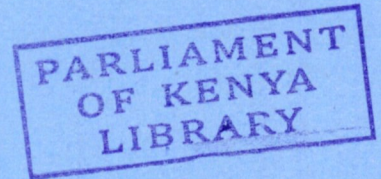


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

NAKURU COUNTY BURSARY FUND

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	19/11/2025
TABLED BY	Sen. Mutinda on behalf of S.M.L
COMMITTEE	
CLERK AT THE TABLE	Belinda



IAQ



NAKURU COUNTY BURSARY FUND

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

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

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

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1. Acronyms and Glossary of Terms

a) Acronyms

<i>CBC</i>	<i>County Bursary Committee</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>CPA</i>	<i>Certified Public Accountant</i>
<i>CT</i>	<i>County Treasury</i>
<i>ECL</i>	<i>Expected Credit Loss</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>KCIU</i>	<i>Kenya Council of Imams Union</i>
<i>KSHS</i>	<i>Kenya Shillings</i>
<i>NCCK</i>	<i>National Council of Churches Kenya</i>
<i>OSHA</i>	<i>Occupational Safety and Health Act of 2007</i>
<i>PEFA</i>	<i>Pentecostal Evangelistic Fellowship of Africa</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>PWC</i>	<i>Price Waterhouse Coopers</i>
<i>SUPKEM</i>	<i>Supreme Council of Kenya Muslims</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>TSC</i>	<i>Teachers Service Commission</i>
<i>TVETs</i>	<i>Technical and Vocational Educational Training Institutions</i>
<i>WBC</i>	<i>Ward Bursary Committee</i>

b) Definition of Terms

1. Fiduciary Management - The key management personnel who had financial responsibility.
2. County Bursary Committee – An appointed committee to provide an accountable and administration framework for the bursary programme.
3. Ward Bursary Committee – An appointed committee at the ward to receive, vet and recommend applicants for the award of bursary.

2. Key Entity Information and Management

a) Background information

Nakuru Bursary Fund is established by and derives its authority and accountability from Section 116 of Public Fund Management Act of 2012 and also Public Finance Management (Nakuru County Bursary Fund Regulations, 2015 Regulation 4(1).

The Fund is wholly owned by the County Government of Nakuru and is domiciled in Kenya.

The fund's objective is:

1. Enable children from deserving Families in Nakuru County access education.
2. Enable persons with disabilities, who deserve support to pursue their education in recognized schools and educational institutions.
3. Ensure increase in retention of students in schools.

b) Principal Activities

The Fund's principal activity is to ensure efficient allocation and disbursement of Bursary funds to the needy and deserving student in Nakuru County.

The functions of the County Bursary Committee shall:

1. Be a clearing house for applications received from the Wards.
2. Set the criteria and conditions for granting of Bursaries.
3. Distribute the bursary funds among the wards in the county.
4. Approve disbursement of Bursaries to awarded students.
5. Monitor allocations of Bursaries to ensure needy students benefit.
6. Maintain an up to date database of all applicants and beneficiaries of the fund.
7. Raise, solicit funds and other assistance for the fund.
8. Receive gifts, donations, grants or endowments made to the fund and committee.
9. Grant Bursaries to eligible students upon recommendation from relevant wards.
10. Produce and share disbursement reports with relevant offices quarterly.

Nakuru County Bursary Fund

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

11. Consider and entertain appeals from the wards.

12. Perform and exercise all other functions and powers conferred on the committee by the Nakuru Bursary Fund Regulations.

c) Nakuru County Bursary Fund Administration Committee

Ref	Name	Position
1	Mr. Phillip Kipkurui Ng'ok	Ag. Fund Chairman
2	Ms. Millicent A. Yugi	Fund Secretary
3	CPA James Chacha	Fund Accountant
4	Mr. Simon Gaitho Kimani	Member
5	Ms. Salome Mukami	Member
6	Imam Ahmad Rashid	Member
7	Mr. Geoffrey Kirui Kipkorir	Member
8	Ms. Linda Kageha	Member

d) Fiduciary management

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

Ref	Name	Position
1	Mr. Phillip Kipkurui Ng'ok	Ag. Fund Chairman
2	Ms. Rosemary Kimani	Fund Administrator
3	CPA James Chacha	Fund Accountant

e) Fiduciary Oversight Arrangements

- County Assembly Public Accounts Committee.
- Senate County Public Investment and Special Funds Committee.
- County Internal Audit.

f) Registered Offices

Nakuru County Bursary Fund
Regional Co-ordinators Headquarters
Moi Road.
P.O. Box 2870 -20100
Nakuru, Kenya.

g) Fund Contacts

Telephone: (254) 051-2216472
E-mail: info@nakuru.go.ke
Website: www.nakuru.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Family Bank Ltd. Head Office,
Family Bank Towers
P.O Box 74145-00200
Nairobi, Muindi Mbingu Street
Tel: 020 325 2000 Cell: +254 703 095 000
Email: info@familybank.co.ke,
Website: www.familybank.co.ke

i) Independent Auditors

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
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya




Key Entity and Management (Continued)

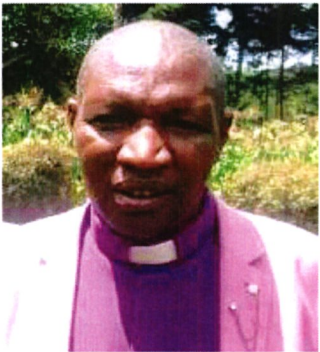

k) County Attorney

County Attorney
New Town Hall Building
Moi Road.
P.O. Box 2870-20100
Nakuru, Kenya




3. Fund Administration Committee Profile

Name	Details of qualifications and experience
 <p>Phillip Kipkurui Ng'ok Ag. Chairman Date of Birth: 28-Feb-1982</p>	<p>Mr. Phillip Kipkurui Ng'ok is a holder of Bachelor of Education (Science) from Kenyatta University, 2007. He is pursuing Masters' Degree in Development Studies at St. Paul's University. Currently he is the Executive Director, Nakuru County Youth Bunge Forum from May 2024. He also served as the President of the Nakuru County Youth Bunge Forum for 10 years.</p> <p>He is also the Chairman, Nakuru Vocational Training Centre from August 2022. Philip is a serving Member of Nakuru County Civil Society Forum and Acting Chairman Nakuru County Bursary Fund Committee.</p>
 <p>Millicent A. Yugi Fund Secretary Date of Birth: 13-Sep-1969</p>	<p>Ms. Millicent A. Yugi is a holder of Masters' Degree in Education Administration from Kenyatta University (2012) and currently pursuing PHD in the same line at Maasai Mara University. Madam Yugi is a career Education administrator; having served as Municipal Education Officer (2007-2013) and growing in ranks to currently being the Director of Education (from 2014 to date) in the County Government of Nakuru</p> <p>She is the Secretary Nakuru County Bursary Fund Committee.</p>
 <p>CPA James Chacha Fund Accountant Date of Birth: 05-May-1990</p>	<p>CPA James Chacha is a holder of Bachelor Degree in Economics from Egerton University (2014) and a member of ICPAK. Has attended SMC (Senior Management Courses) at the Kenya School of Government. He has worked as an Accountant in various Departments at the County Government of Nakuru. Previously he worked as an Accountant at Value Max Consulting Kenya Ltd and PWC Kenya. Currently he is appointed as Accountant Nakuru County Bursary Fund Committee.</p>

Name	Details of qualifications and experience
 <p>Simon Gaitho Kimani Member Date of Birth: 04-Apr-1991</p>	<p>Mr. Simon Gaitho Kimani is a holder of Bachelor of Arts in Criminology and Security Management from Mount Kenya University (2022). He is the Chairman Gilgil Level 4 Hospital, and Member of Nakuru County Bursary Fund Committee as a youth Representative.</p>
 <p>Salome Mukami Member Date of Birth: 04-May-1995</p>	<p>Ms. Salome Mukami is a holder of Certificate in Hospitality from Naivasha Youth College 2014. Currently she is pursuing a certificate in Human Resource Management at Nexus college. She is a registered Member of Association of Persons Living with Disability. She is Member of Nakuru County Bursary Fund Committee as a Representing of Persons Living with Disabilities.</p>
 <p>Imam Ahmad Rashid Member Date of Birth: 09-Mar-1978</p>	<p>Imam Ahmad Rashid, is a holder of a degree in Islamic Studies from International University of Africa. He also holds diploma in Islamic Law from Sharia College of Islamic studies Mombasa. He has worked as an Arabic language teacher and sport's instructor at Darul-Ilmi Academy, Nakuru. He is chairman of Kenya Council of Imams and Ulamaa, Central Rift region, and a senior Supervisor of Muslim Association Institutions, Nakuru and Baringo Counties. A member of Nakuru County Bursary Committee.</p>

Name	Details of qualifications and experience
 <p>Bishop Geoffrey Kirui Kipkorir Member Date of Birth: 01-Aug-1972</p>	<p>Bishop Geoffrey Kirui Kipkorir is a Holder of Diploma in Theology from Matumaini Bible college. He worked with Abantu for CIVIL Education Organization (2009 - 2011). and NCKK (2008 - 2013). He was Ordained in the year 2012 as a Reverend and Installed as a Bishop (PEFA Nakuru West Region) in 2020. Currently works as a Regional Bishop Nakuru West PEFA. Appointed a Member of Nakuru County Bursary Fund Committee as a Representative of Religious Organization.</p>
 <p>Linda Kageha Member Date of Birth: 13-Dec-1989</p>	<p>Ms. Linda Kageha Holds a Bachelor's Degree in Business Management and Information Technology from Kabarak University (2011). She is the Director Kenya National Chamber of Commerce and Industry Nakuru Chapter. Has 10 years of working experience in community service. She is a Member of Nakuru County Bursary Fund Committee as a Representative of Child Welfare.</p>

