

REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

OF



**THE AUDITOR-GENERAL**

ON

**NYANDARUA COUNTY  
BURSARY FUND**

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

PAPERS LAID	
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OFFICE OF THE AUDITOR GENERAL  
NYERI REGIONAL OFFICE  
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**Nyandarua County Bursary Fund**

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

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

*Nyandarua County Bursary Fund*

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

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**1. Acronyms and Definition of Key Terms**

**a) Acronyms**

<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>

*Nyandarua County Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**b) Definition of Terms**

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

## **2. Key Entity Information and Management**

### **a) Background information**

Nyandarua County Bursary Fund is established by and derives its authority and accountability from Nyandarua County Bursary Fund Act on 9<sup>th</sup> December 2019. The Fund is wholly owned by the County Government of Nyandarua and is domiciled in the Department of Education, Gender, Culture and Social services.

The Fund's objective is to assist Needy students within Nyandarua with bursary at all levels of Education

### **b) Principal Activities**

The principal activity/mission/ mandate of the Fund is issuance of Bursary to needy students in Nyandarua County. The fund is aimed at assisting vulnerable and needy students who are permanent residents of the County at all levels of education have access to financial assistance from the County Government in support of their education. This objective is achieved by; establishing ward and Governor's bursary programmes; Strengthening the application of County Bursary Fund , providing an accountable administration framework for the programme and facilitating public awareness and participation in the affairs and management of the programmes.

### **c) Fund Administration Committee**

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Hon. John Muiru	Fund chairman
2	Dr Pachomius Wambugu	Fund administrator
3	Mr. Joseph Njoroge	Committee member
4	Ms Joyce Maina	Committee member
5	Mr. Fredrick Gichuhi	Fund accountant

**d) Fiduciary Management**

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

Ref	Name	Position
1	Hon John Muiru	Fund chairman
2	Dr Pachomius Wambugu	Fund administrator
3	Mr. Joseph Njoroge	Committee member
4	Mr. Joseph Wahome	Committee member
5	Ms. Joyce Maina	Committee member
6	Mr. Fredrick Gichuhi	Fund accountant

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

*Nyandarua County Assembly (Public accounts committee)*

The Committee receives the report from the Fund and the relevant supporting documents especially after every bursary disbursement.

*Directorate of Internal Audit*

An officer has been seconded to the fund to help advice on compliance with the bursary act and regulations

**f) Registered Offices**

Nyandarua County Government  
Headquarter Building  
P.O. Box 701-20303  
Olkalou, KENYA

**g) Fund Contacts**

Telephone: (254) 02-2580002  
E-mail: [info@nyandarua.go.ke](mailto:info@nyandarua.go.ke)  
Website: [www.nyandarua.go.ke](http://www.nyandarua.go.ke)

**h) Fund Bankers**

1. Family Bank  
P.O Box 1342  
Olkalou

2. Equity Bank  
P.O Box 654  
Olkalou

**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**

County Attorney  
Nyandarua County Government  
Headquarter Building  
P.O. Box 701-20303  
Olkalou, KENYA

3. Fund Administration Committee Profiles

Name	Details of qualifications and experience
	<p><b>Hon. John Muiru – Fund Chairman.</b>                      Hon. John is the CECM Education. He is a Masters Degree holder in Strategic Management and a Degree holder in Mathematics, Concentration in Operations Research. He has Diploma in Management and has done CPA Section 1. He has a vast experience in the banking sector having been a Director, Deputy Head and Chief of Operations in various banking institutions with over 20 years’ experience. Date of Birth 4<sup>th</sup> September 1977. Helps in Bursary policy Formulation and implementation</p>
	<p><b>Mr. Joseph Njoroge-Fund committee Member</b>                      Mr. Njogu is the Director Education. He is a Masters Degree holder in Education. Joined the County in 2016. Before that he was the County Quality Assurance and Standards Officer in Nyandarua under the Ministry of Education. He worked with the Ministry for 10 years in different capacities. From 1997 to 2006, he was a high school teacher in several schools. Date of Birth 25<sup>th</sup> August 1973. Assists in the Management of the Fund</p>
	<p><b>Ms. Joyce Maina- Fund committee Member</b>                      She is a Degree holder in Education Arts at Kenyatta University, currently the Assistant Director ECD Coordinator and Examination Officer in Kipipiri Sub County. A teacher in various secondary schools. Date of Birth 25<sup>th</sup> April 1967. Assists in the Management of the Fund</p>
	<p><b>Dr. Pachomius Wambugu - Fund Administrator,</b>                      Dr. Pachomius is the Fund Administrator. He is a PhD holder in Leadership and Education Management, a Masters Degree holder in Leadership and Education Management and a Degree holder in Education. He has been a principal, deputy principal and teacher in various secondary schools before he joined the County Government of Nyandarua. Date of Birth 10<sup>th</sup> December 1965.</p>
	<p><b>Fredrick Irungu -Fund Accountant</b>                      Fredrick Irungu is a Certified public Accountant (CPAK), holds a master’s degree in business administration and a bachelor’s degree in Agribusiness Management. He is the currently the Head of Financial reporting in Nyandarua County and Bursary Fund Accountant. He has served as a Banker with Equity Bank for a period of 6 years. Date of Birth 24<sup>th</sup> January 1987. Maintains the books of accounts and prepares the Financial statements</p>

