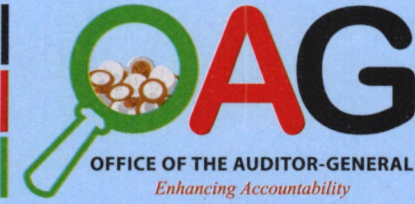
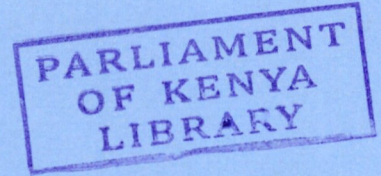


REPUBLIC OF KENYA



**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**SIAYA COUNTY BURSARY FUND**

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

PAPERS LAID	
DATE	19/11/2025
TABLED BY	Sen. Mutinda on behalf of Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Belinda



OFFICE OF THE AUDITOR GENERAL  
**RECEIVED**  
★ 14 OCT 2025 ★  
P. O. BOX 1188, KISUMU



---

**Siaya County Bursary Fund**

**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)

RECEIVED  
OFFICE OF THE DIRECTOR  
MAY 10 1968  
P.O. BOX 1000, KIRK  
MONTGOMERY, ALA.

Table of Contents

1. Acronyms and Definition of Key Terms .....	ii
2. Key Entity Information and Management .....	iii
3. Fund Administration Committee Profiles .....	vi
4. Key Management Team.....	vii
5. Chairman’s Report.....	viii
6. Report of The Fund Administrator .....	ix
7. Statement of Performance Against Predetermined Objectives for FY 2024/2025 .....	x
8. Corporate Governance Statement .....	xi
9. Management Discussion and Analysis .....	xii
10. Environmental and Sustainability Reporting .....	xiii
11. Report of The Trustees .....	xvi
12. Statement of Management’s Responsibilities .....	xvii
13. Report of The Independent Auditor on the Financial Statements.....	xviii
14. Statement of Financial Performance for the Year Ended 30 <sup>th</sup> June 2025.....	1
15. Statement of Financial Position as at 30 June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30th June 2025 .....	3
17. Statement of Cash Flows for The Year Ended 30 June 2025.....	4
18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2024 5	
19. Notes to the Financial Statements .....	6
20. Annexes .....	20

**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>

**b) Definition of Terms**

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

---

**2. Key Entity Information and Management**

**a) Background information**

Siaya County Education Bursary Fund is established by the County Government of Siaya and derives its authority and accountability from the Siaya County Education Bursary Act 2016 and its amendment of 2019. The Fund is wholly owned by the County Government of Siaya and is domiciled in Kenya.

The fund's objective as derived from the Siaya County Bursary Act, 2016 is to enhance access to education for the residents of the county, promote and increase enrolment, retention, and completion and transition rates in school as well as improve education standards and literacy levels which will in turn reduce poverty and inequality.

The Fund's principal activity is to provide bursary to the needy and vulnerable students to enable them continue with their education and uplift the transition rate in the exchange of different levels of institutions of learning and thereafter give the beneficiaries a chance to give back to the society in a sustainable manner.

**b) Principal Activities**

The principal mandate of the Fund is to enhance access to education for the residents of Siaya County.

**c) Fund Administration Committee**

<b>Ref</b>	<b>Position</b>	<b>Name</b>
1	Chairman of the Board	Mr. Joseph Ochieng' Ong'ech
2	Chief Officer	Richard Ogeda
3	Committee Member	Mr. Sam Opondo
4	Committee Member	Mr. Nicolas Oyucho
5	Committee Member	Mr. Victor Owino Owiti
6	Committee Member	Mrs. Vicky Onyango
7	Committee Member	Mr. Mathews Olum
8	Committee Member	Mr. Vincent Musewe
9	Committee Member	Mr. George Haya
10	Committee Member	Mr. Maurice Obara

**Siaya County Education Bursary Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

---

**d) Bursary Management**

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

Ref	Name	Position
1	<b>Richard Ogeda</b>	Fund Administrator
2	<b>Stephen Opiyo</b>	Director Education
3	<b>Dorothy Otieno</b>	Deputy Director Education
4	<b>Irene Aketch Owiti</b>	Fund Accountant

**e) Fiduciary Oversight Arrangements**

*The key fiduciary oversight bodies at the County for the year ended 30<sup>th</sup> June 2025 were:*

No.	Designation	Fiduciary Activity
1.	Siaya County Assembly	Overall oversight of County operations
2.	Public Accounts and Investments Committee	Interrogation of FY 2023/2024 OAG reports
3.	Budget and Appropriations Committee	Preparation of Appropriation bill
4.	Controller of Budget	Authorization of withdrawals from CRF
5.	Office of the Auditor General	Audit of Financial statements for FY 2023/2024

**f) Registered Offices**

Culture Centre,  
P.O. Box 803-40600  
Siaya, Kenya.

