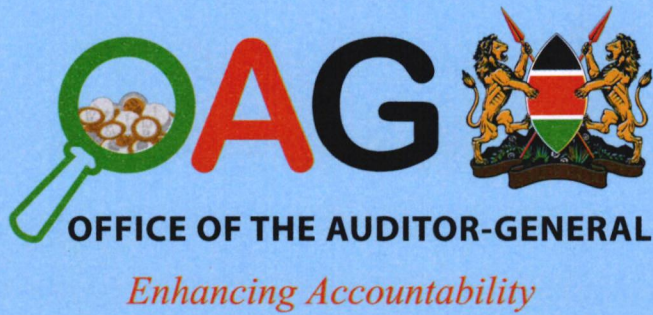


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

GARISSA COUNTY SCHOLARSHIP FUND

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

GARISSA COUNTY

PAPERS LAID	
DATE	29/11/2026
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CLERK AT THE TABLE	Belinda

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Garissa County Scholarship Fund

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

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

GARISSA COUNTY SCHOLARSHIP FUND

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

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GARISSA COUNTY SCHOLARSHIP FUND
Annual Report and Financial Statements for the year ended June 30, 2025

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.

GARISSA COUNTY SCHOLARSHIP FUND

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

2. Key Entity Information and Management

a) Background information

Garissa Scholarship Fund is established by and derives its authority and accountability from Garissa County Scholarship Fund Act 2014 on September. The Fund is wholly owned by the County Government of Garissa and is domiciled in Kenya.

The fund's objective is to assist the bright and needy students within Garissa County with bursary for all levels of Education.

The Fund's principal activity is issue of Bursary to the needy and bright students.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to issue bursaries to needy students.

c) Board of Trustees/Fund Administration Committee

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

1	Sophia Hassan farah	Chairman
2	Mohamed Mohamud Abdullahi	V/Chairman
3	Abdullahi Diis Mohamed	Member
4	Salatho Hassan Farah	Member
5	Hassan Abdullahi Adan	Member
6	Salah Hassan Shafat	Member
7	Ali Ahmed Hassan	Member
8	Ifrah Aress Hussein	Member

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	Hon Abass Abdullahi Khaar	CECM Finance
2	Abdilatif Sheikh Mohamed	Chief Officer Finance and Economic Planning
3	Abdi Omar Mohamed	Administrator of the Fund
4	Mohamud Adan Osman	Fund Accountant

GARISSA COUNTY SCHOLARSHIP FUND

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Ref	Name	Position
1	Hon Abass Abdullahi Khaar	CECM Finance
2	Abdi latif Sheikh Mohamed	Chief Officer Finance and Economic Planning
3	Abdi Omar Mohamed	Administrator of the Fund
4	Mohamud Adan Osman	Fund Accountant
5	Zeinab Hussein Dunto	County internal Audit
6	Omar Abdi Gabe	Chair Education Committee County assembly

f) Registered Offices

P.O. Box 563-70100

Garissa, KENYA

g) Fund Contacts

E-mail: info@garissa.go.ke

Website: www.garissa.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. First Community Bank
Garissa Branch
A/c No. 0009579101
3. National Bank
Garissa Branch
01040256372800

GARISSA COUNTY SCHOLARSHIP FUND

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

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




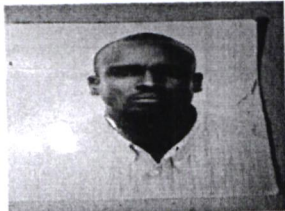
k) County Attorney

P.O. Box 563
Postal code 70100
Garissa, Kenya

GARISSA COUNTY SCHOLARSHIP FUND



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

3. Trustees/ Fund Administration Committee Profiles

PHOTOS	Name	Details of qualifications and experience
1.	Hassan Abdullahi Aden	BSc Banking and Finance, Programme support officer DRC
	Salatho Hassan Farah	Diploma in Accounting, Cashier private school
2.		
3.	Abdullahi Diis Mohamed	BSc Business Administration, AG. Director County administration
	Mohamed Mohamud Abdullahi	BSc Environmental Science, Environmental officer- IRC
4.		
	Sophia Hassan farah	Diploma Community Development- Community Development Officer
5.		
	Salah Hassan Shafat	BSc Education- Teacher
6.		

