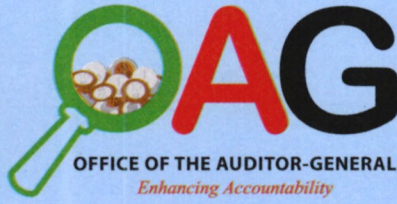


REPUBLIC OF KENYA

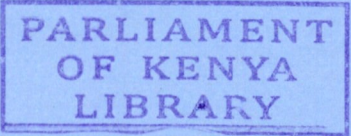


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**BUNGOMA COUNTY EDUCATION
SUPPORT SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2025**

PAPERS LAID	
DATE	26/11/25
TABLED BY	S.M.H
COMMITTEE	-
CLERK AT THE TABLE	Belinda



BUNGOMA COUNTY EDUCATION SUPPORT SCHEME

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2025.**

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

Bungoma County Education support Scheme
Annual Report and Financial Statements for the year ended June 30, 2025

***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

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***Bungoma County Education support scheme
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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

2. Key Entity Information and Management

a) Background information

Bungoma County Education support scheme is established by and derives its authority and accountability from the Public Finance Management Act No.18 of 2012 (Bungoma County Education Support Scheme regulations, 2019) on 10th April, 2019. The Fund is wholly owned by the County Government of Bungoma and is domiciled in Kenya.

The fund's objective is to support needy students proceeding with secondary, tertiary and technical studies.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to support needy, vulnerable but bright students and increase accessibility to secondary schools and tertiary institutions.

c) Board of Trustees/Fund Administration Committee

The *entity's* day-to-day management is under the following key organs:

Ref	Name	Position
1	Sam Nalwa	Chairperson
2	Moris Kiboi	Committee Member
3	Fred Kikete	Committee Member
4	Bukhuni Makhanu	Committee Member
5	Wambiya Katoyi	Committee Member
6	Godfrey W. Watulo	Committee Member
7	Bishop Lirhu Wafula	Committee Member
8	Selina Nyongesa	Fund Administrator/Secretary

Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

Name		
1	Eng. Agnes Wachiye	CECM- Education and VTC.
2	Mr. Sam Nalwa	Chief Officer Education and VTC.
3	Selina Nyongesa	Fund Administrator,
4	Moses Wanyama	Fund Accountant
5	Eunice Imbwenya	Director.
6	Gilbert Cheshari	Finance officer.
7	Wycliffe Matumbai	Economist.
8	Julius Wafula	Fund Accountant.

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

The internal audit department oversees the fund operations. The key management personnel who held office during the period ended 30 June, 2025 and who had direct fiduciary responsibility are shown in the table below.

SN	Position	Name
1	Directorate of Internal Audit	CPA Mary Luleyi and team.
2	County Assembly Education Committee	Committee members

f) Registered Offices

P.O. Box 437,
Black house
Building, Moi
Avenue
Bungoma,
KENYA

g) Fund Contacts

Telephone: (254) 701758007
E-mail:
Website:

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Moi avenue
P. O. Box 4108380-50200
Bungoma, Kenya.

***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

Key Entity and Management (Continued)

i) Independent Auditor

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





j) Principal Legal Adviser

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





k) County Attorney

P.O. Box 437
50200
Bungoma, Kenya





3. Trustees/ Fund Administration Committee Profiles

Name	Details of qualifications and experience
<p>Mr. Sam Nalwa</p> 	<p>Mr. Sam Nalwa was born on 4th October 1976 in Bungoma County.</p> <p>He has a Master's degree in Business Administration-Finance option, Bachelor's degree in Education-Mathematics and business studies, and Diploma in Education-Mathematics & Accounting and has a working experience of over 24 years.</p>
<p>Bishop Lirhu Wafula.</p> 	<p>Born on 1st January 1966 in Bungoma County. Holds a bachelors degree in Education and has a working experience of 32 years.</p>
<p>Mr. Mourice Kiboi</p> 	<p>Born on 5th October 1957. Holds a diploma in Education and has a work experience of over 33 years.</p>
<p>Mr. Wambiya Kutoyi</p> 	<p>Born on 15th October 1958. Holds a bachelor's degree in Education and has a working experience of 35 years.</p>




*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

<p>Mr. Makhanu Patrick</p> 	<p>Born on 26th December 1961. Holds a technical certificate II (Approved graduate) and has a working experience of 37 years.</p>
<p>Mrs. Alice Nabachenja</p> 	<p>Born on 2nd December 1961. Holds a diploma in Public administration and has a work experience of 25 years.</p>
<p>Mr. Nyongesa Watulo</p> 	<p>Watulo Nyongesa was born on 30th June 1970. He holds a degree in Theology and has a working experience of over 27 years.</p>
<p>Mrs. Selina Nyongesa</p> 	<p>Mrs. Selina Nyongesa was born on 30th December 1987 in Bungoma County. She graduated with a diploma in Human Resource Management and has a working experience of over ten years.</p>

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Eng. Agnes Wachiye</p> 	<p>Eng. Agnes is a holder of Bachelor of Philosophy Technology (Electrical & Electronics Engineering Technology) from the Technical University of Kenya, Higher National Diploma Electrical & Electronics Engineering (Kenya Polytechnic), and a Diploma in Project Management from Galilee International Management Institute (Israel). She has a working experience of over 30 years and serves as the County Executive Committee Member of Education and VTC.</p>
<p>2. Mr. Sam Nalwa</p> 	<p>Mr. Sam Nalwa was born on 4th October 1976 in Bungoma.</p> <p>He has a Master's degree in Business Administration-Finance option, Bachelor's degree in Education-Mathematics and business studies and Diploma in Education-Mathematics and Accounting.</p> <p>He has a working experience of 24 years and serves as the Scheme's chairperson.</p>
<p>3. Selina Nyongesa</p> 	<p>Mrs. Selina Nyongesa was born on 30th December 1987 in Bungoma County. She graduated with a diploma in Human Resource Management and has a working experience of over ten years.</p> <p>Mrs. Selina Nyongesa is the Fund Administrator.</p>
<p>4. Julius Wafula</p> 	<p>Julius Wafula was born on 12th March 1978.</p> <p>Holds a Diploma in Accountancy with a working experience of over 8 years.</p> <p>He is the Accountant in the department.</p>

