

REPUBLIC OF KENYA



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REPORT

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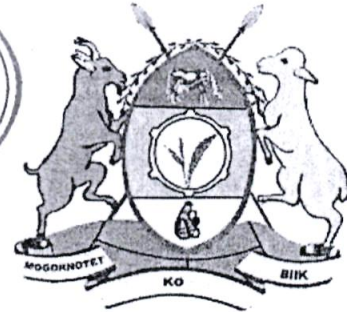
PAPERS LAID
DATE 19/2/2025
TABLED BY Majority leader
COMMITTEE
CLERK AT THE TABLE Maathim

THE AUDITOR-GENERAL

ON

KERICHO COUNTY BURSARY FUND

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



KERICHO COUNTY BURSARY FUND

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

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

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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.

2. Key Entity Information and Management

a) Background information

Kericho County Bursary Fund is established by and derives its authority and accountability from Kericho County Bursary Act, 2014 on 16th May, 2014. The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya.

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

The Fund's principal activity is to fund education to less fortunate learners within the county.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to assist needy and bright students to obtain education at recognised institutions.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon Judith Chirchir	Chairperson
2	Mr. Richard Tonui	Fund Administrator/Secretary to the Board
3	Mr. Andrew Maritim	Member to the Bursary Management Board
4	Peter Kipkorir Ngeno	Member to the Bursary Management Board
5	Henry Kirui	Member to the Bursary Management Board
6	Charles Kipngetich Mutai	Member to the Bursary Management Board

d) Fiduciary Management

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

Ref	Name	Position
1.	Hon Judith Chirchir	County Executive Committee Member, Department of Education, Youth Affairs, Culture, Libraries and Social Services and Chairperson to the bursary fund.
2.	Mr. Richard Tonui	Chief Officer, Department of Education, Youth Affairs, Culture, Libraries and Social Services and Secretary/fund administrator to the bursary fund.

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Caroline Chepkemoi
2	Audit Committee	Dorothy Chepkoech
3	Office of the Auditor General	CPA Nancy Gathungu
4	Controller of Budget	Margaret Nyakango

f) Registered Offices

P.O. Box 112-20200
County Headquarters Building
Kericho- Nakuru Highway
Kericho, KENYA.

g) Fund Contacts

Telephone: (254) 052 2-21100
E-mail: info@kericho.go.ke
Website: www.kericho.go.ke

h) Fund Bankers

1. National Bank of Kenya
Kericho-Kisumu Highway
Kericho, Kenya

Key Entity and Management (Continued)

i) Independent Auditor

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




j) Principal Legal Adviser

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




k) County Attorney

County Attorney
P.O. Box 112-20200
Kericho, Kenya



3. Trustees/ Fund Administration Committee Profiles

Name	Details of qualifications and experience
<p>1. Hon Judith Chirchir</p> 	<p>She was born in the year 1967. She joined Sosit Girls for O levels and later joined Kapsabet Girls for A- levels. Professionally, she's has been a script writer for radio programmes in Geography for secondary schools. She also taught in Sosit Girls Secondary School, Milimani Secondary School and Star of Hope Secondary School. Currently, she is the CECM for Education, Culture, Libraries and Social Services.</p>
<p>2. Mr. Richard Tonui</p> 	<p>He was born on 22nd August, 1968. He graduated in 2010 having completed a Master's degree in Arts, Education and International Development from the University of London, undergraduate degree in Bachelor's in Education from the University of Nairobi.</p> <p>A level certificate from Longisa High School between 1987-1988</p> <p>O-level certificate from 1983-1986 at Samoe Secondary School</p> <p>He has experience of over 30 years in the education sector. He is currently the Chief Officer, Education, Culture, Libraries and Social Services.</p>
<p>3. Mr. Andrew Maritim</p> 	<p>He has an A level certificate and he is a retired education officer. He has experience of over 30 years in the education sector.</p>

