced coverage of deserving learners.

iv. Inefficient Manual Bursary Data Management System

11. The Fund relied on a manual filing system that limited coordination, validation, and monitoring of beneficiary data. Budget allocations for digitalization in Financial Years 2022/2023 and 2023/2024 were not approved. As a result, beneficiary records were incomplete, retrieval was slow, duplication was not prevented, and programme outcomes could not be reliably assessed.

v. Inconsistencies in the Utilization of Administrative Expenditure

12. Administrative expenditure exceeded the statutory 3% ceiling in certain years, and was incurred even when no bursaries were disbursed. Between Financial Years 2020/2021 and 2024/2025, the Fund incurred Kshs.25,859,544 in administrative costs, including avoidable expenditures on launch ceremonies. These funds could have supported up to 1,293 additional learners at an assumed award of Kshs.20,000. Ineffective oversight reduced resources available for bursaries and undermined value for money.

vi. Minimal Access to Bursaries by Persons with Disabilities

13. Although ward committees included Persons with Disabilities (PWD) representatives, the County lacked a structured framework for identifying and tracking beneficiaries living with disabilities. Further, no dedicated allocation or disaggregated data was maintained. This limited the County's ability to assess inclusivity and design targeted interventions for vulnerable groups.

vii. Inadequate Monitoring and Oversight

14. The County Bursary Management Board did not conduct structured monitoring of beneficiaries. Sampled wards either relied on informal follow-ups or conducted no monitoring at all. Further, no budget was allocated for monitoring activities. The absence of monitoring tools and reporting mechanisms weakened accountability, compromised data reliability, and limited assessment of programme impact.

viii. Delayed Disbursement of Bursary Funds

15. Exchequer funds were received between 31 and 165 days after commencement of the school calendar year, resulting in disbursement delays of three (3) to five (5) months. These delays exposed learners to fee arrears, absenteeism, and interruption of learning, and affected schools' financial planning.

ix. Inefficient Cheque-Based Disbursement System

16. The County relied on manual cheque disbursement. As at June 2024, cheques amounting to Kshs.11,015,500 remained unpresented. Further, sixty-five (65) of 2,740 cheques lacked issuance dates, and there was no structured mechanism for tracking cheques after issuance. The unpresented cheques could have fully supported up to 551 learners at an assumed allocation of Kshs.20,000. The manual system created liquidity constraints for schools and disrupted support to beneficiaries.

x. Inadequate Acknowledgment of Bursary Payments

17. In the Financial Year 2024/2025, Kshs.8 million, representing 4% of the Kshs.243 million disbursed was acknowledged by learning institutions. The absence of structured reconciliation and enforcement of acknowledgment requirements weakened transparency and limited assurance that funds reached intended beneficiaries.

xi. Provision of Bursaries to Learners in National Government Institutions

18. Between the Financial Years 2022/2023 and 2024/2025, between 83% and 99% of bursary funds were allocated to secondary schools, universities, and colleges, which fall under the National Government's mandate. Vocational training institutions under the County's devolved function received between less than 1% and 16% of the bursary funds. Although the County regularized this position through an Intergovernmental Partnership Agreement signed on 19 May, 2025, prior disbursements were made without a formalized legal framework, raising concerns regarding mandate alignment and sustainability.

Conclusion

19. The Kisii County Government did not ensure access to bursaries by needy and vulnerable learners in the County. There was inadequate allocation of bursaries to the applicants and delayed disbursement of funds to the learning institutions.
20. The County does not adequately identify and select needy learners as access to the application forms by the eligible applicants is limited and the vetting process did not effectively identify needy and vulnerable cases. Subsequently, bursaries were not awarded equitably.
21. The County lacks a robust information management system that would ensure data integrity and enhanced oversight on activities of ward bursary committees. This negatively affects collaboration amongst the ward committees and other bursary providers. A significant proportion of learners benefited from multiple bursaries, while other eligible learners remained unsupported, including persons living with disabilities.
22. The Kisii County Government has not adopted an efficient mode for disbursement of funds to the learning institutions. Bursary disbursements were made between three (3) and five (5) months after the beginning of the school academic year.

23. The County Bursaries Management Board did not ensure prudent use of administrative costs. There were wasteful and avoidable expenditure that reduced the effectiveness of the programme. Further, there was minimal acknowledgment of bursary payments by learning institutions.
24. The County Government allocated a significant portion of the education budget to bursaries for learners in secondary schools and institutions of higher learning. This was at the expense of education activities that fall under the devolved functions, like pre-primary education, village polytechnics, homecraft centres and childcare facilities.

Recommendations

25. To ensure adequate identification of needy learners and equitable allocation of funds, the Kisii County Bursaries Management Board should:
 - i. Ensure access to bursary application forms by all needy learners, including persons with disability;
 - ii. Develop and apply a standardized bursary vetting and assessment tool for use in evaluation of applicant's socio-economic status and vulnerability level; and
 - iii. Strengthen oversight over Ward Bursary Committees and implement regular reporting mechanisms.
26. To prevent multiple allocation of bursaries and to single beneficiaries and ensure equitable and sufficient allocation to needy learners, the Kisii County Bursaries Management Board should:
 - i. Develop and implement a comprehensive database system capable of integrating all beneficiary data through the use of a common unique identifier;
 - ii. Promote collaboration between ward bursary committees and other bursary providers through information and data sharing during administration of the bursaries program; and

- iii. Allocate adequate amount of funding to the neediest students to avoid spreading funds thinly across a large number of applicants.
27. To address inefficiencies in data management, the Kisii County Bursaries Management Board should fast track the adoption of Information and Communication Technology through investment in appropriate technology and initiatives to automate bursary processes.
 28. To reduce the high administrative expenses, the Kisii County Bursaries Management Board in collaboration with the County Treasury should strengthen oversight over bursary processing activities and employ an efficient and cost-effective mode of funds disbursement to learning institutions.
 29. To ensure adequate monitoring of bursary programme, the Kisii County Bursaries Management Board should institute a collaboration mechanism that will allow each ward committee to effectively follow up on all beneficiaries residing within the County, regardless of the ward that awarded the bursary.
 30. To enhance access to bursaries by learners living with disability, the County Bursaries Management Board should strengthen collaboration with relevant community-level structures, for instance Organizations for Persons with Disabilities and community health promoters.
 31. To ensure timely disbursement of funds to the counties, Kisii County Government in collaboration with the Office of Controller of Budget and The National Treasury should expedite the budgetary approval process and explore the possibility of aligning the disbursements to the school calendars.
 32. To ensure efficiency in disbursement of funds to learning institutions, the Kisii County Bursaries Management Board should:
 - i. Explore adoption of technology to integrate electronic transfer of beneficiary funds to their learning institutions. The County should leverage on existing platforms like the Kenya Education Management Information System (KEMIS) and the Integrated Financial Management Information System (IFMIS); and

- ii. Fast track the transitioning to using Electronic Funds Transfer (EFT) for fund disbursement, together with automated emails to learning institutions.
- 33. To enhance monitoring of the bursary programme and improve follow-up of bursary beneficiaries, the Kisii County Government, through the County Bursaries Management Board, should leverage technology by utilizing email, SharePoint or other digital platforms. This will ensure efficient transmission and storage of data, including acknowledgment of funds by learning institutions.
- 34. The County Government should ensure that education expenditure prioritizes functions assigned to counties under the Fourth Schedule of the Constitution, particularly pre-primary education, village polytechnics, homecraft centres and childcare facilities.
- 35. The County Government should ensure that any support to learners in secondary schools and institutions of higher learning is implemented within a clear intergovernmental framework. This includes operationalization of the Intergovernmental Partnership Agreement with the Ministry of Education, to ensure alignment with constitutional provisions on the division of functions.

CHAPTER 1: BACKGROUND OF THE AUDIT

Introduction

- 1.1 Bursaries are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Bursaries are awarded to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses.
- 1.2 The Kisii County Government has established a County Bursary Fund to assist students from needy groups such as; orphans, those from poor families, and those with special needs, to pursue education at recognized institutions. This promotes access to secondary and tertiary education, for needy learners in the County.
- 1.3 The mandate for the provision of bursaries in Kisii County is vested in the County Bursaries Management Board. The Board is responsible for; formulating sound policies for regulating the management of the bursary funds, raising and soliciting for the funds, and setting the criteria and conditions governing the eligibility of awarding bursaries to applicants.
- 1.4 The activities involved in the provision of bursaries fall within the Education Sector, under the County Executive Committee Member of Education.