**g) Fund Contacts**

Telephone: (254)-720367041  
E-mail: [education@siaya.go.ke](mailto:education@siaya.go.ke).  
Website: [www.siaya.go.ke](http://www.siaya.go.ke)

**h) Fund Bankers**

1. Kenya Commercial Bank  
Siaya, Kenya

**i) Independent Auditors**  
Auditor General

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

**j) Principal Legal Adviser**

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

**k) County Attorney**

County Attorney,  
P.O. Box 803-40600,  
Siaya, Kenya.

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**3. Fund Administration Committee Profiles**

S/N	Photo	Name	Responsibility	Qualification and Experience
1		Mr. Joseph Ochieng' Ong'ech	Chairperson	Diploma in Education Management
2.		Richard Ogeda	Secretary	Graduate Teacher
3.		Mr. Sam Opondo	Member	Graduate Teacher
4.		Mr. Nicolas Oyicho	Member	Graduate Teacher
		Mr. Victor Owino Owiti	Member	Graduate Teacher
5.		Mrs. Vicky Onyango	Member	Graduate Teacher
7.		Mr. Mathews Mugenya Olum	Member	Graduate Teacher
8.		Mr. Vincent Musewe	Member	Diploma in Social Work and Community Development
9.		CPA. George Haya	Member	DDI
10.		Mr. Maurice Obara	Member	SCMO

*Siaya County Education Bursary Fund*  
Annual Report and Financial Statements for the year ended June 30, 2025

---

**4. Key Management Team**

Name	Details of qualifications and experience
1. Richard Ogeda Fund Administrator	BSc. Education
2. Stephen Opiyo Director- Education	MSc. HRM
3. Irene Aketch Owiti Accountant	B.com MBA
4. Dorothy Otieno Deputy Director-Education	BSc. Education

**Siaya County Education Bursary Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

---

**5. Chairman's Report**

It is my pleasure to present the annual report of Siaya County Education Bursary Fund which was created by the Siaya County Education Bursary Fund Act, 2016 and later on amended by an act 2019. The Bursary Fund was created to support needy students in Secondary Schools, Tertiary Colleges, Special Needs schools and Universities.

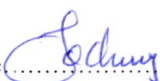
To manage the County Education Bursary fund, a County Bursary Committee consisting of 10(ten) members is charged with the responsibility oversight of the management of the fund.

The committee agreed on the documents that were mandatory on application by students which includes;

- a) Students' Birth Certificates
- b) Report cards (continuing students)
- c) Admission letters for form 1 students
- d) Fee structures
- e) Death/Burial certificates
- f) National ID for parents/ Guardian
- g) ID cards/certificate to confirm disability
- h) Chiefs /sub-chief recommendation/Religious leaders and any other relevant supporting documents.

**Challenges Encountered are as follows;**

1. Released forms not reaching some of the needy students;
2. Inaccuracy in filling of Bursary application forms;
3. Delay by School heads in acknowledging receipt of funds/money; and
4. Failure by School heads to display beneficiary list in notice boards.
5. Delay in submission of the merit list by the ward bursary committees

Name: **Mr. Joseph Ochieng' Ong'eche** Signature  Date 29/08/2025

Chairperson of the Fund

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

**6. Report of The Fund Administrator**

**Introduction**

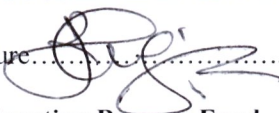
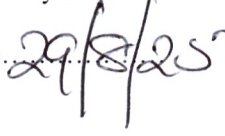
The Siaya County Bursary Fund is established under the Siaya County Education Bursary Fund Act., 2016 and amendment Act, 2019.

The Siaya County Education Bursary Fund had a budgetary allocation Kshs **134,000,000.00** in FY2024/2025, which was removed at the supplementary budget making.

**Challenges Encountered are as follows;**

- a. Released forms not reaching some of the needy students;
- b. Inaccuracy in filling of Bursary application forms;
- c. Delay by School heads in acknowledging receipt of funds/money;
- d. Failure by School heads to display beneficiary list in notice boards.

The bursary is a public fund which the beneficiaries' have to be publicly notified,

Name: Richard Ogeda    Signature.......... Date.....

**Administrator of the County Education Bursary Fund**

**Siaya County Education Bursary Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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

The Siaya County Education Bursary Fund had a budgetary allocation Kshs **134,000,000** in FY2024/2025. The Secretariat generated a work plan for the disbursement and it was adopted and passed by the County Bursary committee in July 2023.