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

<p>4. Charles Kipngetich Mutai</p> 	<p>Holds degree in Mass Communication and has an experience of over 3 years.</p>
<p>5. Peter Kipkorir Ngeno</p> 	<p>He holds a Diploma in Information Technology and has experience of over 5 years in ICT.</p>
<p>5. Henry Kirui</p> 	<p>He holds a P1 certificate and has over 30 years in the teaching field.</p>

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Hon. Judith Chirchir-Chairperson</p> 	<p>She was born in the year 1967. She joined Sociot Girls for O levels and later joined Kapsabet Girls for A- levels.</p> <p>Professionally, she's has been a script writer for radio programmes in Geography for secondary schools.</p> <p>She also taught in Sociot Girls secondary school, Milimani Secondary School and Star of Hope Secondary School.</p> <p>Currently, she is the CECM for Education, Culture, Libraries and Social Services.</p>
<p>2. Mr. Richard Tonui- Secretary/Fund Administrator</p> 	<p>He was born on 22nd August, 1968. He graduated in 2010 having completed a master's degree in Arts, Education and International Development from the University of London, undergraduate degree in Bachelor's Degree in Education from the University of Nairobi.</p> <p>An A level certificate from Longisa High School between 1987-1988</p> <p>O-level certificate from 1983-1986 at Samoe Secondary School</p> <p>He has experience of over 30 years in the education sector.</p>

5. Chairman's Report

The County Bursary fund management board consist of five appointed members, during the year there were no changes in terms of the board and key management.

In the Financial year 2023/2024 the budget estimates for the fund was Kshs. 192,332,852 and over 45,515 students from our county benefited from the programme cutting across 30 wards.

The future outlook of the fund is that the fund anticipates to receive more allocations and transfers in the financial year 2024/2025.

In conclusion delays in funding from the national government continues to impact negatively on execution of funds the execution of the budget and the service delivery for citizens of the County Government will be achieved through collaboration of all the stakeholders in the national and county levels to bring out the potential of the County Government of Kericho.

Signature.....*J. Chirchir*..... Date.....*27/09/24*.....

Hon Judith Chirchir

**CECM, Education, Youth Affairs, Culture, Libraries and Social Services and Chairperson
County Bursary Fund**

6. Report of The Fund Administrator

The County Bursary fund management team consist of appointed members by the Governor with approval by the county assembly under section 6 (a) and(c) of the County Bursary Act 2014. The chairperson of the bursary management board is the County Executive Member of the Department of Education Youth Affairs Culture Sports and Social Services while the Chief Officer of the Department is the secretary/fund administrator of the bursary's management board.

The County bursary fund gets its funding from 2% of the county revenue fund which has been voted by the county assembly for this purpose and any gifts, donations grant and endowments made to the fund.

For the current financial year, the funds' allocation from the county revenue fund amounted to Kshs. 209, 332,852 but kshs. 192,332,852 (One hundred and ninety-two million, three hundred and thirty-two thousand, eight hundred and fifty-two shillings only) was received. The bursaries for the financial year was received on January before close of the year. Included in the allocation was Kshs 41 million which was allocated to vocational training scholarships which was distributed among all the wards.

In the next financial year 2024/25 we anticipate to receive the Budgeted amount in full and early enough to ensure that there are effective and efficient disbursements.

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

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer 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 County Integrated Development Plan (CIDP) for 2022 to 2027 are to:

- a) Provide bursary for needy students

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Kericho County Bursary Fund	To support bright and needy students to access quality education.	Increased number of students accessing education in the county.	% of students retained in schools/transitioned to the next level institution	The budget for the previous period of kshs.209,332,852 was received at the year-end i.e. end of June and continued to be disbursed to over 45,517 beneficiaries across the 30 wards to various learning institutions in the country

8. Statement of Corporate Governance

During the financial year 2023/24 the Bursary fund management board more often during the year as they resumed to their duties after induction of the new board members whereby there was handing over by the outgoing board to the new board.

Bursary Fund Management Board is appointed in accordance with the bursary act of 2014 by the Governor Kericho County their contract renewal signed by H.E the Governor. The board discharge their functions as per the governing bursary act of 2014.