4. Key Management Team

Name	Details of qualifications and experience
	<p><b>Hon. John Muiru – Fund Chairman.</b>                      Hon. John is the CECM Education. He is a Masters Degree holder in Strategic Management and a Degree holder in Mathematics, Concentration in Operations Research. He has Diploma in Management and has done CPA Section I. He has a vast experience in the banking sector having been a Director, Deputy Head and Chief of Operations in various banking institutions with over 20 years' experience. Date of Birth 4<sup>th</sup> September 1977. Helps in Bursary policy Formulation and implementation</p>
	<p><b>Mr. Joseph Njoroge-Fund committee Member</b>                      Mr. Njogu is the Director Education. He is a Masters Degree holder in Education. Joined the County in 2016. Before that he was the County Quality Assurance and Standards Officer in Nyandarua under the Ministry of Education. He worked with the Ministry for 10 years in different capacities. From 1997 to 2006, he was a high school teacher in several schools. Date of Birth 25<sup>th</sup> August 1973. Assists in the Management of the Fund</p>
	<p><b>Ms. Joyce Maina- Fund committee Member</b>                      She is a Degree holder in Education Arts at Kenyatta University, currently the Assistant Director ECD Coordinator and Examination Officer in Kipipiri Sub County. A teacher in various secondary schools. Date of Birth 25<sup>th</sup> April 1967. Assists in the Management of the Fund</p>
	<p><b>Dr. Pachomius Wambugu - Fund Administrator,</b>                      Dr. Pachomius is the Fund Administrator. He is a PhD holder in Leadership and Education Management, a Masters Degree holder in Leadership and Education Management and a Degree holder in Education. He has been a principal, deputy principal and teacher in various secondary schools before he joined the County Government of Nyandarua. Date of Birth 10<sup>th</sup> December 1965.</p>
	<p><b>Fredrick Irungu -Fund Accountant</b>                      Fredrick Irungu is a Certified public Accountant (CPAK), holds a master's degree in business administration and a bachelor's degree in Agribusiness Management. He is the currently the Head of Financial reporting in Nyandarua County and Bursary Fund Accountant. He has served as a Banker with Equity Bank for a period of 6 years. Date of Birth 24<sup>th</sup> January 1987. Maintains the books of accounts and prepares the Financial statements</p>
	<p><b>Mr. Joseph W. Wahome</b>                      Mr Wahome is a holder of master's degree in business Admin a CPA(K) and bachelor's degree in BBA (Finance and Accounting). He has 7 years working experience in government as Director Finace and currently the acting Chief officer Finance. He has over 17 years' experience as a senior accountant. He was born on 2<sup>nd</sup> January 1974. He is currently pursuing PHD in Organizational leadership at PAC university.                      He is the Acting Chief officer finance who advices the fund on matters finance</p>

## **5. Chairman's Report**

The Bursary Fund was established in 2014 with the gazette of the Nyandarua County Bursary Fund Act No. 3 of 2019, to assist needy students. Through this Fund, access, retention, and completion rates in the education cycle have been enhanced at all levels. In recent years, the county government has developed an online bursary system to ensure transparency and accountability in disbursement, with plans for full utilization in the upcoming financial year.

### **Challenges Faced by the Fund Include:**

- i. **High Number of Applicants:** The demand for bursaries continues to exceed the available funds, leading to many students missing out on support.
- ii. **Delay in Exchequer Releases:** Delays in receiving funds from the exchequer affect the timely disbursement of bursaries.
- iii. **Inadequate Skills:** There is a gap in knowledge among some applicants regarding how to effectively use the online application system.
- iv. **Tracing Beneficiaries:** Some beneficiaries remain untraceable after cheques are issued, resulting in uncollected and expired funds.
- v. **Administrative Errors:** Frequent misspellings of beneficiary institutions lead to a high number of spoiled cheques.