**Introduction**

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 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 Siaya County Education Bursary Fund 2016 Act are to:

- a) To increase the transition rates of the students from the different levels of learning.
- b) Enhance the literacy levels to enhance the development standards in the county
- c) To rekindle the dreams of the students who dropped out due to various reasons by encouraging and funding them to pursue courses in the vocational Training Centres
- d) To reduce poverty and inequality by enhancing access to funding for school

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Siaya County Education Bursary Fund	To disburse bursary to needy and vulnerable students in the county	Increase transition rates in the different levels of institutions as well as create a more sustainable society.	Increased transition rates as well as completion rate of the students on the beneficiary list.	<b>In FY 2023/2024, a total of 16,071 students benefited from the disbursement upon reopening of the institutions of learning.</b>

## **8. Corporate Governance Statement**

The Siaya County Education Bursary Fund known as the Bursary is composed of a chairman elected by the members, Chief Officer Education who is the secretary, County Director of Education who is a member and seven (7) persons appointed by CEC member for education having a member representing women, youth and persons with disability. The above members are entitled at least four sittings in a year with a remuneration stipulated in the SRC circular.

### **The functions of the Fund Committee;**

1. To oversight the process of bursary awarding right from public awareness or civic education, application by the beneficiaries
2. Verification of the application forms, the committee MUST verify beneficiaries at school level to rule out the chances of awarding ghost beneficiaries before identifying eligible vulnerable students
3. Awarding of the bursary and returns from schools to formulate policies for regulating the disbursement, management of bursaries and to advise the CEC member on bursary disbursement.
4. Determining the amount of education grant, bursary as case may be, to be awarded to each approved applicant.
5. Creating awareness among the residents of the ward about the fund
6. Preparing and submitting to the County Executive Member the annual report

### **Appointment into the committee**

The committee members are constituted under the provisions of the Bursary Act section 2(d), (e), (f), (g) and (h).

The current committee meets the minimum requirements for appointment.

### **Trainings**

The fund committee had undergone induction and training since its inauguration in January 2023. During the induction, the fund committee was reminded on issues of integrity and conduct of business as per the stipulations of the Act and their mandate on the following scopes:

- Secrecy/Confidentiality to all information during the appropriation of the Fund must be upheld.
- Avoiding conflict of interest during appropriation
- Fines and penalties to those who are found guilty of offences.
- The distribution of the bursary fund as per the aspiration and regulations of the Act
- The vulnerability threshold for award of the bursary.

### **Committee meetings**

During the FY 2023/2024 as at the end of third quarter, the County Bursary Committee had 3 meetings that culminated to the approval of disbursement of the fund.

## **9. Management Discussion and Analysis**

It is my pleasure to present the Siaya County Bursary Fund financial statements for the year ended 30<sup>th</sup> June, 2025. The financial statements present the financial performance of the Fund over the past quarter.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

### **a. Financing of the County Governments**

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Siaya County included business permits, land rates, business plan approval, plot rents, cesses and various other administrative charges.

### **b. Financial Performance**

#### **Receipts**

The bursary budgetary allocation for FY 2024/2025 was Ksh 134,000,000.00

The act provides for administrative expenses of not more than 3% of the total monies consisting of the fund. From the allocation as per the budget of Kshs 134,000,000.00 the allocation for administrative expenses was to be Ksh 4,020,000.00

The fund received Kshs. 0.00 as transfers from County Treasury and a balance brought forward of Kshs. 10,883.21 from the previous financial year.

#### **Payments**

During the year under review Bursary to students amounted to Kshs.0.00 and Administration expenses amounted to Kshs. 2,052.00 as Bank Charges

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

### **(a) Sustainability strategy and profile**

Spatial Development Framework (SDF) sets out the principles to be used to decide the right development to promote economic growth within the county taking into consideration spatial disparities. The proposed strategies include:

1. Setting industrial incubation centres and initiating agro-processing value addition.
2. Pursuing mining resources to increase revenue generation.
3. Revitalization of the blue economy to improve fishing resources
4. Undertake sustainable tourism and ecotourism.
5. Targeted infrastructural development in trading centres such as markets to connect electricity (street lighting and solar power), establish stall markets, connect water and sanitation.
6. Enhance financial capacity of local traders by availing credit facilities
7. Expand the resource base by pursuing resource mobilization from public finance, private finance and public-private financing.
8. Expanding the role of SME and MSE contribution to the local economy.
9. Tapping into Foreign Direct Investments (FDI) as a driver of investment.

### **(b) Environmental performance**

Environment is a broad term representing the totality of the surrounding such as plants, animals, microorganisms, socio economic and cultural factors. It includes the physical factors of the surroundings of human beings such as land, water, atmosphere, sound, odour, taste; the biological factors of animals and plants and the social factors of aesthetics including both natural and built environment. The right to a clean and healthy environment is one of the rights safeguarded under the Constitution of Kenya, 2010. To ensure its protection not only for the present generation, but also the future generations as envisioned, it is critical that Siaya County puts in place measures to conserve the environment. The main activities contributing to environmental degradation in the County include unsustainable land use practices, poor soil and water management practices, unsustainable fishing, and deforestation, overgrazing, over exploitation of wetland resources, encroachment of riparian reserves, pollution and effects of climate change.

