

REPUBLIC OF KENYA



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REPORT

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OF

THE AUDITOR-GENERAL

ON

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NAROK COUNTY BURSARY  
MANAGEMENT FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

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**COUNTY GOVERNMENT OF NAROK**  
**NAROK COUNTY BURSARY MANAGEMENT FUND**

**AMENDEND ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED**  
**30<sup>TH</sup> JUNE 2025**

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



**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

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**2. Key Entity Information and Management**

**a) Background information**

Narok County Bursary Management Fund is established by and derives its authority and accountability from Narok County Bursaries Acts, 2013 of 4<sup>th</sup> November 2013. The Fund is wholly owned by the County Government of Narok and is domiciled in Narok Kenya.

The fund's objective is to provide funds to be used for granting bursaries to assist students to pursue education at such recognized institutions.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is solely mandated to identify, provide and support scholarship programs and other educational programs.

Vision: Education for all residents of Narok County

Mission: To be the most efficient and effective bursary management board that promotes aggressive resource mobilization, equitable allocation and professionalism

Core Values:

- Transparency
- Fairness
- Accountability
- Efficiency
- Reliability
- Integrity
- Team work
- Professionalism

**c) Board of Trustees/Fund Administration Committee**

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

Ref	Name	Position
1	Chairman of the Board	PHILIP SIGEI
2	Chief Officer ( <i>Responsible department</i> )	SIMON KURRARU
3	Chief Officer finance	PETER NAINGISA
4	Other trustees/Committee Members	SAITOTI KURRONOI
5	Fund Manager/ Administrator	DANIEL MESHUKO

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

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**d) Fiduciary 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:

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Fund Manager/ Administrator	DANIEL MESHUKO
2	Fund Accountant	ZAKARIA KIMANI

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

*(Provide a high-level description of the key fiduciary oversight arrangements. E.g., County Internal audit, County Assembly Committees, County audit committee etc.)*

**f) Registered Offices**

P.O. Box 898-20500  
Noolmong'i Building  
Narok - Nakuru Highway  
Narok, KENYA

**g) Fund Contacts**

E-mail: [info@narok.go.ke](mailto:info@narok.go.ke)  
Website: [www.narok.go.ke](http://www.narok.go.ke)

**h) Fund Bankers**

I&M BANK  
P.O. Box 30238  
City Square 00100  
Nairobi, Kenya

Equity Bank  
P.O. Box 75104  
City Square 00200  
Nairobi  
Nairobi, Kenya

**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**

The County Attorney  
County Government Of Narok  
Narok- Hospital Rd  
P.O. Box 898  
Narok Town 20500

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
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**3. Trustees/ Fund Administration Committee Profiles**

Name	Details of qualifications and experience
Insert each Trustee’s passport-size photo and name	Provide a concise description of each Trustee’s date of birth, key academic and professional qualifications, and work experience.
PHILIP SIGEI 	Qualification: A-Level Date of birth: 1958 Experience; Board Chairperson Narok Bursary Fund (2023 to date)
SIMON KURRARU 	Qualification: BCOM-Education Date of birth: 1967 Experience; <ul style="list-style-type: none"> <li>- Chief officer Finance Narok County Government (2020-2023)</li> <li>- Chief Officer Education Department Narok County Government (2022-2023)</li> </ul>
PETER NAINGISA 	Qualification: BCOM-(Accounting) CPA (K) Date of birth: 1976 Experience; <ul style="list-style-type: none"> <li>- Accountant (Narok County Bursary Fund) (2021-2023)</li> <li>- Chief officer Finance Narok County Government 2023</li> </ul>
SAITOTI KURRONOI 	Qualification: O-Level Date of birth: 1962 Experience; Board Member Narok County Bursary Fund (2023 to date)

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
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Key Management Team

Name	Details of qualifications and experience
<p><i>Insert each key Manager's passport-size photo and name,</i></p>	<p><i>Provide a concise description of each officer, academic and professional qualifications, and work experience.</i></p> <p><i>Also, indicate the main area of responsibility – without details</i></p>
<p>1. DANIEL MESHUKO</p> 	<p>Qualification: BCOM-(Education)</p> <p>Experience;</p> <ul style="list-style-type: none"> <li>- Fund Administrator Narok County Bursary Fund (2017 to date).</li> </ul>
<p>2. ZAKARIA KIMANI</p> 	<p>Qualification: BCOM-(Finance), CPA (K)</p> <p>Experience;</p> <ul style="list-style-type: none"> <li>- Accountant (Narok County Bursary Fund) (2019 to date)</li> </ul>

#### **4. Chairman's Report**

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

We were able to adopt use of systemised bankers' cheques during the year's bursary disbursement. Despite the new frontier bringing some efficiency due its quick bursary fee remittances to institutions, a number of challenges were experienced as follows.

1. Mistrust in the community. The community do not trust that funds have been processed to the schools
2. Low literereay levels. The levels of computer literacy is too low in the community hence difficult in handling complex information sent on their handsets or phones.

We are however creating more awareness to the community on ICT matters. The County Ward administrators have also been enrolled for ICT basic skills enhancement in addition to providing them with ICT tools like Laptops among others.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance.