### **The Way Forward:**

- i. **Thorough Verification:** Implement a more rigorous verification process for the lists of beneficiaries and institutions at the ward level. Ward administrators will utilize catalogues of learning institutions to enhance the accuracy of names.
- ii. **Civic Education:** Increase government-led civic education efforts to better inform the community about the bursary application process and the importance of providing accurate information.
- iii. **Full Automation:** Fully automate the bursary fund program to improve efficiency and reduce manual errors in the application and disbursement process.
- iv. **Additional Funding:** Actively seek more funds from donors and well-wishers to reduce reliance on exchequer disbursement and expand the Fund's reach to more needy students.
- v. **Electronic Tracking:** Introduce an electronic tracking system to ensure better follow-up with beneficiaries and minimize cases of uncollected cheques.

### **Future Outlook:**

Going into the next financial year, the county aims to enhance the Bursary Fund to support more vulnerable students. By fully utilizing the online system, increasing funding sources, and improving community awareness, the Fund will continue to contribute to the educational advancement of students in Nyandarua County.

*Nyandarua County Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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.....  
**HON. JOHN MUIRU - CECM EDUCATION  
FUND CHAIRPERSON**  
**COUNTY GOVERNMENT OF NYANDARUA**

## **6. Report of The Fund Administrator**

The Committee submit their report Year ended June 30, 2024, which show the state of the Fund affairs.

### **6.1. Principal activities**

The principal activities of the Fund are; Identification of needy learners; verification and selection of beneficiaries, disbursement of cheques to the learners.

### **6.2. Performance**

The performance of the Fund for the Year ended June 30, 2024, are set out on page 1.

### **6.3. Committee**

The members of the management Committee who served during the year are shown on page iv and v. The changes in the Board during the financial year are as shown below:

### **6.4. Auditors**

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

By Order of the Board



.....  
**DR. PACHOMIUS WAMBUGU**  
**FUND ADMINISTRATOR**  
**COUNTY GOVERNMENT OF NYANDARUA**

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

Section 164 (2) (f) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the Accounting officer includes a statement of performance against predetermined objectives when preparing financial statements.

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2022 to 2027 are to:

- a) *Reduce absenteeism and drop out from school*
- b) *Increase transition rate in all levels of education*
- c) *Improve students' performance in the County*

**Progress on the attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
Nyandarua County Bursary fund	a. <i>Increased transition rate to secondary and tertiary institutions</i>	<i>Increased transition rate to secondary and tertiary institutions</i>	51,083 beneficiaries	<i>In FY 2023/2024 there was an allocation of Ksh 204,900,000 with 51,083 Beneficiaries compared to Ksh. 228,200,000 for FY 2023/2024</i>
	b. <i>Improve students' performance in the County</i>	<i>Improve students' performance in the County</i>	County performance in the National Exams	<i>The county Ranking nationally have improved</i>
	c. <i>Reduce absenteeism and drop out from school</i>	<i>Reduce absenteeism and drop out from school</i>	No. Of students not attending school	<i>Unless under very special circumstances, no student is at home for lack of fees especially for day schools</i>

## **8. Statement of Corporate Governance**

### **Overview and Purpose**

The Nyandarua County Bursary Fund exists to transform lives by putting citizens first and delivering quality educational support to the community. Established to uplift the education standards of needy and bright students across the county, the Fund plays a critical role in providing financial assistance to students whose parents or guardians cannot afford their educational expenses. Through this support, the County Government demonstrates its commitment to promoting education and improving the quality of life for its citizens.

### **Roles and Functions of the Committee**

The Committee of the Nyandarua County Bursary Fund are tasked with:

- **Reviewing Applications:** Assessing bursary applications to ensure that only the most deserving students receive support.
- **Disbursement of Funds:** Overseeing the fair and transparent distribution of bursary funds across the county.
- **Monitoring and Evaluation:** Ensuring the bursaries are used for their intended purposes and tracking the progress of beneficiaries.
- **Policy Formulation:** Developing and reviewing policies to guide the Fund's operations and improve the program's effectiveness.

### **Committee Charter**

The Committee operates under the Nyandarua County Bursary fun act of 2019 that outlines its mandate, scope of authority, and governance structure. The charter provides guidelines on:

- **Duties and Responsibilities:** Clearly defining the roles of each committee member.
- **Code of Conduct:** Establishing ethical standards and conflict-of-interest policies.
- **Governance Framework:** Setting procedures for meetings, decision-making, and performance assessments.

### **Appointment and Removal of Committee**

Committee are appointed through a competitive selection process, ensuring the inclusion of individuals with diverse skills and expertise in educational and community development. The appointment process is guided by the County's regulations and involves:

- **Public Advertisement:** Openly inviting applications for the trustee positions.
- **Vetting:** A rigorous screening process to select the most qualified candidates.
- **Terms of Service:** Committee serve for a specified term, with provisions for reappointment or removal based on performance, ethical conduct, or breach of the charter.