GARISSA COUNTY SCHOLARSHIP FUND

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

7. 	Ali Ahmed Hassan	BSc Education- Teacher
8.	Ifrah Aress Hussein	Diploma Community Development- Community Health Worker
9. 	Abdi Omar Mohamed	Fund Administrator

GARISSA COUNTY SCHOLARSHIP FUND

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

4. Key Management Team

Name	Details of qualifications and experience
Hon Abass Abdullahi Khaar	CECM Finance- serve as NDMA coordinator
Abdullatif Sheikh Mohamed	Chief Officer Finance and Economic Planning-
Abdi Omar Mohamed	Fund Accountant-Senior Finance officer special programme currently fund Accountant Scholarship.
Mohamud Adan Osman	Fund Accountant-Served as Principal Accountant before becoming the bursary fund accountant

GARISSA COUNTY SCHOLARSHIP FUND

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

5. Chairman's Report

The office of the Chairperson for the fund is responsible for the fund allocated to support bright and needy students within the County in line with the County Scholarship Act 2014 section 5

1. Changes in Fund Management Committee

The scholarship Management Committee comprises of Seven (7) members as highlighted in Scholarship Act under sub section (2) of the act.

2. Review of the Fund's Performance

The program has benefited bright and needy students and it has reduced financial burden to the students and parents and guardians within the county thus enabling eligible and interested students to reach their full potential academically.

3. Future Outlook of the Fund

The office of the Chairperson on Scholarship Committee Request H.E the Governor, Garissa County to allocate more funds to this program in order to assist and help more students with specialized studies to achieve and accomplish their goals. Also, the Garissa County Government under the leadership of H.E the Governor in the to develop professional and technical skills.

During the financial year under audit, the fund received Kshs. 50,000,000 and utilized the fund fully



.....

Name: Sophia Hassan Farah

Chairperson

6. Report of The Fund Administrator

The Garissa County Scholarship Fund was established in 2014 following the enactment and gazettelement of the Garissa County Scholarship Fund Act, 2014. The Fund's primary objective is to provide financial assistance to bright and needy students across the county, ensuring equitable access to education and reducing the burden of school fees on disadvantaged families.

Challenges Faced by the Fund Administrator

Despite its noble objectives, the Fund has encountered several operational and structural challenges that hinder its effectiveness:

1. Delayed Release of Funds

The County Treasury often disburses the scholarship funds towards the end of school terms, sometimes when schools are about to close. This delay puts the Fund Administrator in a difficult position, as many beneficiaries risk being sent home for unpaid fees, disrupting their learning and creating tension between the schools, parents, and the Fund's management.

2. Risk of Duplication in Beneficiary Support

Due to a lack of harmonization between the Garissa County Scholarship Fund, the Constituency Development Fund (CDF), and the National Government Bursary Fund, there is a possibility that some students may receive multiple allocations from different sources. This duplication limits the reach of the fund, leaving some needy students without any support.

Way Forward

a) Harmonization of Bursary Schemes

Establish a coordinated framework that aligns the Garissa County Scholarship Fund with the CDF and National Government Bursary Fund. This will involve creating a shared database of beneficiaries to eliminate duplication, promote transparency, and ensure fair distribution of resources.

b) Diversification of Funding Sources

In line with the manifesto of H.E. the Governor, the Fund will actively seek additional resources from development partners, private sector players, charitable foundations, and well-wishers. This approach will reduce over-reliance on the County Treasury and ensure more timely and predictable disbursement of funds.

c) Improved Planning and Disbursement Schedules

GARISSA COUNTY SCHOLARSHIP FUND

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

Engage the County Treasury in developing an annual disbursement calendar aligned with the academic calendar, allowing fees to be paid at the start of each term. This will ensure continuity in learning and enhance trust between the Fund and beneficiary institutions.



.....

Name: Abdi Omar Mohamed

Fund Administrator

GARISSA COUNTY SCHOLARSHIP FUND

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

7. Statement of Performance Against Predetermined Objectives for FY2024/2025

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the year 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 Garissa County Scholarship Fund for F/Y 2024/2025 plan are to:

- a) Provide bursary for needy students.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary/ Education	To support bright and needy students to access quality education	Increased number of students accessing education in the County	Increased number of student retained in school / transitioned to next level institutions	95% utilization of funds allocated in the year 2024/2025

8. Statement of Corporate Governance

The Fund Management Committee is constituted through a formal nomination and appointment process undertaken by the County Executive Committee Member (CECM) for Finance, subject to the mandatory approval of the County Assembly. This process ensures adherence to the principles of transparency, accountability, and public participation as enshrined in the Constitution of Kenya, the Public Finance Management (PFM) Act, and the Garissa County Scholarship Fund Act, 2014.