Motivation for the Audit

- 1.5 The Auditor-General authorized the audit after considering the following factors:
 - i. According to the Hansard report dated 30 April, 2024, the Senate discussed the oversight of county governments in the management of bursary funds, highlighting issues of mismanagement and corruption across several counties. The members also underscored the need for regular monitoring and evaluation to gauge the impact of bursary programs, thereby improving educational access and retention for learners.

- ii. In September 2024, Members of the National Assembly discussed the need to have the various bursary and scholarship funds consolidated to address gaps in the current education funding model. This consolidation aimed to create a more efficient system for providing bursaries, ensuring resources are more equitably distributed and increasing access to funds for more needy learners¹.
 - iii. Considering that the Kisii County Government cumulatively spent Kshs. 533,610,548 during the period between 2022/2023 to 2024/2025, it was essential to assess the efficiency and effectiveness with which the County utilized and disbursed funds to beneficiaries.
 - iv. Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in Kisii County. The results of the preliminary assessment indicated that the provision of bursaries by the County faced various set-backs that hindered the full achievement of the intended objectives. These included late disbursement of bursary funds, lack of coordination amongst the various bursary and scholarship providers, inadequacies in verification of applicants, and a lack of regular monitoring and evaluation, which prevent the County from effectively measuring the Fund's impact and informing necessary adjustment.
 - v. The provision of bursaries is also linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.
- 1.6 Given the above factors, an audit on the provision of bursaries was necessary to assess the progress made by the Kisii County Government in eliminating barriers to access to education by needy learners. It was essential to assess the efficiency and effectiveness with which the County utilized and disbursed bursary funds to beneficiaries.

¹ The National Assembly Hansard report dated Wednesday 25 September, 2024, Page 21

CHAPTER 2: DESIGN OF THE AUDIT

Objective of the Audit

- 2.1 The main objective of the audit was to assess the extent to which the Kisii County Government ensured access to bursaries by needy learners. The specific objective was to assess whether the Kisii County Government ensured:
- i. Adequate allocation of bursary funds; and
 - ii. Timely disbursement of bursaries to needy students.

Audit Questions

- 2.2 The main audit question that guided the team in carrying out the audit was “Has the Kisii County Government ensured access to bursaries by needy learners?” The audit sub-questions that guided the team in achieving the audit objective were:
- i. Has the Kisii County Government ensured adequate allocation of bursaries?
Sub-sub-questions:
 - a) Does the Kisii County Bursaries Management Board adequately identify needy learners?
 - b) Has the Kisii County Government ensured equitable allocation of the available bursary resources?
 - c) Does the administrative expenses affect bursaries allocation?
 - d) Has the Kisii County Government ensured access to education for persons with disabilities?
 - ii. Has the Kisii County Government disbursed bursaries on time?
Sub-sub-questions:
 - a) Has the Kisii County Bursaries Management Board ensured timely processing and disbursement of bursaries?
 - b) Has the Kisii County Government adopted an efficient mode of bursaries disbursement?

Scope of the Audit

- 2.3 The audit focused on the activities of the Kisii County Government in ensuring access to bursaries for needy learners. These include identification and vetting of needy learners, allocation of bursaries, and disbursements of funds to learning institutions. The audit covered the Financial Years 2021/2022 to 2024/2025, which was deemed sufficient to establish trends and provide a comprehensive assessment. The audit was conducted between September 2024 and December 2025.

Limitation of Scope

- 2.4 The audit team was unable to conduct a comprehensive and uniform review across all sampled wards due to gaps in the availability and completeness of key data and information, such as beneficiary data and bank reconciliation statements across the audit period.

Standards Used to Conduct the Audit

- 2.5 The audit was conducted in accordance with the Performance Audit Standard, ISSAI 3000, issued by the International Organization of Supreme Audit Institutions. The Standard requires that the audit is planned and performed to obtain sufficient and appropriate audit evidence. The Standard also requires that the audit should provide a reasonable basis for the findings, conclusion, and recommendations, based on the audit objectives.

Methods Used to Gather Audit Evidence

Document Review

- 2.6 To confirm the activities carried out in provision of bursaries in the County, the audit team reviewed the documents indicated in **Table 1**.

Table 1: List of Documents Reviewed

Document	Purpose of Review
The Kisii County Bursary Act, 2014	To gather information on legal framework and guidelines for the provision of bursaries which formed part of the assessment criteria.
Approved County Budgets	To obtain evidence on annual strategies, deliverables and budget allocations on bursaries.
County financial reports, expenditure schedules and bank statements, uncollected, stale and unrepresented cheques	To ascertain the extent of resource allocation and expenditure towards bursaries.
Disbursement reports and schedules	To ascertain the efficiency in the mode of bursaries disbursement.
Beneficiary fee structure and statements	To gather evidence on disbursement amounts and timelines.
Acknowledgement reports by schools	To obtain evidence on receipt of funds by institutions.
Monitoring reports	To ascertain the extent of acknowledgement of bursaries by schools.
Application forms and support documents	To ascertain the extent of monitoring and coordination of bursaries and scholarships by the County government.
Beneficiary lists	To obtain evidence on the number of applicants and beneficiaries.
Vetting committee minutes	To obtain evidence on adequacy of awarded bursary and identification.
	To obtain evidence on criteria and process for awarding bursaries.

Source: OAG Compilation of Documents Reviewed

Interviews

- 2.7 Interviews were held with various key personnel in the Kisii County Government, County Bursaries Management Board, Wards Bursary Committee representatives, and heads of learning institutions and other key role players. This was in order to obtain clarification on information gathered from document review and establish reasons for performance deficiencies on access to bursaries by needy learners, as detailed in **Table 2**.

Table 2: List of Persons Interviewed

Interviewee	Purpose of the Interview
Kisii County Executive Committee Member, Education and Chief Officer	To determine the bursary application process, eligibility criteria, number of applicants and challenges in disbursement.
Kisii County Bursaries Management Board	To establish the legal framework and structure of the bursary program, budgeting and expenditure, application and vetting process, monitoring and evaluation, and programme successes and challenges.
Ward Bursary Committees	To confirm the composition of the committee, application and eligibility criteria, number of applicants, monitoring and evaluation, successes, challenges, and recommendations.
National Governments Administrative Officers	To confirm the role of chiefs and assistant chiefs in identification of needy learners, eligibility criteria, and challenges faced on the identification process.
Principals and Heads of Finance (Sampled Institutions)	To establish the role of learning institutions in bursary administration, accountability for received funds, sufficiency of allocations and disbursement challenges.
Controller of Budget	To establish the timeliness of funds disbursement to counties and reasons for delays in disbursement.

Source: OAG Compilation of Persons Interviewed

Surveys

- 2.8 The audit team administered surveys on bursaries beneficiaries in the sampled learning institutions. The surveys enabled the audit team to gain insights into their experiences in the application process, benefits derived from the bursary program, follow-up mechanisms available to the learners after the application process, and challenges faced in accessing the bursaries.

Sampling and Sample Size

- 2.9 Five (5) out of forty-five (45) Ward Bursary Committees were sampled for the audit. The basis for their selection was sub-county representation, and absorption of

bursaries funds. Additionally, twelve (12) learning institutions were sampled based on the number of beneficiaries in the learning institutions.

Assessment Criteria

2.10 The audit assessed the extent of provision of bursaries by the Kisii County Government using the criteria indicated in **Table 3**.

Table 3: Audit Criteria

Audit Sub-Objective	Audit Criteria	Source of Criteria
To assess the extent to which the Kisii County Government has ensured adequate allocation of bursaries funds.	The Kisii County Bursary Fund is dedicated to provide bursary to the needy students in the County, including persons with disability, who deserve support to pursue their education at recognized schools or educational institutions	Section 4 of the Kisii County Bursary Act, 2014
To determine the extent to which the Kisii County Government has ensured timely disbursement of bursaries to needy students.	To ensure smooth uninterrupted learning of student under the bursary programme, it is expected that bursary funds should be disbursed on or before school opening dates.	Best Practice

Source: OAG Review of Documents

CHAPTER 3: DESCRIPTION OF THE AUDIT AREA

Legal and Institutional Framework for Provision of Bursaries

- 3.1 The Constitution of Kenya, 2010 provides the framework for the State to ensure that education is accessible to all citizens. Articles 43(1)(f) and 53(1)(b) recognize that every child in Kenya, regardless of their background, has the right to access quality education and that they should attend school until they complete their basic education. Schedule 4 Part 2 (9) of the Constitution specifically lists village polytechnics as one of the functions that have been devolved to County governments.
- 3.2 The Basic Education Act, 2013, in its guiding principles under Section 4(a) and (b), establishes that every child has the right to free and compulsory basic education. The Act also provides that youth should have equitable access to basic education and equal access to educational institutions.
- 3.3 Section 116 of the Public Finance Management Act, 2012, gives power to counties to establish other public funds. It is on this basis that the Kisii County Government established a bursary Fund. The Section also provides that allocations to the Fund should be within the established legal structures and also clarifies the roles and responsibilities of different government entities involved in the management of bursary funds. This aims to ensure that the County Government adheres to financial regulations and accountability principles in the management of Bursary Fund.
- 3.4 The Kisii County Government established the County Bursary Act, 2014. The Act establishes the management of the Fund, Kisii County Bursaries Management Board and Ward Bursary Committees, and their functions. Additionally, the Act provides mechanisms for monitoring and also sets standards for transparency and accountability in the management of the Fund.