The bursary management board is responsible for the overall management of the fund and ensure that the fund complies with the law and the best practises in educational governance with integrity and in accordance with generally accepted standards and endorse the internationally developed principles of good governance.

During the year the board did attend an induction organised locally and presided over by the County Attorney and the controller of budget. The board are remunerated as per the SRC guideline on allowance to the boards.

The board made use of county audit committee where they are advised accordingly

9. Management Discussion and Analysis

The County Bursary fund was established to support needy and bright students within the county by providing financial assistance for their education. The fund gets its funding from 2% of the county revenue fund which has been voted by the county assembly for this purpose and any gifts, donations grant and endowments made to the fund. The fund is then distributed among the 30 wards as shown below. A total of 45,517 students benefited from the bursary with an average disbursement of Kshs 5,000. The process of application, selection and awarding of beneficiaries takes place at the ward level with the ward bursary committees in charge of the whole process. Once the awarding process is completed, disbursement to schools begins for the beneficiaries awarded. The fund did not receive the full allocation of the year.

The fund operates under the Kericho County Bursary Act, 2014 which mandates the establishment of a bursary board and bursary ward committees and outlines the criteria for fund allocation and disbursement.

The county bursary fund received the highest allocation of Kshs 192,332,852 since its inception. Over the years, we received Kshs 167,428,831 and Kshs 80,819,000 in the financial years 2022/2023 and 2021/2022 respectively.

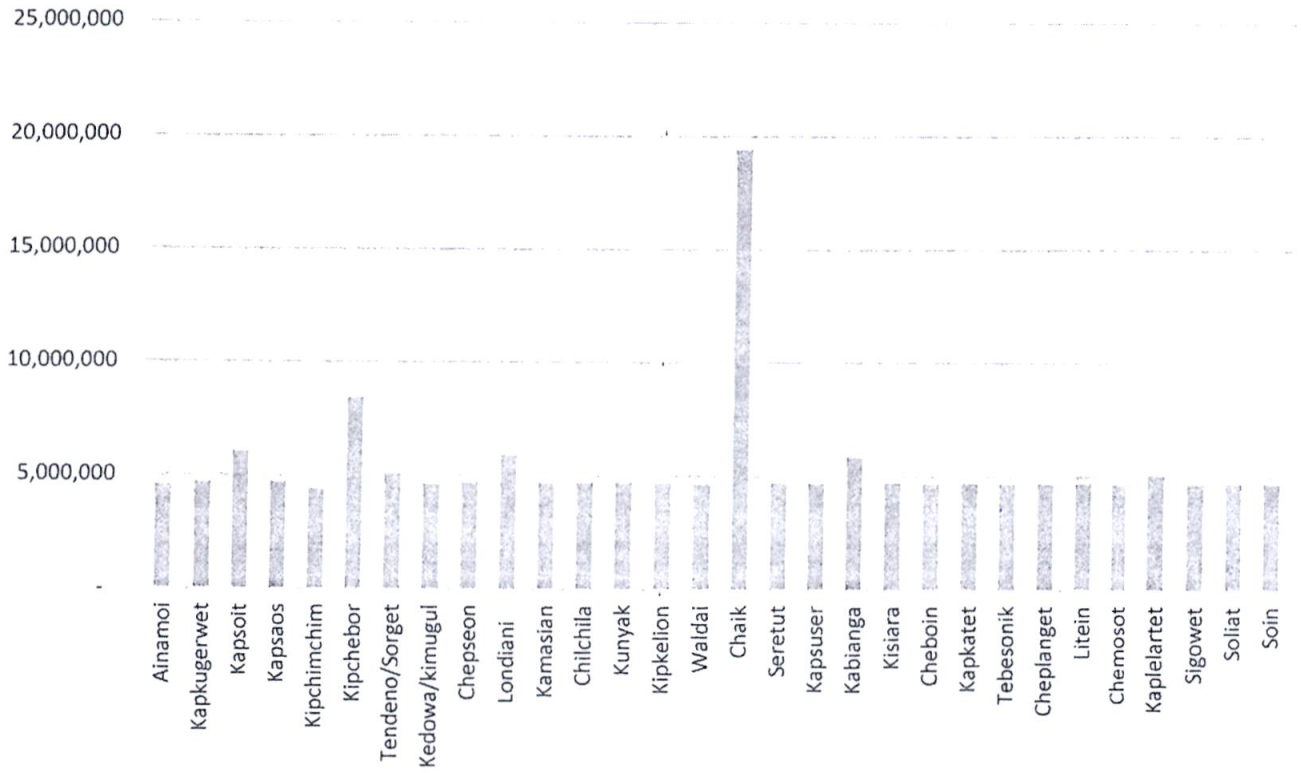
During the current financial year, we disbursed bursary to more than 1500 institutions across the country during the months of January to March this year.