#### **Financing of Narok County Bursary Fund**

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.

According to the Bursary Act, Narok County Government is mandated to allocate a portion of the above resources through the recurrent allocation to the bursary fund to allow it achieve its objectives.

During the year, a budgetary allocation of Kshs. 500,000,000 was allocated to the fund. A disbursement of Kshs. 405,000,000 was received as at the end of the year from the County Treasury. The deficit allocations of Kshs.95,000,000 is yet to be disbursed attributed to non-realisation of full exchequer releases by County Government. During the period, the allocated funds were disbursed at the appropriate time as banker's cheques to the various institutions accordingly to facilitate the students in settlement of their fees and enable them continue learning without much disruption.

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
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**Conclusion**

During the reporting period, good progress was made to help many students despite the challenges posed by the global economic hardships which slightly interfered with the momentum earlier created to enable many students in both public and private university as well as middle college's graduated as well as secondary student completed their O level, Narok County continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other departments who we have worked hand in hand to ensure that Narok County Bursary Fund achieves its mission.

I thank all staff in the entire County for their continued commitment and dedication through hard work in delivering services to the people of Narok County.



Signed: \_\_\_\_\_

Date 21.11.2025

**MR. PHILIP SIGEI**

**CHAIR OF THE BOARD**

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

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**5. Report of The Fund Administrator**

During this financial year, a budgetary allocation of Kshs. 500,000,000 has been allocated to the fund. A total disbursement of Kshs. 405,000,000 was received. The funds were appropriately disbursed to various learning institutions on time to enable learners carry on with their studies uninterrupted.

The fund had an opening balance of Kshs 15,205,301 with receipts from other operating activities amounting to Ksh 8,689,250 making a total of Kshs 428,894,551 available for disbursements. The deficit allocations was Ksh 95,000,000 which was attributed to non-realisation of full exchequer releases by County Government. A total of Kshs. 478,671,556 was expensed during the period ended 30<sup>th</sup> June 2025 as follows.

Direct/ swift transfers to learning institutions as bursary award was Ksh. 460,774,497.

The fund applied a total of Ksh. 17,897,059 general expenses during the period. This indicates more of the funds were applied in bursary awards as expected. Ksh 12,744,799 was used to cater for bank costs and transfer related expenses with the banks in clearing the awarded bursaries.

Despite the above progress, there were challenges experienced during the financial period which include,

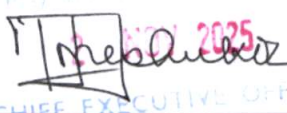
1. Non disbursement of the total budgetary allocation. This hampered the attainment of all set objectives for the year
2. The impact and challenges due to the global economic slowdown has made revenues to go down hence making more poor families dependant on bursaries for learning.
3. Paper work- since the department has no any automated system to operate with a lot of paper work is experience in the department.
4. Political interference –since Members of County Assembly are directly involved in bursaries, operations become a challenge.
5. Staff turnover – staff turnover was high in expert and specialization positions due to the inability by the County to offer huge compensation packages compared to the private sector.

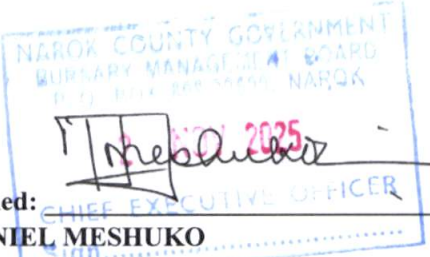
Despite the above challenges, the fund complied with the necessary regulations and achieved a good percentage of its objectives.

I wish to appreciate the management team, trustees and all the bursary staff members who contributed immensely on the achievement of the mentioned goals.

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
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Signed: **DANIEL MESHUKO**  
**FUND ADMINISTRATOR.**



**Date: 21.11.2025**

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

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

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

According to the Bursary Act, Narok County Government is mandated to allocate a portion of the above resources through the recurrent allocation to the bursary fund to allow it achieve its objectives.

During the Financial year 2024/2025, a budgetary allocation of Kshs. 500,000,000 was approved for the fund. A disbursement of Kshs. 405,000,000 was received in addition to receipt of Ksh 8,689,250 from other operating activities making a total of Kshs 413,689,250 available for disbursements. The bursary fund through its trustees has been able to disburse an amount of Kshs. 460,774,497 to needy students in various institutions as per its mandate. This represents 111.3% of the total disbursements accordingly. The total expenditure for the period inclusive of administrative costs is Kshs. 17,897,059 leaving a surplus expenditure of Kshs (80,187,607).

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 Government entities 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 department of Bursary is solely mandated to identify, provide and support scholarship programs and other educational programs.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
Narok Bursary fund	To improve access to education	Increased transition rate to secondary and tertiary institutions	About 20,000 student beneficiaries	In 3 <sup>rd</sup> quarter of FY 24/25 we have released bursary access to a tune of 93.5% for deserving students in different learning institutions.

