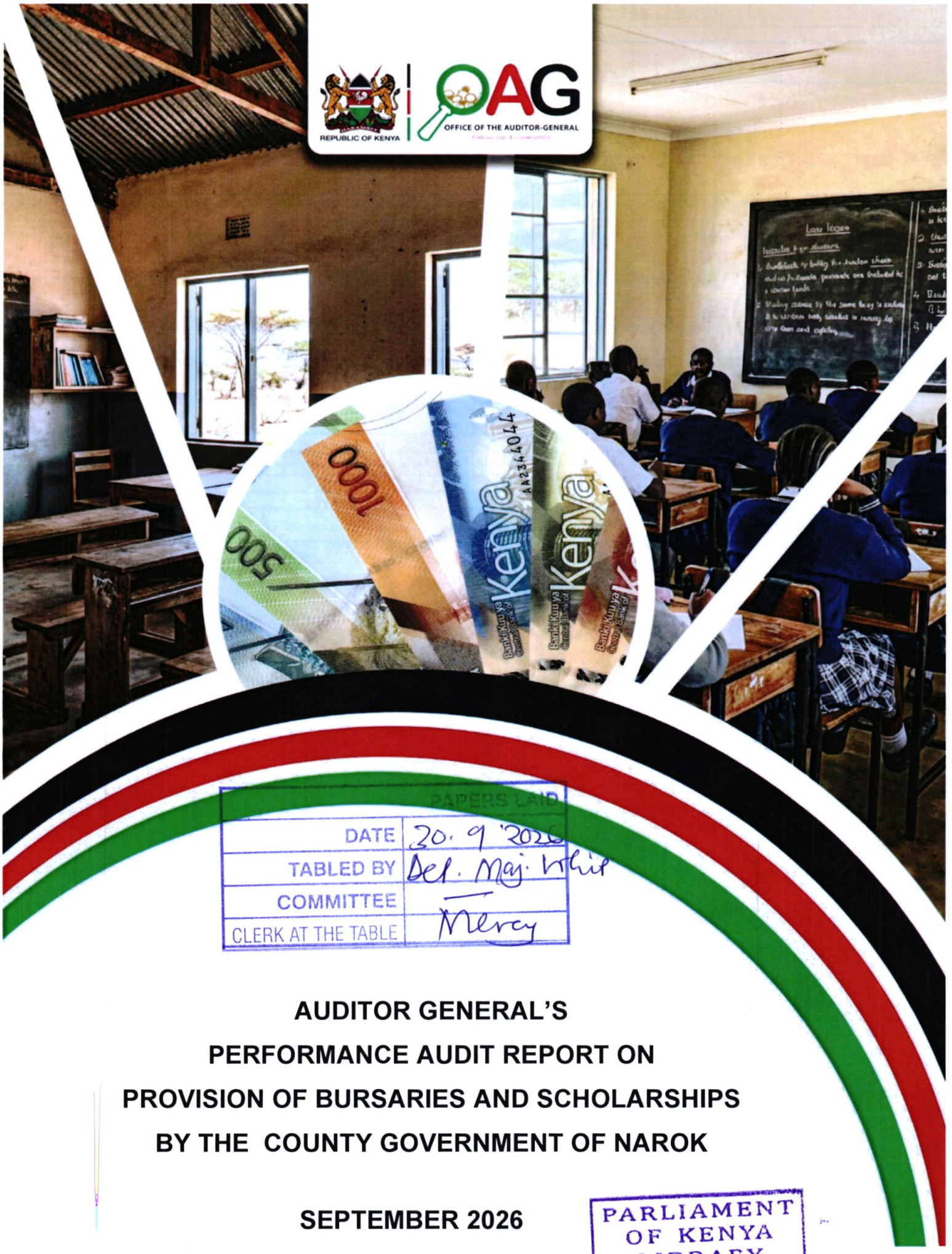


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AUDITOR GENERAL'S
PERFORMANCE AUDIT REPORT ON
PROVISION OF BURSARIES AND SCHOLARSHIPS
BY THE COUNTY GOVERNMENT OF NAROK

SEPTEMBER 2026

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FOREWORD

I am pleased to present this performance audit report on the Provision of Bursaries to Needy Learners by the County Government of Narok. My Office carried out the audit under the mandate conferred to me by Article 229(6) of the Constitution of Kenya, 2010, to confirm whether or not public money has been applied lawfully and in an effective way. In addition, Section 36 of the Public Audit Act, Cap.412B requires the Auditor-General to examine the economy, efficiency and effectiveness with which public money has been expended.