SUB COUNTY	WARD	NO OF STUDENTS	2023/24 ALLOCATION
AINAMOI	Ainamoi	1478	4,559,000
	Kapkugerwet	1604	4,697,102
	Kapsoit	1565	6,055,102
	Kapsaos	1531	4,697,102
	Kipchimchim	1138	4,406,102
	Kipchebor	1819	8,425,614
KIPKELION EAST	Tendeno/Sorget	1353	5,085,102
	Kedowa/kimugul	1093	4,615,622
	Chepseon	1317	4,697,102
	Londiani	1846	5,908,320
KIPKELION WEST	Kamasian	1028	4,697,102

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

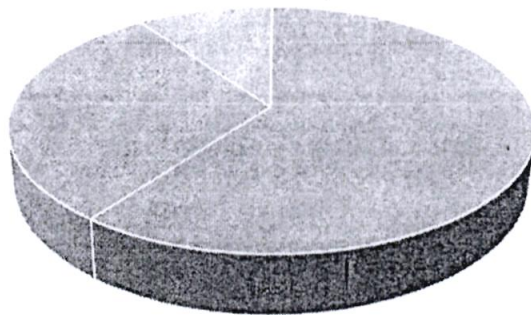
	Chilchila	1076	4,697,102
	Kunyak	1190	4,697,102
	Kipkelion	953	4,697,102
BELGUT	Waldai	1377	4,656,000
	Chaik	3666	19,400,000
	Seretut	1257	4,697,102
	Kapsuser	1426	4,697,102
	Kabianga	2484	5,861,102
BURETI	Kisiara	1939	4,697,102
	Cheboin	1584	4,697,102
	Kapkatet	1963	4,697,102
	Tebesonik	1874	4,697,102
	Cheplanget	1879	4,697,102
	Litein	1548	4,697,102
	Chemosot	2103	4,697,102
SOIN SIGOWET	Kaplelartet	1582	5,065,955
	Sigowet	1286	4,697,102
	Soliat	1347	4,697,102
	Soin	1409	4,697,102
TOTALS		47715	163,282,853
Administration cost			5,049,999
Bursary Scholarship			41,000,000
GRAND TOTALS			209,332,852

WARD ALLOCATIONS



Beneficiary Analysis

Education Level: 60% secondary school, 30% tertiary institutions and 10% other institution (special schools)



▪ SECONDARY ▪ TERTIARY ▪ OTHERS

Geographical Distribution: Beneficiaries were evenly distributed across all wards.

In conclusion, the bursary fund made significant strides in supporting education within the county during the financial year 2023/2024. Despite facing challenges such as inadequate funding, the fund managed to increase the number of beneficiaries and maintain financial efficiency. However, there is need to increase more funding to institutions and secure more funding and grants to meet the growing demand of scholarships.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The Kericho Bursary Fund could be an example to the nation where an allocation is set aside from the county budget to students studying in various institutions pursuing careers in directly or indirectly impact sustainability goals such as renewable energy and environmental science.

2. Environmental performance

The fund has improved on renewable energy sources for its office transactions to reduce waste.