### **Committee Meetings and Attendance**

In FY 2023/24, the Committee held **12** meetings to deliberate on various aspects of the Bursary Fund's operations. Attendance records indicate active participation, with members showing a strong commitment to their roles:

- **Attendance Rate:** An overall attendance rate of **80%** was maintained.
- **Key Decisions:** Meetings addressed critical issues such as fund allocation, policy reviews, and strategies for enhancing the Fund's impact.

### **Succession Plan**

A well-defined succession plan is in place to ensure continuity in the Committee's operations. This plan involves:

- **Mentorship Programs:** Current committee' mentor potential successors to equip them with the necessary skills and knowledge.
- **Talent Pool:** A pool of qualified individuals is maintained for consideration in future appointments.

### **Induction and Training**

To maintain high governance standards, newly appointed committee undergo an induction program that covers:

- **Fund Operations:** An overview of the Fund's objectives, processes, and regulations.
- **Governance Principles:** Training on ethical conduct, conflict of interest, and decision-making processes. Ongoing training sessions are conducted to keep committee updated on best practices and emerging issues in educational support programs.

### **Board and Member Performance**

Trustee performance is assessed annually to ensure they meet their responsibilities effectively. The evaluation includes:

- **Self-Assessment:** Committee complete self-assessment forms to reflect on their contributions.
- **Peer Review:** A peer review process is conducted to provide constructive feedback. Results from these assessments inform areas for improvement and guide training needs.

### **Conflict of Interest**

The Committee has a strict conflict-of-interest policy. Committee are required to:

- **Declare Interests:** Any potential conflicts must be declared at the start of their term and during meetings when relevant matters are discussed.

- **Recusal:** Committee with a conflict of interest must recuse themselves from decision-making on related issues.

### **Board Remuneration**

Committee receive a modest remuneration package in line with the County's guidelines. The package is structured to:

- **Recognize Contribution:** Acknowledge the time and effort dedicated by committee.
- **Maintain Integrity:** Ensure remuneration is fair but not excessive, preserving the altruistic nature of the Fund's work.

### **Ethics, Conduct, and Governance Audit**

The Committee upholds high ethical standards, guided by a code of conduct that emphasizes:

- **Integrity:** Committee are expected to act with honesty and transparency.
- **Accountability:** Decisions and actions must align with the Fund's objectives and the community's best interests. An independent governance audit is conducted annually to assess compliance with these standards. The audit for FY 2023/24 highlighted areas of strength, such as effective fund allocation, while recommending improvements in communication and beneficiary follow-up.

### **Conclusion**

The Nyandarua County Bursary Fund continues to make a significant impact on the lives of needy students in the county. Through the dedicated efforts of its Committee and Committee, the Fund strives to enhance educational opportunities and uplift the community. Moving forward, the Fund will focus on full system automation, civic education, and expanding its support to more vulnerable students.

## 9. Management Discussion and Analysis

### Operational and financial performance

The County Assembly approved the FY 2023/2024 budget and appropriated Ksh.204,900,000 to the bursary fund kitty compared to 228,200,000 for financial year 2022/2023. However, The kitty had unspent balance brought forward from the previous financial year 2022/2023

The total expenditures of the funds amounted to Ksh. 223,113,529 with Ksh. 208,387,504 as bursary, scholarships Ksh 8,295,461, and general expenses of Ksh. 6,430,564 The kitty had an opening balance from 2022/2023 FY of Ksh. 8,895,117 as Cash and cash equivalents at 1 July, 2023 and a transfer receivable of Ksh. 9,600,000. The closing Cash and cash equivalents of the fund amounted to Ksh. 281,588

### Funds compliance with statutory obligations

The fund has an existing bursary fund act that governs its operations however, the PFM act also guides in the operations of the fund. The administrator submits quarterly financial statements to the National treasury, the controller of budget and the commission of revenue allocation.

### Analysis of bursary transfers to institutions and Summary of Beneficiaries

#### Bursary Transfers

	Insert Current FY	Beneficiaries
	Ksh	
Universities	20,357,516	3,072
TVETs and Colleges	28,017,685	4,272
Secondary schools	158,006,803	42,746
Other ( <i>Specify</i> )	2,005,500	331
<b>Sub Total</b>	<b>208,387,504</b>	<b>50,421</b>

#### Scholarship grants

	Insert Current FY	Beneficiaries
	Ksh	
Universities	950,742	114
TVETs and Colleges	916,169	86

*Nyandarua County Bursary Fund*

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

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Secondary schools	6,428,550	462
Other ( <i>Specify</i> )	-	-
<b>Sub Total</b>	<b>8,295,461</b>	<b>662</b>
<b>Total</b>	<b>216,682,965</b>	<b>51,083</b>

**Risks to the Fund**

Institutions beneficiaries not acknowledging receipts of bursary or scholarship is one of the biggest risks facing the fund. The management has introduced a system that will compel the management of institution to acknowledge receipts of bursary before future disbursements are made.