Performance, financial and compliance audits form the three-pillar audit assurance framework that I have established to give focus to the varied and wide scope of the audit work done by my Office. The framework is intended to provide a high level of assurance to stakeholders that public resources are not only correctly disbursed, recorded and accounted for, but that the use of the resources results in positive impacts on the lives of all Kenyans. The main goal of our performance audits is to ensure effective use of public resources and promote service delivery to Kenyans.

The Report is submitted to the County Assembly of Narok in accordance with Article 229(7) of the Constitution of Kenya, 2010 and Section 39(1) of the Public Audit Act, Cap. 412B. I have also submitted copies of the Report to the Chief of Staff and Head of Public Service, Principal Secretary, The National Treasury, Principal Secretary, State Department for Devolution, Clerk of the Senate, Governor, County Government of Narok and the Chairperson, Council of Governors.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

11 September, 2026

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LIST OF ABBREVIATIONS

Abbreviation	Definition
ISSAI	International Standards of Supreme Audit Institutions
OAG	Office of the Auditor-General

GLOSSARY OF TERMS

Term	Meaning
Administrative Expenses	Costs incurred in managing and administering the bursary and scholarship programme, excluding funds disbursed directly to beneficiaries.
Double or Multiple Allocation	The awarding of bursaries or scholarships more than once to the same beneficiary, either within the same ward, across different wards, or from multiple public providers.
Electronic Funds Transfer	A cashless method of transferring funds electronically from one bank account to another, recommended as an efficient alternative to cheque payments.
Grievance Redress Mechanism	A structured system for receiving, recording, investigating, and resolving complaints and appeals from bursary and scholarship applicants and beneficiaries.
Monitoring and Evaluation	The systematic tracking and assessment of programme implementation to determine effectiveness, efficiency, and achievement of intended objectives.
Overpayment	A situation where funds credited to a beneficiary exceed the actual school fee balance, often resulting from multiple allocations.
Public Bursary Providers	Government entities that provide bursaries or scholarships, including County Governments, the Ministry of Education, National Government-Constituency Development Fund, National Government Affirmative Action Fund, Presidential Secondary Schools Bursary, and other public funds.
Timely Disbursement	Release of bursary or scholarship funds to learning institutions on or before school opening dates to ensure uninterrupted learning.

EXECUTIVE SUMMARY

Background of the Audit

1. Bursaries and scholarships are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Scholarships on the other hand are awarded to students based on financial need, academic merit, talent, or other notable achievements.

2. Both bursaries and scholarship are awarded to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses. Scholarships cover school fees for the entire duration of study while bursaries are awarded on a less consistent basis and are not guaranteed.

3. The mandate for the provision of bursaries and scholarships in the Narok County is vested in the Bursary Management Board. The Board is responsible for: formulating sound policies for regulating the management of the bursary funds, raising and soliciting for the funds, and setting the criteria and conditions governing the eligibility of awarding bursaries to applicants.

4. The Auditor-General authorized the audit after considering the following factors:

   i) The Senate discussed the oversight of county governments in the management of bursary funds, highlighting issues of mismanagement and corruption across several counties. The members also underscored the need for regular monitoring and evaluation to gauge the impact of bursary programmes, thereby improving educational access and retention for learners.

   ii) In September 2024, the National Assembly deliberated on the need to have the various bursary and scholarship funds consolidated to address gaps in the current education financing framework. The proposed consolidation would enhance efficiency in the administration of bursaries and scholarships, promote

a more equitable distribution of resources, and expand access to financial support for deserving and vulnerable learners[1].

iii) The County Government of Narok cumulatively spent Kshs.1.3 billion between financial years 2021/2022 to 2024/2025 on bursaries and scholarships.

iv) Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in counties. Pre-study results indicated that the provision of bursaries and scholarships by the county governments faces various set-backs that hinder the full achievement of the intended objectives. These include; inadequacies in verification of applicants, late disbursement of funds, lack of coordination amongst the various bursary and scholarship providers, and a lack of regular monitoring and evaluation, which prevents the counties from effectively measuring such Programmes' impact and informing necessary adjustments.

v) The provision of bursaries and scholarships is linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.