3. Employee welfare

The fund offers professional development opportunities to students by providing scholarships to vocational training centres within Kericho County. Furthermore, the Bursary ward committees is balanced on gender, PWD, religious representation and youth. It also implements policies that promote a healthy work-life balance, such as flexible working hours and remote work.

4. Marketplace practices-

The fund maintains transparency in allocating, distributing and disbursing of bursary funds to beneficiaries and providing detailed reports on how funds are allocated and disbursed.

5. Corporate Social Responsibility / Community Engagements

The fund has partnered with other organizations like KCB foundations that have strong CSR practices to sponsor students to Vocational Training Centres, amplifying the impact of the fund's activities. The fund also partners with local and global organizations to promote education and community well-being, often focusing on projects that have a positive environmental impact.

11. Report of The Trustees/Committee

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

Principal activities

The principal activities of the Fund are to assist the bright and needy students access quality education.

Results

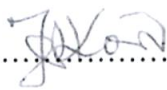
The results of the Fund for the year ended June 30, 2024 are set out on page 1 of the financial statements.

Trustees

The members of the Board of Trustees who served during the year are shown on page vii. The changes in the Board during the financial year are as shown below:

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.

.....


Chair of the Board/Fund Administration Committee

Date: 27/09/24

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

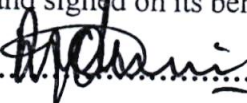
The Administrator of Bursary Fund is responsible for the preparation and presentation of the Fund/Scheme’s financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: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

The Administrator of the Bursary Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*quote the applicable legislation establishing the County Bursary Fund/Scheme*). The Administrator of the Fund/Scheme is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2024, and of the Fund/Scheme’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/Scheme, 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 Bursary Fund has assessed the Fund/Scheme’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund/Scheme will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

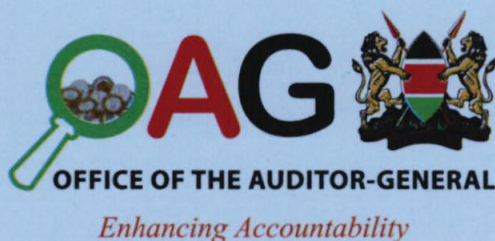
The Bursary Fund financial statements were approved by the Committee on 27/09/24 2024 and signed on its behalf by:

..........

Administrator of the Bursary Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KERICHO COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kericho County Bursary Fund set out on pages 21 to 48, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kericho County Bursary Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kericho County Bursaries Act, 2014 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis amounting to Kshs.209,332,852 and Kshs.192,332,852 respectively, resulting to underfunding of Kshs.17,000,000 or eight percent (8%) of budget. Further, the statement reflects total expenditure actual on comparable basis amounting to Kshs.208,830,881 resulting to under expenditure of Kshs.501,971 of budget.

In addition, the statement reflects final total income expenditure budget amounting to Kshs.209,332,852 and Kshs.208,830,881 resulting in unbalanced budget by Kshs.501,971. This was contrary to Regulation 31 (c) of the Public Finance Management (County Governments) Regulations, 2015 which requires budget revenue and expenditure appropriations to be balanced.

The underfunding affected the planned activities and may have impacted negatively on the delivery of services to the residents of Kericho County.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit reports of previous year, five (5) issues were raised under the Report on Financial Statements, and Report on Lawfulness and Effectiveness in use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

Other Information

Management is responsible for the other information set out on page iii to xix which comprise of Key Entity Information and Management, Trustee's/ Fund Administration Committee Profiles, Key Management Team, Chair'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 Trustees/Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

1.0 Failure to Comply with Act on Notification of Unsuccessful Applicants

The statement of financial performance reflects bursary transfers amounting to Kshs.163,030,714 as further disclosed in Note 10 to the financial statements. Review of records revealed that forty-five thousand five hundred and seventeen (45,517) students were granted bursaries in the year under review. However, the Ward Bursaries Committee did not conduct research and maintain data on the eligibility of students for

bursaries. This was contrary to Section 14 (c) of the Kericho County Bursaries Act, 2014 which states that the functions of the Ward Bursaries Committee shall be to conduct research and maintain data on the eligibility of students for bursaries. Records for all bursary applications were also not maintained.