## **10. Environmental and Sustainability Reporting**

In the administration and management of the Fund, the County Government has integrated social and environmental concerns in its operations and interactions with the County citizenry. It addresses events/issues that are directly affecting the people.

The principal activity/mission/ mandate of the Fund is issuance of Bursary to needy students in the County. The fund is aimed at assisting vulnerable and needy students at all levels of education have access to financial assistance from the County Government in support of their education. This objective is achieved by; establishing ward and Governor's bursary programmes; strengthening the application of County Bursary Fund and; facilitating public awareness and participation in the affairs and management of the programmes.

### **1. Community Engagements**

The County Government has a responsibility to its citizens as per the Fourth Schedule of the Constitution of Kenya. To this end, grants and subsidies in support of communal welfare are well catered for by the bursary.

## **11. Report of The Committee/Committee**

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

### **11.1 Principal activities**

The principal activities of the Fund are *issuance of bursary and scholarships to needy students within Nyandarua County*

### **11.2 Results**

The results of the Fund for the year ended June 30, 2024 are set out on page 1 to 5

### **11.3 Committee**

The Committee who served during the year are shown on page vii. The changes in the Trustee during the financial year are as shown below:

### **11.4 Auditors**

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

By Order of the Board



.....  
**HON. JOHN MUIRU - CECM EDUCATION  
FUND CHAIRPERSON**  
**COUNTY GOVERNMENT OF NYANDARUA**

**Date: .....**

**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.

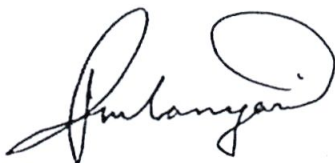
The Administrator of Nyandarua County Bursary Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund/ for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the *Nyandarua County Bursary Fund* accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Nyandarua County Bursary fund act of 2019 The Administrator of the Fund/ is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2024, and of the Fund/’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Fund financial statements were approved by the Trustee/Committee on \_\_\_\_\_  
2024 and signed on its behalf by:



.....  
**DR. PACHOMIUS WAMBUGU**  
**Administrator of the Nyandarua County Bursary Fund**  
**County Government of Nyandarua**

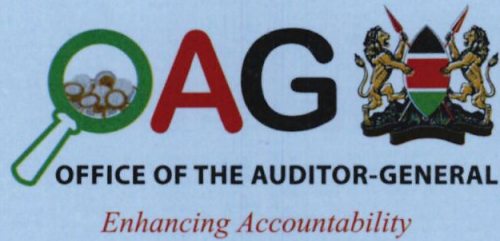
**6. Finance income**

Description	2023/2024	2022/2023
	KRp.	KRp.
Interest Income on Bank Deposits	0	0
Others ( <i>Specify</i> )	0	0
<b>Total finance Income</b>	<b>0</b>	<b>0</b>

*(Provide a brief explanation for this revenue)*

# REPUBLIC OF KENYA

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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 NYANDARUA COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Nyandarua County Bursary Fund set out on pages 1 to 25, which comprise of the statement of financial position as

at 30 June, 2024, 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, the financial statements present fairly, in all material respects, the financial position of Nyandarua County Bursary Fund as at 30 June, 2024, and 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 Nyandarua County Bursary Fund Regulations, 2015.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.

### **Other Information**

### **Conclusion**

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

Corporate Governance, Report of the Trustees/Committee, and Statement of Management Responsibilities.

### **Basis for Conclusion**

In connection with my audit on the Fund 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 USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **Inadequacy of the Enabling Legislation**

As previously reported, review of the Nyandarua County Bursary Fund Act, 2019 revealed that it does not provide for winding-up of the Fund, contrary to Regulation 198 of the Public Finance Management (County Governments) Regulations, 2015 which provides that the County Executive Committee Member shall provide for the Management, operation and winding-up procedure in the guidelines for establishing each Fund which shall be in accordance with the Act and these Regulations.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and Fund Administration Committee**

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 Fund's effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the Fund's 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 Fund's financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Fund Administration Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**


**Nairobi**

**27 December, 2024**

14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6	204,900,000	228,200,000
Public Contributions and Donations	7	-	-
		-	-
<b>Revenue From Exchange Transactions</b>			
Finance Income	8	-	-
Other income	9	-	-
<b>Total Revenue</b>		<b>204,900,000</b>	<b>228,200,000</b>
<b>Expenses</b>			
Bursary transfers	10	208,387,504	227,644,927
Scholarship grants	11	8,295,461	10,000,000
Use of Goods and Services	12	6,430,564	6,824,914
<b>Total Expenses</b>		<b>223,113,529</b>	<b>244,469,841</b>
<b>Surplus/(Deficit) for the Period</b>		<b>(18,213,529)</b>	<b>(16,269,841)</b>