To address the challenges, the county outlines a strategy to promote sustainable natural resource management in Siaya County focusing on the following aspects: Reforestation of gazetted forests; Provision and protection of migratory corridors; Protection of water catchment and environmentally

fragile ecosystems and Provision and protection of migratory corridors (areas connecting wildlife population but are separate from human activities or structures i.e. roads). This will help to re-establish population of wildlife (crocodiles, warthogs, monkeys, birds, antelopes, leopards, hyenas, squirrels and snakes) which had been reduced due to events such as fires, human wildlife conflict arising from habitat fragmentation where urbanization splits up habitats. The county has also identified wetlands along the Lakes i.e Lake Victoria and Lake Kanyaboli as well as County rivers as strategic migratory corridors. It also proposes the use of riparian areas along rivers, lakes and other water bodies for utilization as migratory corridors.

**(c) Employee welfare**

The County has an approved structure and establishment; however, the establishment is yet to be implemented fully and with a big mismatch with the skills and competencies needed to drive the County's development agenda. The agriculture led development model is a major paradigm shift that introduces approaches and innovations in execution. To realise this development goal, a change management approach is required and it involves the identification and assignment of champions across all sectors. The approach also requires realignment of roles and responsibilities and drawing a staff framework to support the desired change. Such a framework will lead to the restructuring and reorganisation of departments such as Agriculture, Trade and Enterprise. As a result of restructuring there will be the abolishment of offices that do not align with the desired Plan. It will also require strategic recruitment, training and tooling to align the staff to the desired change.

Currently, there is no established policy to guide Human Resource development, limited capacity in Directorate of Human Resource Management and the County Public Service Board; weaknesses in the recruitment and promotion processes; lack of clarity in career progression paths, skill development and relevant training plans. To address these challenges, the county will develop and implement a Human Resource Management and Development Policy, institute a performance management system, and review the staff establishment to align it to the new development approach for the County.

**(d) Market place practices-**

The weaknesses in the value chains for agriculture have an interactive relationship with weak market systems. The aggregation, bulking, wholesale and retail systems are under-developed. As part of the agenda to transform Siaya through investment in agriculture, one of the five priority areas is the development of market systems to support the anchor value chains.

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

---

The plan is to promote and facilitate the development of a strong network of direct market players such as producers, buyers, and consumers; suppliers of supporting goods and services such as finance, equipment and business consulting; and entities that influence the business environment such as regulatory agencies and County Government Departments, infrastructure providers and business associations. The envisaged market structures and systems will include storage, ICT support, road networks that facilitate movement and confluence of goods and people and a command area with an anchor value chain each linked to a market centre. In this respect, Yala is envisaged as the market centre for the dairy value chain, the Ugunja for the avocado value chain, Bondo for the fish value chain, Rarieda for the fruit and cotton value chain, Alego Usonga for the poultry and rice value chain.

Arising from lack of commercialization of agriculture in Siaya, the farmer-led producer organisations remain few and the existing ones are weak in their operations. This lack of high-capacity in farmer organisations limits smallholder integrations into value chains, raising transaction cost and reduces competitiveness. As a result of this, farmers end up with high post-harvest losses causing the farmers to engage in distress sales of produce at lower prices. The county will place a strong focus on the development of high-capacity producer organisations, savings and credit (saccos) and cooperative unions to enhance commercialization and market participation for farmers while boosting productivity through improved access to quality input and extension services and finance and credit. The county will also focus on establishing thirty wards based cooperative SACCOS and federation of these ward based SACCOS into six cooperative unions at sub-county level. Critical to the success of these saccos will be training on corporate governance, linkage to market systems and input supply chains.

**(e) Community Engagements-**

The County Government is fostering interaction with businesses, NGOs and other key stakeholders to address social problems through Corporate Social Responsibility (CSR) agenda. Various sectors have partnered with NGOs to provide CSR services. In health sector, the county has partnered with NGOs to provide polio vaccine to new born in the communities, training of expectant mothers, providing mosquito nets and providing food supplements. In agriculture, through partners, farmers have benefitted from free extension services, provision of certified seeds and fertilizers, provision of fingerlings and fishing gears.

**11. Report of the Trustees**

Siaya County Bursary fund does not have Board of Trustee since it's not provided for in the Act

---

**12. Statement of Management’s Responsibilities**

Section 167 of the Public Finance Management Act, 2016 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *Siaya County Education Bursary act, 2019* 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 the County Public 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, 2025. 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 County Public 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 *Siaya County Education Bursary act, 2016*. 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, 2025, 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.