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

<p>5. Mr. Gilbert Cheshari</p> 	<p>Mr. Gilbert was born on 1st November 1990. He has a Master's degree in Business Administration-Accounting option, Holds a Bachelor's degree in Business & Management, Accounting option, Holder of CPA II Certification. He is the Departments' Finance Officer.</p>
<p>6. Mr. Wycliffe Matumbai.</p> 	<p>Wycliffe Matumbai was Born on 15th August 1974. He holds a Bachelor's degree in Science Management with an experience of over 20 years. He is the Departments' Economist.</p>
<p>7. CPA Moses Wanyama</p> 	<p>CPA Moses Wanyama was born on 23rd April 1978 in Bungoma County. He has a Bachelor's degree in Commerce-Accounting option, and a holder of CPA K. Moses is the department's Fund Accountant.</p>

5. Chairman's Report

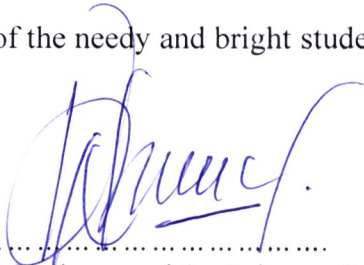
The ministry of Education plays an integral role in overseeing educational activities in the county. This is because by providing bursaries to many beneficiaries in their secondary school, literacy levels are achieved which sparks economic development. The number of students who remain in schools for periods of three and four years has significantly improved since the establishment of the bursary scheme at the inception of the county.

The fund has experienced delays in funds disbursement from the national treasury leading to delays in payment of school fees to students who benefit from the fund. During the year under review, the scheme did not receive any transfers from national government, for the financial year 2024/2025 budget due to the circular from controller of budget office stopping the disbursement of funds to county governments,

To date, over 40,000 students have benefitted immensely from the scheme.

The bursary has however faced many challenges, which can be summarised into inadequacy of funds disbursed to the wards against the needy students leading to low allocations of the funds per student.

However, the Scheme is doing great in uplifting the socio-economic livelihoods of the needy and bright students in the county.



.....
The Chairman of the Scheme Committee

6. Report of The Fund Administrator

Bungoma County Education Support Scheme is established by and derives its authority and accountability from The Bungoma County Education Support Scheme Regulations, 2015 of Kenya (revised in 2019). The Fund is wholly owned by the County Government of Bungoma and is domiciled in Kenya.

The fund's objective is to support needy students proceeding with secondary, tertiary and technical studies while the fund's principal activity is to disburse funds to schools and tertiary institutions for the support of needy students. The scheme has a two level governance structure, namely county education support management and ward bursary management committees. Currently the county scholarship committee is comprised of seven members appointed by county executive committee members with representation from various interest groups, such as youth, women, professional and faith based groups. The chief officer in charge of education chairs the committee while the fund administrator is the secretary. The fund administrator, appointed by the County Executive Committee Member in charge of Finance and Economic planning is responsible for the day-to-day operation of the fund. The function of the committee is to receive and consider applications for scholarships, mobilise resources in support for the scheme, advice on scholarship and bursaries allocations among other functions. In the last financial year, the committee held eight meetings to consider applications for scholarships from across the county. During the meetings, the committee usually review the performance of the previous awards and suggest to the fund administrator mechanisms of improving performance. At the ward level, the ward management committee is responsible for receiving and vetting applications for ward bursaries. The committee is comprised of five members elected from within the community with due consideration to regional balance and marginalized groups. Members elect the committee chairperson on its first sitting and the ward administrator is the secretary. In the year under review, the ward committees had several sitting ranging from four to six seatings depending on the volume of applications received. Members of county and ward committees serve for a period of 3 years and are eligible for re-election.

In order to ensure transparency, the county and ward committees publish all names of successful applicant on public notice boards. An annual performance report on performance of the fund is prepared by the fund administrator and forwarded to the county Treasury as required in law.


***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

The funds allocated to the fund are subject to audit by internal and external auditors. The previous financial year external audit returned a qualified opinion on its financial performance. In addition, to ensure prudence in financial management, the fund management strive to maintain proper financial records and tracks the utilization of the same to ensure that the funds reach the right beneficiaries.

During the financial year 2024/2025 the scheme was to receive a total of ksh. 216,700,000(receivable) made up of ksh. 80,000,000 Scholarship and ksh. 136,700,000 Bursary. However only ksh. 215,000,000 was received during the year. The scheme is yet to receive the final Bursary disbursement of ksh. 1,700,000

In the financial year 2024/2025, the scheme was allocated a total of **ksh. 225,000,000**, made up of ksh. 45,000,000.00 towards Scholarship beneficiaries and ksh. 180,000,000 for Bursary beneficiaries, but this amount was reduced to ksh 133,757,046 during the supplementary budget

The scheme has had a fair share of challenges such as inadequate budgetary allocation, and delays in submission of bursary beneficiaries from the wards as well us delays disbursement from national government.


.....
The Fund Administrator





***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

7. Statement of Performance Against Predetermined Objectives for FY 2024/2025

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 be in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the Bungoma County Education support scheme's 2024-2025 plans are to:

- a) Provide for the establishment, administration, management and winding up of the Bungoma County Education Support Scheme.
- b) Make provision for the granting of scholarships and bursaries to eligible students from the County
- c) The principles for the establishment of the scheme are to-
 - increase access to quality education and training
 - support needy students proceeding to secondary, vocational, tertiary and higher education
 - promote an integrated strategic approach in addressing education, training and skills development
 - fulfil the department's social responsibility through funding of education institutions within the county
 - reduce disparities and inequalities in provision of education and training within the County
 - model an alternative framework in funding education and training programs

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Indicator	Performance
Disbursement of scholarship and bursary funds	To provide Scholarship and Bursaries to bright, needy and vulnerable students from the county	Increased transition levels from secondary to higher institutions of learning and to the job market.	No of beneficiaries.	The scheme is yet to receive funding for the period.