## **7. Statement of Corporate Governance**

### **Introduction**

Narok County Bursary Fund as established under Narok County Acts Dated 4<sup>th</sup> November 2013 is mandated to provide funds to be used for granting bursaries to assist students to pursue education at recognized institutions.

### **Fund Management**

The Fund is managed by an established bursaries board which has a perpetual secession plan and consists of the Chairperson, three other members and a Funds administrator who is the secretary to the board, all is being appointees of the Governor.

### **Functions of the Board**

The boards stipulated functions include,

- 1) To formulate sound policies for regulating the management of the fund
- 2) To raise and solicit for funds and other assistance to promote functions of the board
- 3) To set the criteria and conditions governing the granting of bursaries
- 4) To receive any gifts, donations, grants or endowments made to the board and to make legitimate disbursements therefrom
- 5) To grant bursary fund as the board may deem it fit to eligible students upon recommendation of the committee
- 6) To consider and entertain appeals from the committee
- 2) Prepare its all estimates and expenditure returns to the county executive as required by PFM Act of 2012.
- 3) Perform all other functions conferred by the fund

### **Ward Committee.**

A ward committee is a group of representatives appointed by County Governor from a ward that serves as a channel of communication between the community and the County Government headed by the Ward Administrator.

### **Functions of Ward Committees.**

1. Collect bursary application forms from the polling stations
2. Distribute serialised bursary application forms
3. Receive dully filled application forms from applicants for consideration
4. Vet and approve the applications indicating awarded amounts
5. Notifying unsuccessful applicants giving reasons

***NAROK COUNTY BURSARY MANAGEMENT FUND***  
**Annual Report and Financial Statements for the period ended 30<sup>Th</sup> June 2025**

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6. Conduct research and maintain data on the eligibility of students for bursaries
7. Community Sensitization on the bursary fund
8. Monitor the academic performance of bursaries recipients

The committee in its current formation does not have a charter. The members of the committee are appointed through executive orders.

## **8. Management Discussion and Analysis**

The County's operations are structured in terms of departments which are headed by a County Executive Committee member. For seamless service delivery, all departments have to work in unison and synergy. The department of Bursary is solely mandated to identify, provide and support scholarship programs and other educational programs.

The bursary fund has complied with all provisions of the Act creating it and endeavours to continue upholding all the processes accordingly.

Despite the notable achievements, we have experienced some challenges during the over the past years. These include:

- 1) ICT challenges- Internet connectivity in the rural regions is poor hence difficult in operations.
- 2) We have also experienced challenges with IFMIS as a result of down times and poor internet connectivity. This has in some instance delayed transfers of money to our departmental account hence the board does not disbursed bursary for needy student as per our regulations.
- 3) Political interference –since MCAs are direct involved in bursaries, operations become a bigger challenge due to political interference and therefore the due process may be not followed.
- 4) Staff turnover – staff turnover was high in expert and specialization positions due to the inability by the County to offer huge compensation packages compared to the private sector.
- 5) Lack of automated system – The department is experiencing a bigger problem in disbursement which leads to errors due to lack of automated system.
- 6) Low literacy levels. Majority of community are not educated and therefore not understand how to correctly give the required information leading to bulk work at headquarters.

A summary of performance for the past years has been shown as (Annex ii) at the back of Financial statement.

## **9. Environmental and Sustainability Reporting**

### **1. Sustainability strategy and profile -**

#### **Education Support: Scholarships and Bursaries**

Education support through scholarships and bursaries is a key way an organization invests in community development and long-term social sustainability. It involves providing financial assistance to learners who need help accessing quality education.

#### **i. Scholarships**

Scholarships are merit-based awards given to students who demonstrate strong academic performance, talent, or exceptional potential.

They help students:

- Pay for school or university fees
- Access educational materials (books, uniforms, equipment)
- Reduce financial pressure so they can focus on studies

Scholarships usually target high-performing learners, gifted students, or individuals pursuing specific fields.

#### **ii. Bursaries**

Bursaries are need-based financial support given to students from economically disadvantaged backgrounds.

They help students who amongst others;

- Cannot afford school fees
- Come from vulnerable or low-income households
- Risk dropping out due to financial hardship

Bursaries ensure equal access to education for all, regardless of financial circumstances.

Why This Matters for Sustainability;

Providing scholarships and bursaries helps:

- Improve literacy and educational attainment
- Break the cycle of poverty
- Empower youth with skills for employment
- Strengthen local capacity and long-term community development
- Create a more inclusive and equitable society.

**2. Environmental performance**

The Bursary Fund recognizes its responsibility to operate in a manner that minimizes negative environmental impacts and promotes sustainable practices. Although the Fund's core mandate is the disbursement of scholarships and bursaries, the Secretariat has adopted several measures to ensure environmentally responsible management of its operations.

**Resource Use and Efficiency**

The Fund continued to monitor and manage its consumption of key resources such as electricity, water, and office supplies. Efforts were made to reduce unnecessary usage through:

- i. Switching to energy-efficient lighting and encouraging staff to switch off lights and equipment when not in use.
- ii. Promoting responsible water consumption within office facilities.
- iii. Reducing excessive printing through digital communication and electronic record-keeping.