Bursary Committees and their Respective Roles

- 3.5 The composition of the County Bursaries Management Board and Ward Bursary Committees for the Kisii County Government, with their respective roles is indicated in **Table 4**.

Table 4: Bursary Committees and their Respective Roles

Committee	Roles of the Committee
County Bursaries Management Board- Composed of seven (7) members and one (1) ex-officio member who is the secretary.	• Formulate policies for the management of the Fund; • Raise and solicit funds and other assistance for the Fund; • Set the criteria and conditions for granting of bursaries; • Receive gifts, donations, grants or endowments made to the Fund and Board; • Establish and maintain links with other persons, bodies or organizations within or outside Kenya, as the Board may consider appropriate for the furtherance of the purposes for which the Fund is established; • Grant bursaries to eligible students upon recommendation of the relevant committees; • Consider and determine appeals from the Ward Bursaries Committee; and • Perform and exercise all other functions and powers conferred on the Board by the Act.
Ward Bursary Committees- Composed of seven (7) members and one (1) ex-officio member who is the secretary.	• To receive and consider bursary applications in the ward and make recommendations to the County Bursaries Management Board for the award of bursaries to eligible students; • To conduct research and maintain data on the eligibility of students for bursaries; • To monitor the academic performance of the students awarded bursaries; and • To perform and exercise all other functions and powers conferred to the Committee by the Act or the Board.

Source: Kisii County Bursary Act, 2014

Other Key Actors in the Provision of Bursaries

- 3.6 Besides the Kisii County Government, there were several other key actors involved in provision of bursaries, as summarised in **Table 5**.

Table 5: Key Actors in the Provision of Bursaries

Institution	Role
National Governments Administrative Officers-Include Chiefs and assistant chief at Location and sub-location level.	The Officers are responsible for the coordination of national government functions in their respective jurisdictions. The chiefs and assistant chiefs therefore, help in identification of potential beneficiaries by vetting the applicants and recommending the applications for onward processing by the County Bursary Committee/Board.
Other Bursary Providers including Ministry of Education, National Government Affirmative Action Fund (NGAAF), National Government Constituency Development Fund (NG-CDF) and Presidential Secondary Schools Bursary (PSSB).	Providing bursaries to needy learners. The Kisii County is therefore, expected to liaise with these entities to avoid duplications in allocation of bursaries to learners within County.
Controller of Budget	Oversee implementation of the budgets of the National and County Governments by authorizing the withdrawal from public funds.
The National Treasury and Economic Planning	Disbursement of bursary funds to the County Governments.

Source: OAG Review of Legal Frameworks on Key Actors

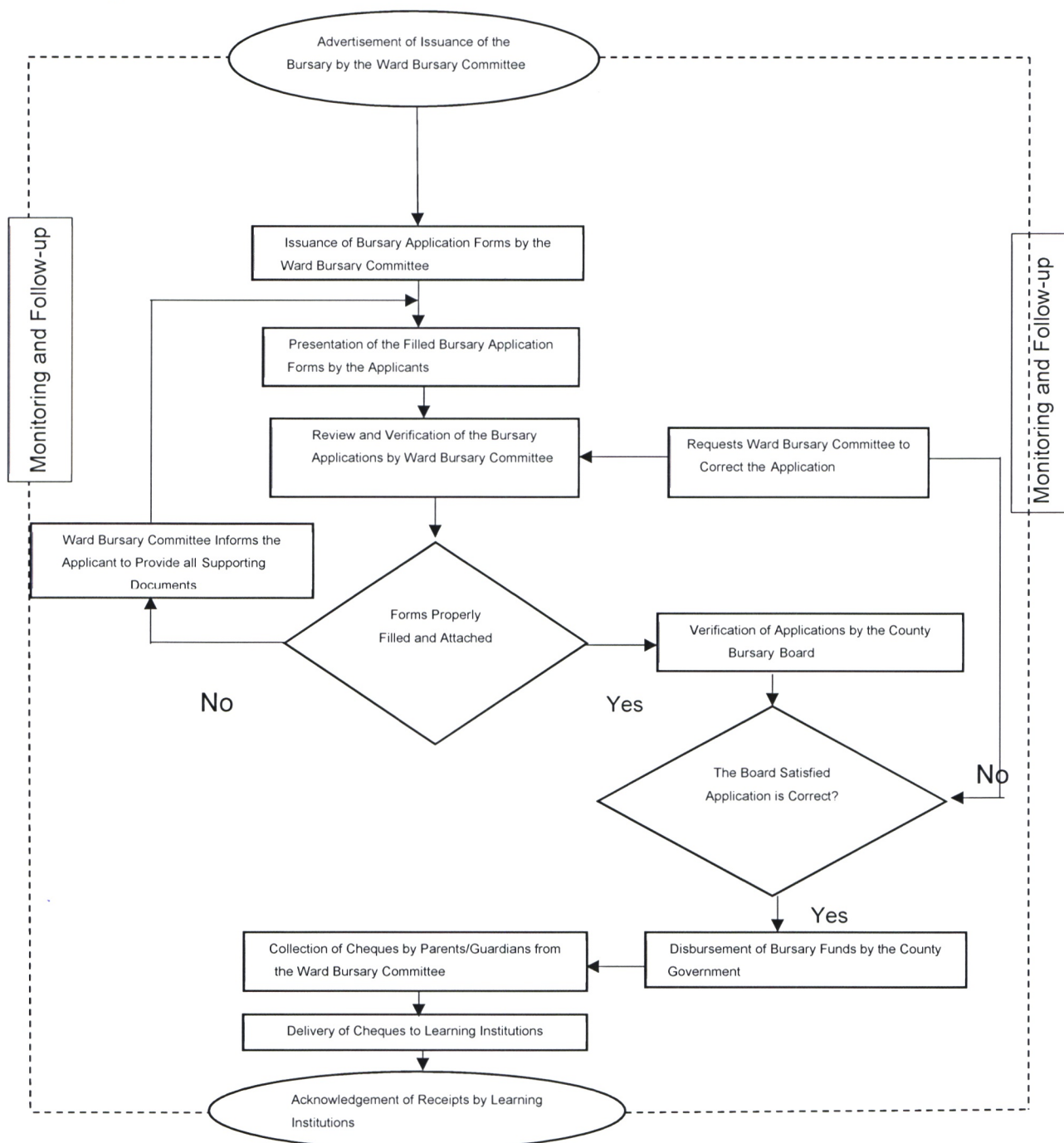
Process Description for Issuance of Bursaries

- 3.7 The bursary process begins with preparation of the budget proposal by the County Government, approval by the Controller of Budget, and disbursement of funds by The National Treasury. This is followed by the printing of application forms by the County Bursary Management Board. The Ward Bursary Committees are expected to advertise bursary availability in their respective wards and distribute forms to applicants, prioritizing them by need. Applicants are required to submit the completed forms with the required documents to the Ward Administrator's Office. The Ward Bursary Committees sort and enter applicants data into a spreadsheet, then allocate bursary amounts according to ward budget allocations. To qualify, applicants must be residents of Kisii County and are required to submit recommendation letters from a Chief, Assistant Chief or a Community Leader. New applicants are required to provide a copy of their school admission letter, while

continuing students need to submit their report card and fees structure. Applicants must disclose any other financial aid they are receiving. Orphans are required to provide death certificates or burial permits for their deceased parents. Vocational and technical institutions attended must be Government-accredited.

- 3.8 Approved forms and the spreadsheet are sent by ward committees to the County Bursaries Management Board. Finally, bursary cheques are issued and distributed to the beneficiaries by the Ward Bursary Committees. The committees and Board are expected to monitor students' progress. **Figure 1** depicts the process involved in the provision of bursaries by the Kisii County Government.