8. Statement of Corporate Governance

The Bungoma county scholarship and bursaries scheme was established in 2018 through a regulation of the county assembly with the purpose being to provide financial support to needy students pursuing their education and training in secondary and post-secondary institutions. The scheme is governed through the Bungoma county scholarship and bursaries regulation of 2019. The scheme has a two level governance structure, namely county education support management and ward bursary management committees. Currently the county scholarship committee is comprised of seven members appointed by county executive committee members with representation from various interest groups, such as youth, women, professional and faith based groups. The committee is chaired by the chief officer in charge of education while the fund administrator is the secretary. The fund administrator, appointed by the County Executive Committee Member in charge of Finance and Economic planning is responsible for the day-to-day operation of the fund. The function of the committee is to receive and consider applications for scholarships, mobilise resources in support for the scheme, advice on scholarship and bursaries allocations among other functions. In the last financial year, the committee held a total of two meeting to consider applications for scholarships from across the county. During the meetings the committee usually review the performance of the previous awards and suggest to the fund administrator mechanisms of improving performance.

At the ward level, the ward management committee is responsible for receiving and vetting applications for ward bursaries. The committee is comprised of 5 members elected from within the community with due consideration to regional balance and marginalized groups. The committee chairperson is elected by members on its first sitting and the ward administrator is the secretary. In the year under preview, the ward committees had several sitting ranging from 4 sitting to 6 sitting depending on the volume of applications received. Members of county and ward committees serve for a period of 3 years and are eligible for re-election. A member may be removed from the committee on the basis of chronic absenteeism, breach of chapter six on integrity, death among others. In order to ensure transparency, the county and ward committees publish all names of successful applicant on public notice boards. An annual performance report on performance of the fund is normally prepared by the fund administrator and forwarded to the county Treasury as required in law.

***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

The funds allocated to the funds are subject to audit by internal and external auditors. The previous financial year external audit returned a qualified opinion on its financial performance. In addition, to ensure prudence in financial management, the fund management strive to maintain proper financial records and tracks the utilization of the same to ensure that the funds reach the right beneficiaries. To ensure accountability and transparency, the fund management is developing a code of conduct for all its officials. The code will spell the do and don'ts of each official serving in the committee including issues of conflict of interest. The fund management has also put in place a robust training programme for all its officials. It is envisioned that all committee members will be trained. The fund management is also in the process of developing a monitoring and evaluation framework. This will enable the fund to undertake periodic monitoring and evaluation of its activities. Consequently, recommendations from the monitoring and evaluation will be incorporated in future operations of the fund.

9. Management Discussion and Analysis

The scheme has continued to expand and support more students since its inception in 2019. The county government continues to put more emphasis on the education of the children of Bungoma County. Consequently, it continues to allocate funds on its budget for the very purpose.

The table below shows the funds allocated by the county government towards the scheme since 2018/2019 financial year to date.

Table 1: Amount of Funds Budgeted against Funds Released

Financial Year	Amount budgeted	Actual amount released
2024/2025	133,757,046	215,000,000
2023/2024	321,700,000	320,000,000
2022/2023	524,000,000	524,000,000
2021/2022	550,000,000	550,000,000
2020/2021	110,000,000	110,000,000
2019/2020	240,000,000	170,000,000
2018/2019	190,000,000	190,000,000

Table 1.0 shows the breakdown of budgetary allocation versus the actual releases from the National Treasury to date.

The allocation has always been insufficient considering the high enrolment of beneficiaries. To mitigate this, the department, in consultation with major stakeholders has been lobbying for more allocation from The County executive and Assembly.

Table 2.0 shows the number of scholarship beneficiaries since 2019.

Table 2.0: Number of Scholarship beneficiaries since 2018/2019

Financial Year	Number of scholarship beneficiaries per year	Cumulative number of beneficiaries to date
2024/25	0	6,583
2023/24	650	6,583
2022/23	845	5,933
2021/22	1,890	5,088
2020/21	2,192	3,198
2019/20	550	1,006
2018/19	456	456

The academic year 2025 witnessed zero intake due to change of academic syllabus.

***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

Table 3 below shows the distribution of bursary allocation from 2018/19 to 2023/24 financial years.

Table 3: number of bursary beneficiaries since 2018/19 financial year.

Financial Year	Number of bursary beneficiaries	Cumulative number of beneficiaries to date.
2024/2025	0	149,047
2023/2024	45,000	149,047
2022/2023	40,000	104,047
2021/2022	20,000	64,047
2020/21	9,000	44,047
2019/20	12,680	35,047
2018/19	22,367	22,367

The beneficiaries for the financial year under review is zero since the vetting that was ongoing at the ward level was halted, due to uncertainty in the release of funds for scholarship and bursary to county government following guidance from the controller of budget.

In the performance of its mandate, the fund management strictly adhered to the provisions of the constitution of Kenya, article 43(1) which advocates for the right of the children including right to education, Article 53(1) (b) which states every child has the right to free and compulsory basic education. In schedule 4 of the constitution, the county government is also assigned the function of managing the education sector. The public finance management act (2012) provides for the establishment and management of funds. Under the act, section 116 provides that the county executive committee member or finance may establish other public funds with approval of the county executive committee and county assembly. The county government act (2012) and the Bungoma county scholarship and bursaries regulations (2019) provides for the establishment and operationalization of the scheme.

Despite its performance, the scheme is faced with a number of risks and uncertainties. For instance, changes of government policy is likely to affect its continuity of the scheme. The scheme is also faced with issues of untimely release of funds which leads to delay in processing of payments to schools.

10.Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The scheme did not have budgetary allocation for implementation

2. Environmental performance

The scheme did not have budgetary allocation for implementation

3. Employee welfare

The scheme did not have budgetary allocation for implementation

4. Market place practices-

The scheme did not have budgetary allocation for implementation

5. Corporate Social Responsibility / Community Engagements

The scheme did not engage itself in corporate social responsibility.

