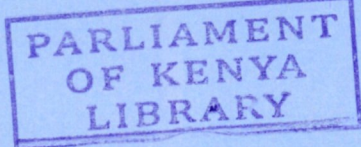
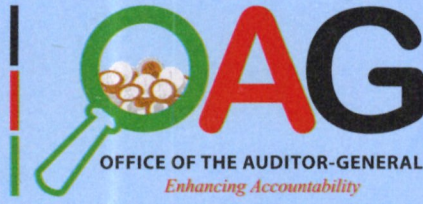


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**ISIOLO COUNTY EDUCATION
BURSARY FUND**

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

PAPERS LAID	
DATE	27/11/25
TABLED BY	SM L
COMMITTEE	—
CLERK AT THE TABLE	Ms-Nabalayo



Isiolo County Education Bursary Fund

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)

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

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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

(Provide a list of Acronyms and Key terms used in the financial report as per the above example.)

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

2. Key Entity Information and Management

Background information

Isiolo County Education Bursary Fund is established by and derives its authority and accountability from Isiolo County Education Act 2015. The Fund is wholly owned by the County Government of Isiolo and is domiciled in Kenya.

The fund's objective is to provide for legal framework for establishing Education bursary fund for providing financial assistance to the poor and vulnerable students in the county in order: _

1. Increase access to education
2. Promote and increase enrolment, retention, and completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty. Disparities and equality.

The Fund's principal activity is:

1. Increase access to education.
2. Promote and increase enrolment, retention, and completion and transition rates in schools.
3. Improve education standards and literacy levels.
4. Reduce poverty, disparities and inequality.

a) Principal Activities

The principal activity/mission/ mandate of the Fund is providing financial assistance to the poor and vulnerable students in the county

b) Board of Trustees/Fund Administration Committee

c)	Position	Name
1	Chairlady	Ms Sainab Ismail Hassan
2	County Chief Officer Education	Mr Rashid Iribo Wako
3	County Chief Officer Finance	CPA Habiba Jirma Galgalo
4	Fund Accountant	Mr Molu Mohamed
5	Board Member	Mr. Abraham Eyeyo
6	Board Member	Mr. David Kanamba

Isiolo County Education Bursary Fund
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SN	Position	Name
7	Board Member	Ms. Mariam Osman
8	Board Member	Mr. Mohammed Rashid
9	Board Member	Mr. Adan Diba Jillo
10	Board Member	Mr.Letimalo John
11	Board Member	Mr. Adan Boru Kara
12	Board Member	Mr.Golo Roba
13	Board Member	Mr.Geoffrey Nabea

d) Fiduciary Management

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

Ref	Name	Position
1	Mr Rashid Iribo Wako	County Chief Officer Education
2	CPA Habiba Jirma Galgalo	County Chief Officer Finance
3	Mr. Molu Mohamed	Fund Accountant

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

This fund being part of the overall funds received by the county executive, the internal audit department of the county treasury has fiduciary responsibility in assessing the risks faced by the fund on an ongoing basis. The internal audit evaluates and tests the effectiveness of the internal controls and operational controls and reports to the fund's board.

f) Registered Offices

P.O. Box 36-60300
 County Education Building
 NEMA-Police Road
 Nairobi, KENYA

a) Fund Contacts

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

Telephone: (254) 724111219
E-mail: rashidwako@gmail.com
Website: www.isiolo.go.ke

b) Fund Bankers

Kenya Commercial Bank
Isiolo Branch

c) Independent Auditors

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

d) Principal Legal Adviser

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

e) County Attorney



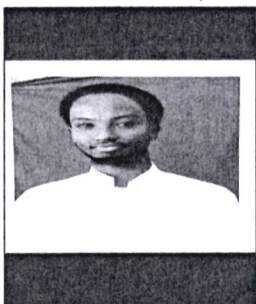
P.O BOX 36

Postal code. 60300




Isiolo, Kenya

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



3. Trustees/ Fund Administration Committee Profiles

Names	Details of qualifications and experience
<p>1. Ms. Sainab Ismael Hassan-(Fund Board Chairlady).</p> 	<p>Ms. Sainab Ismail Hassan was born in 1962. she holds a Diploma in education. She has over 20 years' experience working in the education Sector and 3 years at management level. She is currently the chairlady of Isiolo County Bursary Fund for a period of 3 years.</p>
<p>2.Mr. Rashid Iribo Wako (Fund Administrator)</p> 	<p>Mr. Rashid Iribo Wako has over 15 years' experience in leadership and management having served in different management capacities in many sectors. He hold a bachelor degree in business management finance from mku.</p> <p>Currently he is serving as County chief officer department of Education in Isiolo county and doubles as executive board member and fund administrator of the Isiolo county Education bursary Fund.</p>
<p>3.Mr. Molu Mohamed (Fund Accountant).</p> 	<p>Mr. Molu Mohammed was born in the year 1995. He holds a degree in finance from university of Nairobi. He is an ex-official committee member. He has over 2 years' experience working in both the private and public sector.</p>
<p>4.. CPA Habiba Jirma Galgalo (Executive Board member).</p>	<p>CPA Habiba Jirma Galgalo was born in the year 1980. She holds Master's degree in Accounting from JKUAT university. She is also a certified Public Accountant of Kenya. She has over 15 years' experience in finance, leadership and management having served on different management capacities in Government and donor funded projects.</p>