Figure 1: Process Description for Issuance of Bursaries



Source: The Kisii County Bursary Fund Act, 2014 and Interview Minutes

Funding for County Bursaries

- 3.9 Bursary activities at the Kisii County Government are mainly funded through the Exchequer. Review of the financial records indicated that the Kisii County Bursary Fund allocation during the period was between 20-28% of the total education budget, as indicated in **Table 6**.

Table 6: Cumulative Allocations per Category in the Department of Education

Financial Year	2022/2023		2023/2024		2024/2025	
Category	Allocation (Kshs.)	%	Allocation (Kshs.)	%	Allocation (Kshs.)	%
Pre-Primary Education	87,129,499	12%	140,341,591	12%	-	-
Bursaries	145,000,000	20%	245,000,000	21%	270,000,000	28%
Vocational Training	61,106,119	9%	71,025,679	6%	20,000,000	2%
Other Allocations	424,291,157	59%	690,200,000	60%	678,309,200	70%
Total	717,526,775	100%	1,146,567,270	100%	968,309,200	100%

Source: OAG Analysis of Kisii County Government Financial Records

CHAPTER 4: FINDINGS OF THE AUDIT

- 4.1 Analysis of the lists of beneficiaries revealed that the Kisii County Government supported learners through bursaries over the Financial Year 2022/2023 to 2024/2025, reaching a total of 99,813 beneficiaries as presented in **Table 7**.

Table 7: Number of Beneficiaries Supported

Financial Year	Number of Beneficiaries
2022/2023	44,383
2023/2024	52,613
2024/2025	2,817
Total	99,813

Source: OAG Analysis of Beneficiary Data

- 4.2 Despite the support, there were weaknesses that hindered full realization of the intended objectives, as discussed below: -

A. Inadequate Allocation of Bursaries by the Kisii County Government

I. Inadequate Identification and Selection of Needy Learners

- 4.3 Section 13 of the Kisii County Bursary Fund Act, 2014 mandates Ward Bursary Committees to receive, vet, and recommend eligible students for approval by the County Bursary Board. Further, Regulation 2 of the Kisii County Bursaries Fund Regulations, 2014, requires that bursaries must benefit financially disadvantaged or needy students, including learners with disabilities and applicants must be residents of Kisii County. Bursary beneficiaries must provide evidence of financial need, which may include; a letter from the area Chief or Assistant Chief, a letter from a religious leader, a certificate from the learning institution, a death certificate (for orphans), or an affidavit of means from parents or guardians. These documents were used in assessing eligibility and awarding bursaries. Applicants were also required to undergo an interview by the Ward Bursary Committee, where necessary, to verify information provided in the application.
- 4.4 Interviews with Bursary Committee members in Masige East, Bokimonge, and Keumbu revealed that identification and selection of eligible applicants was limited to

confirming the presence of the required attachments. However, review of one hundred and ninety-one (191) beneficiary forms revealed that forty eight (48), representing 25%, were not properly filled out, while sixty one (61), representing 32%, lacked mandatory attachments, including: admission letters, performance report forms, parent/guardian ID copies or death certificates (for orphaned learners), disability cards/status; outstanding fee balances; and committee/chief/religious leader endorsements, as summarized in **Table 8**.

Table 8: Status of Beneficiary Application Forms

Status of Applications	No. of Applications	Percentage
Properly Filled	143	75%
Not Properly Filled	48	25%
Sub-Total	191	100%
With Mandatory Attachments	130	68%
Missing Mandatory Attachments	61	32%
Sub-Total	191	100%

Source: OAG Analysis of Application Forms

- 4.5 The inadequate identification and selection of beneficiaries was attributed to ineffective Board oversight over the vetting procedures and activities by the Ward Bursary Committees. Further, absence of a standardized bursary vetting tool and/or a checklist to evaluate applicant's socio-economic status and verify minimum documentation requirements contributed to inadequate identification and selection of beneficiaries. Additionally, reliance on physical forms and walk-in submissions made it difficult for committees to conduct systematic on-site completeness checks, resulting in a focus on collecting forms, rather than thoroughly reviewing missing information or validating attachments before approval.
- 4.6 Consequently, the fairness and transparency of the allocation process were compromised, creating uncertainty as to whether funds were awarded to needy and vulnerable beneficiaries. It also undermined equitable access of bursaries to needy and vulnerable learners, and reduced the County Government's ability to ensure that the allocated resources supported learners with financial need.

II. Award of Bursaries were not Based on Needs of Applicants

- 4.7 Regulation 2 of the Kisii County Bursaries Fund Regulations, 2014 provided that bursary beneficiaries were to come from financially disadvantaged families, demonstrated through documentary evidence like letters from learning institutions or fee statements. The allocations would be determined by Ward Bursary Committees, based on applicant's assessed level of need and vulnerability.
- 4.8 The audit established that bursary allocations across wards were not based on evaluated financial need of applicants. Analysis of beneficiary application forms in three (3) wards revealed that learners were awarded uniform bursaries of Kshs.3,000, regardless of their level of school fees needs as summarized in **Table 9**.

Table 9: Comparison of the Amount Awarded to Beneficiaries Versus the School Fees

School Fees Range (Kshs.)	Allocated Amount (Kshs.)	Number of Beneficiaries
4,000 – 10,000	3,000	47
10,001–20,000	3,000	35
20,001–30,000	3,000	40
30,001–40,000	3,000	18
Above 40,000	3,000	3

Source: OAG Analysis of Sampled Application Forms

- 4.9 In addition, analysis of beneficiary lists for the financial year 2024/2025 revealed that a total of 1,594 driving school trainees received bursaries ranging from Kshs.11,000 to Kshs.16,000, without objective evaluation of their levels of financial need. The amounts awarded to these beneficiaries are detailed in **Table 10**.

Table 10: Amount Awarded to Driving School Bbeneficiaries in the Financial Year 2024/2025

Amount Awarded (Kshs.)	Number of Beneficiaries
11,000	10
12,000	65
13,000	202
15,000	1,315
16,000	2
Total	1,594

Source: OAG Analysis of Beneficiary Data

- 4.10 Failure to award bursaries based on applicants' socio-economic need was attributed to lack of a standardized criteria for application by the Ward Bursary Commttees. Though the Committees discussed and agreed on vulnerability categories, such as total orphan, partial orphan, PWDs, and very needy, the Board did not provide guidance on amounts to be awarded based on applicants level of financial need. In addition, the County Bursaries Management Board did not adequately monitor Ward Bursary Committee vetting and allocation practices, creating a loophole for arbitrary awards.
- 4.11 Consequently, the fairness and transparency of the allocation process were compromised, creating uncertainty as to whether bursaries were awarded to needy and vulnerable leraners. Inequitable access of bursaries by needy and vulnerable learners exposed them to disrupted learning time and school discontinuation, thereby undermining the effectiveness of the program.

III. Learners Benefitting from Multiple Wards

- 4.12 Good practice require that bursaries be allocated equitably, reaching a wider range of deserving individuals, while preventing multiple awards to the same applicant. Efficient bursary data management systems should be in place to track applicants, beneficiaries, amounts awarded and prevent duplication across wards and bursaries providers.

4.13 Interviews with Bokimonge, Masige East and Keumbu Ward Bursary Committees indicated that bursaries were awarded once in each financial year. However, analysis of beneficiary lists for the Financial years 2022/2023 to 2024/2025 revealed multiple awards of bursaries from different wards within the County. In the Financial Year 2024/2025, a total of 18,956 beneficiaries appeared more than once in the list of 97,819 beneficiaries, representing 19.38%. In the financial years 2023/2024 and 2022/2023, the multiple beneficiaries were one hundred and nine (109) and two hundred and nine (209), respectively, as shown in **Table 11**.

Table 11: Multiple Bursary Awards

Financial Year	Total Records Reviewed	Beneficiaries with Multiple Awards from County Bursary	Percentage with Multiple Awards
2024/25	97,819	18,956	19.38%
2023/24	52,615	109	0.21%
2022/23	44,383	209	0.47%

Source: OAG Analysis of Kisii County Government Beneficiary List

4.14 There was lack of independence in the vetting process at the Ward level, where informal social and political networks exerted undue influence over selection. Also, award of multiple bursaries to learners was due to spreading of funds too thinly that resulted in significantly low awards, prompting learners to apply to multiple wards in the hope of securing enough funds to cover their fees.

IV. Inefficient Bursary Data Management System

4.15 Section 149 (2) of the Public Finance Management Act, 2012 requires that all financial and accounting records that the entity keeps in any form, including in electronic form, are adequately protected, and backed up. Review of records and interviews with the County Bursaries Management Board and Ward Bursary Committee members established that the Fund relied on a manual filing system that did not facilitate efficient administration of the bursary procedures and processes. Further, it did not promote coordination amongst Ward Bursary Committees, other public bursary providers, and other stakeholders.