Objective of the Audit

5. The main objective of the audit was "To assess the extent to which the County Government of Narok has ensured access to bursaries and scholarships by needy learners."

Scope of the Audit

6. The audit focused on the activities of the County Government of Narok in ensuring access to bursaries and scholarships by needy learners within Narok County. These are identification of needy learners, allocation of bursaries and scholarships, and disbursements of funds. The audit covered the financial years 2021/2022 to 2024/2025 which was deemed sufficient to establish trends and provide a

[1] The National Assembly Hansard Report dated Wednesday 25 September, 2024, Page 21

comprehensive assessment. The audit was conducted between September, 2024 and December, 2025.

Summary of Major Audit Findings

i) Inadequate Identification of Needy Learners

7. Review of two hundred and two (202) sampled bursary application forms for the financial years 2021/2022 to 2024/2025 indicated that bursaries were awarded to beneficiaries with incomplete application forms. Two hundred and one (201), representing 99.5% of the application forms were not properly filled out by applicants and had not been approved by the Executive Committee.
8. In addition, review of the two hundred and two (202) sampled forms revealed that only fifty-nine (59), representing 29% had the required documentation, while one hundred and forty-three (143) representing 71% were not fully supported. Further analysis of the one hundred and forty-three (143) application forms indicated that eighty-nine (89), representing 62% lacked the report forms necessary to confirm beneficiaries' school attendance.
9. As a result, needy and deserving students were not adequately identified and risked missing out on bursaries and scholarships, negatively impacting on the objectives of the Programme.

ii) Inadequate Allocation and Award of Bursaries

10. Analysis of the amount awarded to a total of 159,922 beneficiaries in the four (4) years under review, indicated that they received an average of Kshs.8,400, covering an average of 21% of the approved school fees for Extra-County and County Schools.
11. Consequently, the objective of the Programme was undermined as needy students with large fee arrears faced the risk of school discontinuation, while students with comparatively lower financial needs benefitted.

iii) Multiple Awards of Bursaries and Scholarships to Beneficiaries

12. Review of beneficiary records for financial years 2021/2022 to 2024/2025 indicated that 3,123 learners received multiple bursaries within and across wards totaling Kshs.66,243,193. Out of the 3,123 beneficiaries who received multiple awards, one

hundred and four (104), representing 3% received amounts above the approved fees for County boarding schools by Kshs.241,611. This represented a lost opportunity to cover more learners under the Programme.

iv) Lack of Transparency in Awards for Funds Allocated to Office of the Governor and Special Interest Individuals

13. The County Bursary Board made allocations of Kshs.65,118,000 in the Financial Year 2023/2024 to the Office of the Governor and for special interest individuals based on the number of Nominated Members of the County Assembly. However, the Board did not provide documentation to ascertain that the beneficiaries under these allocations were vetted through a transparent, democratic, equitable, and fair community-based process.

14. Failure to ensure transparency in allocating the funds may have resulted to needy and deserving students missing out on bursaries and scholarships, and thus negatively impacting on the objectives of the Programme.

v) Inefficient Bursary Data Management System

15. The audit revealed that the Bursary Management Board had not put in place a Bursary Data Management System to manage records and ensure efficient information retrieval. In addition, the Board did not provide the minutes of meetings for vetting and award of beneficiaries for the financial years 2021/2022 to 2023/2024.

16. Inefficient data management compromised the processes of identification, vetting, and allocation to bursary applicants, resulting in the exclusion of deserving applicants and multiple awards. It also compromised data security and created a risk of permanent information loss, while making information retrieval challenging.

vi) Inadequate inclusion of Persons with Disabilities in Award of Bursaries

17. Despite the Ward initiatives to prioritize learners living with disabilities, review of application forms and beneficiary lists for the financial years 2021/2022 to 2024/2025 revealed minimal inclusion of learners with special needs. Failure to include learners with special needs and disabilities in bursary awards directly undermines the County's ability to achieve Sustainable Development Goal 4, which aims to ensure equal access to education for all vulnerable groups, including persons with disabilities, by the year 2030.

vii) High Administrative Expenses incurred During the Financial Years 2021/2022 and 2024/2025.