***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

11. Report of The Trustee/Committee

The Committee submit their report together with the audited financial statements for the year at the end of each reporting period showing the state of the Scheme's affairs.

Principal activities

The principal activity/mission/ mandate of the Fund is to support needy, vulnerable but bright students and increase accessibility to secondary schools and tertiary institutions.

Results

The results of the Fund for the period ended June 30, 2025 are set out on pages 1 to 17 of this report.

Trustees

The Trustees who served during the year are shown on page vii and viii of this report.

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.


.....
Chair of the Board Administration Committee

Date: 22/9/2025
.....

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 *Bungoma* Education support Scheme 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. 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 *scheme* 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 Bungoma County Education Support Scheme regulations, 2019. The Administrator of the Fund/Scheme 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 period ended, and of the Fund/Scheme's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/Scheme, 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 Bungoma Education support Scheme has assessed the Fund/Scheme'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/Scheme 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 Scheme's financial statements are approved by the Committee at the end of the reporting period and signed on its behalf by:


.....

Fund Administrator of the Bungoma Education support scheme

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 BUNGOMA COUNTY EDUCATION SUPPORT SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the 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 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bungoma County Education Support Scheme set out on pages 1 to 34, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance , statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bungoma County Education Support Scheme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Bungoma County Education Support Scheme Regulations, 2019.

Basis for Qualified Opinion

Unsupported Use of Goods and Services Expenditure

The statement of financial performance and Note 9 to the financial statements indicate use of goods and services expenditure amounting to Kshs.7,397,544. However, the supporting documents of the expenditure including general ledgers, invoices, appointment letters of committee members, signed minutes of meetings, attendance registers, and field reports were not provided for audit review.

In the circumstances, the regularity, accuracy and completeness of use of goods and services expenditure amounting to Kshs.7,397,544 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bungoma County Education Support Scheme 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Related to Sustainability of Services

The statement of financial performance indicates that the Scheme did not receive revenue from the County Government, and made bursary and scholarship payments amounting to Kshs.133,235,657 and Kshs.78,711,920 respectively, to support education to students in universities, Technical and Vocational Education Training institutions (TVETs), secondary schools and special institutions which are National Government functions. The expenditure was made using the receipts from the receivables from non-exchange transactions balance of Kshs.216,700,000 held at the beginning of the financial year on 1 July, 2024. However, the bursary and scholarship funding was contrary to the Controller

of Budget circular Ref.OCO/Circular No.1/2025 dated 14 January, 2025 which refers to Fourth Schedule of the Constitution of Kenya, 2010 that designates universities, tertiary educational institutions, special education and secondary schools as functions of the National Government.

As a result, for a County Government to provide education support towards functions classified as functions of the National Government requires formulation of an intergovernmental agreement to be executed by an authorized person and published in the Kenya Gazette to transfer the functions in accordance with Article 187 of the Constitution of Kenya, 2010 which had not been done by the Scheme as at 30 June, 2025

In the circumstances, the future sustainability of the Scheme's services of disbursement of bursaries to needy students could not be confirmed.

My opinion is not modified in respect of this matter.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis of Kshs.133,757,046 and Kshs.220,099,621 respectively, resulting to over-funding of Kshs.86,342,575 or 65% of the budget. Further, the statement reflects expenditure budget and actual on comparable basis of Kshs.133,757,046 and Kshs.219,345,121 respectively, resulting in over-expenditure of Kshs.85,588,075 or 64% of the budget.

Further, the Scheme Management did not provide the approved budget for the financial year 2024/2025 for audit review.

In the circumstances, Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

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. Except for the effects of the matter described in the Basis for Qualified Opinion and Material Uncertainty Related to Sustainability of Services sections, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the report for the previous year, several issues were raised under the Report on the Financial Statements and Emphasis of Matter as detailed in **Appendix I**. Annex 1 to the financial statements on progress on follow up of prior year auditor's recommendations

indicates that the issues have been resolved. However, the supporting documents and explanations were not provided for audit review to confirm the resolutions of the audit issues.

In the circumstances, the issues remain unresolved.

Other Information

Management is responsible for the Other Information set out on page iv to xxii which comprise of Key Entity Information and Management, Fund Administration Committee, Key Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Scheme'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, I am required to report that fact. I have nothing to report in this regard.

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 THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-adherence to the Bursaries Distribution Criteria

During the year under review, the Bursary Scheme Committee convened on 23 August, 2024 and passed a resolution of distributing bursary to students in National schools and other learning institutions at a rate of Kshs.19,000 and Kshs.13,000 per beneficiary, respectively. However, the bursary disbursement schedules revealed that nine-hundred and forty-eight (948) students received bursary awards in excess of the agreed thresholds, thereby deviating from the approved distribution framework. This irregularity

Report of the Auditor-General on Bungoma County Education Support Scheme for the year ended 30 June, 2025

undermines the Scheme's ability to foster fairness, equity, and equal opportunity in access to basic education.

In the circumstances, Management was in breach of the bursary's distribution criteria.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 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 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 effects 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 overall governance were not effective.

Basis of Conclusion

Lack of Internal Audit Reports

During the year under review, the internal audit did not conduct internal audit reviews for the processes of the Scheme.

In the absence of internal audit reviews, the effectiveness and reliability of the Scheme's operations could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 those Charged with Governance

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 Scheme's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using applicable 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.