Further, no documentary evidence was provided in support of notification to unsuccessful applicants in accordance with Section 16 (4) of the Kericho County Bursaries Act, 2014 which states that if the Ward Bursaries Committee rejects an application for grant of bursary, it shall notify the applicant such rejection in writing and reasons thereof.

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

2.0 Lack of an Approved Budget

The Fund did not have an approved budget in the year under review. This was contrary to Section 20(1) of the Kericho County Bursaries Act, 2014 which states that the Bursaries Management Board and Ward Bursaries Committees shall submit to the Executive Committee Member in Charge of Education, Youth Affairs, Culture and Social Services an estimate of its income and expenditure as specified in the budget cycle for the approval.

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

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

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

Conclusion

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

The audit was conducted in accordance with ISSAI 2315 and 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

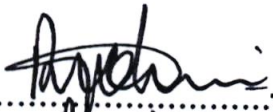
Nairobi

24 December, 2024

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

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			-
Transfers from the County Government	6	192,332,852.00	167,428,831.00
Public Contributions and Donations	7	-	-
		192,332,852.00	167,428,831.00
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9		-
Total Revenue		192,332,852.00	167,428,831.00
Expenses			
Bursary transfers	10	163,030,714.00	223,584,323.30
Scholarship grants	11	40,902,246.00	-
Use of Goods and Services	12	4,897,920.50	7,610,506.00
Total Expenses		208,830,880.50	231,194,829.30
Surplus/(Deficit) for the Period		(16,498,028.50)	(63,765,998.30)



Name: Richard Tonui
 Administrator/Accounting Officer




Name: Brian Kiprotit
 Fund Accountant
 ICPAK Member Number: 32105

15. Statement of Financial Position as at 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	3,829,647.55	21,416,778.55
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
Total current assets		3,829,647.55	21,416,778.55
Total Assets (A)		3,829,647.55	21,416,778.55
Liabilities			
Current Liabilities			
Trade and Other Payables	16	-	15,486.00
Total current liabilities		-	15,486.00
Total Liabilities (B)		-	15,486.00
Net Asset (A-B)		3,829,647.55	21,401,292.55
Represented By:			
Accumulated Surplus		3,829,647.55	21,401,292.55
Net Assets		3,829,647.55	21,401,292.55

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 27/09/24 2024 and signed by:


 Name: Richard Tonui
 Fund Administrator/Accounting Officer


 Name: BRIAN KIPROTICH
 Fund Accountant
 ICPAK Member Number: 32105

Kericho County Bursary Fund
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16. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Accumulated surplus	Total
	Kshs	Kshs
Balance as at 1 July 2022	85,182,877	85,182,877
Surplus/(Deficit) For the Year	(63,765,998)	(63,765,998)
Balance as at 30 June 2023	21,416,879	21,416,879
		-
Balance as at 1 July 2023	21,416,879	21,416,879
Prior Year Adjustment	(1,089,202)	(1,089,202)
Surplus/(Deficit) For the Year	(16,498,029)	(16,498,029)
Balance as at 30 June 2024	3,829,649	3,829,649

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		192,332,852	167,428,831
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
Total receipts		192,332,852	167,428,831
Payments			
Bursary Transfers		163,030,714	223,584,323
Scholarship grants		40,902,246	-
Use of goods and Services		4,897,921	7,610,506
Net cash flows from operating activities	17	(16,498,029)	(63,765,998)
Cash flows from investing activities			
Net cash flows used in investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(16,498,029)	(63,765,998)
Cash and cash equivalents at 1 July	13	21,416,779	85,182,877
Prior Year Adjustment		-1,089,202	-
Cash and cash equivalents at 30 June	13	3,829,648	21,416,779