4. Key Management Team

Name	Details of qualifications and experience
 <p>Phillip Kipkurui Ng'ok Ag. Chairman Date of Birth: 28-Feb-1982</p>	<p>Mr. Phillip Kipkurui Ng'ok is a holder of Bachelor of Education (Science) from Kenyatta University, 2007. He is pursuing Masters Degree in Development Studies at St. Paul's University. Currently he is the Executive Director, Nakuru County Youth Bunge Forum from May 2024. He also served as the President of the Nakuru County Youth Bunge Forum for 10 years. He is also the Chairman, Nakuru Vocational Training Centre from August 2022. Philip is a serving Member of Nakuru County Civil Society Forum and Acting Chairman Nakuru County Bursary Fund Committee.</p>
 <p>Rosemary Kimani Fund Administrator Date of Birth: 28-May-1988</p>	<p>Ms. Rosemary Kimani holds a Bachelor of Education degree and Masters of Arts in History from Kenyatta University. She is a professional Teacher with 10 years teaching experience. Has worked as Chief Officer Tourism and Culture and currently she is Chief Officer Education and Vocational Training and serves as Fund Administrator Nakuru County Bursary Fund.</p>
 <p>CPA James Chacha Fund Accountant Date of Birth: 05-May-1990</p>	<p>CPA James Chacha is a holder of Bachelor Degree in Economics and a member of ICPAK. Has attended SMC (Senior Management Courses) at the Kenya School of Government. He has worked as an Accountant in various Departments at the County Government of Nakuru. Previously he worked as an Accountant at Value Max Consulting Kenya Ltd and PWC Kenya. Currently he is appointed as Accountant Nakuru County Bursary Fund Committee.</p>

5. Chairman's Report

It is my pleasure to present the Annual Report and Financial Statements for the Nakuru County Bursary Fund for the financial year ended June 30, 2025. In this year, the Fund was allocated a total of Kshs 453,743,981 in the Approved Budget.

During the year under review the county bursary committee held the mandatory meetings on way forward on allocation and disbursement of bursary fund within the 55 wards in Nakuru County. The Nakuru County Bursary Fund has cycle which comprises two tranches: - tranche one is normally disbursed from September to December of each financial year. Tranche two takes effect from February to the closer of the financial year.

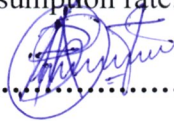
In this period there were no changes in the management of the Fund.

At the moment Bursary management committee is in the process of reviewing its policy documents and regulation to address the emerging issues which include increased allocation per student and follow up on beneficiaries' progress to other levels of education among others.

During the year under review the amount available for disbursement was Kshs. 461,531,532 which comprised opening balance of Kshs. 8,724,051 and receipts from County Treasury amounting to Kshs. 452,807,481.

In the Financial Year 2024/25, the Fund Committee invited applications from all the 55 wards through the County website and notices in public offices within Nakuru County. Thereafter, the applications received from Ward Bursary Committee were analysed by the County Bursary Committee to award deserving cases.

During the year, a total of Kshs. 404,808,449 was disbursed to various educational institutions namely Universities, Colleges, Vocational Training, Secondary Schools and Special School. Administrative Expenses was Kshs. 8,227,000 hence the budget utilization was Kshs. 413,035,449 being 91% consumption rate. This facilitated retention and transition rate of pupils to other levels of education.