- 4.16 This was attributed to failure by the Management of the Fund to prioritize adoption of a digital management information system for capturing, storing, and managing data electronically. Although the County's revised budget for the Financial Year 2022/2023 included an allocation of Kshs.258,100 for the purchase of laptops and ICT equipment, the proposal was not approved. Similarly, in the Financial Year 2023/2024, the County budgeted for Kshs.500,000 for the same purpose, however, this allocation was also not approved.
- 4.17 Consequently, the County could not ensure equitable allocation of bursaries. With incomplete records, retrieval was slow, and beneficiary details could not be reliably validated. As a result, the County experienced difficulties in monitoring programme outcomes and inability to consistently resolve emerging complaints.

V. Inconsistencies in the Utilization of Administrative Funds

- 4.18 Regulation 197 (1) (d) of the Public Finance Management (County Governments) Regulations, 2015 stipulates that administration costs of a Fund shall be a maximum of 3% of the approved budget. Review of audited financial statements for the Kisii County Government Ward Bursaries Fund for the financial years 2020/2021 to 2024/2025 revealed that administrative expenses were above the statutory ceiling, and in some cases, incurred even when bursaries were not disbursed.
- 4.19 In the financial years 2020/2021 and 2021/2022, the Fund incurred administrative costs of Kshs.11,500,000 and Kshs.11,000,000, respectively, whereas bursaries were not awarded. In the Financial Year 2022/2023, the Fund incurred administrative expenditure of Kshs.5,417,544, exceeding the set threshold by Kshs.887,544. The audit also established that the administrative costs for the Financial Years 2023/2024 and 2024/2025 included allocations for bursary launch programmes amounting to Kshs.1,400,000 and Kshs.1,072,000, respectively, which are avoidable costs. The administrative expenditure is summarized in **Table 12**.

Table 12: Administrative Expenditure on Bursaries

Financial Year	Approved Budget	3% Threshold (Kshs.)	Administrative Cost (Kshs.)	Expenditure Above 3% Threshold (Kshs.)
2020/2021	0	0	11,500,000	11,500,000
2021/2022	0	0	11,000,000	11,000,000
2022/2023	151,000,000	4,530,000	5,417,544	887,544
2023/2024	252,350,000	7,570,500	6,385,624	1,400,000*
2024/2025	252,350,000	7,570,500	7,453,834	1,072,000*
	Total			25,859,544

Source: OAG Analysis of Audited Financial Statements

*-Avoidable costs

4.20 Lack of prudence in the utilization of administrative expenses could be attributed to ineffective oversight by the County Treasury and the County Bursary Management Board, as well as political considerations due to publicity arising from the bursary award ceremonies. As a result, these expenditures reduced the resources available for bursaries, depriving potential beneficiaries of the support they deserve.

4.21 Based on the standard fee approved by State Department for Basic Education, the excess administrative cost of Kshs.25,859,544 could have paid annual school fees for four hundred and eighty three (483) learners in National Schools, six hundred and thirty eight (638) learners in County Schools, or one thousand one hundred and sixty three(1,163) learners in Day Secondary Schools as shown in **Table 13**.

Table 13: Number of Students Who Would Have Benefited from the Extra Administrative Expenses

Category of Secondary School	Standard Fee Approved by State Department for Basic Education	Total Extra Administrative Expenses	Number of Students Who Would Have Benefited from the Extra Administrative Funds
National School	53,554	25,859,544	483
County School	40,535	25,859,544	638
Day School	22,244	25,859,544	1,163

Source: OAG Analysis of the Extra Administrative Expenses Based on Approved Fee Structure

VI. Minimal access to Bursaries by Persons With Disabilities

- 4.22 Target 4.5 of the Sustainable Development Goal 4 requires the Government to ensure equal access to all levels of education and vocational training for persons living with disabilities by 2030. In addition, Regulation 2 of the Kisii County Bursaries Fund Regulations, 2014, requires that bursaries must benefit financially disadvantaged or needy students, including learners with disabilities. Further, Section 11(g) of the Kisii County Bursaries Fund Act, 2014 provides for inclusion of persons with disability(PWD) representative in Ward Bursary Committees to ensure inclusion and promotion of their interests during administration of bursaries.
- 4.23 The audit established that all the five (5) sampled ward committees had a PWD representative in place in the Ward Bursary Committees. Interviews with the County Bursary Management Board indicated that to ensure wider outreach in identifying vulnerable learners, including orphans and PWDs, the Ward Bursary Committees initiated collaboration with community health promoters during the Financial Year 2023/2024. However, this collaboration was not sustained in subsequent years due to lack of funding to facilitate community health promoters, including paying their stipends, thus weakening a key mechanism for identifying and reaching vulnerable learners at the community level.
- 4.24 In addition, the absence of a standardised framework for identification, collaboration with local stakeholders, and reporting on beneficiaries living with disabilities contributed to weak coordination, limited outreach, and inconsistent inclusion of persons with disabilities across wards.
- 4.25 Further, the County did not have specific bursary allocation for PWDs or maintain disaggregated data on beneficiaries with disabilities, making it difficult to assess the inclusivity of the bursary programme. As a result, it the County could not identify performance gaps and design appropriate remedial actions to enhance access by learners with disabilities.

VII. Inadequate Monitoring of the Bursaries Beneficiaries

- 4.26 Section 3(13)(c) of the Kisii County Bursary Act, 2014 require Ward Bursary Committees to monitor the academic performance of bursary beneficiaries. Effective monitoring would involve verifying beneficiary eligibility, confirming fee payments, assessing beneficiary attendance, and academic progress.
- 4.27 Interviews with the County Bursary Management Board confirmed that they did not conduct monitoring for bursaries. The Board relied on minutes prepared by Ward Bursary Committees to track allocations. However, review of the Ward Bursary Committees' minutes revealed that they were not provided with adequate resources to conduct comprehensive and effective monitoring of the bursary program activities.
- 4.28 Keumbu, Nyatieko and Ichuni Wards did not conduct monitoring visits during the period under review. Masige East and Bokimonge Wards relied on ad hoc approaches, such as random school visits, phone calls to schools or reviewing of acknowledgement receipts, as illustrated in **Table 14**. In addition, all the committees did not maintain monitoring reports, records of field verification, or documentation of identified gaps and corrective actions.

Table 14: Monitoring Approaches in the Sampled Wards

Ward	Monitoring Practices	Method
Masige East	Informal and voluntary	Committee called schools to check if beneficiaries received bursary support
Bokimonge	Informal and voluntary	Committee followed up using own resources, sometimes called school heads
Keumbu, Nyatieko and Ichuni	No monitoring	Committee did not conduct any monitoring activities

Source: OAG Analysis of Interviews Minutes with sampled Ward Committees

- 4.29 Further, interviews with heads of sampled twelve (12) learning institutions revealed that the County Bursaries Management Board and the Ward Bursary Committees did not conduct monitoring visits on the bursary program during the audited period. The lack of monitoring was due to failure by the Board to prioritise budgetary

allocation for monitoring activities. Further, the Board had not established guidelines for monitoring the bursary programme. As a result, the overall impact of the programme could not be reliably assessed for timely identification of gaps and implementation of appropriate remedial actions.

B. Delayed Disbursement of Bursary Funds to Learners

I. Delays in Disbursement of Bursaries to Learning Institutions

- 4.30 Good practice requires that bursary funds be disbursed on or before the beginning of the first term of the school academic calendar to ensure that supported learners can commence and continue learning without disruption. The audit established that the County Government of Kisii did not disburse bursary funds to learning institutions on time, to facilitate uninterrupted learning for beneficiaries.
- 4.31 Interviews with Ward Bursary committees and review of data for the Financial Years 2022/2023, 2023/2024, and 2024/2025 indicated that bursary advertisements were issued in the final months of each calendar year. This was to allow for sufficient time to issue application forms, receive submissions, and conduct vetting before exchequer funds were released, in readiness for disbursement at the beginning of the school calendar year. However, the analysis of records revealed that although Ward Bursary Committees advertised for bursary applications on time, exchequer receipts delayed for between thirty (31) to one hundred and sixty-five (165) days after the beginning of the academic year, as analysed in **Table 15**.

Table 15: Extent of Delay of Exchequer Receipt

Year	Date of Advertisement	Date of Exchequer Receipt	Start of School Calendar Year	Delays in Exchequer Receipt (Days)
2022/2023	30/11/2022	02/03/2023	03/01/2023	31
2023/2024	2/12/2023	23/04/2024	08/01/2024	106
2024/2025	13/12/2024	20/06/2025	06/01/2025	165

Source: OAG Analysis of Kisii County Government Disbursement Timelines

4.32 Further, review of financial records established that disbursement to learning institutions occurred between three (3) and five (5) months after school term opening dates, as analyzed in **Table 16**.