Mandate and Functions of the Fund Management Committee

The Committee, acting as the governing and oversight body of the Fund, is vested with the following core roles and responsibilities:

- 1. Oversight of Bursary and Scholarship Distribution**
 - a) Monitor and evaluate the equitable allocation and disbursement of bursaries and scholarships across all wards, ensuring that priority is accorded to deserving, needy, and academically promising beneficiaries in line with the Fund's objectives.
 - b) Ensure compliance with eligibility criteria, procedural guidelines, and budgetary allocations during the disbursement process.
- 2. Policy Formulation and Strategic Direction**
 - a) Develop, review, and recommend policies, frameworks, and operational guidelines governing the administration of bursaries and scholarships.
 - b) Align such policies with relevant national legislation, county regulations, and best practices in public fund management to enhance efficiency, accountability, and sustainability.
- 3. Advisory Role to the County Executive**
 - a) Provide evidence-based advice to the County Executive Committee Member for Finance on matters relating to the Fund's governance, operational challenges, emerging needs, and opportunities for improvement.
- 4. Approval of Beneficiary Lists**
 - a) Review and validate the proposed list of beneficiaries prepared at ward and sub-county levels, ensuring transparency, meritocracy, and fairness.
 - b) Resolve disputes and appeals relating to beneficiary selection before final disbursement.
- 5. Resource Mobilization**
 - a) Initiate, coordinate, and oversee fundraising initiatives, partnerships, and donor engagements aimed at supplementing county budgetary allocations and expanding the Fund's capacity to support more beneficiaries.
- 6. Granting of Bursaries and Scholarships**
 - a) Formally approve the award of bursaries and scholarships in accordance with established guidelines, ensuring that all allocations are documented and traceable.
- 7. Other Statutory and Delegated Functions**
 - a) Undertake any additional duties conferred under the Garissa County Scholarship Fund Act, 2014, or delegated by the CECM for Finance, where such duties enhance the Fund's effectiveness and integrity.

GARISSA COUNTY SCHOLARSHIP FUND

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

9. Management Discussion and Analysis

During the reporting financial year, the Fund was allocated a total budget of Kenya Shillings Fifty Million (Kshs 50,000,000) as appropriated under the County Appropriation Act for the period. This entire amount was duly transferred to the Fund's account by the County Treasury in accordance with the approved budget.

The funds received were fully absorbed within the financial year, with allocations directed towards:

1. **Bursary Disbursements** – Targeted support to financially disadvantaged and academically deserving students across all wards, in alignment with the Fund's mandate under the Garissa County Scholarship Fund Act, 2014.
2. **Operational and Administrative Expenses** – Essential costs incurred in the management, monitoring, and evaluation of the bursary program, including verification of beneficiaries, documentation, and other statutory obligations.

While the Fund acknowledges the County Treasury's commitment in availing the full budgeted amount, significant delays were experienced in the release of funds, with disbursements being effected towards the end of school terms. This delay adversely impacted the Fund's operational efficiency, resulting in challenges such as:

- a) Inability to remit school fees in time, thereby exposing beneficiaries to the risk of missing classes or being sent away from school.
- b) Strained coordination with learning institutions, leading to administrative bottlenecks and reputational risk for the Fund.
- c) Disruption in the planned bursary disbursement schedules at ward and sub-county levels.

Recommendation

The Fund Management Committee strongly appeals to both the County Treasury and the National Treasury to institutionalize mechanisms for the timely release of budgeted funds in future financial years. Early and predictable cash disbursements will:

- a) Facilitate prompt bursary allocations in line with academic calendars.
- b) Enhance planning and coordination with learning institutions.
- c) Safeguard the welfare and uninterrupted education of needy beneficiaries.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Garissa County Scholarship Fund operates within a dynamic socio-economic and political environment shaped by both global and national sustainability priorities. Globally, trends such as climate change, geopolitical instability, fluctuating macroeconomic conditions, and technological advancement continue to influence government funding priorities, resource mobilization, and the operational frameworks of public sector programs.

2. Environmental performance

The Garissa County Scholarship Fund recognizes that environmental stewardship is integral to sustainable development and is committed to aligning its operations with Kenya's National Environment Policy (2013), the Environmental Management and Coordination Act (EMCA), and relevant international frameworks such as the Sustainable Development Goals (SDGs)—notably SDG 12 (*Responsible Consumption and Production*) and SDG 13 (*Climate Action*).