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from the County Government	209,332,852	-	209,332,852	192,332,852	17,000,000	92
Public Contributions and Donations	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other receipts	-	-	-	-	-	
Total Income	209,332,852	-	209,332,852	192,332,852	17,000,000	92
Expenses					-	
Bursary Transfers	163,030,714		163,030,714	163,030,714	-	100
Scholarship grants	40,902,246	-	40,902,246	40,902,246	-	100
Use of goods & Services	4,897,921	-	4,897,921	4,897,921	-	100
Total Expenditure	208,830,881		208,830,881	208,830,881	-	92
Surplus For the Period		-	0	(16,498,029)	17,000,000	

Budget notes

1. *Overutilization of Bursary Transfers was due to balances that were for the previous financial year that was disbursed during the year.*
2. *The changes in the budget original budget and Final budget was due to supplementary budget and unrealized revenue for the year.*

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Kericho County Bursary Fund is established by and derives its authority from Kericho County Bursary Act, 2014. The entity is wholly owned by the Kericho County Government and is domiciled in Kenya. Kericho County Bursary Fund’s principal activity is to provide financial support to needy and bright students to the next level of their education.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

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

Kericho County Bursary Fund

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Standard	Effective date and impact:
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>
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>
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> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
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>

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

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early.*

(state the standards, reason for early adopt, and impact on the on entity's financial statements.)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the County Assembly on June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Bursary Fund/Scheme upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Financial instruments

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

(i) Financial assets

Classification of financial assets

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

(ii) Subsequent measurement

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

(iii) Amortized cost

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

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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 in *Note xx*.

Financial liabilities _____

Classification

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

d) Provisions

Provisions are recognized when the 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

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

f) Contingent assets

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

g) Nature and purpose of reserves

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

h) Changes in accounting policies and estimates

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

i) Foreign currency transactions

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

j) Related parties

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

k) Cash and cash equivalents

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

l) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note.

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

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

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6. Transfers from the County Government

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers from County Government	192,332,852.00	167,428,831.00
Others (<i>Specify</i>)	-	-
Total	192,332,852.00	167,428,831.00

(Provide a brief explanation for this revenue)

7. Public Contributions and Donations

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

(Provide a brief explanation for this revenue)

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Other income

Description	2023/2024	2022/2023
	Kshs	Kshs
Cheque write backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

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

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10. Bursary Transfers

Description	2023/2024	2022/2023
	Kshs	Kshs
Universities	27,598,603	223,584,323
TVETs and Colleges	21,886,958	-
Secondary schools	113,514,440	-
Other (<i>Specify</i>)	30,713	-
Total	163,030,714	223,584,323

11. Scholarship grants

Description	2023/2024	2022/2023
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	40,902,246.00	-
Secondary schools	-	-
Other (<i>Specify</i>)	-	-
Total	40,902,246.00	-

12. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Committee Allowances	1,113,300.00	-
Bank charges	149,362.50	44,700.00
Audit fees	-	242,092.00
Other (<i>Specify</i>)	3,635,258.00	7,323,714.00
Total	4,897,920.50	7,610,506.00

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13. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	3,829,647.55	21,416,778.55
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	3,829,647.55	21,416,778.55

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) Current Account			
NBK Bank	1141603844500	-	21,416,778.70
- Bank - Etc.		-	-
Sub- Total		-	21,416,778.70
b) Others (Specify)			
Cash In Transit			-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		4,278,795.05	21,416,778.70

14. Non-Exchange Receivables

Description	2023/2024	2022/2023
	Kshs	Kshs
Revenue receivable	-	-
Others (<i>Specify</i>)	-	-
Total non-exchange receivables	-	-

15. Exchange Receivables

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

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16. Trade and other payables

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade Payables	-		15,486.00	
Other Payables (<i>specify</i>)	-			
Total Trade and Other Payables	-		15,486.00	
Ageing analysis (Trade and other payables)	2023/20	% of the Total	2022/20	% of the Total
	24		23	
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

17. Cash generated from operations.

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	-		21,401,292.55	
Adjusted For:				
Working Capital Adjustments				
Increase In Receivables	(-)		-	
Increase In Payables	-		-	
Net Cash Flow from Operating Activities	-		21,401,292.55	

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

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17b. Prior Year Adjustments.