Those charged with governance are responsible for overseeing the Scheme'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 International Standards of Supreme Audit Institutions (ISSAIs). The standards require 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 ISSAIs 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

07 November, 2025

Appendix I

Unresolved Prior Year Audit Matters

Reference No. of the Auditor-General's Report	Observation
	Report on the Financial Statements
1	Inaccuracy of the comparative balances
2	Unsupported transfers from the County Government
3	Unsupported scholarship and other educational benefits expenditure
4	Accuracy of use of goods and services expenses
5	Unsupported trade and other receivables from exchange transactions
6	Unsupported trade and other payables
7	Anomalies in presentation and disclosure of annual report and financial statements
	Emphasis of Matter
	Budgetary Control and Performance


Bungoma County Education support scheme


Annual Report and Financial Statements for the year ended June 30, 2025

14.Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	2024-2025	Insert
		Kshs	Comparative FY Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	0	321,700,000
Public Contributions and Donations			
			321,700,000
Revenue From Exchange Transactions			
Other income		0.00	6,158,500
Total Revenue		0.00	327,858,500
Expenses			
Bursary transfers	7	133,235,657	166,173,038
Scholarship grants	8	78,711,920	120,016,729
Use of Goods and Services	9	7,397,544	18,196,422
Total Expenses		219,345,121	304,386,189
Surplus/(Deficit) for the Period		(219,345,121)	23,472,312

The notes set out on pages i-xxii, 1 to 35 form an integral part of these Financial Statements


.....
Name: Selma Nyongesa
Administrator


MOSES WANYAMA
.....
Name: 
Fund Accountant
ICPAK Member Number: 31168


**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

15.Statement of Financial Position as at 30 June 2025

Description	Note	2024-2025	Insert Comparative FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	10	754,500	5,099,621
Non-exchange receivables	11	1,700,000	216,700,000
Total current assets		2,454,500	221,799,621
Total Assets (A)		2,454,500	221,799,621
Liabilities			
Current Liabilities			
Trade and Other Payables	12	0.00	221,799,621
Total current liabilities		0.00	221,799,621
Total Liabilities (B)		0.00	(221,799,621)
Net Asset (A-B)		2,454,500	0.00
Represented By:			
Accumulated Surplus		2,454,500	221,799,621
Net Assets		2,454,500	221,799,621

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 ___15th august_____ 2025 and signed by:

.....

Name: Selwa Nyongesa
Fund Administrator

.....

Name: MOSES WAMANA
Fund Accountant
ICPAK Member Number: 31168

Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Accumulated surplus
	Kshs
Balance as at 1 July 2023	198,327,309
Surplus/(Deficit) For the Year	23,472,312
Balance As At 30 June 2024	221,799,621
Balance As At 1 July 2024	221,799,621
Surplus/(Deficit) For the Year	(219,345,121)
Balance As At 30 June 2025	2,454,500

Bungoma County Education support scheme

Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		215,000,000	165,000,000
Other receipts		0.00	6,158,500
Total receipts		215,000,000	171,158,500
Payments			
Bursary Transfers		(133,235,657)	(166,173,038)
Scholarship grants		(78,711,920)	(120,016,729)
Use of goods and Services		(7,397,544)	(18,196,422)
Net cash flows from operating activities	13	(4,345,121)	(133,227,689)
Cash flows from investing activities			
		0.00	0.00
Net cash flows used in investing activities		0.00	0.00
Cash flows from financing activities			
Net cash flows used in financing activities		0.00	0.00
Net increase/(decrease) in cash & cash Equivalents		(4,345,121)	(133,227,689)
Cash and cash equivalents at 1 July		5,099,621	138,327,309
Cash and cash equivalents at 30 June		754,500	5,099,621

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

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2025

Description	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on comparable basis Kshs	Percentage Difference Kshs	Variance Kshs
	A	B	c=(a+b)	D	e=(c-d)	f=d/c*100
Opening budget Carry Overs		5,099,621	5,099,621	5,099,621	0	100
Receipts						
Transfers From the County Government	225,000,000	(96,342,575)	128,657,426	215,000,000	(86,342,575)	167
Total Receipts	225,000,000	(91,242,954)	133,757,046	220,099,621	(86,342,575)	164
Payments						
Bursary Transfers	135,500,000	(45,000,000)	90,000,000	133,235,657	(41,748,122)	148
Scholarship grants	82,000,000	(45,742,954)	36,257,046	78,711,920	(43,942,410)	217
Use of goods & Services	7,500,000		7,500,000	7,397,544	102,456	97
Total Payments	225,000,000	(91,242,954)	133,757,046	219,345,121	(85,588,076)	164
Surplus For the Period				754,500	(754,500)	

Budget notes

Opening Budget carry overs- is the surpluses not legally required to be remitted to the CRF

1. The fund received exchequer disbursement totalling ksh 215,000,000 (ksh. 90,000,000, ksh. 45,000,000 and ksh. 80,000,000 on 5th July, 21st and 26th August 2024). The funds received were balances brought forward from the previous financial year (receivables).and carryover of ksh 5,099,621 leading to total receipts of ksh 220,099621 of which ksh 219,345,121 was spend against approved budget of 133,757,046 hence the over utilization.
2. The approved budget for both scholarship and Bursary for the current financial year was ksh. 225,000,000, which was later reduced by ksh 91,242,954 during the 1st supplementary budget of the financial year under review to ksh 133,757,046.

Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025

Description of Particulars	
Actual Surplus Amounts as per the statement of Budget	754,500
Closing Cash and Cash Equivalent as per the statement of Cash flows	754,500

19 Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Bungoma County Education Support Scheme is established by and derives its authority from The Bungoma County Education Support Scheme Regulations of 2015, (revised in December 2019). The entity is wholly owned by the Bungoma County Government and is domiciled in Kenya. Bungoma County Education Support Scheme's principal activity is to support needy and bright students access education.

2. Statement of compliance and basis of preparation

Bungoma County Education Support Scheme'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	
IPSAS 43 Leases	<p><i>Applicable 1st January 2025</i></p> <p>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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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Standard	Effective date and impact
	The standard is not relevant to the scheme.
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, 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: 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> <p>The standard is not relevant to the scheme.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</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> <p>The standard is not relevant to the scheme.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</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> <p>The standard will bring more clarity to the financial statements.</p>

Standards	
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> <p>The standard will bring more clarity to the financial statements.</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 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.</p> <p>The standard will bring more clarity to the financial statements.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>The standard is not relevant to the scheme.</p>

(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 2024/2025 was approved by the County Assembly on June 2024. Subsequent revisions or additional appropriations will be made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations will be added to the original budget by the Bungoma County Education Support Scheme upon receiving the respective approvals in order to conclude the final budget.

Bungoma County Education Support Scheme'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 as Annex III 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. (amend as appropriate).* 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

***Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025***

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.