(The notes set out on pages 35 to 47 form an integral part of these Financial Statements)



.....  
**Name: Dr Pachomius Wambugu**  
**Administrator/Accounting Officer**  
**County Government of Nyandarua**



.....  
**Name: Fredrick Irungu**  
**Fund Accountant**  
**ICPAK Member Number:9102**  
**County Government of Nyandarua**

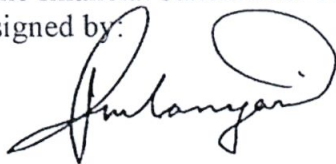
**Nyandarua County Bursary Fund**

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

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	281,587	8,895,116
Non-exchange receivables	14	-	9,600,000
Exchange Receivables	15	-	-
<b>Total current assets</b>		<b>281,587</b>	<b>18,495,116</b>
<b>Total Assets (A)</b>		<b>281,587</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Asset (A-B)</b>		<b>281,587</b>	<b>18,495,116</b>
<b>Represented By:</b>			
Accumulated Surplus		281,587	18,495,116
<b>Net Assets</b>		<b>281,587</b>	<b>18,495,116</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on \_\_\_\_\_ 2024 and signed by:



.....  
**Name: Dr. Pachomius Wambugu**  
**Fund Administrator/Accounting Officer**  
**County Government of Nyandarua**



.....  
**Name: Fredrick Irungu**  
**Fund Accountant**

**ICPAK Member Number:9102**  
**County Government of Nyandarua**

*Nyandarua County Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

Description	Account	Balance
	KRp	KRp
<b>Balance as at 1 July 2022</b>	<b>34,764,957</b>	<b>34,764,957</b>
Surplus/(Deficit) For the Year	(16,269,841)	(16,269,841)
<b>Balance As At 30 June 2023</b>	<b>18,495,116</b>	<b>18,495,116</b>
		-
<b>Balance As At 1 July 2023</b>	<b>18,495,116</b>	<b>18,495,116</b>
Surplus/(Deficit) For the Year	(18,213,529)	(18,213,529)
<b>Balance As At 30 June 2024</b>	<b>281,587</b>	<b>281,587</b>

*Nyandarua County Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government		214,500,000	218,600,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
<b>Total receipts</b>		<b>214,500,000</b>	<b>218,600,000</b>
<b>Payments</b>			
Bursary Transfers		208,387,504	225,953,127
Scholarship grants		8,295,461	10,000,000
Use of goods and Services		6,430,564	8,516,714
<b>Net cash flows from operating activities</b>	17	<b>(8,613,529)</b>	<b>(25,869,841)</b>
<b>Cash flows from investing activities</b>			
		0	0
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
		0	0
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(8,613,529)</b>	<b>(25,869,841)</b>
Cash and cash equivalents at 1 July	13	8,895,116	34,764,957
<b>Cash and cash equivalents at 30 June</b>	13	<b>281,587</b>	<b>8,895,116</b>

*Nyandarua County Bursary Fund*

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

18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30<sup>th</sup> June 2024

Description	Original budget	Administrative	Final budget	Actuals on comparable basis	Performance difference	% of budget
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers From the County Government	182,500,000	22,400,000	204,900,000	204,900,000	-	100%
Public Contributions and Donations	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other receipts	-	-	-	-	-	
<b>Total Income</b>	<b>182,500,000</b>	<b>22,400,000</b>	<b>204,900,000</b>	<b>204,900,000</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>						
Bursary Transfers	170,025,000	20,328,000	190,353,000	208,387,504	(18,034,504)	110%
Scholarship grants	7,000,000	1,400,000	8,400,000	8,295,461	104,539	97%
Use of goods & Services	5,475,000	672,000	6,147,000	6,430,564	(283,564)	105%
<b>Total Expenditure</b>	<b>182,500,000</b>	<b>22,400,000</b>	<b>204,900,000</b>	<b>223,113,529</b>	<b>(18,213,529)</b>	<b>109%</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,213,529)</b>		

**Budget notes**

The Variance between the budgeted Bursary transfers, Scholarship grants and use of goods and services with the actuals is caused by the cash opening balance that is reported in the statements of Cashflows

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Nyandarua Bursary Fund/ is established by and derives its authority from Nyandarua County Bursary fund Act. The entity is wholly owned by the Nyandarua County Government and is domiciled in Kenya. Nyandarua Bursary Fund/'s principal activity is Nyandarua.