3. Employee welfare

The Garissa County Scholarship Fund adheres to the County Government Human Resource Policies and Procedures Manual, the Public Service Commission (PSC) Guidelines, and the Employment Act, 2007. The hiring process is designed to promote fairness, inclusivity, and meritocracy, while ensuring compliance with constitutional requirements under Article 27 (Equality and Freedom from Discrimination) and Article 232 (Values and Principles of Public Service).

4. Marketplace practices-

The organization should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition-open tendering and respect for competitors or outline how the entity ensures improved service delivery practices (e.g. Service charter information, Service automation-self-service, Anti-corruption-reporting, brand protection mechanism, cashless payment, public sensitization/outreach, etc.)

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts, respecting payment practices and allowing competitive procurement of services.

c) Responsible marketing and advertisement or Responsible Engagement with the Citizens

Outline efforts to maintain ethical marketing practices (e.g., avoiding false or exaggerated promises, avoiding anti-social advertisement, giving adequate information, respecting consumers) Or discuss how the entity's efforts in ensuring its outreach and sensitization practices are ethical and responsible (regular media,

GARISSA COUNTY SCHOLARSHIP FUND

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

website briefs, holding consultative forums, avoiding false or exaggerated promises, giving adequate information, respecting diversity)

d) *Product stewardship or Awareness Creation*

Outline efforts to safeguard consumer rights and interests issues include protection of health and safety, providing adequate product information, dispute resolution and redress, consumer data and privacy protection) or how the entity safeguards citizens' rights and interests (Providing adequate service information e.g. NHIF, NSSF, application of licenses, ID, Passport, logbook, connection to power, water, right to representation when arrested/ bail, right to peaceful demonstration, dispute resolution and redress, whistle blowers rights, citizen data and privacy protection)

GARISSA COUNTY SCHOLARSHIP FUND

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

11. Report of The Trustees/Committee

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

Principal activities

The principal activities of the Fund include giving bursaries and scholarships to needy students within the county

Results


The results of the Fund for the year ending June 30, 2025 are set out

Trustees

The members of the Board of Trustees /Fund Management Committee members who served during the year are shown under note/section 2 (in *the key entity information and management*)

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: 20/8/2025

GARISSA COUNTY SCHOLARSHIP FUND
Annual 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 year of each financial year, the Administrator of a County Public Fund established by 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 Garissa County Scholarship 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 year ending 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 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. 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 year ending June 30, 2025, and of the Fund's financial position as at that date. The Administrator confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 20 / 8 / 2025 and signed on its behalf by:

.....


Fund Administrator

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON GARISSA COUNTY SCHOLARSHIP FUND OR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Garissa County Scholarship Fund set out on pages 1 to 26, which comprise the statement of financial position as at 30 June, 2025 the statement of financial performance, statement of changes in net

Report of the Auditor-General on Garissa County Scholarship Fund for the year ended 30 June, 2025

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, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Garissa County Scholarship Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Garissa County Scholarship Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Bursary Payments

The statement of financial performance, as disclosed in Note 10 to the financial statements, reflects bursary transfers amounting to Kshs.49,499,491. Out of this amount, bursary payments totaling to Kshs.931,591 were not supported by acknowledgment documents to support receipt of funds by respective institutions of learning. In addition, cheque dispatch registers used to monitor and track the issuance of cheques were not availed for audit.

In the circumstances, the accuracy and completeness of bursary transfers of Kshs.931,591 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

During previous audits, two (2) audit issues under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in the Use of Public Resources remained unresolved. Management has not provided satisfactory reasons for the delay in addressing these matters. The unresolved issues are:

- i) Unsupported Bursary Payments
- ii) Non-Provision of Nomination Documents for the Fund Management Committee

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

The audit was conducted in accordance with ISSAIs 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 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 ISSAIs 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 the Management and 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 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 IFPP 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

September 24, 2025

GARISSA COUNTY SCHOLARSHIP FUND
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	50,000,000	50,000,000
Public Contributions and Donations	7	-	-
		50,000,000	50,000,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		-	-
Expenses			
Bursary transfers	10	49,499,491	48,635,423
Scholarship grants	11	-	-
Use of Goods and Services	12	970,289	1,339,920
Total Expenses		50,469,780	49,975,343
Surplus/(Deficit) for the Period		(469,780)	24,657