Prior Year Adjustments	Balance b/f from Previous FY as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f for previous FY
Description of the Error	Kshs.	Kshs.	Kshs.
Bank Account Balances	21,416,879	1,089,202	20,327,677
Cash in Hand			
Outstanding Imprests and Advances			
Third party deposits and Retention			
Others (Specify)			
Total	21,416,879	1,089,202	20,327,677

N/B: The adjustments made during the year refers to cash balances which was recorded as bank balance instead of cash book balance.

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	2023/2024	2022/2023
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	2023/2024	2022/2023
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

d) Due from related parties

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

Other Disclosures Continued

e) Due to related parties

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

19. Contingent assets and contingent liabilities

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

20. Financial risk management

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

a) Credit risk

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June (Current Year)				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
As at 30th June (Previous Year)				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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

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

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

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

b) Liquidity risk management

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

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

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

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

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
(Current FY)			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-
(Comparative FY)			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-

ii. Interest rate risk

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

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/Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (20: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (201 – Kshs).

d) Capital risk management.

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

Description	Current FY	Comparative FY
	Kshs	Kshs
Accumulated surplus	-	-
Total funds	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	xx%	xx%

21. Events after the reporting period

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

22. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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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)
3.	<p>The statement of financial performance reflects use of goods and services of an amount of Kshs. 231,210,310 which includes an amount of Kshs. 223,572,322 in respect of bursary disbursements and as disclosed in Note 2 to the financial statements. However, review of the supporting schedule includes payments of total amounts of Kshs. 172,329,100 in different cheques presented as Batch 1-18 and Batch CHM which did not relate to secondary schools or</p>	<p>The management notes the auditors’ observation, however the batch 1-18 and batch CHM relates to bursary disbursements as per the attached documents which shows the names of students’ admission numbers and the institution Further the Dispatch register and acknowledgments receipts from the schools and tertiary institutions have been provided. In addition, the amount of kshs. 11,198,282 relates to payment to institutions which had not been cleared by the bank due to incorrect account details which were</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>tertiary institutions. Further, the schedule provided in support of the disbursements to beneficiaries did not include the name of students and their admission number, cheque dispatch register and acknowledgement receipts from the school and tertiary institutions were not provided for audit review. In addition, the bursary disbursement schedule reflects an amount of Kshs. 11,198,282 not supported with authority for withdrawal, deposit slips and bank statements and payment details. In the circumstances, the accuracy and completeness</p>	<p>later re- submitted after the institutions confirmed the correct account details. Attached is the bank statement.</p>		

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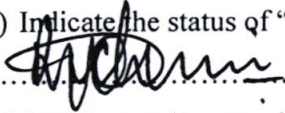
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of the payments Kshs. 223,572,322 in respect of bursary disbursements to beneficiaries could not confirmed.			
4	The statement of financial performance reflects use of goods and services of an amount of Kshs. 231,210,315 which includes an amount of Kshs. 7,351,200 in respect of administration fees and as disclosed in Note 2 to the financial statements. However, review of the supporting documents including payment vouchers revealed that administration fees of an amount of Kshs. 2,074,000 was not supported with committee meeting attendance register, signed	The management acknowledges the auditors' observations and the supporting documents have been provided.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	list of committee allowances paid as detailed below. In the circumstances, the propriety and completeness of the administrative fee of an amount of Kshs 2,074,000 could not be confirmed.			

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.
- (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.....27/09/24.....

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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity:.....

Name of beneficiary entity:.....

Confirmation of amounts received by [XX County Bursary Fund/Scheme] as at 30 th June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by [County Department] (Kshs) as at 30 th June 20xx			Amount Received by County Bursary Fund/Scheme] (Kshs) as at 30 th June 20xx (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Total						

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....