Table 16: Summary of Bursary Processing and Disbursement Timelines

Financial Year	Date of Exchequer Receipt	Date of Disbursement to Schools	School Term Opening Date	Delay in Disbursement
2022/2023 Term 1	02/03/2023	03/06/2023	03/01/2023	3 months
2023/2024 Term 1	23/04/2024	24/04/2024	08/01/2024	4 months
2024/2025 Term 1	20/06/2025	24/06/2025	06/01/2025	5 months

OAG Analysis of Kisii County Government Disbursement Timelines

4.33 The delays in disbursements of funds to learning institutions was attributed to late release of exchequer funds from The National Treasury. Further, inconsistencies in record-keeping contributed to delays in disbursements to learning institutions. The audit noted several instances where key dates such as advertisement, issuance of forms and approval were missing, inconsistent or chronologically inaccurate. These documentation gaps created uncertainties in verifying compliance with timelines and hindered effective monitoring by the County Bursary Board.

4.34 Consequently, many needy learners continued to accumulate fee arrears in the first term, increasing the likelihood of absenteeism, interruptions in learning and, in some cases, being sent home for non-payment of fees. This diminished the effectiveness of the programme in ensuring equitable and timely access to education for needy students. The delayed disbursement of funds also affected learning institution's ability to plan and manage essential operations, particularly where bursary receipts formed part of their expected termly revenue.

II. Inefficient Mode of Bursary Disbursement

4.35 Section 85 of the Public Finance Management Act, 2015 permits the use of both cheques and electronic funds transfer mechanisms for disbursing public funds. Public entities are therefore, expected to adopt efficient, secure, and cost-effective

modes that ensure timely delivery of funds to intended beneficiaries. Good practice in public financial management require county governments to adopt payment mechanisms that minimize delays and reduce administrative burden. The payment method should also limit the risk of stale cheques, and enhance the likelihood that bursary funds reach learning institutions in time, to support learners' continued school attendance.

- 4.36 The audit established that the Kisii County Government relied on manual cheque-based disbursement to transfer bursary funds to learning institutions. Review of the June 2024 Bank Reconciliation Statement established that cheques amounting to Kshs.10,136,500 remained unpresented for a period of between three(3) and four(4) months, as detailed in **appendix I**². Most of these cheques were issued on or around 14 March, 2024, and as at July 2024, they had approximately eleven (11) weeks remaining before expiry, under the six-month cheque validity rule.
- 4.37 Interviews with the County Bursaries Management Board and Ward Bursary Committees established that beneficiaries, parents, or school representatives were to physically collect cheques from county offices and deliver them to schools. Also, the audit established that there were delays in collection of cheques from the Ward offices. In addition, the cheque disbursement registers were not up to date, and sixty-five (65) cheques amounting Kshs.206,000 lacked cheque issuance dates, as detailed in **Appendix II**.
- 4.38 These gaps were attributed to weak follow-up and monitoring arrangements for uncollected and unpresented cheques. Interviews with both Board and Ward Committee members indicated that there was no structured mechanism for tracking cheques after issuance, to ensure that beneficiaries or schools present them for payment within the required timeframe. As a result, cheques remained unpresented for prolonged periods, without timely cancellation or reissuance.
- 4.39 Further, inadequate beneficiary communication and sensitization contributed to cases of unpresented cheques, as beneficiaries were expected to collect and deliver

² The appendix is bulky and available as soft copy upon request

cheques based on informal instructions. As a result, needy learners faced interrupted learning, despite being bursary beneficiaries. It also resulted to liquidity constraints for learning institutions that depended on bursary receipts to meet their operational obligations.

- 4.40 Additionally, based on the annual tuition fees approved by the State Department for Basic Education, the unpresented cheques of Kshs.10,136,500 could have fully paid school fees for one hundred and nine (189) learners in National Schools, two hundred and fifty(250) learners in County Schools, or five hundred and fifty six(456) students in Day Secondary Schools, as shown in **Table 17**.

Table 17: Number of Students who Would Have Benefitted from Unpresented Cheques

Category of Secondary School	Standard Fee Charged as Per State Department for Basic Education	Total Unpresented Cheques	Number of Students Who Would Have Benefitted from the Unutilized Funds
National Schools	53,554	10,136,500	189
County Schools	40,535	10,136,500	250
Day Schools	22,244	10,136,500	456

Source: OAG Analysis of State Department for Basic Education Approved Fee Structure Versus the State Cheques

III. Inadequate Acknowledgement of Bursary Payments

- 4.41 Good financial management and accountability practice require that all disbursements of public funds be confirmed by beneficiary institutions through official receipts or acknowledgement letters. This would ensure completeness, transparency, and traceability of bursary expenditures, in line with the principles of prudent financial management under Section 3 of the Public Finance Management Act, 2012.
- 4.42 The audit established that the County received limited acknowledgment receipts from learning institutions. Analysis of disbursement records in the Financial Year 2024/2025 established that a total of Ksh.243 million was paid out as bursaries, out of which only Ksh.8 million, representing 4%, were acknowledged by learning institutions, while 96% were not acknowledged, as shown in **Table 18**.

Table 18: Percentage of Acknowledged Bursary Funds

Financial Year 2024/2025		
Description	Amount (Kshs.)	Rate of Acknowledgement
Total Amount of Bursaries Acknowledged	8,757,000	4%
Total Not Acknowledged	234,592,300	96%
Total Budgeted Bursary Funds	243,349,300	100%

Source: OAG Analysis of County Government of Kisii Acknowledgment Letters and Receipts

- 4.43 The inadequate acknowledgement was attributed to inadequate monitoring and insufficient follow-up by the County Bursary Management Board. There was no structured process to track acknowledgment forms from institutions, reconcile them with disbursements, or enforce their submission before subsequent funding cycles. Furthermore, the County Bursary Management Board had not established proper controls over tracking acknowledgment receipts from schools and institutions. A significant number of acknowledgement receipts lacked cheque numbers or were incompletely filled, suggesting weak enforcement of internal controls and oversight for ensuring full documentation of disbursements.
- 4.44 As a result, there was weakened accountability, transparency, and accuracy of reporting bursary fund utilization. Furthermore, there was risk of reallocation of bursary funds to other learners to the disadvantage of rightful beneficiaries.

C. Other Finding

Provision of Bursaries to Learners in National Government Institutions

- 4.45 The Fourth Schedule to the Constitution of Kenya, 2010 assigns county governments responsibility for pre-primary education, village polytechnics, homecraft centres, and childcare facilities. In addition, Section 26 of the Intergovernmental Relations Act, 2012 requires that any transfer or delegation of powers, functions, or competencies between the National Government and county governments be effected through a formal written agreement.
- 4.46 The audit established that the Kisii County Government disbursed bursaries to learners in secondary schools, universities, and colleges, institutions that fall under the mandate of the National Government. Analysis of beneficiary records revealed

that the largest proportion of bursary funds was allocated to learners in National Government institutions like secondary schools, universities and colleges. The allocations accounted for between 83% and 99% of total disbursements in the Financial years 2022/2023 to 2024/2025. In contrast, vocational training institutions which fall within the County's devolved mandate received between less than 1% and 16% of total disbursements over the same period, as detailed in **Table 19**.

Table 19: Disbursement of Bursary Funds to Institutions

Financial Year	Category of Institution	Amount	No. of Students	Disbursement Per Institution (%)
2022/2023	Secondary Schools	142,577,500	44,055	98.33%
	Universities	1,465,000	114	1.01%
	Colleges	68,000	9	0.05%
	Vocational Training Centres	889,500	205	0.61%
Total		145,000,000	44,383	100.00%
2023/2024	Secondary Schools	165,825,200	52,296	99.19%
	Universities	170,000	17	0.10%
	Colleges	22,000	5	0.01%
	Vocational Training Centres	1,162,800	295	0.70%
Total		167,180,000	52,613	100.00%
2024/2025	Secondary Schools	248,965,200	73,903	82.78%
	Universities	3,132,000	173	1.04%
	Colleges	295,000	48	0.10%
	Vocational Training Centres	48,354,100	4,887	16.08%
Total		300,746,300	79,011	100.00%

Source: OAG Analysis of County Government of Kisii Bursary Disbursement Records

- 4.47 The provision of bursaries and scholarships to learners in institutions under the National Government was previously threatened by the absence of an Intergovernmental Partnership Agreement that complied with the prescribed legal and procedural requirements. In addition, the County Government had not prioritised support for learners in institutions under devolved functions, such as pre-primary education centres, village polytechnics, homecraft centres, and childcare facilities. This undermined the sustainability and alignment of the bursary programme with the County's devolved education mandate.