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Name: Phillip Ng'ok

Ag. Chairman Nakuru County Bursary Fund Committee

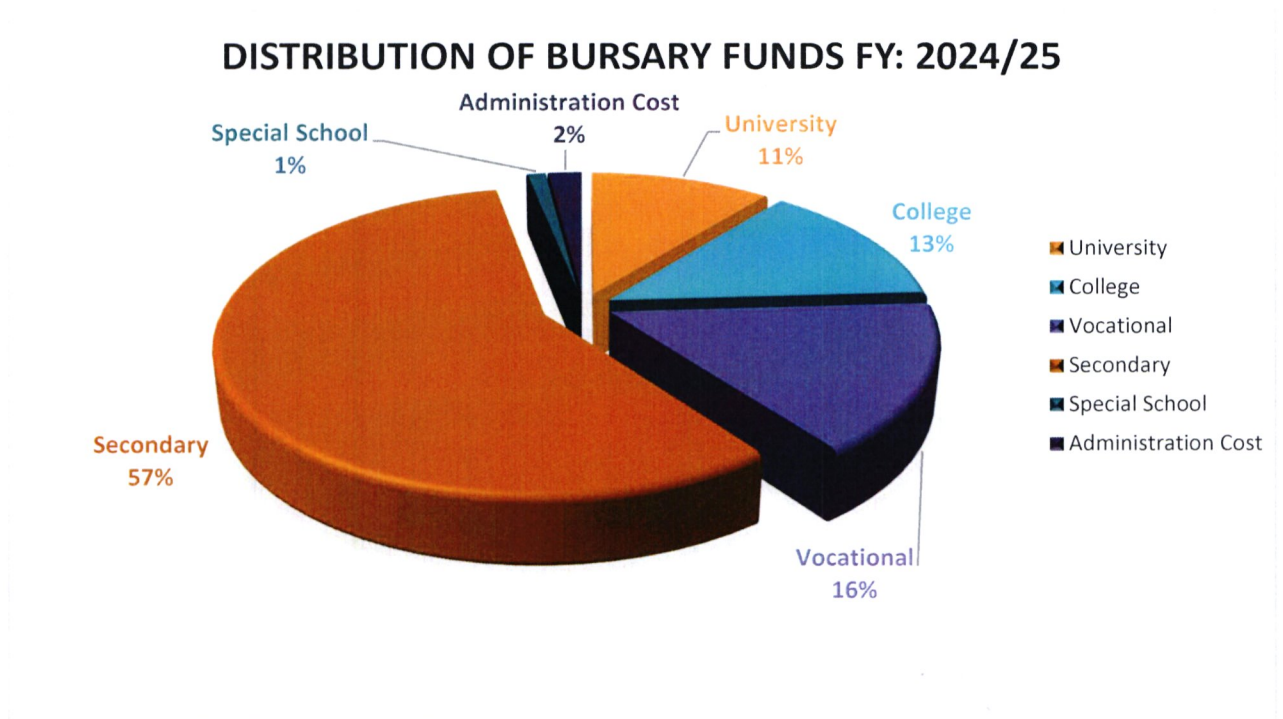
6. Report of the Fund Administrator

Nakuru County Bursary Fund was established in the year 2014 by Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015.

During the year under review the fund committee held its first ordinary meeting 29th October, 2024.

The opening balance of the fund for the year was Kshs. 8,724,051 and it received Kshs. 452,807,481 from the Nakuru County Government Treasury. These funds were applied as follows:
- Administration Expenses Kshs. 8,227,000 which is 1.8%, scholarship and other educational benefits Kshs. 404,808,449 being 91.5% of the budget respectively. The closing balance at the end of financial year was Kshs. 48,496,083.

The Distribution of Funds to Educational Institutions is reflected in the chart below:



Nakuru County Bursary Fund

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

- Future outlook of the Fund

The Fund committee will strive to ensure; that there is sufficient proposal in budget making which will lead to higher allocation of funds resulting to more applications hence increase in the number of bursary beneficiaries within the county.

The fund management will plan for the capacity building for both County Bursary Committee, Ward Bursary Committees and Secretariat.



.....
Name: M/s Rosemary Kimani
Fund Administrator

7. Statement of Performance Against the Nakuru County Bursary Fund’s Predetermined Objectives for FY 2024/2025

Introduction

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

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2023-2027 are to:

- Enhancing access, transition and retention through provision of bursaries and scholarships to needy students of Nakuru County.

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Nakuru county Bursary fund	Enhancing access, transition and retention through provision of bursaries and scholarships to needy students of Nakuru County	Support for needy and deserving children through bursary	Amount of bursary funds budgeted (M) Number of actual students who benefit from bursaries	Bursary enhanced through ward kitty

8. Statement of Corporate Governance

Section 167 of the PFM Act 2012 requires that an Administrator of a county public fund prepares the financial statements for the fund for each financial year in a format prescribed by the Accounting Standards Board. The Fund Administrator being the head of the 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 Nakuru County Bursary Fund for and as at the year ended June 30, 2025.

- **Roles and Functions of Administration Committee**

The roles and functions of the Administration Committee Members is outlined in the Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 which includes amongst others:

- Clearing Applications received from the Ward Bursary Committees.
- Set the criteria and conditions for granting of bursaries.
- Approve disbursement of bursaries to awarded students.
- Monitor allocations of bursaries to ensure needy students benefit.
- Produce and share disbursement reports with the Governor, County Assembly and other relevant authorities every three months.

- **Existence of Service Charter**

Nakuru County Bursary Fund is guided by the Directorate of Education Service Charter and the process of developing the Fund's Service Charter is ongoing.

- **Process of appointment and removal of committee**

The management of the Fund is vested in the Nakuru County Bursary Committee who consist of:

1. A chairperson appointed by the County Governor from persons who are not Public Officers.
2. One Officer nominated by the County Executive Committee Member in charge of the department responsible for education who shall also be Secretary.

3. One officer nominated by the County Secretary to represent the Governor's office
4. One Officer nominated by the County Executive Committee Member in charge of the Department responsible for Finance who shall be the Fund Accountant.
5. One Youth representing non state sector
6. A representative of persons living with disabilities.
7. Two persons representing religious organizations - one from Christian sector and one from Muslim community.
8. One person representing Children's Welfare.