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

	<p>Currently she is the county chief officer of Finance and sit as executive board member.</p>
<p>5. Mr. Abraham Eyeyo (board Member)</p> 	<p>Mr. Abraham Eyeyo was born in 1979. He holds a Bachelor's degree in Divinity from St. Paul's university. He also has a diploma in newspaper reporting. He has attended different training, i.e. community behaviour change, constitutional reform Tots, Basic Financial management training, Disaster preparedness and management. He has over 5 years 'experience working at different positions in the private sector. He has served in different boards as a board member and has actively participated as project coordinator in Community based projects.</p>
<p>6. Mr. David Kanamba (Board Member)</p>	<p>Mr. David Kanamba was born in 1973. He is a Level certificate holder. He has over 10 years' experience serving as Community mobilizer and in leadership roles working under community-based projects.</p>
<p>7. Mrs. Mariam Osman (Board member)</p> 	<p>Mrs. Mariam Osman was born in 1974. She holds a certificate in education from Mosoriot Teachers college. She has over 10 year's working experience in government as A professional teacher. She is currently serving as a board member,</p>
<p>8, Mr. Mohammed Rashid (board Member)</p>	<p>Mr. Mohammed Rashid was born in 1964. He holds a higher diploma in Guidance and psychological Counselling. He is a prominent religious leader with over 10-year experience working in religious institutions and non-governmental organizations. He is Currently serving as a board member.</p>

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


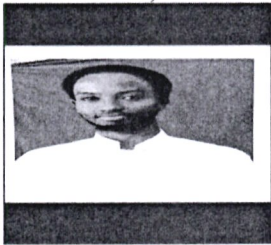

<p>9.Mr Adan Diba Jillo (Board Member)</p>	<p>Mr. Adan Diba Molu was born in 1975. He holds a diploma in sales and marketing and a certificate in information technology. He has a 5-year experience serving in different capacities in both education and business Environment. He is currently serving as a board member.</p>
<p>10.Mr. Letimalo John.(Board Member)</p>	<p>Mr.Letimalo John was born 1975. He holds a diploma in Education. He has over 15 years experience serving as a teacher and Educationist in the community, he is currently Serving as a board member of the fund.</p>
<p>11.Mr.Adan Boru Kara (Board Member)</p> 	<p>Mr. Adan Boru Kara was born in 1961. He holds a diploma in education from a recognized institution. He has over 10 years' experience serving in different capacities in the Industry. He is currently serving as a board member.</p>
<p>12.Mr.Golo Roba (board member)</p> 	<p>Mr. Gollo Roba was born in 1963. He holds a diploma in business management from a recognized institution. He has over 4 years experience working in the business world.</p>

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

13.Mr.Geoffrey Nabea (board member)	Mr.Geofrey Nabea was born in 1976. He holds a diploma in business management from a recognized institution. He has over 4 Years' experience working in the business world. He is currently serving as a board member.

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

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Mr. Rashid Iribo wako (Fund Administrator)</p> 	<p>Mr. Rashid Iribo Wako has over 15 years' experience in leadership and management having served in different management capacities in many sectors. He hold a bachelor degree in business management finance from mku. Currently he is serving as County chief officer department of Education in Isiolo county and doubles as executive board member and fund administrator of the Isiolo county Education bursary Fund.</p>
<p>2. Mr. Molu Mohamed (Fund Accountant)</p> 	<p>Mr. Molu Mohammed was born in the year 1995. He holds a degree in finance from university of Nairobi. He is an ex-official committee member. He has over 2 years' experience working in both private and public sector.</p>
<p>3.. CPA Habiba Jirma Galgalo (Executive Board member).</p> 	<p>CPA Habiba CPA Habiba Jirma Galgalo was born in the 1980. She holds a Bachelor's degree in Accounting from JKUAT University. She is a Certified Public Accountant of Kenya. She has over 15 years' experience in management capacities in different Government and donor funded projects. Currently she is the county chief officer of Finance and sit as executive board member.</p>

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

5. Chairman's Report

The Isiolo county Education Bursary Fund board and management for financial year 2024/25 remained unchanged since the current board terms have not expired. Compared with the previous years' performance report there was no change in budgetary allocation of ksh.70 million

The fund has profoundly impacted on the lives of students in the county through improvement of awarding criteria of the beneficiaries across the county. This has reduced social-economic inequalities by giving every deserving student a chance to benefit.

We believe in supporting dreams through establishing and nurturing the principle of equitable distribution of resources in line with our values and mission statement. We are highly optimistic of a very bright future for our bursary beneficiaries as the county will always enhance resources and policies to support the students.

We thank the executive for continued support and prioritization of education bursary for the needy students by facilitating prompt amendment of the bursary Act and increasing the allocation from 35 million prior to financial year 2023-24 to 70 million through supplementary budget estimates.

The board members have ensured equitable distribution of the funds across the wards thus, increasing the fund's accessibility to many needy students in the county wish also to thank the board of management and a motivated secretariat who have worked tirelessly since the process started until the exercise has been made a success. I appreciate them for what they continue to do in empowering the dreams of the future generation.