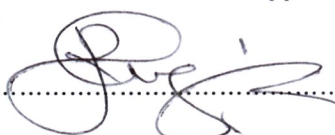
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund’s financial statements were approved by the Board on 29/08/2025 2025 and signed on its behalf by:

Richard Ogeda .....



**Administrator of the County Public Fund**

# REPUBLIC OF KENYA



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

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

## REPORT OF THE AUDITOR-GENERAL ON SIAYA COUNTY BURSARY FUND 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 Siaya County Bursary Fund set out on pages 1 to 27, which comprise of the statement of financial position as at

---

*Report of the Auditor-General on Siaya County Bursary Fund for the year ended 30 June, 2025*

30 June, 2025 and the statement of performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Siaya County Bursary Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with [International Financial Reporting Standards/International Public Sector Accounting Standards (Accrual Basis) and comply with the Siaya County Bursary Fund Act, 2019 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Material Uncertainty on Sustainability of Services**

The statement of comparison of Budget and Actual Amounts shows an amount of Kshs.134,000,000 on Transfers from the County Government being Kshs.90,000,000 under recurrent Kshs.44,000,000 under development expenditure. Review of budget approval and disbursement documents revealed that the whole amount of Kshs.134,000,000 was approved but the amount was not disbursed. No official communication, correspondence or explanation was provided as to why the funds were not disbursed. In addition, it was noted that there is no budget for any receipts and expenditures in the subsequent financial year, 2025/26.

The non-disbursement of the amount of Kshs.134,000,000 caused a significant doubt in Siaya County Bursary Fund's ability to continue to sustain its services which was not disclosed in the financial statements.

#### **2. Inconsistency in the Disclosure Notes to the Financial Statements**

The statements of financial performance, the statement of financial performance and the statement of cashflows indicates Notes to the financial statements that do not reference to the actual notes to the financial statements or do not exist.

This is contrary to the requirements of the Public Sector Accounting Standards Board (PSASB), which provides templates on preparation of the financial statements.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Siaya County Bursary Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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. Except for the effects of the matter described in the Basis for Qualified Opinion section, 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 the 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, 2025 as detailed below:

S/No.	Financial Year	Issue
1.	2023/2024	Unsupported Committee Allowances
2.	2023/2024	Discrepancy in Amounts Disbursed and Amounts Acknowledged by the Institutions
3.	2023/2024	Bursary Disbursement to Universities
4.	2023/2024	Administration Costs
5.	2023/2024	Non-Compliance With Siaya County Education Bursary Fund Act, 2016
6.	2023/2024	Failure to Set up Guidelines on Minimum Amount of Bursary per Category
7.	2023/2024	Weakness in Preparation of Payment Vouchers
8.	2023/2024	Lack of Internal Audit Reports

### Other Information

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## 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, I confirm that nothing 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**

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, 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 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the 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**

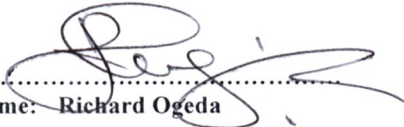
Nairobi

07 November, 2025


*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY	FY
		2024 2025	2023 2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6	-	110,600,000.00
Public Contributions and Donations	7	-	-
		-	<b>110,600,000.00</b>
<b>Revenue From Exchange Transactions</b>			
Finance Income	8	-	-
Other income	9	-	-
<b>Total Revenue</b>		-	<b>110,600,000.00</b>
<b>Expenses</b>			
Bursary transfers	10	-	107,261,000.00
Scholarship grants	11	-	-
Use of Goods and Services	12	2,052.00	3,350,161.25
<b>Total Expenses</b>		<b>2,052.00</b>	<b>110,611,161.25</b>
<b>Surplus/(Deficit) for the Period</b>		<b>(2,052.00)</b>	<b>(11,161.25)</b>

  
 Name: Richard Ogeda

Administrator/Accounting Officer

  
 Name: Irene Owiti  
 ICPAK NO:


Fund Accountant

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**


**15. Statement of Financial Position as at 30 June 2025**

Description	Note	FY 2024 - 2025	FY 2023 - 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	8,831.21	10,883.21
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
<b>Total current assets</b>		<b>8,831.21</b>	<b>10,883.21</b>
<b>Total Assets (A)</b>		<b>8,831.21</b>	<b>10,883.21</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>8,831.21</b>	<b>10,883.21</b>
<b>Represented By:</b>			
Accumulated Surplus		8,831.21	10,883.21
<b>Net Assets</b>		<b>8,831.21</b>	<b>10,883.21</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 29/08 2025 and signed by:

  
 Name: Richard Ogeda

Fund Administrator/Accounting Officer

  
 Name: Irene Owiti  
 ICPAK NO:

Fund Accountant

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

Description	Accumulated surplus
	Kshs
Balance as at 1 July 2023	22,044.46
Surplus/(Deficit) For the Year	(11,161.25)
Balance As At 30 June 2024	10,883.21
Balance As At 1 July 2024	10,883.21
Surplus/(Deficit) For the Year	(2,052.00)
Balance As At 30 June 2025	8,831.21

*Siaya County Education Bursary Fund*  
**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
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government		-	110,600,000.00
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
<b>Total receipts</b>		-	<b>110,600,000.00</b>
<b>Payments</b>			
Bursary Transfers		-	107,261,000.00
Scholarship grants		-	-
Use of goods and Services		2,052.00	3,350,161.25
<b>Net cash flows from operating activities</b>	<b>17</b>	<b>(2,052.00)</b>	<b>(11,161.25)</b>
<b>Cash flows from investing activities</b>			
		-	-
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(2,052.00)</b>	<b>(11,161.25)</b>
Cash and cash equivalents at 1 July 2024	<b>13</b>	<b>10,883.21</b>	<b>22,044.46</b>
<b>Cash and cash equivalents at 30 June 2025</b>	<b>13</b>	<b>8,831.21</b>	<b>10,883.21</b>

*Siaya County Education Bursary Fund*  
**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 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Opening budget Carry Overs</b>	-	-	-	-	-	#DIV/0!
<b>Receipts</b>						
Transfers From the County Government	134,000,000.00	(134,000,000.00)	-	-	-	#DIV/0!
Public Contributions and Donations	-	-	-	-	-	#DIV/0!
Finance Income	-	-	-	-	-	#DIV/0!
Other receipts	-	-	-	-	-	#DIV/0!
<b>Total Receipts</b>	<b>134,000,000.00</b>	<b>(134,000,000.00)</b>	-	-	-	#DIV/0!
<b>Payments</b>						
Bursary Transfers	129,980,000.00	(129,980,000.00)	-	-	-	#DIV/0!
Scholarship grants	-	-	-	-	-	#DIV/0!
Use of goods & Services	4,020,000.00	(4,020,000.00)	-	2,052.00	(2,052.00)	#DIV/0!
<b>Total Payments</b>	<b>134,000,000.00</b>	<b>(134,000,000.00)</b>	-	<b>2,052.00</b>	<b>(2,052.00)</b>	#DIV/0!
<b>Surplus For the Period</b>	-	-	-	<b>(2,052.00)</b>	<b>2,052.00</b>	#DIV/0!

**19. Notes to the Financial Statements**

**1. General Information**

Siaya County Bursary Fund is established by the County Government of Siaya and derives its authority and accountability from Siaya County Bursary Act, 2016. The entity is wholly owned by the Siaya County Government and is domiciled in Kenya. The fund's principal activity is to enhance access to education for the residents of the County, Promote and increase enrolment, retention and completion and transition rates in school as well as improve education standards and literacy levels which in turn reduce poverty and inequality.

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

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

*New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

<b>Standard</b>	<b>Effective date and impact</b>
<b>IPSAS 41: Financial Instruments</b>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>

<b>IPSAS 42: Social Benefits</b>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> </ul>
----------------------------------	---

**Siaya County Education Bursary Fund**

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

	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023</b>                      Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.                      Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.                      Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.                      Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b>  <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i>                      Amendments to refer to the latest System of National Accounts (SNA 2008).  <i>IPSAS 39: Employee Benefits</i>                      Now deletes the term composite social security benefits as it is no longer defined in IPSAS.  <b>IPSAS 29: Financial instruments: Recognition and Measurement</b>                      Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>

*New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b>                      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.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b>                      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>

**Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)

**Significant Accounting Policies**

**Revenue recognition**

**Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**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.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder’s or the Entity’s right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

### **Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly. 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 entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. 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

### **Summary of Significant Accounting Policies (Continued)**

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under sections of the financial statements.

### **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

### **Intangible Assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

### **Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

**Summary of Significant Accounting Policies (Continued)**

**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.

**Financial assets**

**Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortized 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 irrevocable election at initial recognition for particular investments in equity instruments.

**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.

**Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**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.

**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.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

**Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

Raw materials: purchase cost using the weighted average cost method

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**Provisions**

Provisions are recognized when the Entity 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 Entity 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.

**Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

*Summary of Significant Accounting Policies (Continued)*

Contingent liabilities

The Entity 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 remote.

Contingent assets

The Entity 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 Entity 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.

Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

Changes in accounting policies and estimates

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

Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

***Summary of Significant Accounting Policies (Continued)***

**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.

**Borrowing costs**

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

**Related parties**

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

**Cash and cash equivalents**

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

**Comparative figures**

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

***Summary of Significant Accounting Policies (Continued)***

**5. Significant judgments and sources of estimation uncertainty**

The preparation of the Entity'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.

State all judgements, estimates and assumptions made e.g.