- **Number of meetings held and attendance**

The Nakuru County Bursary Committee held its meetings as required by the Bursary Fund Act. The agenda revolved majorly on the validation/verification of bursary awarded by the Ward Bursary Committees and monitoring and evaluation of the bursary disbursed to institutions. These meetings were attended through invitation letters as communicated by the Fund Secretary.

- **Succession Plan**

The current Bursary Committee was appointed for a period of three years renewable once. Continuous induction and training of the committee members is done to capacity build the members for better performance.

The ethics and conduct of the members are outlined in the Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 section 8 sub section 1(a) to (h)

9. Management Discussion and Analysis

Nakuru County Bursary Fund was established in the year 2014 by Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015.

- Financial Performance and Operations

For the year 2024/2025 the fund had a budget estimate of Kshs. 453,743,981. The allocated funds were disbursed successfully to 91,379 beneficiaries across Nakuru County. The table below shows how funds were disbursed for the last 3 financial years.

Description	FY2024/2025	FY2023/2024	FY 2022/2023
	KShs	KShs	Kshs
Revenue			
Total Revenue	452,807,481	403,441,437	185,084,003
Bursary Distribution for the Last 3 Years			
University	44,023,409	41,498,452	26,703,700
College	55,439,762	41,751,589	15,468,820
Vocational	65,255,864	43,733,280	14,667,350
Secondary	235,540,114	251,441,369	109,805,845
Special Schools	4,549,300	4,446,000	3,522,800

- Compliance with statutory requirements.

The Fund Committee and Management team have generally complied with statutory requirements in its operation and management of funds. (PFM Act, Bursary Fund Regulation)

- Major Risks facing the fund includes;

- Late exchequer release.
- Misrepresentation or incomplete information from applicants.
- Negative external interference from other stakeholders.
- Inadequate resources i.e. budget cuts in between the financial year.

Risk Management Techniques: One key to controlling financial management risks is the development and use of effective internal controls involving general management controls and accounting controls.

Misuse of funds: The committee is responsible for ensuring that the fund expenditure/expenses stays focused on its mission. An excellent way to monitor progress is through its use of funds.

General Management control: General management controls consist of the committee and senior management's responsibilities for establishing the proper oversight of financial operations. The committee should require clear and informative financial reports and statements on a regular basis.

10. Environmental and Sustainability Reporting

Nakuru County Bursary Fund exists to transform lives this being our purpose and driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on Vision 2030 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The Nakuru County Bursary Fund is entrenched in its strategy (**Education and Training**) to support deserving and bright students from each ward of the County. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers. This contributes positively to the economic growth of the county. This strategy takes care of both marginalised groups including girls and people living with disabilities.

2. Environmental performance

The Bursary Fund management participates yearly in climate conservation activities such as Tree Planting Day.

3. Employee welfare

The majority of employees who serve in the Nakuru Bursary Fund are employees of the County Government of Nakuru which caters for their welfare.

4. Market place practices-

The Nakuru County Bursary Fund is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive process that allows equal opportunities to all participants especially bursary applicants. We are also committed to healthy relations with our stakeholders and other key players in the process of awarding bursaries through: -

- Encouraging fair competition and zero tolerance to corruption during the process of shortlisting and awarding bursaries

- Good business practice by ensuring timely release and payments of approved bursary for applicants.
- Advertisement and Notification to members of the public when bursary process begins.
- Stewardship by safeguarding consumer rights and interest

5. Community Engagements-

We engage community and other stakeholders during the process of vetting and awarding of bursary.

11. Report of Committee

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

Principal activities

The principal activities of the Nakuru County Bursary Fund are (*continue to be*): support for children through provision of bursaries and scholarships to needy students including Persons Living with Disability of Nakuru County to ensure higher transition and retention rate.

- a. Be a clearing house for applications received from the Wards;
- b. Set the criteria and conditions for granting of bursaries;
- c. Distribute the Bursary Funds among the wards in the county;
- d. Approve disbursement of bursaries to awarded students;
- e. Monitor allocations of bursaries to ensure needy students benefit;
- f. Maintain an up to date database of all applicants and beneficiaries of the Fund;
- g. Raise and solicit funds and other assistance for the Fund;
- h. Receive gifts, donations, grants or endowments made to the Fund and committee;
- i. Grant bursaries to eligible students upon recommendation of the relevant wards;
- j. Consider and entertain appeals from the Wards;
- k. Perform and exercise all other functions and powers conferred on the Committee by Nakuru County Bursary Fund Regulations.

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

Results

The performance of the Fund for the year ended June 30, 2025, are set out on page 1 to 4.

Fund Administration Committee

The members of the Nakuru County Bursary Fund Committee who served during the year are as shown on page iii.