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 Bungoma County Education Support Scheme 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 Bungoma County Education Support Scheme 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

Bungoma County Education Support Scheme 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

Bungoma County Education Support Scheme 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 Bungoma County Education Support Scheme 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 Bungoma County Education Support Scheme creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Bungoma County Education Support Scheme 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 Bungoma County Education Support Scheme 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 Bungoma County Education Support Scheme, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Scheme 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

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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 Bungoma County Education Support Scheme'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

Provisions were raised and management determined an estimate based on the information available.

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

6. Transfers from the County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Government	0	165,000,000
Total	0	165,000,000

The Scheme received above transfers from the County Treasury being part of the amount receivable of ksh. 216,700,000 reported in the previous financial year report. The 1st tranche of ksh. 90,000,000 was received on 5th July, 2nd tranche of ksh. 45,000,000 was received on 21st August, while the last batch of ksh. 80,000,000 was received on 26th August 2024.

The balance of ksh. 1,700,000 remains receivable to the date of this report.

7. Bursary Transfers

Description	2024-2025	2023-2024
	Kshs	Kshs
Universities	15,461,200	11,819,500
TVETs and Colleges	23,013,632	11,607,000
Secondary schools	94,760,825	142,746,538
Total	133,235,657	166,173,038

8. Scholarship grants

Description	2024-2025	2023-2024
	Kshs	Kshs
Secondary schools	78,199,456	119,786,729
Special institutions	512,464	230,000
Total	78,711,920	120,016,729

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Committee Allowances	4,473,205	8,209,300
Bank charges	101,014	740,311.50
Audit fees	0	0
Administrative costs	2,823,325	9,246,810
Total	7,397,544	18,196,422

10. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	754,075	1,412,196
Others (<i>Special purpose account</i>)	425	3,687,425
Total Cash and Cash Equivalents	754,500	5,099,621

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
KCB Bank	1182244041	754,075	1,412,196
Central Bank (Scheme Special purpose account)	1000715022	425	3,687,425
Sub- Total		754,500	5,099,621
Grand Total		754,500	5,099,621

11. Non-Exchange Receivables

2024-2025	2023-2024	2024-2025
Kshs	Kshs	Kshs

12. Trade and other payables

	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Payables	0		221,799,621	
Total Trade and Other Payables	0		221,799,621	
Ageing analysis (Trade and other payables)		% of the Total	Comparative FY	% of the Total
Under one year		%	221,799,621	100%
Total (tie to above total)			221,799,621	

13. Cash generated from operations.

	2024-2025		2023-2024	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	(219,345,121)			
Adjusted For:				
Working Capital Adjustments				
Increase In Receivables	215,000,000			
Increase In Payables				
Net Cash Flow from Operating Activities	(4,345,121)			

The total ties with the cash flow section on net cash flows from operating activities

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

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. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)															
2023/2024	<p>Inaccuracy of the Comparative Balances</p> <p>Review of the financial statements for the financial year ended 30 June, 2024 revealed comparative amounts which were at variance in comparison to those reported in the audited financial statements for the previous financial year ended 30 June, 2023 as follows: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Details</th> <th>Comparative Balances; Financial Statements 2023/2024 Kshs.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Scholarship and Other Educational Benefits</td> <td>308,520</td> </tr> <tr> <td>2</td> <td>Surplus for the year</td> <td>199,664</td> </tr> <tr> <td>3</td> <td>Cash and Cash Equivalents</td> <td>144,485</td> </tr> <tr> <td>4</td> <td>Accumulated Fund</td> <td></td> </tr> </tbody> </table>	No	Details	Comparative Balances; Financial Statements 2023/2024 Kshs.	1	Scholarship and Other Educational Benefits	308,520	2	Surplus for the year	199,664	3	Cash and Cash Equivalents	144,485	4	Accumulated Fund		<p>The management is in agreement with the audit findings and wishes to correct the errors by restating the scheme's financial statements to reflect the true comparative figures.</p> <p>Appendix 1: Bungoma County Education support - scheme Restated Financial statements-FY 2023/2024.</p>	Resolved	30 th June 2025
No	Details	Comparative Balances; Financial Statements 2023/2024 Kshs.																	
1	Scholarship and Other Educational Benefits	308,520																	
2	Surplus for the year	199,664																	
3	Cash and Cash Equivalents	144,485																	
4	Accumulated Fund																		

*Bungoma County Education support scheme
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The variances have not been explained or reconciled.</p> <p>In the circumstances, the accuracy and completeness of the respective financial statements' comparative balances could not be confirmed.</p>			
2023/2024	<p>Unsupported Transfers from County Government</p> <p>The statement of financial performance reflects an amount of Kshs.321,700,000 in respect to transfers from County Government and as disclosed in Note 6 to the financial statements. However, Note 6 to the financial statements reflects an amount of Kshs.165,000,000 resulting to unexplained and unreconciled variance of Kshs.156,700,000. Further, the general ledger and bank statements supporting the amount were not provided for audit verification. In addition, the County Executive of Bungoma financial statements reflects a corresponding transfer to the Scheme of Kshs.195,000,000</p>	<p>During the financial year under review the approved budget for both scholarship and Bursary was ksh.321,700,000, made up of the initially approved budget of ksh.275,000,000 and an addition of ksh.46,700,000.</p> <p>Unsupported Transfers from County Government</p> <p>The statement of financial performance reflects an amount of Kshs.321,700,000 in respect to transfers from County Government and as disclosed in Note 6 to the financial</p>	Resolved	30 th June 2025

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>resulting in an unreconciled and unexplained variance of Kshs.126,700,000.</p> <p>In the circumstances, the accuracy, completeness of transfers from the County Government amounting to Kshs.321,700,000 could not be confirmed.</p>	<p>statements. However, Note 6 to the financial statements reflects an amount of Kshs.165,000,000 resulting to unexplained and unreconciled variance of Kshs.156,700,000. Further, the general ledger and bank statements supporting the amount were not provided for audit verification. In addition, the County Executive of Bungoma financial statements reflects a corresponding transfer to the Scheme of Kshs.195,000,000 resulting in an unreconciled and unexplained variance of Kshs.126,700,000.</p> <p>In the circumstances, the accuracy, completeness of transfers from the County Government amounting to Kshs.321,700,000 could not be confirmed.</p>		