**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.

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Notes to the Financial Statements**

**1. Transfers from the County Government**

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Transfers From Education Department	-	110,600,000.00
Others ( <i>Specify</i> )	-	-
<b>Total</b>	-	<b>110,600,000.00</b>

**2. Bursary Transfers**

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Universities	-	10,855,000.00
TVETs and Colleges	-	8,691,000.00
Secondary schools	-	87,220,000.00
Other ( <i>Special school</i> )	-	495,000.00
<b>Total</b>	-	<b>107,261,000.00</b>

**3. Use of Goods and Services (Administration Cost)**

Description	2024 - 2025	2023 - 2024
	Kshs.	Kshs.
Committee Allowances	-	1,183,000.00
Bank charges	2,052.00	11,661.25
Audit fees	-	-
Administration Cost	-	2,155,500.00
<b>Total</b>	<b>2,052.00</b>	<b>3,350,161.25</b>

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**4. Cash and cash equivalents**

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Current Account	8,831.21	10,883.21
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>8,831.21</b>	<b>10,883.21</b>

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

Financial Institution	Account number	2024 - 2025	2023 - 2024
		Kshs	Kshs
<b>a) Current Account</b>			
KCB Bank	<b>1149307931</b>	8,831.21	10,883.21
XXX Bank - Etc.		-	-
<b>Sub- Total</b>		<b>8,831.21</b>	<b>10,883.21</b>
<b>b) Others (Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>8,831.21</b>	<b>10,883.21</b>

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Cash generated from operations**

Description	FY	FY
	2024 - 2025	2023 - 2024
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year</b>	<b>(2,052.00)</b>	<b>(11,161.25)</b>
<b>Adjusted For:</b>		
<b>Working Capital Adjustments</b>		
Increase In Receivables	-	-
Increase In Payables	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(2,052.00)</b>	<b>(11,161.25)</b>

**Currency**

The financial statements are presented in Kenya Shillings (Kshs)

## 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. Variances between the ledger and financial statements	<p>The statement of financial performance reflects an expenditure of Kshs.134,422,000 under bursary to students. However, the ledgers provided for audit review reflects an amount of Kshs.134, 765,000 as at 30 June 2022 resulting in an unexplained variance of Kshs.343, 000. This was contrary to the year-end procedures guidelines which required the Accounting Officer to ensure accuracy of the financial statements.</p> <p>In the circumstances, the accuracy and completeness of the expenditure of Kshs.134,422,000</p>	<p>The schedule which amounts to Ksh 134,765,000 was based on raw data which was later cleaned to agree with the figure of Ksh 134,422,000 reported in the financial statements</p>	<p>Hon Speaker, the Management has provided a general ledger supporting the balance as per the financial statements. The figure as per the Financial Statement and ledger now reconciled to Kshs. 134,422,000. This audit matter stands resolved.</p>	

*Siaya County Education Bursary Fund*

**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)
	reflected in the financial statements for the year ended 30 June, 2022 could not be confirmed.			
2. <b>Bank Reconciliation Statements</b>	<p>The Statement of Financial Position as at 30th June 2022 reflects cash and cash equivalents balance of Kshs.18,603,677. However, a review of the bank reconciliation statement of the Fund had the following unsatisfactory issues:</p> <p>i. The bank reconciliation as at 30 June 2022 for the Fund reflects balance as per cashbook of Kshs.17,309,265. However the statement of financial position reflects Kshs.18,603,677</p>	<p>The cash book has been adjusted and rejected payments included in the cash book. Hence no variance. Receipts amounting to Ksh 1,417,892 which represents rejected payments have been written back into the cash book. Similarly bank charges amounting to Ksh 123,480 have been</p>	<p>Hon speaker, an adjusted bank reconciliation was availed reflecting Kshs. 18, 603, 677. The balance required an adjustment of Kshs. 1,541,372 being rejected payments. This audit issue is partly addressed as evidence to show bank charges of Kshs 123,480 was not tabled before the committee. The committee recommends that the</p>	<p><i>The evidence of bank charges had been submitted before the committee within the stipulated time of seven days.</i></p>

*Siaya County Education Bursary Fund*

**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 to a variance of Kshs.1,294,412.</p> <p>ii. The bank reconciliation statement for June, 2022 reflects receipts in bank statement not in cash book totalling to Kshs.1,417,892 and payments in bank statement in respect of bank charges not in cash book totalling to Kshs.123,480 whose clearance status was not availed for audit verification.</p> <p>iii. In addition, the bank reconciliation statements provided for audit review</p>	<p>captured in the cash book. Ksh 2,027 appearing in the reconciliation is erroneous and has since been corrected</p>	<p>evidence of bank charges be tabled before the committee within 7days upon adoption of this report</p>	