.....
 Name: Abdi Omar
 Administrator/Accounting Officer

.....
 Name: Maria
 Fund Accountant
 ICPAK Member Number: 29087

GARISSA COUNTY SCHOLARSHIP FUND

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

15. Statement of Financial Position as at 30 June 2025

Assets			
Current assets			
Cash and cash equivalents	13	37,256	507,036
Non-current assets		00	00
Total assets		37,256	507,036
Liabilities			
Current liabilities		00	
Non-current liabilities		00	
Net Asset (A-B)		37,256	507,036
Represented By:			
Accumulated surplus			507,036
Net Assets		37,256	507,036

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 20/8 2025 and signed by:

.....
 Name: ABDI O MARR
 Fund Administrator/Accounting Officer

.....
 Name: Asri Ali
 Fund Accountant
 ICPAK Member Number: 28087

GARISSA COUNTY SCHOLARSHIP FUND
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement Of Changes in Net Assets for the year ended 30th June2025

	Accumulated surplus
	KShs
Balance as at 1 July 2023	482,379
Surplus/(deficit) for the period	24,657
Funds received during the year	-
Revaluation gain	-
Balance as at 30 June 2024	507,036
Balance as at 1 July 2024	507,036
Surplus/(deficit) for the period	(469,780)
Funds received during the year	-
Revaluation gain	-
Balance as at 30 June 2025	37,256

GARISSA COUNTY SCHOLARSHIP FUND

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

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

Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	50,000,000	50,000,000
Total Receipts		50,000,000	50,000,000
Payments			
Bursary Transfers	12	49,499,491	48,635,423
Use of goods and Services	10	970,289	1,339,920
		-	
Total Payments		50,469,780	(49,975,343)
Net cash flows from operating activities		(469,780)	24,657
Cash flows from financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		(469,780)	24,657
Cash and cash equivalents at 1 JULY		507,036	482,379
Cash and cash equivalents at 30 JUNE	13	37,256	507,036

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

GARISSA COUNTY SCHOLARSHIP FUND
Annual Report and Financial Statements for the year ended June 30, 2025

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations			0	0	0	0
Transfers from County Govt.	50,000,000		50,000,000	50,000,000	50,000,000	100%
Total income	50,000,000		50,000,000	50,000,000	50,000,000	100%
Expenses						
Fund administration expenses	0	0	0	0	0	0
General expenses	50,000,000	0	50,000,000	50,469,780	(469,780)	101%
Total expenditure	50,000,000		50,000,000	50,469,780	(469,780)	101%
Surplus for the period	0	0	0	0	0	101%

Budget notes

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the CRF. Budget carryovers should not include third-party funds such as contractors' retention.)*

1. During the reporting period, the actual expenditure exceeded the approved budget by 1%, translating to **KSh (469,780)** above the allocated **KSh 50,000,000**. This variance was primarily due to the application of a surplus carried forward from the previous period. The surplus funds, which were available in the entity's accounts, were utilized to supplement ongoing activities and commitments that extended beyond the budget allocation for the current year. Although this resulted in a slight overutilization compared to the approved budget, the expenditure remained within the available resource envelope when considering both the current year's allocation and the prior year's surplus. The overutilization did not represent an over-commitment of resources but rather a prudent use of existing surplus to meet operational and programmatic needs.

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Garissa County Scholarship Bursary Fund is established by and derives its authority from Garissa Assembly Act. The entity is wholly owned by the Garissa County Government and is domiciled in Kenya. Garissa County Scholarship Bursary Fund.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

Garissa County Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting</p>

**Garissa County Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Standard	Effective date and impact
	<p>for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><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>
<p>IPSAS 49- Retirement Benefit Plans</p>	<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>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<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>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

2. 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 FY2025 was approved by the County Assembly on Garissa. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the xxx Bursary Fund/Scheme upon receiving the respective approvals in order to conclude the final budget. The xxx Bursary Fund/Scheme recorded additional appropriations of Kshs.50,000,000 on the FY2025 budget following the governing body's approval.

Garissa County Scholarship 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 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

Garissa County Scholarship Fund
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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*.

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 Garissa 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 xxx 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.

Garissa County Scholarship Fund

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e) Contingent liabilities

xxx 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

Garissa County Scholarship Bursary Fund/Scheme does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the xxx 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 Garissa Scholarship Fund 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 Garissa Scholarship Fund 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 xxx Bursary Fund/Scheme regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the xxx Bursary Fund/Scheme, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Fund/Scheme administrator and senior managers.

k) Cash and cash equivalents

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

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 Garissa Scholarship Fund 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.