.....
SAINAB ISMAIL HASSAN
Chairman Isiolo county bursary Fund

6. Report of The Fund Administrator

Overview of the fund

Isiolo county education fund has enjoyed significant economic and political support over a decade from the Isiolo county executive since its establishment under Act 2015, that has largely driven economic and social support to poor and vulnerable students in the county who have enrolled in higher learning institutions, and secondary schools.

A preview of the previous year's good performance of the fund was propelled by the amended new bursary Act adopted to rev-up student funding, supported by a skilled and energized secretariat, a visionary board coupled by supportive ward bursary committee members. The board will anchor its compelling four drivers to a 4-point agenda namely:

1. Increase access to education.
2. Promote and increase enrolment, retention, completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty disparities and inequality.

Inclusive sustainable student funding

The number of student beneficiaries under bursary and scholarship programmes from a poor and vulnerable background increased significantly in the financial year June 2024.

Fund revenues

During the year under review, the fund's budgetary allocation was 70 million. The fund received a total of ksh.35 million for the financial year ended 30th June 2025 out of 70 million projected revenue. The exchequer delayed disbursement of a balance of 35 million which was due at the end of the year ended 30th June 2025. This hampered delayed disbursement to beneficiaries.

The fund board was able to mitigate post persistent drought effects among the learners through setting aside part of the fund as an emergency fund as stipulated in the amended Isiolo County Education Bursary Act 2015 (amended) in order to address emerging issues of beneficiaries dropping out of schools. Colleges and universities due to poverty and lack of fees.

A Target is to ensure inclusive and equitable financial assistance to poor and vulnerable students in the county. And promoting learning opportunities to all. Pursuant to this goal a total of Khs.32,403,329 was disbursed to students by end of June 2025. The disbursement was in form of bursaries. We believe in supporting dreams through establishing and nurturing the principle of equitable distribution of resources in line with our values and mission statement.

We are highly optimistic of a very bright future for our bursary beneficiaries as the county will always enhance resources and policies to support the students.

Isiolo County Education Bursary Fund
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The fund's board endeavours towards realising its core objectives, despite the efforts, it experienced the following key challenges in an equal measure in administration of the fund.

1. The threshold 3 % percentage set out in the Act to cover the fund's administration cost is not adequate. Under normal circumstances this threshold administration costs will not conclusively cover the expenses to administer the fund. This has impacted on the efficiency and timely disbursements to the beneficiaries.
2. Lack of permanent and trained staff attached to the fund's secretariat to administer, monitor and report on the progress of the fund. This has derailed the administration of the fund
3. Lack of proper training of board and ward committee members. This has impacted on the fund from not delivering its core objectives.
4. Delay in timely disbursement of the fund from the exchequer therefore increased workload for the secretariat to deliver on time.
5. Lack of feedback systems from the beneficiaries while distribution of cheques has made it difficult to monitor the efficiency of delivery of the cheques to the intended beneficiaries.

Looking ahead of the promising Future

We are highly optimistic of a bright future for our beneficiaries as the county continues to enhance resources and policies to create opportunities for our youth through skills enhancement. We thank the fund's board and a motivated secretariat staff to make the exercise a success in the financial year ended 30th June 2025. I wish to thank them for what they continue to do towards empowering the dreams of the future generation. It is our sincere hope that the shared purpose statement that defines the existence of the fund will be maintained in the coming years.

Name: Rashid Iribo Wako

Administrator of the Fund



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

7. Statement of Performance Against 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 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 key development objectives of the Fund as per the strategic plan for 2023-2027 are to:

1. To increase access to education
2. To promote and increase enrolment, retention, completion and transition rates in schools.
3. To improve education standards and literacy levels.
4. To reduce poverty, disparities and inequalities

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary and Scholarship	To support poor, and vulnerable students to access quality education	Increased number of students accessing education in the county	Proportion of students from poor families receiving bursaries for tertiary education	In FY ended 30, June 2024/245 there was increase in number of beneficiaries specific to Secondary schools' category

8. Statement of Corporate Governance

The fund board is committed to ensuring highest standards of corporate governance and business ethics. This is considered very critical to the fund's integrity and maintaining stakeholder's trust. The fund's board is responsible for overall conduct of county Education bursary fund disbursement and has the power, authority and duties vested in it pursuant to the Isiolo county bursary Act 2015. In addition, other relevant laws of Kenya. It provides strategic direction with focus on consistency of fund performance in a transparency and accountability manner.

a. Process of appointment and removal of board members/ward committee members

County executive member for education proceeds to appoint the members of the ward committees and board members upon receiving the proposed list of names from the ward. The appointment should comply with the Isiolo county education bursary Act 2015. The removal of any committee members is in accordance with the provisions set out in the Act by the executive committee member for education.

b. Roles and Responsibility of the board members

The fund's board is ultimately responsible for:

- i. Supervision and control the administration of the fund
- ii. Prepare a budget and such plans for better administration of the fund to be approved by the county executive committee members
- iii. In consultation with the committees, impose conditions or restrictions on the use of any expenditure arising from the fund.
- iv. Ensure proper books of account and other books and records in relation to the fund and as well as to all the various activities and undertakings of the fund.
- v. Furnish such additional information as may be required for examination and audit by the Auditor General or any law.

b. The membership of the board is as Follows:

- i. The chief officer for the time being in charge of County Finance or Designate alternate not below the level of a director.
- ii. The chief officer for the time being in charge of Education or Designate alternate not below the level of a director.
- iii. One member of the ward bursary Education committee established under section 7 representing each for every ward.
- iv. One member qualified in matters of education nominated by the executive committee member approved by the country assembly.