**Paper Reduction and Digitization**

To reduce paper waste, the Fund management expanded the use of digital systems. This included;

- Online or electronic bursary application processes where possible.
- Use of email, soft copies, and digital storage for internal communication and documentation.

These measures have significantly reduced paper consumption and printing costs.

**Compliance with Environmental Guidelines**

The Fund adhered to relevant government policies on environmental conservation and sustainable procurement. No environmental violations, fines, or non-compliance incidents were recorded during the reporting period.

**Support for Environmental Awareness**

In line with its community development role, the Fund encouraged schools benefiting from bursaries to participate in environmentally focused initiatives, such as tree planting activities, agricultural shows exposure visits and tours amongst others

**3. Employee welfare**

*Give an account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements, and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organization should also disclose its policy on safety and compliance with the Occupational Safety and Health Act of 2007 (OSHA.)*

**4. Marketplace practices-**

The Bursary Fund is committed to upholding high standards of integrity, transparency, and accountability in all interactions with suppliers, service providers, beneficiaries, and other stakeholders. The Fund's marketplace practices are guided by principles of fairness, value for money, ethical conduct, and compliance with public procurement regulations.

**Ethical Procurement and Fair Competition**

The Fund management ensured that all goods and services were procured in accordance with the Public Procurement and Asset Disposal Act and other relevant laws and regulations. This included:

- Competitive sourcing of suppliers
- Transparent quotation and evaluation processes
- Equal opportunity for all eligible vendors
- Documented procurement decisions ensuring accountability

**Customer Service and Stakeholder Engagement**

The Fund aimed to ensure that beneficiaries and partner institutions received timely, accurate, and respectful service by;

- Providing clear communication on bursary requirements and deadlines
- Offering accessible channels for feedback and inquiries
- Ensuring fairness in the allocation of bursaries to all wards/sub-counties

This approach enhanced trust and satisfaction among beneficiaries and community stakeholders.

**5. Corporate Social Responsibility / Community Engagements**

The Bursary Fund recognizes the importance of contributing positively to the communities it serves. Beyond the core mandate of providing financial assistance to learners, the Fund undertakes Corporate Social Responsibility (CSR) and community engagement initiatives aimed at improving social well-being, strengthening community relationships, and promoting inclusive development.

**Community Engagement and Stakeholder Involvement**

The Fund management actively engages stakeholders including parents, school administrators, local leaders, and community representatives to ensure transparency, inclusiveness and equity on bursary allocations and other relevant requirements. Key actions included:

- i. Holding consultative meetings and forums at ward/sub-county levels through ward and sub county representatives.
- ii. Providing clear communication and guidelines on bursary application procedures
- iii. Allowing communities to participate in identifying needy learners in respective wards
- iv. Maintaining open channels for feedback and grievance handling and ensuring adequate and responsible control measures are agreed upon and put in place.
- v. Sensitization of community leaders, on new financial trends, policies and digital solutions.

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

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**10. Report of the Trustees/Committee**

The Trustees/Committee submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund's affairs.

**Principal activities**

The principal objective activities of the fund are to;

- i. Provide funds to be used for granting bursaries to assist students to pursue education at recognised institutions
- ii. Formulate policies, solicit for funds and other assistance to promote the fund functions
- iii. Grant bursary funds to eligible students upon recommendation by the board.

**Results**

The performance of the Fund for the financial period ended June 30<sup>th</sup>, 2025, are set out on pages 1 to 27 below.

**Trustees**

The members of the Board of Trustees who served during the year are shown on page two (II) accordingly.

**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.

Sign  \_\_\_\_\_

**Date 21.11.2025**

**MR. PHILIP SIGEI**  
**CHAIR OF THE BOARD**

## **11. 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 established by *Narok County Bursaries Act No. 1 of 4<sup>th</sup> November 2013* 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 period ended on June 30<sup>th</sup> 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 *Narok County Bursaries Act No. 1 4<sup>th</sup> November 2013*. 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 period ended June 30<sup>th</sup> 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.

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
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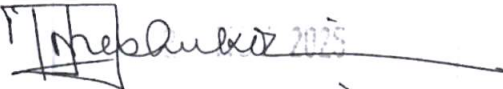
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In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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 on 21<sup>st</sup> November 2025 and signed on its behalf by:

Sign  \_\_\_\_\_

Date 21.11.2025

**MR. DANIEL MESHUKO**

**CHIEF EXECUTIVE OFFICER**

**NAROK COUNTY BURSARY FUND MANAGEMENT BOARD**

# 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 NAROK COUNTY BURSARY MANAGEMENT FUND FOR THE YEAR ENDED 30 JUNE, 2025**

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### 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 Narok County Bursary Management Fund set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of

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

In my opinion, except for the 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 Narok County Bursary Management Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of financial performance reflects deficit for the period amount of Kshs.64,982,306. However, the statement of changes in net assets reflects a deficit of Kshs.80,187,607 resulting in an unexplained variance of Kshs.15,205,301.