4.48 However, on 19 May, 2025 the County Government of Kisii signed an Intergovernmental Partnership Agreement with the National Government through the Ministry of Education, authorising the County Government to provide bursaries and scholarships to learners in secondary schools and institutions of higher learning. The agreement now provides the legal framework for the County to continue issuing bursaries to learners in these institutions.

Management Auditee's Response to Audit Findings and Recommendations

4.49 At the conclusion of the audit, an exit meeting was held and subsequently a management letter was sent to the Management of the Kisii County Government, requesting for their comments on the audit findings. Kisii County Government agreed with the findings and recommendations of the audit except for some audit observations as presented in **Appendix III**.

CHAPTER 5: CONCLUSION

- 5.1 The Kisii County Government did not ensure access to bursaries by needy and vulnerable learners in the County. There was inadequate allocation of bursaries to the applicants and delayed disbursement of funds to the learning institutions.
- 5.2 The County did not adequately identify and select needy learners as access to the application forms by the eligible applicants is limited and the vetting process did not effectively identify needy and vulnerable cases. Subsequently, bursaries were not awarded equitably.
- 5.3 The County lacked a robust information management system that would ensure bursary data integrity and enhanced oversight on activities of Ward Bursary Committees. This negatively affected collaboration amongst the Ward committees and other bursary providers. A significant proportion of learners benefited from multiple bursaries, while other eligible learners remained unsupported, including persons living with disabilities.
- 5.4 The Kisii County Government did not ensure timely and efficient mode of disbursement of bursary funds to learning institutions. The County Bursaries Management Board did not ensure prudent use of administrative costs. There were wasteful and avoidable expenditure that reduced the effectiveness of the programme and there was minimal acknowledgment of bursary payments by learning institutions.
- 5.5 The County Government allocated significant portion of the education budget to bursaries for learners in secondary schools and institutions of higher learning at the expense of education activities that fall under the devolved functions like pre-primary education, village polytechnics, homecraft centres and childcare facilities.

CHAPTER 6: RECOMMENDATIONS

- 6.1 Based on the findings and conclusion of the audit, the following recommendations are proposed for implementation by the Kisii County Government and key stakeholders, to improve the provision of bursaries to needy learners: -
- 6.2 To ensure adequate identification of needy learners and equitable allocation of funds, the Kisii County Bursaries Management Board should:
 - i. Ensure access to bursary application forms by all needy learners including persons with disability.
 - ii. Develop and apply a standardized bursary vetting and assessment tool for use in evaluation of applicant's socio-economic status and vulnerability level.
 - iii. Strengthen oversight over Ward Bursary committees and implement regular reporting mechanisms.
- 6.3 To prevent multiple allocation of bursaries to single beneficiaries and ensure equitable and sufficient allocation to needy learners, the Kisii County Bursaries Management Board should:
 - i. Develop and implement a comprehensive information system capable of integrating all beneficiary data through the use of a common unique identifier.
 - ii. Promote collaboration between Ward Bursary Committees and other bursary providers through information and data sharing during administration of the bursaries programme;
 - iii. Ensure bursaries awarded to the needy students significantly cater for school fees as approved by the State Department for Basic Education.
- 6.4 To address inefficiencies in data management, the Kisii County Bursaries Management Board should fast track the adoption of Information and Communication Technology through investment in appropriate information technology to automate bursary procedures and processes.
- 6.5 To reduce the high administrative expenses, the Kisii County Bursaries Management Board in collaboration with the County Treasury should strengthen

oversight over bursary processing activities and employ an efficient and cost effective mode of funds disbursement to learning institutions.

- 6.6 To ensure adequate monitoring of bursary programme, the Kisii County Bursaries Management Board should institute a collaboration mechanism that will allow each Ward Bursary Committee to effectively follow up on all beneficiaries residing within the County, regardless of the Ward that awarded the bursary.
- 6.7 To enhance access to bursaries by learners with disability, the County Bursaries Management Board should strengthen collaboration with relevant community-level structures, for instance Organizations for Persons with Disabilities and community health promoters;
- 6.8 To ensure timely disbursement of funds to the counties, Kisii County Government in collaboration with the Office of Controller of Budget and the National Treasury should expedite the budgetary approval process and explore the possibility of aligning the disbursements to the school calendars.
- 6.9 To ensure efficiency in disbursement of funds to learning institutions and enhanced monitoring of the programme, the Kisii County Bursaries Management Board should:
 - i. Explore adoption of technology to integrate electronic transfer of beneficiary funds to their learning institutions. The County should leverage on existing platforms like the Kenya Education Management Information System (KEMIS) and the Integrated Financial Management Information System (IFMIS). The adopted technology should also allow for electronic sharing of acknowledgement receipts and letters;
 - ii. Fast track the transitioning to using Electronic Funds Transfer (EFT) for fund disbursement together with automated email to learning institutions.
- 6.10 The County Government should ensure that education budget prioritizes functions assigned to counties under the Fourth Schedule of the Constitution, particularly pre-primary education, village polytechnics, homecraft centres and childcare facilities.

APPENDICES

Appendix I: Schedule of Unpresented Cheques Without Issue Dates

Unpresented Cheques Without Issue Dates		
Cheque No.	Payee	Amount(Kshs.)
101070	SAMETA BOYS	4,000
101071	SAYE MIXED SECONDARY SCHOOL	3,000
101072	RUAI HILLS SCHOOL	4,000
101073	RUAI HILLS SCHOOL	4,000
101075	NYAMAGWA SDA MIXED SECONDARY	4,000
101076	RIOTERO SDA SEC SCHOOL	3,000
101077	RIOTERO SDA SEC SCHOOL	3,000
101078	RIOTERO SDA SEC SCHOOL	3,000
101079	BRIGHT STAR VISION HIGH SCHOOL	3,000
101080	OMOBIRI SECONDARY SCHOOL	3,500
101081	OMOBIRI SECONDARY SCHOOL	3,000
101082	BISHOP MUGENDI NYAKEGOGI SECONDARY	3,500
101083	EKERUBO SECONDARY	3,500
101084	MARY HILL GIRLS	4,500
101801	KWANYA SECONDARY SCHOOL	3,000
98667	GIASOBERA SECONDARY	3,000
98668	MARONGO SECONDARY	4,000
98669	ST ANGELA SENGERRA GIRLS	3,000
98670	RIAMBASE SECONDARY SCHOOL	3,000
98671	MOTEIRIBE SECONDARY SCHOOL	3,000
98672	NYANSORE MIXED SECONDARY	3,000
98673	ST. MARKS TUMAITA GIRLS	4,000
98674	ST. ANN'S NYANGOGI	4,000
98675	ST. MARY'S NYABIGENA GIRLS	3,000

Unpresented Cheques Without Issue Dates		
Cheque No.	Payee	Amount(Kshs.)
98676	ST MATR'S MAGINA GIRLS	3,000
98677	ST CLARE SUGUTA GIRLS SECONDARY	3,000
98678	ST AUGUSTINE ARUNDO SECONDARY	3,000
98679	KODEROBARA SECONDARY SCHOOL	3,000
98680	AMABUKO SECONDARY SCHOOL	3,000
98681	MAGENA GIRLS SECONDARY	3,000
98682	ST TERESA'S GIRLS KISUMU	3,000
98683	NYAGICHENCHE SECONDARY	3,000
98684	NYABISASE MIXED SECONDARY	3,000
98685	SING'ORE GIRLS	3,000
98686	GIASOBERA SECONDARY	3,000
98687	RIYABU ELCK SECONDARY SCHOOL	4,000
98688	NYAKOIBA SECONDARY	3,000
98689	NYAKORERE MIXED SDA SECONDARY	3,000
98690	MACHONGO SECONDARY SCHOOL	3,000
98691	GIASOBERA SECONDARY	3,000
98692	KERONGORORI MIXED SECONDARY	3,000
98693	ST. MARY'S NYABIGENA GIRLS	3,000
98694	ST MARY'S MAGINA GIRLS HIGH SCHOOL	3,000
98695	ORERO BOYS HIGH SCHOOL	3,000
98696	NDURU BOYS	3,000
98697	ST JOSEPHS GIRLS HIGH SCHOOL	3,000
98783	IBRAHIM OCHOI SECONDARY SCHOOL	3,000
98788	IBRAHIM OCHOI SECONDARY SCHOOL	3,000
98458	MOKUBO MIXED SECONDARY	3,000
98459	ST PETERS KEBERESI SECONDARY	3,000
98460	ST PETERS KEBERESI SECONDARY	3,000