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

- v. The fund committee member who shall be an ex-official member and secretary of the Board

On appointment, the newly appointed members are facilitated to undergo induction training covering the business of the Fund, by availing relevant information and trainings offered.

d. Fund board structure and composition

The board members are appointed by the County Executive committee member for education except the chairperson who is elected by the board in its first sitting who shall be chairperson who shall serve for a non-renewable term of 3 years. The fund's board comprises a diverse mix of skills, competences and experiences making it easier to discharge their responsibility in an effective manner.

The Board members as at 30th June 2025 were as

	Names of the Board members	Role in the board	Date of Appointment	Date of Retirement
1.	Ms. Sainab Ismael Hassan	Chairlady	1 st Feb2023	31 st Jan2026
2.	Mr. Rashid Iribo Wako	Fund administrator	1 st Sept2024	31 st Jan2027
3.	CPA Habiba Jirma Galgalo	Member	1 st Feb2023	31 st Jan2026
4.	Mr. Molu Mohammed	Secretary	1 st Feb2024	31 st Jan2027
5.	Mr. Abraham Eyeyo	Member	1 st Feb2023	31 st Jan2026
6.	Mr. David Kanamba	Member	1 st Feb2023	31 st Jan2026
7.	Ms. Mariam Osman	Member	1 st Feb2023	31 st Jan2026
8.	Mr. Mohammed Rashid	Member	1 st Feb2023	31 st Jan2026
9.	Mr. Adan Diba Jillo	Member	1 st Feb2023	31 st Jan2026
10.	Mr.Letimalo John	Member	1 st Feb2023	31 st Jan2026
11.	Mr. Adan Boru Kara	Member	1 st Feb2023	31 st Jan2026
12.	Mr .Golo Roba	Member	1 st Feb2023	31 st Jan2026
13.	Mr. Geoffrey Nabea	Member	1 st Feb2023	31 st Jan2026

9. Management Discussion and Analysis

Isiolo County Education Bursary Fund Board is mandated by Isiolo County Education Bursary Act 2015 to give financial assistance to the poor and vulnerable students in the county in line with the vision, mission and objectives of the fund. Provision of financial assistance to the poor and vulnerable students has enabled the fund to achieve its objectives.

A. Operational and Financial performance of the Fund

The budget allocation for the year under review from the county executive was initially Kshs.70 million. However, the fund received from the exchequer was totalling to ksh 35 million out of the amount budgeted for the financial year ended 30th June 2025. This was due to delay in exchequer disbursements to the county governments. This result in under funding of Ksh,35,000,000 due to exchequer delays. However, the amount disbursed to secondary has increased from Ksh **18,397,000** in prior financial year ended 30th June 2024 to ksh **22,200,329** in financial year under review ended 30th June 2025 translating to 20.7% increment. This is due to increased no. of needy student joining secondary school compared to other levels of Education

b. Fund's Compliance with Statutory Requirements

The fund has compliance issues raised by the external audits on presentation of previous years' financial statements in format not recommended by international public sector accounting standards. However, the fund's executive board of management has taken up the matter to comply with this statutory requirement.

c. Major risks facing the fund material arrears in statutory and other financial obligations

This fund being part of the overall funds received by the county executive, the internal audit department of the county treasury has fiduciary responsibility in assessing the risks faced by the fund on an ongoing basis. The internal audit evaluates and tests the effectiveness of the internal controls and operational controls and reports to the fund's board.

Financial risks management:

The fund maintains a strong risk governance structure with the fund's board exercising an oversight through the internal audit department. The risks are managed by the ward committee members as the first line defence. While the internal audit department provides oversight and overall assurances as a second line of risk mitigation.

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

The capital risk management:

The objective of the fund's capital risks management is to safeguard the fund's ability to continue its business as a going concern. The capital structure was fully financed by the county government grants. The fund has 0% debt financing. The board could not ascertain any other source of financing apart from county government grants.

Material arrears in statutory and other financial obligations

The board confirms that the fund has no outstanding arrears and will continue planning its activities in a prudent manner to avoid any pending bills.

10. Environmental and Sustainability Reporting

Isiolo County Education Bursary Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 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 leadership of the fund, particularly the accounting officer, is committed to embedding sustainability in all operations.

- a) Alignment with National & International Frameworks: The fund integrates principles of the public finance Management Act, Sustainable development goals (especially SDG4- Quality Education, and SDG 13- Climate Action), and international best practices in public finance management.
- b) Isiolo being an arid and semi-arid county, faces unique environmental and social-economic challenges such as drought, climate change and limited resources, which shape sustainability priorities.

2. Environmental performance

The Fund recognizes the need to reduce its ecological footprints even as it advances social objectives.

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

The funds value its staff and committee members as the drivers of its success.

- a) Fair Hiring Practices-Policies promotes gender inclusivity and stakeholder participation in recruitment.
- b) Capacity Development- Training and mentorship opportunities are regularly offered to staff and bursary committees to improve accountability and service delivery.
- c) Health and Safety-The fund is guided by the Occupational Safety and Health Act, 2007(OSHA)to ensure compliance, safety, and well-being of its workforce.

4. Market place practices-

The fund is committed to responsible and ethical business practices.