The statement of financial position reflects balances of Kshs.15,205,301 and Kshs.(80,187,607) in respect of revolving fund and accumulated surplus. However, the statement of changes in net assets has not disclosed the amounts for the two components but has instead disclosed a combined accumulated amount of Kshs.(64,982,306). Management did not provide an explanation for this anomaly.

Note 17 to the financial statements reflects a decrease in payables amount of Kshs.15,205,301. However, the statement of financial position reflects a Nil amount resulting in an unexplained variance of Kshs.15,205,301.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

### **2. Variance in the Transfers from the County Government Amount**

The statement of financial performance reflects transfers from the County Government amount of Kshs.405,000,000. However, records maintained by the County Government reflect an amount of Kshs.437,150,000 that was transferred to the Fund resulting in an unexplained variance of Kshs.32,150,000.

In the circumstances, the accuracy and completeness of the transfers from the County Government amounting to Kshs.405,000,000 for the period ending 30 June, 2025 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Narok County Bursary Management 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.

**Emphasis of Matter**

**Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.500,000,000 and Kshs.413,689,250 respectively, resulting in an under funding of Kshs.86,310,750 or 17% of the budget. Further, the statement reflects that the Fund spent an amount of Kshs.478,671,556 against the actual receipts of Kshs.413,689,250 resulting in an over-absorption of Kshs.64,982,306 or 16 % of the actual receipts.

In addition, Management did not include a commentary on significant over or under-utilization as required by the recommended reporting template.

The under-funding and the over-absorption affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.

**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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

My opinion is not modified in respect of this matter.

**Other Matter**

**Unresolved Prior Year Audit Matters**

In the 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, the Management has not explained how the issues were resolved.

<b>Year</b>	<b>Audit Issue</b>
2023/2024	Irregular issuance of imprest
2023/2024	Presentation of financial statements
2023/2024	Failure to publish list of bursary beneficiaries
2023/2024	Non compliance with bursary guidelines
2023/2024	Weak information and communication technology ICT controls
2023/2024	Lack of fraud management policies and risk management strategies

## **Other Information**

Management is responsible for the Other Information set out on page iii to xxiii which comprise of Key Entity Information and Management, The Trustees/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, Report of the Trustees/Committee and Statement of Management's Responsibilities. 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.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with the Law on Board Meetings**

Review of the status on the Fund's corporate governance and the Board minutes revealed that the Board convened for meetings in three (3) sessions in the year under review. In each of the meetings held, the Board members were paid sitting allowances for three (3) days yet the minutes indicate that the meetings were held for one (1) day resulting to overpayment of sitting allowances of Kshs.522,000. Further, the meetings were held in a hotel instead of the Fund's boardroom resulting to unnecessary and avoidable costs on the hiring of conference facilities at Kshs.313,000 for each of the meeting held.

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

## **2. Irregular Operations with Revoked Narok County Bursaries Act, 2013**

The Narok County assembly enacted the Narok County Bursary Fund Act, 2013 which was gazetted on 28 October, 2013. The Act provided for the establishment of a Board for the management of a Fund to be used for granting bursaries to assist students to obtain education at recognized institutions within Kenya and for matters incidental thereto and connected therewith. However, the Narok Bursary Fund Act, 2013 expired on 28 October, 2023 and the County Assembly has not enacted any other Act or a regulation made exempting the instruments from expiry. This is contrary to Section 21(1) of the Statutory Instruments Act, 2013 which provides that a statutory instrument shall be automatically revoked on the day that is ten years after the date that the instrument came into operation unless it is sooner repealed or expires; or a regulation is made exempting the instruments from expiry.

In the circumstances, the Narok County Bursary Management Fund is operating illegally.

## **3. Failure to Prepare and Submit Quarterly Bursary Utilization Reports**

Management did not provide evidence that quarterly returns stipulated by the Regulations were prepared as required, during the year under review. This contrary to Regulation 8(4) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022 which provides that the administrator of the Fund shall cause to be prepared quarterly returns to be submitted to County Executive Member for the time being responsible for finance matters before the tenth day after the end of each quarter.

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

## **4. Failure to Publish List of Beneficiaries**

At the time of audit in the month of October, 2025 the list of bursary beneficiaries had not been published at the Board's notice board as required by the regulation. This was contrary to Regulation 17 (1) and (2) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022 provides that the Board shall publish the list of beneficiaries in the offices of the Ward Administrator, Member of County Assembly, National Government officer responsible for co-ordination of National Government functions in the ward and at the Board's notice board; and the Board shall ensure that list of beneficiaries is accessible to the public.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Risk Management Policy and Strategy**

The Narok County Bursary Management Fund did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks contrary to Regulation 158 of the Public Finance Management (County Government), Regulations, 2015.

In addition, it was observed that the Fund lacks disaster recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. The management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. Further, the management did not perform formal risk assessments during the financial year audited.

In the circumstances, Management is not in a position to identify individual risks, magnitude and likelihood of occurrence and therefore may not be able to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks.

### **2. Weakness in the Internal Audit Function and Audit Committee**

During the period under review, it was observed that the internal audit unit did not conduct any audit on the Fund since no internal audit reports of the fund were provided for audit. In addition, there was no evidence that the issues raised were acted upon by the Management in accordance with Regulation 165(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the Accounting Officer of the concerned entity shall be responsible for the implementation of the recommendations made in the audit reports and shall develop responses and action plan which they shall submit to the chairperson of the Audit Committee within fourteen days.