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)

Garissa County Scholarship Fund
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6. Transfers from the County Government

Transfers from Finance Department	50,000,000	50,000,000
Others (<i>Specify</i>)		
Total	50,000,000	50,000,000

(Provide a brief explanation for this revenue)

7. Public Contributions and Donations

Donation From Development Partners		
Contributions From the Public		
Others (<i>Specify</i>)		
Total		

(Provide a brief explanation for this revenue)

8. Finance income

Interest Income on Bank Deposits		
Others (<i>Specify</i>)		
Total finance Income		

(Provide a brief explanation for this revenue)

9. Other income

Description		
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	2024-2025	2023-2024
	Kshs	Kshs
Universities	36,408,791	28,457,800
TVETs and Colleges	9,900,200	12,890,980
Secondary schools	3,190,500	7,386,220
Other (<i>Specify</i>)		
Total	49,499,491	48,775,343

11. Scholarship grants

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

12. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Committee Allowances	900,000	1,100,000
Bank charges	70,289	100,000
Audit fees		
Other (<i>Specify</i>)		
Total	970,289	1,200,000

Garissa County Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

13. Cash and cash equivalents

Current Account Premier Bank	36,787	507,036
National Bank Of Kenya	469	
Total Cash and Cash Equivalents	37,256	507,036

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

a) Current Account			
Premier Bank	0090579101	36,787	24,657
National Bank - Etc.	01040256372800	469	482,379
Sub- Total		37,256	507,036
b) Others (Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		37,256	507,036

14. Non-Exchange Receivables

Revenue receivable		
Others (<i>Specify</i>)		
Total non-exchange receivables		

15. Exchange Receivables

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

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16. Trade and other payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Payables				
Other Payables (<i>specify</i>)				
Total Trade and Other Payables				
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year				%
1-2 years				%
2-3 years				%
Over 3 years				%
Total (tie to above total)				

17. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year	(469,780)	24,657
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow from Operating Activities	(469,780)	24,657

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

18. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Key management remuneration

Description	2024-2025	2023-2024
Board of Trustees		
Total		

d) Due from related parties

Description	2024-2025	2023-2024
Due From County Government		
Total		

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Other Disclosures Continued

e) Due to related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due to County Government		
Due to Key Management Personnel		
Total		

19. Contingent assets and contingent liabilities

Contingent Liabilities	2024-2025	2023-2024
	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	2025	2024	2023	2022
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 from.

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

b) Liquidity risk management

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

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

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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:

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.

(Current FY)			
Euro			
USD			
Other (Specify)			
(Comparative FY)			
Euro			
USD			
Other (Specify)			

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 xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx-1 – Kshs xxx).

d) Capital risk management.

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

Description	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)

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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		
1. Unsupported Bursary Payments	The statement of financial performance reflects general expenses of Kshs.48,775,343 as disclosed in Note 3 to the financial statements. Included in the amount is Kshs.48,635,423 in respect of bursaries. However, bursary payments totalling Kshs.5,378,000 were not supported by acknowledgment documents. Further, cheque dispatch registers to manage and track the issuance of cheques were not provided for audit.	The Acknowledgment and dispatch register was provided for audit during the Management response	Not Resolves	
2. Cash and Cash Equivalents Balance	The statement of financial position reflects a balance of	The bank statements, bank reconciliation statements and board of survey report were all	Not 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)
	Kshs.507,036 in respect of cash and cash equivalents, as disclosed in Note 4 to the financial statements. However, the balance includes Kshs.482,379 for one of the bank accounts that was not supported by a cash book, bank statements, bank reconciliation statements and board of survey report	provided during the management response		

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 20/8/2025

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Annex II: Inter-Entity Confirmation Letter

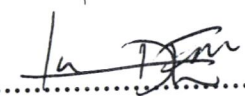
Name of transferring entity: ...Department of finance

Name of beneficiary entity: Garissa County Scholarship Fund

Confirmation of amounts received by Garissa County Scholarship Fund as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by Garissa County Finance Department] (Kshs) as at 30 th June 2025			Amount Received by Garissa County Scholarship Fund] (Kshs) as at 30 th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
TR/ROC/000021304	29/09/2024	50,000,000	0	50,000,000	50,000,000	0
Total		50,000,000	0	50,000,000	50,000,000	0

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

Head of Accounts - Disbursing Entity:
 Name ABDI ACI Sign  Date 20/8/2025

Head of Accounts - Beneficiary Entity:
 Name ABDI OMAR Sign  Date 20/8/2025