- a) Responsible competition practice.
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors
- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices
- d) Product stewardship- As the product is educational access, the fund safeguards beneficiaries right by ensuring fairness, non-discrimination, and protection of personal data.

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

5. Community Engagements-

Community involvement is at the heart of the bursary program.

- a) Community Empowerment: The bursary ensures transparency by engaging community leaders, parents, and guarding in the vetting process.
- b) Social Investments: Partnerships with schools and communities promotes literacy, mentorship, and sustainable livelihood awareness.
- c) Charitable Giving: The fund provides direct bursary support (cheques payment) to thousands of students annually.

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

11. Report of The Trustees/Committee

Board submitted their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal Activities

The principal activities of the Fund are:

1. Increase access to education.
2. Promote and increase enrolment, retention, completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty disparities and inequality.

Results

The results of the Fund were well achieved for the period ended 30 June, 2025.

Trustees

The members of the Board of management who served during the year are shown on page viii. There were no changes in the Board during the financial year.

Auditors

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

By Order of the Board



.....

Chair of the Board

Isiolo County Bursary Fund Administration Committee

Date: ...1/16/2025

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

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Isiolo County Education Bursary Act 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 County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and by Isiolo County Education Bursary Act 2015). 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 confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Fund financial statements were approved by the Trustee/Committee on 1-10-
2025 and signed on its behalf by:

.....




Name: Rashid Iribo Wako

Administrator of the Isiolo county bursary Fund.

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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 Isiolo County Education 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 Isiolo County Education Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unexplained Variance in Bursary Transfers

The statement of financial performance and Note 10 to the financial statements reflect bursary transfers to TVET institutions, colleges, and secondary schools totalling Kshs.32,403,329 for the year under review. However, review of the cashbook revealed that actual payments and disbursements amounted to Kshs.36,692,020, while both the bursary transfers ledger and the supporting disbursement list reflected Kshs.32,403,329, resulting in an unexplained variance of Kshs.4,288,691.

In the circumstances, accuracy and completeness of the bursary transfers amount of Kshs.32,403,329 could not be confirmed.

2. Cash and Cash Equivalents

The statement of financial position and Note 13 to the financial statements reflect cash and cash equivalents deficit balance of Kshs.396,669 as at 30 June, 2025. However, the bank reconciliation statement for the month of June, 2025 was not provided for audit review. Further, bank confirmation certificate as at 30 June, 2025 obtained reflected a bank overdraft of Kshs.396,669. However, no documented approval or authorization for the bank overdraft was provided for audit verification. Additionally, Note 13 to the financial statements discloses current account balance of Kshs.3,083,646 and a negative adjustment to cash and cash equivalents of Kshs.3,480,315, but supporting documentation were not provided.

Review of the excel based cashbook and bank reconciliation statements provided revealed the following unexplained variances:

Month 2024	Reconciliation Statement Amount (Kshs.)	Cash Book Amount (Kshs.)	Variance (Kshs.)
Jul-24	36,525,760	38,083,646	(1,557,886)
Aug-24	30,590,550	31,656,140	(1,065,590)
Sep-24	8,393,370	26,022,230	(17,628,860)
Oct-24	3,937,912	9,321,170	(5,383,258)
Nov-24	2,488,500	4,865,712	(2,377,212)

In the circumstances, the accuracy and completeness of cash and cash equivalents deficit balance of Kshs.396,669 could not be confirmed.

3. Unexplained Variance in Committee Allowances

The statement of financial performance and Note 12 of the financial statements reflect an amount of Kshs.2,993,340 under use of goods and services, which includes Committee allowances amounting to Kshs.413,000. However, review of the payment vouchers revealed that the Fund incurred an expenditure amounting to Kshs.570,000 on Board and Committee sitting allowances resulting in an unexplained variance of Kshs.157,000. Further, supporting documentation including meeting invitations, attendance registers, agendas, and meetings minutes were not provided for audit review.

In the circumstances, the accuracy and completeness of the Committee allowances of Kshs.413,000 could not be confirmed.

4. Inaccuracies in Financial Statements

The following unexplained variances were noted in the financial statements;

- i. The statement of financial performance erroneously indicate the total revenue for the year 2023-2024 as Kshs.35,000,000 instead of Kshs.40,000,000, resulting in an unexplained variance of Kshs.5,000,000.
- ii. The statement of financial position discloses a negative cash and cash equivalents balance of Kshs.396,669 but Nil balance for both the current and total assets. The resultant variance was not explained.
- iii. The statement of changes in net assets erroneously indicate a deficit balance of Kshs.396,669 as at 30 June, 2025 instead of a deficit of Kshs.3,480,315. Additionally, the explanation provided that prior adjustment is due to transition to accrual is incorrect, as the Fund has been preparing its financial statements on accrual basis.

The statement of cash flows reflects cash and cash equivalents deficit of Kshs.396,669, while the net decrease in cash and cash equivalents is reflected as Kshs.3,480,315, resulting in an unexplained variance of Kshs.3,083,646.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.70,000,000 and Kshs.35,000,000 respectively, resulting in a shortfall of Kshs.35,000,000, or 50% of the budget. Similarly, the Fund spent Kshs.35,396,669 against the actual receipts of Kshs.35,000,000, resulting in an over-expenditure of Kshs.396,669 of the actual receipts.