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The scheme received a total of ksh.165,000,000 disbursement from the County Treasury as at 30th June 2024 as detailed below;</p> <ul style="list-style-type: none"> a. The 1st disbursement of ksh.60,000,000 was received on 5th July 2023; being the amount receivable reported in the previous financial year 2022/2023, b. The 2nd and 3rd disbursement of ksh.60,000,000 and ksh.45,000,000 relating to the financial year under review was received on 9th Feb 2024, and 11th June 2024 respectively. Hence casting a variance of ksh,216,700,000 recorded as non- 		

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>exchange receivable for the period.</p> <p>The noted unexplained variance of ksh.156,700,000 is as a result of pending transfers from the County Treasury, hence making up the receivable figure for the period.</p> <p>However, the correct receivable figure resulting from the budget of ksh.321,700,000 and actual disbursements received of ksh.105,000,000 (ksh.60,000,00 and ksh.45,000,000) is ksh.216,700,000 as reported in the revised 2023/2024 Financial report for the scheme, and as supported by the bank statement extracts attached.</p> <p>VARIANCE WITH COUNTY EXECUTIVE REPORT.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>County Executive of Bungoma financial statements reflects a corresponding transfer to the Scheme of Kshs.195,000,000 resulting in an unreconciled and unexplained variance of Kshs.126,700,000.</p> <p>The County Executive of Bungoma financial statements reflects a corresponding transfer to the Scheme of Kshs.195,000,000 made up of ksh.60,000,000 received on 9th February 2024, 45,000,000 received on 11th June 2024 and ksh.90,000,000 received on 1st July 2024.</p> <p>The variance between the two reporting entities is because of;</p> <p>a. The Executive report excluded the 1st of disbursement of ksh.60,000,000 while the scheme included it in her</p>		

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
[Signature]	[Signature]	<p>report as it was received on 5th July 2023 within the reporting period.</p> <p>b. The executive included the last disbursement of ksh.90,000,000 while the scheme did not as it was received on 1st July 2024 beyond the reporting period. The scheme instead captured this amount as receivable for the period.</p> <p>The differing dates of the above mentioned disbursements meant that the County Executive recorded a total of ksh.195,000,000 as transfers to the scheme, while the scheme recorded a total of ksh.165,000,000, hence the resulting variance of Kshs.126,700,000 and ksh.216,700,000 noted.</p>	[Signature]	

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>For more details on disbursements received during the period under review, refer to 'Annex II: Inter-Entity Confirmation Letter' of the revised financial statements of the scheme for the period attached.</p> <p>Appendix 2a: Bungoma County Education support scheme Bank statement extracts indicating funds received from County Treasury.</p> <p>Appendix 2b: Bungoma County Education support scheme Inter-Entity Confirmation Letter</p>		
2023/2024	<p>Unsupported Scholarship and Other Educational Benefits Expenditure.</p> <p>The statement of financial performance and as disclosure in Note 10 and 11 to the financial</p>	<p>The management wishes to comment as follows;</p>	Resolved	30 th June 2025




**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>statements reflects bursary transfers and scholarship grants amounts of Kshs.166,173,038 and Kshs.120,016,729 respectively. However, the general ledgers supporting the expenditure indicating the names of beneficiary students, class, learning institutions, names dates of cheque reference numbers, and payment amounts were not provided for audit review. Further, the acknowledgement receipts for payments were also not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of bursary transfers and scholarship grants amounts of Kshs.166,173,038 and Kshs.120,016,729 respectively could not be confirmed.</p>	<p>The disbursement schedules supporting the expenditure indicating the names of beneficiary students, class, learning institutions, names dates of payment, cheque reference numbers, and payment amounts are available for audit review and concurrence.</p> <p>The management wishes also to clarify that most of the acknowledgement receipts had not been received from benefiting institutions at the time of Audit.</p> <p>All acknowledgement receipts received so far are</p>	Resolved	

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2023/2024	<p>The statement of financial performance reflects use of goods and services amounting to Kshs.18,196,422 and as disclosed in Note 12 to the financial statements. However, the detailed general ledgers supporting the expenses indicating the dates, payees, purpose of payments and payment reference numbers were not provided for audit review. Further, payment vouchers and supporting documents including supplier invoices, attendance registers to meetings, procurement documents for goods</p>	<p>well documented and available for verification.</p> <p>Appendix 3a: Bungoma County Education support scheme disbursement schedules with all required details.</p> <p>Appendix 3b: Sample acknowledgement receipts from benefiting learning institutions.</p> <p>The management wishes to clarify as follows: The the detailed general ledgers supporting the expenses indicating the dates, payees, purpose of payments and payment reference numbers as captured in payment vouchers are available for audit review and concurrence.</p> <p>Appendix 4: Payment vouchers fully supported totaling ksh.18,196,422.</p>	Resolved	30 th June 2025 <i>[Signature]</i>

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p></p>	<p>and services procured were not provided for audit review.</p> <p>In the circumstances, the accuracy, completeness and propriety of use of goods and services expenditure amounting to Kshs.18,196,422 could not be confirmed.</p> <p></p>		<p></p>	
<p>2023/2024</p>	<p>Unsupported Trade and Other Receivables from Exchange Transactions</p> <p>The statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.216,700,000 and as disclosed in Note 15 to the financial statements, which in turn refers to transfers from National treasury. However, the supporting documentation confirming the validity and recoverability of the receivables from non-exchange transactions was not provided for audit verification.</p> <p>In the circumstances, the accuracy, completeness and recoverability of receivables from non-</p>	<p>The management is in agreement with the audit finding and wishes to state that the portion of long term receivables resulted from lack of exchequer releases from the National Treasury during the financial year under review. However the scheme has so far received ksh.215,000,000 out of the possible 216,700,000 as per the attached bank statement extracts. The balance of ksh.1,700,000 is scheduled to be received before the end of quarter three.</p>	<p>Resolved</p>	<p>30th June 2025</p>