**2. Statement of compliance and basis of preparation**

Nyandarua County Bursary Fund/'s financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Bursary Fund/. 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.*

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

*Nyandarua County Bursary Fund*

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Standard	Effective date and impact:
Assets Held for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1<sup>st</sup> 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</p>

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

Standard	Effective date and impact:
	of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> 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.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

*(iii) Early adoption of standards*

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

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

###### **i. Revenue from non-exchange transactions**

###### **Revenue transfers**

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

###### **ii. Revenue from exchange transactions**

###### **Interest income**

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

##### **b) Budget information**

The original budget for FY 2024 was approved by the County Assembly on 4<sup>th</sup> July 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Nyandarua County Bursary Fund upon receiving the respective approvals to conclude the final budget. The Nyandarua County Bursary Fund/ recorded additional appropriations of Kshs. 22,400,000 on the FY 2024 budget following the governing body's approval.

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

In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification plans adopted for the presentation of the financial statements and the approved budget.

**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. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**(i) Financial assets**

**Classification of financial assets**

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

**(ii) Subsequent measurement**

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

**(iii) Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**(iv) Fair value through net assets/ equity**

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

**(v) Fair value through surplus or deficit**

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

**(vi) Trade and other receivables**

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

**(vii) Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

**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 Nyandarua County Bursary Fund has a present obligation (legal or constructive) because 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 Nyandarua County Bursary Fund/ expects some or all 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**

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

**f) Contingent assets**

***Nyandarua County Bursary Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

**g) Nature and purpose of reserves**

The Nyandarua County Bursary Fund/ creates and maintains reserves in terms of specific requirements.

**Changes in accounting policies and estimates**

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

**h) 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.

**i) Related parties**

The Nyandarua County Bursary Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Nyandarua County Bursary Fund, or vice versa. Members of key management are regarded as related parties and comprise of Board of Committee, the Fund/ administrator and senior managers.

**j) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**k) 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 Nyandarua County Bursary Fund 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.

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

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**7. Transfers from the County Government**

Description	2023/2024	2022/2023
	KSh	KSh
Transfers From Finance Department	204,900,000	228,200,000
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>204,900,000</b>	<b>228,200,000</b>

**8. Public Contributions and Donations**

Description	2023/2024	2022/2023
	KSh	KSh
Donation From Development Partners	0	0
Contributions From the Public	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**9. Other income**

Description	2023/2024	2022/2023
	KSh	KSh
Cheque write backs	0	0
Others ( <i>Specify</i> )	0	0
<b>Total Other Income</b>	<b>0</b>	<b>0</b>

**10. Bursary Transfers**

Description	2023/2024	2022/2023
	KSh	KSh
Universities	20,357,516	23,318,771
TVETs and Colleges	28,017,685	30,388,356
Secondary schools	158,006,803	172,764,191
Other ( <i>Special schools</i> )	2,005,500	1,173,609
<b>Total</b>	<b>208,387,504</b>	<b>227,644,927</b>

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**11. Scholarship grants**

	2023/2024	2022/2023
	Kshs.	Kshs.
Universities	950,742	1,203,203
TVETs and Colleges	916,169	1,349,568
Secondary schools	6,428,550	7,447,229
Other ( <i>Specify</i> )	-	-
<b>Total</b>	<b>8,295,461</b>	<b>10,000,000</b>

**12. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Committee Allowances	5,688,560	6,771,340
Bank charges	7,800	53,574
Audit fees	-	-
Other ( <i>Office stationaries</i> )	734,204	-
<b>Total</b>	<b>6,430,564</b>	<b>6,824,914</b>

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**13. Cash and cash equivalents**

	2023/2024	2022/2023
Current Account	281,587	8,895,117
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>281,587</b>	<b>8,895,117</b>

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

		2023/2024	2022/2023
<b>a) Current Account</b>			
Family Bank	037000006218	32,450	201,170
Equity Bank	06202275330770	249,137	8,693,947
<b>Sub- Total</b>		<b>281,587</b>	<b>8,895,117</b>
<b>b) Others (Specify)</b>			
Cash In Transit		0	0
Cash In Hand		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>281,587</b>	<b>8,895,117</b>

**14. Non-Exchange Receivables**

	2023/2024	2022/2023
Revenue receivable	-	9,600,000
Others ( <i>Specify</i> )	-	-
<b>Total non-exchange receivables</b>	<b>-</b>	<b>9,600,000</b>

**15. Exchange Receivables**

	2023/2024	2022/2023
Interest receivable	-	-
Others ( <i>Specify</i> )	-	-
<b>Total exchange receivables</b>	<b>-</b>	<b>-</b>

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**16. Trade and other payables**