In the circumstances, the shortfall in receipts could result in the Fund not able to fulfill its mandate, while the over-expenditure could lead to unauthorized expenses.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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.

Other Information

Management is responsible for the Other Information set out on page iii to xxiv which comprise of Key Entity Information and Management, Fund Administration Committee, Key Management Team, Chairman's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, 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.

Errors and Omission in the Other Information

The report of the Administrator under inclusive sustainable student funding erroneously indicate the financial year June 2024 instead of 30 June, 2025, while the Statement of Performance Against the Predetermined Objectives under the progress on attainment of strategic development objectives erroneously indicates the year as 2024/245 instead of 2024/2025. Further, the Report of the Committee has not indicated the Fund's results achieved for the year ended 30 June, 2025.

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

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. Expiry of the Legal Lifespan of the Fund

Review of the Isiolo County Education Bursary Fund Act, 2015 revealed that the Fund was legally established in 2015 with a maximum operational lifespan of ten (10) years. As at the time of the current audit, the Fund had reached the end of its legal tenure, yet there was no evidence that the County Government had initiated the necessary processes to renew or extend the Fund's existence including seeking approval from the County Assembly, conducting public participation, updating the enabling legislation, or notifying the Controller of Budget, as would be required for lawful renewal or extension. Further, despite being within the final six months of the Fund's operational term, there was no indication that a formal wind-up process had commenced, and no documentation or report was presented by the Fund Administrator to demonstrate compliance with closure procedures.

In the circumstances, the regularity of the continued existence of the Fund could not be confirmed.

2. Administration Expenditure Exceeding Statutory Limit

During the year under review, the Fund received Kshs.35,000,000 from the County Government and had a balance brought forward of Kshs.10,127,381 as per the bank statement for the month of July 2024, totalling Kshs.45,127,381 of the funds available. However, the Fund incurred administrative expenses amounting to Kshs.2,497,000, representing 5.5% of the total available funds. This exceeds the maximum allowable threshold of 3% stipulated under Section 4 of Isiolo County Educational Bursary Fund Act, 2015 which requires that not more than three per cent of the total monies consisting of the fund shall be utilized for administration of the Fund.

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

3. Irregularities in Bursaries Awards

The statement of financial performance and Note 10 to the financial statement reflect bursary transfers amounting to Kshs.32,403,329. However, audit examination of the

beneficiaries list revealed that bursaries amounting to Kshs.635,100 awarded to one hundred and four (104) students had no admission or registration numbers indicated, thus making it difficult to verify their enrollment status and subsequent eligibility. Further, one hundred (100) students were awarded multiple bursaries under the same admission numbers, amounting to Kshs.778,000, indicating the use of duplicate identifiers to obtain additional bursary allocations irregularly.

In the circumstances, the effectiveness of use of bursary funds could not be confirmed.

4. Unsupported Secretariat and Administrative Expenditures

The statement of financial performance and Note 12 of the financial statement discloses use of goods and services of Kshs.2,993,340. Audit review of payment vouchers and supporting documents revealed that all payments were made through the Fund Board Chairperson, and several irregularities were noted in relation to secretariat-related expenditures:

4.1 Secretariat Staff Allowances

An amount of Kshs.580,000 was paid as secretariat staff allowances. However, the legal basis for these payments was not provided, and the allowances were not supported by any provisions in the Isiolo County Education Bursary Fund Act, 2015. Further, the rates of payment varied, ranging from Kshs.1,000 to Kshs.5,000 per day, with no justification or documentation including approved rates, activity schedules or approval letters to support the variances and also no work plans, activity reports, or evidence of deliverables to justify the allowances paid.

4.2 Staff Costs

Staff costs amounting to Kshs.300,000 were paid by the Fund. However, the secretariat staff are employees of the County Government, and their salaries are paid through the Isiolo County Executive payroll. The legitimacy of charging the staff costs to the Fund was not explained.

4.3 Unsupported Payments for Supplies

Payments totalling Kshs.235,000 were made to various suppliers for goods and services. However, the supporting receipts did not specify the items or services procured, and there were no delivery notes or quantity details.

4.4 Accommodation, Refreshments and Conference Services Expenses

The Fund paid Kshs.120,000 for accommodation. However, no documentation was provided to justify and identify the beneficiaries of the accommodation expenditure. Further, the Fund paid Kshs.135,000 for refreshments. However, no documentation such as event invitations, attendance registers, agendas, or minutes were provided to support that the activities occurred.

In the circumstances, the effective use of Kshs.2,993,340 on Committee allowances and administrative expenses could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Activity

The internal audit functions of the Fund are provided by the County's Internal Audit Department. However, during the year under review, the Internal Audit Department did not carry out audit service to the Fund or provide independent assurance on the Fund's risk management policies, governance and internal control processes.