Unpresented Cheques Without Issue Dates		
Cheque No.	Payee	Amount(Kshs.)
98461	ST PETERS KEBERESI SECONDARY	3,000
98462	NYAMIRA BOYS	3,000
98463	ST PETERS KEBERESI SECONDARY	3,000
98464	ST PETERS KEBERESI SECONDARY	3,000
98465	ST PETERS KEBERESI SECONDARY	3,000
98466	MOKUBO MIXED SECONDARY	3,000
98467	ST PETERS KEBERESI SECONDARY	3,000
98468	ST PETERS KEBERESI SECONDARY	3,000
98469	ST PETERS KEBERESI SECONDARY	3,000
98470	ST CHARLES LWANGA ICHUNI GIRLS	3,000
98471	ST PETERS KEBERESI SECONDARY	3,000
98472	ST PETERS KEBERESI SECONDARY	3,000
98473	ST PETERS KEBERESI SECONDARY	3,000
98474	ST PETERS KEBERESI SECONDARY	3,000
	Total	206,000

Appendix III: Kisii County Government Response to Audit Findings, Conclusion and Recommendations

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
2.4 The audit team was unable to conduct a comprehensive and uniform review across all sampled wards due to gaps in the availability and completeness of key data and information.	2.4. The Kisii County Bursaries Management Board regrets the anomaly, but we have submitted the bank reconciliation statements for Financial Years	The Office acknowledges receipt of the bank reconciliation statements for Financial Years 2022/2023 and 2024/2025. However, the reconciliation statements provided were not adequate to support the analysis required for the audit.

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
Specifically, the Kisii County Government did not provide bank reconciliation statements for Financial Years 2022/2023 and 2024/2025, limiting the audit team's ability to determine efficiencies in the mode of disbursements.	2022/2023 and 2024/2025. Annex 1. Bank Reconciliation Statements Sent in hard copy for Financial Years 2022/2023 and 2024/2025	Specifically, the reconciliation statement for FY 2022/2023 did not include details of the cheques issued, while, the FY 2024/2025 reconciliation statement only listed a portion of the unpresented cheques, which had been issued on 23 June, 2025 which was out of the scoped period. In view of the additional documentation provided, the limitation previously noted has been addressed and the matter has been removed from the Limitation of Scope Section of the report. However, the finding remains due to incomplete information.
4.1 Analysis of the lists of beneficiaries revealed that the Kisii County Government supported learners through bursaries over the Financial Year 2022/2023 to 2024/2025, reaching a total of 99,813 beneficiaries, as presented in Table 7 .	4.1. From the Financial Year 2022/2023 to 2024/2025, the Kisii County Bursaries Management Board has issued bursaries to a total of 179,352 beneficiaries, as presented in Annex 2 . Annex 2 contained a summary table of supported beneficiaries	The Office acknowledges receipt of the additional summary table and accompanying Excel schedules indicating that the County supported 179,352 beneficiaries during the period under review. However, the schedules provided were not supported by a verifiable list of beneficiaries, including key details such as learner names, admission numbers, institutions, and amounts awarded. The audit team could not therefore, confirm the accuracy and

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
	and accompanying Excel schedules.	completeness of the revised totals. Consequently, the audit finding remains as reported.
5.1. The Kisii County Government did not ensure access to bursaries by needy and vulnerable learners in the county. There was inadequate allocation of bursaries to the applicants and delayed disbursement of funds to the learning institutions	5.1. Due to the steadily increasing number of applicants, the demand for bursaries continues to exceed the available resources, making it challenging to meet all requests fully. To ensure fairness, transparency, and proper identification of genuinely needy students, the Kisii County Bursaries Application Form requires applicants to provide comprehensive family details and attach relevant supporting documentation. This process enables the County to objectively assess each application and prioritize assistance to the most vulnerable and	The Office notes the explanation provided by Management regarding the increasing demand for bursary support and the measures in place to ensure fairness and transparency in the application process. However, the audit findings were based on evidence obtained during the review of bursary allocation records and analysis of disbursement timelines, which indicated instances of inadequate allocation of bursaries and delays in disbursement to learning institutions. The Management in their response did not provide additional evidence to refute these observations. Accordingly, the conclusion remains as presented in the report.

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
	deserving students within the limits of the available budget.	
5.2 The County does not adequately identify and select needy learners as access to the application forms by the eligible applicants is limited and the vetting process did not effectively identify needy and vulnerable cases. Subsequently, bursaries were not awarded equitably.	Annex 3. Kisii County Bursary Forms Annex 3 contained sample bursary application forms from beneficiaries	The Office acknowledges receipt of the sample bursary application forms. However, the documents submitted did not sufficiently demonstrate that the County had established mechanisms to ensure equitable access to application forms by all eligible learners, nor did they adequately address the weaknesses identified in the vetting and selection process. The audit conclusion regarding limitations in the identification and selection of needy and vulnerable learners remains unchanged.
5.3 The County lacks a robust information management system that would ensure data integrity and enhanced oversight on activities of ward bursary committees. This negatively affects collaboration amongst the ward committees and other bursary	5.3 At present, the County lacks a robust information management system capable of enhancing data integrity and facilitating effective information sharing with other bursary providers. Management has taken note of this gap and is in the process of making the necessary arrangements	The audit team notes management's acknowledgement of the absence of an integrated information management system and the intention to establish one in the future. Consequently, the audit conclusion remains as reported.

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
providers. A significant proportion of learners benefited from multiple bursaries while other eligible learners remained unsupported, including persons living with disabilities.	to establish an appropriate system to address this need.	
5.4 The Kisii County Government has not adopted an efficient mode for disbursement of funds to the learning institutions. Bursary disbursements were made between three (3) and five (5) months after the beginning of the school academic year.	5.4. The delay in disbursement of funds to beneficiaries is caused by delay from The National Treasury in releasing funds to County Government.	The Office notes management's explanation that delays in bursary disbursement were caused by delays in the release of funds from the National Treasury. Based on the analysis of disbursement records, bursary payments to learning institutions were made between three (3) and five (5) months after the beginning of the academic year, which affected the timely support to beneficiaries. Therefore, the conclusion remains as presented in the report.
5.5 The County Bursaries Management Board did not ensure prudent use of administrative costs. There were wasteful and avoidable expenditure	5.5 The Management has taken note of the wasteful and avoidable expenditure that reduces the effectiveness of the programme. We will	The Office notes Management's commitment to address the issue of wasteful expenditure and to improve accountability in the management of administrative costs.

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
that reduced the effectiveness of the programme and there was minimal acknowledgment of bursary payments by learning institutions.	ensure no wasteful expenditure incurred. The acknowledgements that were not availed were caused by some parents not understanding the process or some institutions are far away making the process of collecting the receipts not cost effective.	Further, the explanation regarding lack of acknowledgement receipts from learning institutions does not sufficiently address the responsibility of the County to ensure proper documentation confirming that bursary payments were received and credited to the intended beneficiaries. Accordingly, the audit conclusion remains as reported.
5.6 The County Government allocated significant portion of the education budget to bursaries for learners in secondary schools and institutions of higher learning at the expense of education activities that fall under the devolved functions like pre-primary education, village polytechnics, homecraft centres and childcare facilities.	5.6. We acknowledge that we have been awarding bursaries to learners in secondary schools and institutions of higher learning and thus they don't fall under devolved functions. The Kisii County Government has signed a Memorandum of Understanding with the Ministry of Education allowing the County to support those learners. Find attached Annex 4: Intergovernmental Partnership Agreement Between National Government Through	The Office acknowledges receipt of the Intergovernmental Partnership Agreement between the National Government, through the Ministry of Education and the County Government of Kisii, dated 19 May, 2025, authorizing the County Government to provide bursaries to learners in secondary schools and institutions of higher learning. However, the scope of the audit covered Financial Years 2021/2022 to 2024/2025, during which the County Government had already been allocating a significant portion of its education budget towards bursaries for secondary schools and institutions of higher learning. The

Audit Finding/Section of the Report	Kisii County Government Management Response	Auditor's Comments
	Ministry of Education and County Government of Kisii.	agreement provided by Management was executed in the last one (1) month of the end of the audit period and therefore, did not fully address the basis upon which the County Government was supporting these levels of education during the earlier financial years covered by the audit. Accordingly, the finding remains as reported, while the agreement has been noted as a corrective measure taken by Management to formalize its collaboration with the National Government in supporting learners in non-devolved education levels.

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