Auditors

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

By Order of the Fund Administration Committee

Nakuru County Bursary Fund Sign:



Philip Ng'ok

Ag. Nakuru County Bursary Fund Chairperson

Date: 02/07/2025

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of Nakuru County Bursary Fund established by Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 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 Nakuru County Bursary Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 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 Nakuru County Bursary Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Nakuru County Bursary 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

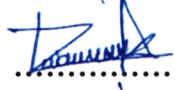
Nakuru County Bursary Fund

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

come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Nakuru County Bursary Fund on 02/07 2025 and signed on its behalf by:



.....
Ms Rosemary Kimani
Administrator of the Nakuru County Bursary Fund

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON NAKURU COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Nakuru County Bursary Fund set out on pages 1 to 25, 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, the financial statements present fairly, in all material respects, the financial position of Nakuru County Bursary Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.453,743,981 and actual on comparable basis of Kshs.452,807,481 resulting to an under-funding of Kshs.936,500 or 0.2% of the budget. Further, the statement reflects that the Fund spent an amount of Kshs.413,035,449 against actual receipts of Kshs.452,807,481 resulting to an under-absorption of Kshs.39,772,032 or 9% of the actual receipts.

Further, the explanation of differences between actual and budgeted amounts was however not provided for variances beyond the material differences of 10%. This is contrary to Section 164 (2) (ii) and (iv) of the Public Finance Management Act, 2012 which requires a County Government entity to present appropriation accounts showing the status of each vote compared with the appropriation for the vote and a statement explaining any variations between actual expenditure and the sums voted.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements. However, Management has not explained how the issues were addressed or resolved.

Other Information

The Management is responsible for the Other Information set out on page iv to xxv which comprise of Key Entity Information and Management, Fund Administration Committee, Key Management Team, Chairman's Report, Report of the Fund Administrator, Statement of Performance Against the Nakuru County Bursary Fund's Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the 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 THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

28 October, 2025

Nakuru County Bursary Fund

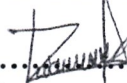
Annual Report and Financial Statements for the year ended June 30, 2025

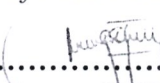
14. Statement of Financial Performance for the Year Ended 30th June 2025

	Note	FY 2024/2025	FY 2023/2024
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	-	-
Transfers from the County Government	6	452,807,481	392,681,291
Fines, penalties and other levies (unplied EFT)	3	-	-
Revenue from exchange transactions			
Interest income	4	-	-
Other income	9	-	-
Total revenue		452,807,481	392,681,291
Expenses			
Employee Costs	6	-	-
Use of goods and services	12	8,227,000	394,717,386
Bursary transfer	10	404,808,449	-
Depreciation and Amortization Expense	8	-	-
Finance Costs	8	-	-
Total expenses		413,035,449	394,717,386
Other gains/losses			
Gain/loss on disposal of assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(deficit) for the period		39,772,032	(2,036,095)

In the previous template the bursary transfers and Administration expenses were categorized as use of goods.

(The notes set out on pages 18 to 32 form an integral part of these Financial Statements)

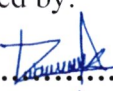
.....

Name: **Rosemary Kimani**
Administrator of the Fund


.....

Name: **James Chacha**
Fund Accountant
ICPAK Member Number: 24184

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

	Note	FY 2024/2025	FY 2023/2024
		KShs	KShs
Assets			
Current Assets			
Cash and Cash Equivalents	13	48,496,083	8,724,051
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
Total current assets		48,496,083	8,724,051
Total Assets (A)		48,496,083	8,724,051
Liabilities			
Current Liabilities			
Trade and Other Payables	16	-	-
Total current liabilities		-	-
Total Liabilities (B)			
Net Asset (A-B)		48,496,083	8,724,051
Represented By:		-	-
Accumulated Surplus		48,496,083	8,724,051
Net Assets		48,496,083	8,724,051

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 02/07/2025 and signed by:

.....

Name: Rosemary Kimani
Administrator of the Fund

.....

Name: James Chacha
Fund Accountant
ICPAK Member Number: 24184

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

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2023	-	-	10,760,146	10,760,146
Surplus/(deficit) for the period	-	-	(2,036,095)	(2,036,095)
Balance as at 30 June 2024	-	-	8,724,051	8,724,051
Balance as at 1 July 2024	-	-	8,724,051	8,724,051
Surplus/(deficit) for the period	-	-	39,772,032	39,772,032
Balance as at 30 June 2025	-	-	48,496,083	48,496,083

*Nakuru County Bursary Fund***Annual Report and Financial Statements for the year ended June 30, 2025****17. Statement of Cash Flows for The Year Ended 30th June 2024**

	Note	FY 2024/2025	FY 2023/2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		452,807,481	392,681,291
Public contributions and donations		-	-
Finance income		-	-
Other receipts			
Total Receipts		452,807,481	392,681,291
Payments			
Bursary transfer		404,808,449	382,870,690
Scholarship grants			
Use of goods and services		8,227,000	11,846,696
Net cash flows from operating activities	17	39,772,032	(2,036,095)
		-	-
Cash flows from investing activities		-	-
Net cash flows used in investing activities		-	-
		-	-
Cash flows from financing activities		-	-
		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		39,772,032	(2,036,095)
Cash and cash equivalents at 1 JULY	13	8,724,051	10,760,146
Cash and cash equivalents at 30 JUNE	13	48,496,083	8,724,051