In the circumstances, the effectiveness of the Fund's internal controls 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 Management and the Fund Administration Committee

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

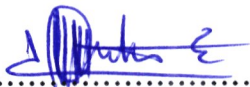
Nairobi

18 November, 2025

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

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

Description	Note	2024-25	2023-24
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	35,000,000	40,000,000
Public Contributions and Donations	7	-	-
		35,000,000	40,000,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		35,000,000	35,000,000
Expenses			
Bursary transfers	10	32,403,329	33,600,000
Scholarship grants	11	-	-
Use of Goods and Services	12	2,993,340	4,510,009
Total Expenses		35,396,669	38,110,009
Surplus/(Deficit) for the Period		(396,699)	1,889,991



.....
Name: Rashid Iribo Wako
Administrator/Accounting Officer



.....
Name: CPA JIBRIL HASSAN
Accountant
ICPAK Member Number:21034




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


15. Statement of Financial Position as at 30 June 2025

Description	Note	2024-25	2023-24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	(396,669)	3,083,646
Non-exchange receivables	14		-
Exchange Receivables	15	-	-
Total current assets		0	3,083,646
Total Assets (A)		0	3,083,646
Liabilities			
Current Liabilities			
Trade and Other Payables	16	396,669	-
Total current liabilities		396,669	-
Total Liabilities (B)		396,669	-
Net Asset (A-B)		(396,669)	3,083,646
Represented By:			
Accumulated Surplus		(396,669)	3,083,646
Net Assets		(396,669)	3,083,646

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 11/10 2025 and signed by:



.....
Name: Rashid Iribo Wako
Fund Administrator/Accounting Officer



.....
Name: CPA JIBRIL HASSAN
Accountant
ICPAK Member Number:21034



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

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

Description	Accumulated surplus
	Kshs
Balance as at 1 July (2023-24)	1,193,655
Surplus/(Deficit) For the Year	1,889,991
Balance As At 30 June (2023-24)	3,083,646
Balance As At 1 July 2024-25	3,083,646
Surplus/(Deficit) For the Year (prior adjustment due to transition to accrual= Overstated revenue. Closing balance-opening balance= -396,669-3,083,646	(3,480,315)
Balance As At 30 June 2024-25	(396,669)

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

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

Description	Note	2024-25	2023-24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		35,000,000	40,000,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
Total receipts		-	-
Payments			
Bursary Transfers		(32,403,329)	(33,600,000)
Scholarship grants		(-)	(-)
Use of goods and Services		(2,993,340)	(4,510,009)
Net cash flows from operating activities	17	(396,669)	1,889,991
Cash flows from investing activities			
			-
Net cash flows used in investing activities		(396,669)	1,889,991
Cash flows from financing activities			
Net cash flows used in financing activities		--	-
Net increase/(decrease) in cash & cash Equivalents		(3,480,315)	1,889,991
Cash and cash equivalents at 1 July	13	3,083,646	1,193,655
Cash and cash equivalents at 30 June	13	(396,669)	3,083,646

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

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

Description	Original budget	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
Opening budget Carry Overs		-	-	-		
Receipts						
Transfers From the County Government	70,000,000	-	70,000,000	35,000,000	35,000,000	50%
Public Contributions and Donations	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other receipts	-	-	-	-	-	
Total Receipts	-	-	-	-	-	
Payments						
Bursary Transfers	67,900,000	-	67,900,000	32,403,329	35,496,671	47,7%
Scholarship grants	-	-	-	-	-	
Use of goods & Services	2,100,000	-	2,100,000	2,993,340	(893,340)	142.5%
Total Payments		-		35,396,669	(893,340)	
Surplus For the Period (Deficit)	-	-	-	(396,669)	-	

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14).

- i. Underutilization of both transfer from the county government and bursary transfer to student was caused by delayed exchequer from to Bursary fund account.
- ii. As need of goods and services in administration of the fund may remain constant, the cost increased over the period which make difficult the prior set 3% of total fund to sustain the need, therefore result in over utilisation of Ksh 893,340(42.5%) over the budgeted 2,100,000 cost of goods which translate to 1.3% over allowed 3% of total fund.

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

2. *Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

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

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Isiolo county Education Bursary Fund is established by and derives its authority from isiolo county bursary fund Act 2015. The entity is wholly owned by the Isiolo County Government and is domiciled in Kenya. Isiolo county Education Bursary Fund/Scheme's principal activity is to provide financial assistance to needy student from isiolo county to support their Education.

2. Statement of compliance and basis of preparation

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

(When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024)

(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.

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

Standard	Effective date and impact:
	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></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><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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><i>State the expected impact of the standard to the Entity if relevant</i></p>

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Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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(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.)

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3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024-25 was approved by the Isiolo County Assembly before the beginning of the financial year 2024/25. There was no revisions or additional appropriations made to the approved budget during the year.

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

In addition to the basis difference, there was no adjustments to amounts in the financial statements a 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 cash flows.

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

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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.

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 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 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

Isiolo 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

Isiolo County Education 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 Isiolo county Bursary Fund in the notes to the financial statements.

Nature and purpose of reserves

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

Changes in accounting policies and estimates

The Isiolo county Education 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.

g) 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.

h) Related parties

The isiolo 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 isiolo 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.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Bank account balances include amounts held at the Kenya Commercial Bank at the end of the financial year.