In the circumstances, the effectiveness of the Fund's internal controls, risk management and governance could not be confirmed.

### **3. Weak Information and Communication Technology (ICT) Controls**

Review of the County Bursaries Fund ICT Environment revealed that there was no formal approved ICT Policy. The Management did not assess the impact of an outage or disruption to the information communication technology systems and did not develop business continuity or information technology disaster recovery plan. Further, Management had not established an IT strategic committee which should provide governance on information technology matters.

Therefore, in case of a disaster the Fund would not be in a position to recover or restore critical data affecting the operations and reports that relied on the Information Communication Technology.

In the circumstances, the integrity, security and reliability of the Fund's financial data could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **Responsibilities of the Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue 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**

**03 December, 2025**

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the Period ended 30<sup>th</sup> June 2025**

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6	405,000,000	379,000,000
Public Contributions and Donations	7		-
<b>Revenue From Exchange Transactions</b>			
Finance Income	8	-	-
Other income	9	8,689,250	-
<b>Total Revenue</b>		<b>413,689,250</b>	<b>379,000,000</b>
<b>Expenses</b>			
Bursary transfers	10	460,774,497	359,725,013
Scholarship grants	11		-
Use of Goods and Services	12	17,897,059	4,179,238
<b>Total Expenses</b>		<b>478,671,556</b>	<b>363,904,251</b>
<b>Surplus/(Deficit) for the Period</b>		<b>(64,982,306)</b>	<b>15,095,749</b>

(The notes set out on pages 6 to 27 form an integral part of these Financial Statements)

Stamp: NAROK COUNTY BURSARY MANAGEMENT BOARD, P.O. BOX 200, NAROK, KENYA. Date: 2 NOV 2025. Signature: Daniel Meshuko. Title: ADMINISTRATIVE OFFICER.

**Name: Daniel Meshuko**  
**Administrator/Accounting Officer**

Signature: Zakaria Kimani

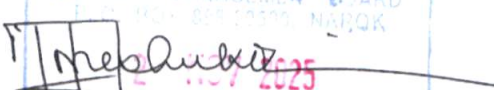
**Name: Zakaria Kimani**  
**Fund Accountant**  
**ICPAK Member Number:30760**


**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

**14. Statement of Financial Position as at 30<sup>th</sup> June 2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	-	15,205,301
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
<b>Total current assets</b>		-	<b>15,205,301</b>
<b>Total Assets (A)</b>		-	<b>15,205,301</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	-	
Over draft		64,982,306	
<b>Total current liabilities</b>		<b>64,982,306</b>	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Asset (A-B)</b>		<b>(64,982,306)</b>	-
<b>Represented By:</b>			
Revolving Fund		15,205,301	109,552
Accumulated Surplus		(80,187,607)	15,095,749
<b>Net Assets</b>		<b>(64,982,306)</b>	<b>15,205,301</b>

The accounting policies and explanatory notes in page to these financial statements form an integral part of the financial statements. The entity amended financial statements were approved on 21<sup>st</sup> November 2025 and signed by:

  
 Name: Daniel Meshuko  
 Administrator/Accounting Officer

  
 Name: Zakaria Kimani  
 Fund Accountant  
 ICPAK Member Number:30760

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

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**15. Statement Of Changes in Net Assets for the period ended 30<sup>th</sup> June 2025**

Description	2024-2025	Total
	Kshs	Kshs
<b>Balance as at 1 July 2023</b>	109,552	109,552
Surplus/(Deficit) For the Year	15,095,749	15,095,749
<b>Balance As At 31 June 2024</b>	<b>15,205,301</b>	<b>15,205,301</b>
<b>Balance As At 1 July 2024</b>	<b>15,205,301</b>	<b>15,205,301</b>
Surplus/(Deficit) For the period	<b>(80,187,607)</b>	<b>(80,187,607)</b>
<b>Balance As At 31 June 2025</b>	<b>(64,982,306)</b>	<b>(64,982,306)</b>

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>th</sup> June 2025**

**16. Statement of Cash Flows for the Period Ended 30<sup>th</sup> 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		405,000,000	379,000,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		8,689,250	-
<b>Total receipts</b>		<b>413,689,250</b>	<b>379,000,000</b>
<b>Payments</b>			
Bursary Transfers		460,774,497	359,725,013
Scholarship grants		-	-
Use of goods and Services		17,897,059	4,179,238
Other prior year payments		15,205,301	
<b>Net cash flows from operating activities</b>		<b>(80,187,607)</b>	<b>15,095,749</b>
<b>Cash flows from investing activities</b>			
		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(80,187,607)</b>	<b>15,095,749</b>
Cash and cash equivalents at 1 July 2024		15,205,301	<b>109,552</b>
<b>Cash and cash equivalents at 30 June 2025</b>	<b>13</b>	<b>(64,982,306)</b>	<b>15,205,301</b>