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	exchange transactions balance of Kshs.216,700,000 could not be confirmed.	Appendix 5: Bungoma County Education Support Scheme Bank statement extracts indicating receipt of ksh.215,000,000.		
2023/2024	<p>Unsupported Trade and Other Payables</p> <p>The statement of financial position reflects Nil balance for trade and other payables, which differs with Kshs.216,700,000 disclosed in Note 16 to the financial statements. Further, the general ledger and invoices supporting the amount were not provided for audit verification.</p> <p>In the circumstances, the accuracy, completeness of Nil trade and other payables balance could not be confirmed.</p>	<p>The management is in agreement with the audit findings and have restated the financial statements to reflect the true status of the trade and other payables accordingly.</p> <p>Appendix 1: Bungoma County Education support scheme Revised financial statements-FY 2023/2024.</p>	Resolved	30 th June 2025
2023/2024	<p>Anomalies in Presentation and Disclosure of Annual Report and Financial Statements</p> <p>Review of the annual report and financial statements revealed the following anomalies:</p> <p>i. Fund chairperson's report indicates that the total amount allocated to the scheme</p>	<p>The management is in agreement with the audit findings and has restated the financial statements accordingly.</p> <p>Appendix 1: Bungoma County Education support scheme Restated financial statements-FY 2023/2024.</p>	Resolved	30 th June 2025

*Bungoma County Education support scheme
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was Kshs.321,7000 instead of Kshs.321,700,000.</p> <p>ii. Management discussion and analysis indicates in table 2 the number of scholarship beneficiaries from the year 2018/2019 which differs with the numbers stated in the prior year audited financial statements.</p> <p>iii. Environmental and sustainability reporting does not have a report on the progress of the Fund and the guiding notes were not removed/deleted from the financial statements.</p> <p>iv. Report of the Trustees does not specify the pages on which the results of the Fund are set out and the pages where the Trustees of the fund are shown.</p> <p>v. Related party balances disclosure information was not included in the financial statements.</p>			

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Annex I in respect to progress on follow up of prior year Auditor's recommendations includes issues dating back to the financial year 2019/2020 to 2022/2023 instead of only the issues raised in the previous financial year, 2022/2023.			
2023/2024	<p>Budget Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.526,185,809 and Kshs.321,700,000 respectively, resulting to under-funding of Kshs.204,485,809 or 39% of the budget. Similarly, the statement reflects total actual expenditure of Kshs.304,386,189 against an approved budget of Kshs.526,185,809, resulting to under-expenditure of Kshs.221,799,620 or 42% of the budget.</p> <p>The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>Budget Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.526,185,809 and Kshs.321,700,000 respectively, resulting to under-funding of Kshs.204,485,809 or 39% of the budget. Similarly, the statement reflects total actual expenditure of Kshs.304,386,189 against an approved budget of Kshs.526,185,809, resulting to under-expenditure of Kshs.221,799,620 or 42% of the budget.</p>	Resolved	30 th June 2025

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

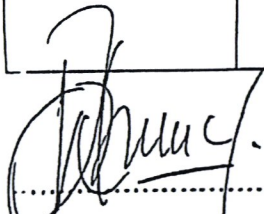
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.</p>		
		<p>MANAGEMENT RESPONSE</p> <p>UNDER FUNDING. During the financial year under review, the allocated budget for the scheme was ksh.321,700,000 while the balance brought forward from the previous financial year was ksh.204,485,809 hence pushing up the total revenue budget to ksh.526,185,809. Therefore, the underfunding noted by the audit report is the balance brought forward from the previous financial year.</p>		

*Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>UNDER EXPENDITURE.</p> <p>During the financial year under review, the fund received exchequer disbursement of ksh.60,000,000 on 1st July 2023 being balance for the previous financial year brought forward. The funds were fully utilized during the 1st and 2nd quarter.</p> <p>The 1st disbursement for the financial year under review of ksh.60,000,000 was received on 12th February 2024, while the 2nd and last disbursement of ksh.45,000,000 meant for Bursary beneficiaries was received on 12th June 2024.</p> <p>The Scheme did not receive the balance of ksh.216,700,000 from the County Treasury as at 30th June 2024, hence increasing the amount receivable for the period</p>		

**Bungoma County Education support scheme
Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved).
		<p>by the same amount pending. The above non disbursement of funds to the scheme resulted to reported under expenditure note 1. However, the funds have so far been received to the tune of ksh.215,00,000 and fully utilized as budgeted for.</p> <p>Appendix 2a: Bungoma County Education support scheme bank statement extracts indicating transfer of funds from county Treasury.</p>		



.....
Fund Administrator/Accounting Officer

I. atc.....22/9/2025.....

Annex II: Inter-Entity Confirmation Letter

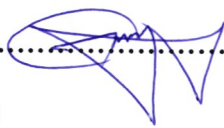
Name of transferring entity: The Bungoma County Executive.


Name of beneficiary entity: Bungoma County Education support Scheme.

Confirmation of amounts received by Bungoma County Education support Scheme as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by the County Treasury as at 30 June 2025			Amount Received by Bungoma County Education support Scheme as at 30 June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Tranche 1	05/07/2025	90,000,000	0.00	90,000,000	90,000,000	0.00
Tranche 2	21/08/2025	45,000,000	0.00	45,000,000	45,000,000	0.00
Tranche 3	26/08/2025	80,000,000	0.00	80,000,000	80,000,000	0.00
Total		<u>215,000,000</u>	<u>0.00</u>	<u>215,000,000</u>	<u>215,000,000</u>	<u>0.00</u>

NOTE:
1. The Scheme did not receive disbursement during quarter four as indicated above.

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

Head of Accounts Department - Disbursing Entity:
Name Gilbert Juma Sign  Date 22/9/2025

Head of Accounts Department - Beneficiary Entity:
Name Moses Wanyama Sign  Date 22/9/2025