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
	KShs	KShs	KShs	KShs	KShs	
	A	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from the County Government	203,000,000	250,743,981	453,743,981	452,807,481	936,500	99.8%
Public Contributions and Donations	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total income	203,000,000	250,743,981	453,743,981	452,807,481	936,500	99.8%
Expenses						
Bursary Transfers	197,925,000	244,475,381	442,400,381	404,808,449	37,591,932	91.5%
Scholarship grants	-	-	-	-	-	-
Use of goods & Services	5,075,000	6,268,600	11,343,600	8,227,000	3,116,600	72.5%
Total expenditure	203,000,000	250,743,981	453,743,981	413,035,449	40,708,532	91.0%
Surplus for the period	-	-	-	39,772,032	(39,772,032)	-

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

The Nakuru County Bursary Fund is established by and derives its authority and accountability from Article 116 of Public Fund Management Act of 2012 and also **Public Finance Management (Nakuru County Bursary Fund) Regulations, 2015 Section 4(1)**. The principal activity/mission/ mandate of the Fund is to provide educational Bursaries to financially disadvantaged or needy children including persons with disabilities to support their education in recognised institutions of learning.

The entity is wholly owned by the Nakuru County Government and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

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 2025.

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

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

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> 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>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> 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>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish</p>

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

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2023.

1. 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 29 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 Nakuru County Bursary Fund upon receiving the respective approvals in order to conclude the final budget. The Nakuru County Bursary Fund recorded additional appropriations of Kshs. 250,743,981 on the FY 2024/2025 budget following the governing body's approval.

Nakuru County Bursary Fund 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 under section 18 of these financial statements.

c) Financial instruments

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

(i) Financial assets

Classification of financial assets

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

(ii) Subsequent measurement

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

(iii) Amortized cost

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

is subsequently measured at amortized cost and is not part of a hedging relationship is 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 Nakuru County Bursary Fund 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 Nakuru County Bursary Fund expects some or all of a provision to be reimbursed, for example, under an

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

insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

e) Contingent liabilities

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

f) Contingent assets

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

g) Nature and purpose of reserves

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

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 Nakuru County Bursary Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Nakuru County Bursary Fund, 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.

l) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

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 12.

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.

Nakuru County Bursary Fund

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6. Transfers from County Government

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Transfers from County Govt. – operations	165,034,700	239,860,644
Transfers from County Govt. – operations	257,772,781	8,612,385
Transfers from County Govt. – operations	15,460,085	133,587,663
Transfers from County Govt. – operations	14,539,915	4,387,615
Transfers from County Govt. – operations	-	1,810,762
Transfers from County Govt. – Internal Transfers	-	884,400
Transfers from County Govt. – Internal Transfers	-	589,600
Transfers from County Govt. – Internal Transfers	-	589,600
Transfers from County Govt. – Internal Transfers	-	884,400
Transfers from County Govt. – Internal Transfers	-	294,800
Previous Income Received this Year	-	1,179,422
Transfers from County Govt. – operations	-	-
Transfers from County Govt. – operations	-	-
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	452,807,481	392,681,291

7. Public contributions and donations

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Donation from Development Partners	-	-
Contributions from the Public	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

8. Finance income

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Interest Income on Bank Deposits	-	-
Others (<i>Specify</i>)	-	-
Total finance Income	-	-

9. Other income

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Cheque write backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

Nakuru County Bursary Fund

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10. Bursary Transfers

Description	FY2024/2025	FY2023/2024
	KShs	KShs
University	44,023,409	41,498,452
College	55,439,762	41,751,589
Vocational Centers	65,255,864	43,733,280
Secondary	235,540,114	251,441,369
Special Schools	4,549,300	4,446,000
Total	404,808,449	382,870,690

11. Scholarship grants

Description	FY2024/2025	FY2023/2024
	KShs	KShs
University	-	-
College	-	-
Vocational	-	-
Secondary	-	-
Special Schools	-	-
Total	-	-

12. Use of Goods and Services

Description	FY2024/2025	FY2023/2024
	KShs	KShs
General Office Expenses	-	3,560,000
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	7,427,000	6,214,000
Bank Charges	-	-
Electricity and Water Expenses	-	-
Fuel and Oil Costs	-	-
Insurance Costs	-	-
Postage and Courier	-	772,696
Printing and Stationery	800,000	1,300,000
Rental Costs	-	-
Security Costs	-	-
Telephone and Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision for Doubtful Debts	-	-
Other (Bursary Administration Expense)	-	-
Social benefit expenses*	-	-
Total	8,227,000	11,846,696

Nakuru County Bursary Fund
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13. Cash and Cash equivalents

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	48,496,083	8,724,051
Others	-	-
Total cash and cash equivalents	48,496,083	8,724,051