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

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>TH</sup> June 2025**

**17. Statement of Comparison of Budget & Actual Amounts for Period Ended 30<sup>th</sup> June 2025**

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>Revenue</b>						
Transfers From the County Government	500,000,000	-	500,000,000	405,000,000		81%
Public Contributions and Donations	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other receipts	-	-	-	8,689,250	-	
<b>Total Income</b>	<b>500,000,000</b>	<b>-</b>	<b>500,000,000</b>	<b>413,689,250</b>		<b>82.7%</b>
<b>Expenses</b>						
Bursary Transfers	485,000,000		485,000,000	460,774,497		95%
Scholarship grants						
Use of goods & Services	15,000,000	-	15,000,000	17,897,059		119.3%
<b>Total Expenditure</b>	<b>500,000,000</b>	<b>-</b>	<b>500,000,000</b>	<b>478,671,556</b>		
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,982,306)</b>		

**Budget notes**

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

## **18. Notes to the Financial Statements**

### **Significant Accounting Policies**

#### **1. General Information**

Narok County Bursary Management Fund is established by and derives its authority and accountability from Narok County Bursaries Acts, 2013 of 4<sup>th</sup> November 2013. The Fund is wholly owned by the County Government of Narok and is domiciled in Narok Kenya.

The fund's objective is to provide funds to be used for granting bursaries to assist students to pursue education at such recognized institutions.

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

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

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

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43 Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></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.

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>TH</sup> June 2025**

Standard	Effective date and impact:
	<i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,            Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:            Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45- Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions,</p>

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the period ended 30<sup>TH</sup> June 2025**

Standard	Effective date and impact:
	<p>IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

***(iii) 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 adopt, and impact on the on entity’s financial statements.)*

#### **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 2024/2025 was approved by the County Assembly on 24<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the xxx Bursary Fund/Scheme upon receiving the respective approvals in order to conclude the final budget. The Narok County Bursary Fund/Scheme recorded additional appropriations of Kshs. 100,000,000 on the FY 2024-2025 budget following the governing body's approval.

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

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

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

**c) Financial instruments**

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

**(i) Financial assets**

**Classification of financial assets**

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

**(ii) Subsequent measurement**

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

**(iii) Amortized cost**

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

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

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

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

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

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

**(vi) Trade and other receivables**

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

**(vii) Impairment**

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

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

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### **e) Contingent liabilities**

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

### **f) Contingent assets**

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

### **g) Nature and purpose of reserves**

The Narok County Bursary Fund/Scheme creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

### **h) Changes in accounting policies and estimates**

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

### **i) Foreign currency transactions**

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

### **j) Related parties**

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

### **k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes 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.

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

State all judgments, 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. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

*(Include provisions applicable for your organization e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)*

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**6. Transfers from the County Government**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Treasury	405,000,000	379,000,000
Others ( <i>Specify</i> )		-
<b>Total</b>	<b>405,000,000</b>	<b>379,000,000</b>

*(Provide a brief explanation for this revenue)*

**7. Public Contributions and Donations**

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Provide a brief explanation for this revenue)*

**8. Finance income**

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

*(Provide a brief explanation for this revenue)*

**9. Other income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Cheque write backs	-	-
Uncleared cheques	2,789,250	-
Other Transfers (Equity Bank)	5,900,000	
<b>Total Other Income</b>	<b>8,689,250</b>	<b>-</b>

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(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

**10. Bursary Transfers**

Description	2024/2025	2023/2025
	Kshs	Kshs
Allocations to wards	460,774,497	359,725,013
<b>Total</b>	<b>460,774,497</b>	<b>359,725,013</b>

**11. Scholarship grants**

Description	2024/2025	2023/2024
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Other ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**12. Use of Goods and Services**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
General Office expenses	3,709,540	1,446,600
Bank charges	12,744,799	2,274,938
Fuel Costs	292,000	41,000
Printing & Stationery	1,150,720	416,700
<b>Total</b>	<b>17,897,059</b>	<b>4,179,238</b>

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**13. Cash and cash equivalents**

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	(64,982,306)	15,205,301
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>(64,982,306)</b>	<b>15,205,301</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>			
I&M Bank	01004493226350	(65,858,363)	15,000,579
EQUITY-	0360281196118	876,057	204,722
<b>Sub- Total</b>		<b>(64,982,306)</b>	<b>15,205,301</b>
<b>b) Others (Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>(64,982,306)</b>	<b>15,205,301</b>

**Other Cash and Cash equivalent disclosure.**

Ksh 15,205,301.00 reported as the closing balance for financial year 2023-2024 was actually received on 1<sup>st</sup> July 2024. The money has been recognised as part of revenue for FY 2024-2025 as per the accrual basis of accounting.