Description	2023/2024		2022/2023	
	KShs		KShs	
Trade Payables	-		-	
Other Payables ( <i>specify</i> )	-		-	
<b>Total Trade and Other Payables</b>	-		-	
<b>Ageing analysis (Trade and other payables)</b>	<b>2023/2024</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**17. Cash generated from operations.**

Description	2023/2024	2022/2023
	KShs	KShs
<b>Surplus/ (Deficit) For the Year</b>	<b>(18,213,529)</b>	<b>(16,269,841)</b>
<b>Adjusted For:</b>		
<b>Working Capital Adjustments</b>		
Increase In Receivables	9,600,000	(0)
Increase In Payables	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(8,613,529)</b>	<b>(16,269,841)</b>

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**18. Related party balances**

**a) Nature of related party relationships**

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

- a) The County Government.
- b) Key management.
- c) Board of Committee,

**b) Related party transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers from Nyandarua County Government	204,900,000	228,000,000
Transfers to related parties	-	-

**c) Key management remuneration**

Description	2023/2024	2022/2023
	Kshs	Kshs
Committee Allowances	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From County Government	-	-
<b>Total</b>	-	-

**Other Disclosures Continued**

**e) Due to related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
<b>Total</b>	-	-

**19. Contingent assets and contingent liabilities**

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case Against the Fund/	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

**20. Financial risk management**

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

**a) Credit risk**

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June (Current Year)</b>				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>				
<b>As at 30<sup>th</sup> June (Previous Year)</b>				
Receivables From Non-Exchange Transactions	9,600,000	9,600,000	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	<b>9,600,000</b>	<b>9,600,000</b>	-	-

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

The board of committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

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

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June (2023/2024)</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
<b>Total</b>				
<b>As at 30 June (Previous FY)</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

Description		Other curren- cies	Total
	Kshs	Kshs	Kshs
<b>At 30 June (2023/2024)</b>			
Cash	-	-	-
Debtors/ Receivables	-	-	-
<b>Liabilities</b>			
Trade And Other Payables	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
		Kshs	Kshs
<b>(2023/2024)</b>			
Euro	%	-	-
USD	%	-	-
Other <i>(Specify)</i>	%	-	-
<b>(Comparative FY)</b>			
Euro	%	-	-
USD	%	-	-
Other <i>(Specify)</i>	%	-	-

**ii. Interest rate risk**

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

*Management of interest rate risk*

*Nyandarua County Bursary Fund*

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

*Sensitivity analysis*

The Fund/ analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**d) Capital risk management.**

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

Description	2023/2024	Comparative FY
	Kshs	Kshs
Accumulated surplus	281,587	18,495,116
<b>Total funds</b>	<b>281,587</b>	<b>18,495,116</b>
Less: cash and bank balances	(281,587)	(8,895,117)
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**21. Events after the reporting period**

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

**22. Currency**

The financial statements are presented in Kenya Shillings (Kshs)

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**20. Annexes**

**Annex I: Progress on Follow-up of Prior Year Auditor's Recommendations**

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

Reference No. 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)
1	Inaccuracies in Financial Statements (Accumulated surplus reported in Statement of financial Position differs with the one reported in the statement of Changes in Net assets)	The figure reported in the statement of Financial position as accumulated surplus is the closing balance for Financial year 2022/2023 had not been adjusted with the Deficit for the year as reported in the statement of changes in net Assets	Resolved	
2	Errors in Cashflow statement (Inclusion of decrease/Increase in Receivables)	Note 21 reflects the calculations for Cash generated from operations. A error has been corrected. A well done cashflow statement prepared	Resolved	
1	Failure to prepare and submit monthly reports to the county assembly	The Bursary fund act was amended to include only quarterly reports	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
2	Inadequacy of enabling legislation	The management is in the process of preparing the enabling regulations	Not Resolved	31 <sup>st</sup> Dec 2024



.....  
 Fund Administrator/Accounting Officer

Date.....

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**Annex II: Inter-Entity Confirmation Letter**  
**Nyandarua County Treasury**

Name of transferring entity:.....  
 Nyandarua County Bursary Fund

Name of beneficiary entity:.....

Confirmation of amounts received by Nyandarua County Bursary Fund as at 30 <sup>th</sup> June 2024						
Reference Number	Date Disbursed	Amounts Disbursed by Finance County Department (Kshs) as at 30 <sup>th</sup> June 2024			Amount Received by Nyandarua County Bursary Fund (Kshs) as at 30 <sup>th</sup> June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
		9,600,000		9,600,000	9,600,000	
		182,500,000	0	182,500,000	182,500,000	
		22,400,000	0	22,400,000	22,400,000	
<b>Total</b>		<b>214,500,000</b>		<b>214,500,000</b>	<b>214,500,000</b>	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....

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