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j) 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 Bursary Fund'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 -

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

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6. Transfers from the County Government

Description	2024-25	2023-24
	Kshs	Kshs
Transfers from county government	35,000,000	40,000,000
Others	-	-
Total	35,000,000	40,000,000

7. Public Contributions and Donations

Description	2024-25	2023-24
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

8. Finance income

Description	2024-25	2023-24
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others (<i>Specify</i>)	-	-
Total finance income	-	-

9. Other income

Description	2024-25	2023-24
	Kshs	Kshs
Cheque write backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

10. Bursary Transfers

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Description	2024-25	2023-24
	Kshs	Kshs
Universities	500,1000	9,773,250
TVETs and Colleges	5,202,000	5,429,750
Secondary schools	22,200,329	18,397,000
Other	-	-
Total	32,403,329	33,600,000

11. Scholarship grants

Description	2024-25	2023-24
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Description	2024-25	2023-24
	Kshs.	Kshs.
Committee Allowances	413,000	340,000
Bank charges	83,340	240,009
Audit fees	-	-
Other (Administrative expenses)	2,497,000	3,930,000
Total	2,993,340	4,510,009

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13. Cash and cash equivalents

Description	2024-25	2023-24
	Kshs	Kshs
Current Account	3,083,646	1,193,655
Others (deficit/surplus/adjustment for the year)	(3,480,315)	1,889,991
Total Cash and Cash Equivalents	(396,669)	3,083,646

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

Financial Institution	Account number	2024-25	2023-24
		Kshs	Kshs
a) Current Account			
KCB Bank	1286204739	(396,669)	3,083,646
Sub- Total		(396,669)	3,083,646
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand			
Sub- Total		-	-
Grand Total		(396,669)	3,083,646

14. Non-Exchange Receivables

Description	2024-25	2023-24
	Kshs	Kshs
Revenue receivable	-	-
Others (<i>Specify</i>)	-	-
Total non-exchange receivables	-	-

15. Exchange Receivables

Description	2024-25	2023-24
	Kshs	Kshs
Interest receivable	-	-
Others (<i>Specify</i>)	-	-
Total exchange receivables	-	-

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16. Trade and other payables

Description	2024-25		2023-24	
	Kshs		Kshs	
Trade Payables	-		-	
Other Payables- Over draft	396,669		-	
Total Trade and Other Payables	396,669		-	
Ageing analysis (Trade and other payables)	2024-25	% of the Total	2023-24	% of the Total
Under one year	396,669	100%	-	0%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

17. Cash generated from operations.

Description	2024-25		2023-24	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	(396,669)		1,889,991	
Adjusted For:				
Working Capital Adjustments				
Increase In Receivables	-		-	
Increase In Payables	-		-	
Net Cash Flow from Operating Activities	(396,669)		1,889,991	

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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	2024-25	2023-24
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	2024-2025	2023-24
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

d) Due from related parties

Description	2024-2025	2023-24
	Kshs	Kshs
Due From County Government	35,000,000	30,000,000
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	2024-25	2023-24
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

19. Contingent assets and contingent liabilities

Contingent Liabilities	2024-25	2023-24
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	-	-
Bank Guarantees	-	-
Total	-	-

20. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund/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
At 30 June (2024-25)				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
As at 30th June (2023-24)				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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 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
At 30 June (2024-25)				
Trade Payables (bank overdraft)	-	-	396,669-	396,669
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	396,669	396,669
As at 30 June (2023-24)	-	-	-	-
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The Fund has Engage isiolo county internal audit f to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

The Fund 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 curren- cies	Total
	Kshs	Kshs	Kshs
At 30 June 2024-25			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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
At 30 June 2024-25			
Euro	-	-	-
USD	-	-	-
Other (<i>Specify</i>)	-	-	-
(Comparative FY)			
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.

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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 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 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 ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2024-25	2023-24
	Kshs	Kshs
Accumulated surplus		-
Total funds	-	-
Less: cash and bank balances	-	-
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

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue /Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/IRO/AUD/ICEBF/2023/2024/(10). 2.1	Un-explained variance in transfers from the county Government		Not resolved	
OAG/IRO/AUD/ICEBF/2023/2024/(10). 2.2	Late transfer from the county Government		Not resolved	
OAG/IRO/AUD/ICEBF/2023/2024/(10). 3.0	Unsupported disbursement of basuries and scholarship to students		Not resolved	
OAG/IRO/AUD/ICEBF/2023/2024/(10).	Lack of risk management policies		Not resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.

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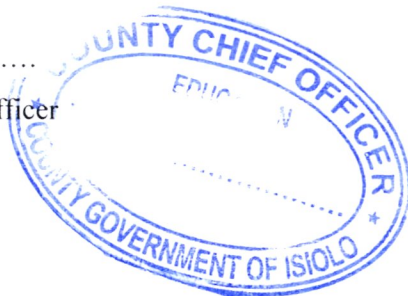
(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for the implementation of each issue.

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report.



.....
Fund Administrator/Accounting Officer

Date..... 1-10-2025



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

Annex II: Inter-Entity Confirmation Letter


Name of transferring entity: **Isiolo County Treasury**

Name of beneficiary entity: **Isiolo county Education Bursary Fund**


Confirmation of amounts received by [Isiolo County Education Bursary Fund] as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by County Treasury (Kshs) as at 30 th June 2025			Amount Received by Isiolo County Bursary Fund (Kshs) as at 30 th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Isiolo county/Rec/68756	9 th July 2024	35,000,000	0	35,000,000	35,000,000	0
Total		35,000,000	0	35,000,000	35,000,000	

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

Head of Accounts - Disbursing Entity:

Name Maria Ngunjiri Sign  Date 11/10/2025

Head of Accounts - Beneficiary Entity:

Name RASHID IRIBO WACO Sign  Date 1-10-2025