**14. Non-Exchange Receivables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Revenue receivable	-	-
Others ( <i>Specify</i> )	-	-
<b>Total non-exchange receivables</b>	<b>-</b>	<b>-</b>

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**15. Exchange Receivables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest receivable	-	-
Others ( <i>Specify</i> )	-	-
<b>Total exchange receivables</b>	-	-

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**16. Trade and other payables**

Description	2024/2025		2023/2024	
	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>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	Xxx	%	xxx	%
1-2 years	Xxx	%	xxx	%
2-3 years	Xxx	%	xxx	%
Over 3 years	Xxx	%	xxx	%
<b>Total (tie to above total)</b>	<b>Xxx</b>		<b>xxx</b>	

**17. Cash generated from operations.**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
<b>Surplus/ (Deficit) For the Year</b>	<b>(64,982,306)</b>		<b>15,205,301</b>	
<b>Adjusted For:</b>				
<b>Working Capital Adjustments</b>				
Increase In Receivables	-		-	
Increase In Payables	<b>(15,205,301)</b>		-	
<b>Net Cash Flow from Operating Activities</b>	<b>(80,187,607)</b>		<b>15,205,301</b>	

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

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**18. Related party balances****a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

Description	2024/2025	2023/2024
	Kshs	Kshs
Board of Trustees	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From County Government	-	-
<b>Total</b>	-	-

**Other Disclosures Continued**

**e) Due to related parties**

Description	2024/2025	2023/2024
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
<b>Total</b>	-	-

**19. Contingent assets and contingent liabilities**

Contingent Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

*(Give details)*

**20. Financial risk management**

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

**a) Credit risk**

The Fund/Scheme 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	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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

The entity has significant concentration of credit risk on amounts due from xxxx.

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

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

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

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

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

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

**i. Foreign currency risk**

The Fund/Scheme 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 currencies		Total
	Kshs	Kshs	
<b>At 30 June (Current FY)</b>			
Cash	-	-	-
Debtors/ Receivables	-	-	-
<b>Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

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

**Foreign currency sensitivity analysis**

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

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

**ii. Interest rate risk**

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

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***Management of interest rate risk***

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

***Sensitivity analysis***

The Fund/Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx-1 – Kshs xxx).

**d) Capital risk management.**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Accumulated surplus	-	-
<b>Total funds</b>	-	-
	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	xx%	xx%

**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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**19. 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 <b>Unreconciled Variance on Transfers from the County Government</b>	Unreconciled variance on transfers from County Government of Ksh 377,044,000 vs 394,582,396 from bank statements	In the statement of financial performance, the amount of Kshs. 544,000 had been erroneously omitted because two entries of Ksh 200,000 and Ksh 344,000 dated 28 th October and 24 th November 2022 respectively had been omitted. We amended the Statement of Financial performance (Transfers from County Government) accordingly.	RESOLVED	1 <b>Unreconciled Variance on Transfers from the County Government</b>
2 <b>Unsupported Use of Goods and Services</b>	Unsupported use of goods and services of Ksh5,525,920 General office expense- 4,400,920- Name of vendors, invoice No. board members and rate of allowance, air time	The management has prepared the expenditure documents in the order of their payments touching on the mentioned expenditure votes with required payment Schedules. The expenditure documents have been availed for your	RESOLVED	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	beneficiaries and rates, electricity account numbers and monthly payments -Fuel and Oil-174,000-Registration of motor vehicles and amount of fuel drawn by each	review and Consideration.		
	Printing and Stationery 951,000- Description of stationery, quantities and prices for each.			
<b>3 Unsupported Bursary Awards</b>	Unsupported Bursary Awards- Fy 2022-2023 Kshs.370,281,482-The statement of financial performance reflects bursary awards total expenses of Bursary awards of Kshs.370,281,482 that includes bursary awards.	We have provided the required support schedule for bursary awards amounting to Ksh 370,281,482 (Annex )	RESOLVED	30 <sup>th</sup> June 2025

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the Period ended 30<sup>Th</sup> June 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)
	The supporting schedule for the bursary awards does not match payments as per bank statement and do not indicate the name of student, admission number, name of the learning institution and amount of bursary awarded.			

NAROK COUNTY GOVERNMENT  
 BURSARY MANAGEMENT BOARD  
 P.O. BOX 899, NAROK  
 2 NOV 2025  
 Daniel Meshuko  
 OFFICER

Daniel Meshuko  
 Fund Administrator/Accounting Officer  
**Date.21.11.2025**

**NAROK COUNTY BURSARY MANAGEMENT FUND**  
**Annual Report and Financial Statements for the Period ended 30<sup>th</sup> June 2025**

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

Name of transferring entity: Narok County Treasury.....

Name of beneficiary entity: Narok County Bursary Management Fund

Confirmation of amounts received by [Narok County Bursary Fund/Scheme] as at 30 <sup>th</sup> June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [Narok County Treasury] (Kshs) as at 30 <sup>th</sup> June 2025			Amount Received by Narok County Bursary Fund/Scheme] (Kshs) as at 30 <sup>th</sup> June 20xx (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
		413,689,250	-	413,689,250		
<b>Total</b>		<b>413,689,250</b>	<b>-</b>	<b>413,689,250</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 21.11.2025.....

NAROK COUNTY GOVERNMENT  
 BURSARY MANAGEMENT BOARD  
 P. O. BOX 399, 20570, NAROK

*Mesquillo*  
 2025  
 CHIEF EXECUTIVE OFFICER

Sign.....