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

Financial institution	Account number	FY2024/2025	FY2023/2024
		KShs	KShs
a) Current account			
Family Bank Ltd	A/C No. 019000036428	48,496,083	8,724,051
Bank B		-	-
Sub- total		48,496,083	8,724,051
d) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
Sub- total		-	-
Grand total		48,496,083	8,724,051

14. Non-Exchange Receivables

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Revenue receivable	-	-
Others (<i>Specify</i>)	-	-
Total non-exchange receivables	-	-

15. Exchange Receivables

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Interest receivable	-	-
Others (<i>Specify</i>)	-	-
Total exchange receivables	-	-

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16. Trade and Other payables

Description	FY2024/2025		FY2023/2024	
	KShs		KShs	
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

17. Cash generated from operations.

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Surplus/ (Deficit) For the Year	39,772,032	(2,036,095)
Adjusted For:		
Working Capital Adjustments		
Increase in Receivables	-	-
Increase in Payables	-	-
Net Cash Flow from Operating Activities	39,772,032	(2,036,095)

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

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	FY2024/2025	FY2023/2024
	KShs	KShs
Transfers from related parties (Internal Transfers)	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Nakuru County Bursary Fund Committee	7,427,000	6,214,000
Total	-	-

d) Due from related parties

Description	FY2024/2025	FY2023/2024
	KShs	KShs
Due from County Government	452,807,481	392,681,291
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

19. Contingent assets and contingent liabilities

Contingent Liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	-	-
Bank Guarantees	-	-
Total	-	-

(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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30 June 2025				
Receivables from Non-Exchange Transactions	-	-	-	-
Receivables from Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
As at 30th June 2024				
Receivables from Non-Exchange Transactions	-	-	-	-
Receivables from Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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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 -.

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.

At 30 June 2025	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-
At as 30 June 2024				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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

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	Kshs
At 30 June 2025			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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.

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Foreign currency sensitivity analysis

The following table demonstrates the effect on the Nakuru County Bursary Fund 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
30 June 2025			
Euro	-%	-	-
USD	-%	-	-
Other (<i>Specify</i>)	-%	-	-
30 June 2024			
Euro	-%	-	-
USD	-%	-	-
Other (<i>Specify</i>)	-%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Nakuru County Bursary Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. 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 0 (2024: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2024-1 – Kshs 0).

Nakuru County Bursary Fund
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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	FY2024/2025	FY2023/2024
	Kshs	Kshs
Accumulated surplus	-	-
Total funds	-	-
Less: cash and bank balances	(0)	(0)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

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)

Nakuru County Bursary Fund

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20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Unsupported Bursary Transfer</p> <p>The statement of financial performance reflects bursary transfer amount of Kshs. 382,870,690 as disclosed in Note 10 to the financial statements. However, it was not clear how the beneficiaries of the bursary were identified since the minutes, recommendations and approvals from the County and ward Committees, the criteria for award of bursaries lists of evaluated and agreed beneficiaries duly signed by all committee members, declaration and/ or endorsement from the head teachers or principals, the research conducted by the committee and data on eligibility of the students were not provided for audit verification.</p> <p>In the circumstances, the accuracy, completeness and propriety of the bursary</p>	<p>The list of bursary beneficiaries was identified and generated by the Ward Bursary Committees then approved by the County Bursary Committee as required by Bursary Act Attached find the respective Ward and County Bursary Committees vetting minutes and recommendation for bursary awards, further attached find the set criteria for awarding bursary, also find duly signed bursary beneficiaries list.</p> <p>The declaration/endorsement by the headteacher or principals is done on the bursary application form (see sampled endorsed bursary application form attached).</p>		

Nakuru County Bursary Fund
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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)
	transfer amount of Kshs, 382,870,690 could not be confirmed.			

Fund Administrator



Date.....02/07/2025



Nakuru County Bursary Fund

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Annex II: Inter-Fund Confirmation Letter



**REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NAKURU
DEPARTMENT OF EDUCATION, ICT, e-GOVERNMENT & PUBLIC COMMUNICATION
DIVISION OF EDUCATION**



Telephone: Nakuru
E-Mail: info.Edu.ict@nakuru.go.ke

Division of Education
Department of Education ICT and Vocational Training,
County Government of Nakuru,
P.O. Box 2870-20100,
NAKURU.

The Nakuru County Government wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (Kshs) as at 30th June 2025 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT243483K00X	14-Dec-24	165,034,700	0	0	165,034,700	165,034,700	0
FT25175F696J	24-Jun-25	257,772,781	0	0	257,772,781	257,772,781	0
FT251758ZKWF	24-Jun-25	15,460,085	0	0	15,460,085	15,460,085	0
FT		14,539,915	0	0	14,539,915	14,539,915	0
Total		452,807,481	0	0	452,807,481	452,807,481	0

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name JAMES CHIRIA Sign [Signature] Date 02/07/2025