*Siaya County Education Bursary Fund*  
**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>reflected analysis of Kshs.2,027 being payments in the cashbook not in the bank statement (unpresented cheques).                      However, the bank adjusted cashbook balance of Kshs.17,309,265 does not include this reconciling item. Further, no reason has been given for failure to replace or reverse them in the cash book.</p> <p>In the circumstances, it was not possible to confirm the accuracy and completeness of cash and cash equivalent balance of Kshs.18,603,677 as at 30 June 2022</p>			

*Siaya County Education Bursary Fund*  
**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><b>3. Lack of Internal Audit Reports</b></p>	<p>During the year under review, it was noted that there was no internal audit review of the Fund’s activities contrary to Section 153 (1) of the Public Finance Management (County Government) Regulations which require that the Internal Auditor shall review the effectiveness of the financial and non-financial performance management systems of the entities.</p> <p>In the absence of constant reviews by the internal audit unit the effectiveness of internal control and risk management in relation to the Fund for the year ended 30 June, 2021 could not be confirmed.</p>	<p>The County Internal audit systems audit which is post audit. The last systems audit was performed for the FY 2020/2021.</p> <p>The Internal audit annual plan has scheduled to execute a systems audit on the Bursary Fund by the end of FY 2022/2023.</p>	<p>Hon Speaker, the management is yet to engage the internal audit department for assessments of the effectiveness of the financial and non-financial performance management systems of the entity.</p> <p>The committee recommends strict adherence of regulation 152(3) (c) of the PFM county regulations 2015. This audit issue is kept in view pending review in the set of audited financial statements for the 2023/2024FY</p>	<p><i>The Internal Audit Department have already been engaged in the audit of the Bursary process for FY 2023/2024</i></p>

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><b>4.Lack of an Approved Risk Management Process and IT Strategies</b></p>	<p>The Fund did not have an approved Risk Management Policy and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks as stipulated under Regulation 158 of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the County Government develops risk management strategies, which include fraud prevention mechanism; and the County Government develops a system of risk management and internal control that builds robust business operations. There was no formal risk assessment was</p>	<p>The Bursary fund management is yet to develop the Risk management policy.</p>	<p>Hon. Speaker, this audit issue is not addressed. Taking into consideration the lack of budgetary allocation for this process, the committee recommends that this policy be formulated processed and enacted within the next one year upon adoption of this report.</p>	<p><i>The Department is in consultation with the Department of Governance, Administration and ICT with a view of developing a risk management Policy and ICT strategy</i></p>

*Siaya County Education Bursary Fund*

**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>conducted in the year under review. In absence of a formal approved risk management framework, ability to identify threats or risks and definition of strategy to eliminate or minimize the impact of the risks could be compromised.</p> <p>Further, the Fund through the County Government did not have an IT Strategic Committee that supports business requirements and ensures that IT spending remains within the approved IT Strategic Plan; formally approved IT Security Policy to ensure data confidentiality, integrity and availability; formal, documented and tested emergency procedures; or copies of the IT continuity and disaster recovery plans kept off-</p>			

**Siaya County Education Bursary Fund  
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)
	site and backups stored in a secure off-site location and therefore crucial information may not be recovered in the event of a disaster.			

**Mr. Richard Ogeda**

**Fund Administrator**

Date: 

**Annex II: Inter-Entity Confirmation Letter**

**Name of transferring entity: County Government of Siaya-Department of Finance and Economic Planning**

**Name of beneficiary entity: Siaya County Education Bursary Fund**

**Confirmation of amounts received by Siaya County Education Bursary Fund as at 30<sup>th</sup> June 2024**

Reference Number	Date Disbursed	Amounts Disbursed by [Siaya County Finance Department] (Kshs) as at 30 <sup>th</sup> June 2024			Amount Received by Siaya County Education Bursary Fund (Kshs) as at 30 <sup>th</sup> June 2025 (D)	Differences (Kshs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		

*Siaya County Education Bursary Fund*  
Annual Report and Financial Statements for the year ended June 30, 2025


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

**Head of Accounts Department - Disbursing Entity:**

Name: ..... Irene Owth .....

Sign ..... *[Signature]* ..... Date 29/08/2025

**Head of Accounts Department - Beneficiary Entity:**

Name: .....

Sign ..... Date.....

*Siaya County Education Bursary Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2025**

<b>COUNTY GOVERNMENT OF SIAYA</b>		
<b>SIAYA COUNTY BURSARY FUND</b>		
<b>TRIAL BALANCE AS AT 30TH JUNE, 2025</b>		
<b>PARTICULARS</b>	<b>DR</b>	<b>CR</b>
<b>RECEIPTS</b>		
Balance brought forward		10,883.21
Transfer from County Government		-
<b>PAYMENTS</b>		
Bursary to Students	-	
Use of Goods and Services	2,052.00	
<b>Bank Balance</b>	<b>8,831.21</b>	
	<b>10,883.21</b>	<b>10,883.21</b>