18. Review of the audited Bursary Fund financial statements and banking records revealed that the administrative expenses exceeded the statutory 3% of the total allocation in the financial years 2021/2022 and 2024/2025 resulting in an over expenditure of Kshs.12,291,311. This excess expenditure represented a lost opportunity to cover additional needy students under the Programme.

viii) Lack of a Structured Grievance Redress Mechanism

19. Interviews with the Ward Bursary Committee members revealed that mechanisms for handling complaints from unsuccessful bursary applicants was inconsistent and informal across the Wards. This results in lack of transparency and accountability thus undermining public trust on administration of bursary and scholarship funds in the County.

ix) Inefficiencies in the Mode of Bursary Disbursement

20. Review of bursaries and scholarships disbursements records, bank reconciliation statements and bank statements for the financial year 2024/2025 revealed bounced cheques of Kshs.355,000 that attracted a commission of Kshs.101,700; stale cheques of Kshs.5,390,000; and bank charges of Kshs.22,835,607. This represented a collective opportunity cost of Kshs. 28,682,307 that would have been channelled to support other needy students.

x) Inadequate Acknowledgement of Bursary Payments

21. Review of acknowledgement letters and receipts from the learning institutions for the Financial Year 2023/2024 revealed that Kshs.329,711,513, representing 91.7% of the total disbursements of Kshs.359,725,013 were not acknowledged. In addition, the Board did not provide for verification acknowledgements of disbursements of Kshs.1,031,810,912 for financial years 2021/2022, 2022/2023, and 2024/2025.

22. Accountability over bursary disbursements was undermined, increasing the risk of diversion and misappropriation of funds. In addition, intended learners may have failed to benefit from the funds even after the institution has received payment, as their individual fee accounts may not be credited in a timely manner.

xi) Inadequate Monitoring of the Bursary and Scholarship Programme

23. Interviews revealed that that three (3) out of the five (5) sampled Ward Bursary Committees undertook monitoring and follow up activities. However, the Ward committees and the Board did not provide documented feedback reports or minutes on follow up of identified recommendations for improvement. Further analysis of the information provided during interviews revealed that during monitoring visits, the Ward Bursary committees focused on beneficiaries' school attendance while neglecting academic performance.

24. Inadequate monitoring and evaluation hindered the timely identification of implementation gaps and weaknesses consequently limiting the County's ability to assess and improve the effectiveness of the bursary programme.

xii) Doubtful Continued Provision of Bursaries to Learners in National Government Institutions

25. The County Government disbursed bursaries and scholarships to learners in secondary, universities, and colleges, institutions that fall under the mandate of the National Government. This accounted for at least 96% of allocated funds in financial years 2021/2022 to 2024/2025.

26. The doubt in provision of bursaries and scholarships to learners in institutions under the National Government was attributed to failure by the County Government to prioritize design and execute an Intergovernmental Partnership Agreement that meets the required procedural and legal standards.

Conclusion

27. The County Government of Narok has not ensured adequate and equitable allocation of bursaries and scholarships to needy and vulnerable learners. Applicants were awarded bursaries and scholarships without regard to assessed socio-economic vulnerability or need. Ineffective control and oversight, unstructured Grievance Redress Mechanism and weaknesses in the information management system undermined collaboration among the wards and other bursary providers. This hindered evidence-based decision-making, equity, accountability and transparency in the bursary and scholarship programme. In addition, the County did not ensure prudence in the utilization of administrative expenses.

28. The County Government of Narok has not ensured timely disbursement of bursary and scholarships funds to learning institutions due to inefficiencies associated with the cheque system of payments. There was minimal acknowledgment of received bursary and scholarship funds by learning institutions and an ineffective monitoring and evaluation framework. In addition, delay in execution of an Intergovernmental Partnership Agreement between the County and the National Government undermined the legality of implementing the programme.

Recommendations

29. To ensure adequate and equitable allocation of bursaries and scholarships to needy learners, the Narok County Bursary Management Board should:

    a) Strengthen its oversight over the ward-level verification of bursary application forms, vetting of applicants and, implement regular reporting mechanisms by the Ward Bursary Committees.

    b) In collaboration with the Ward Bursary Committees develop a formal Needs Assessment Tool that assigns scores based on applicant's vulnerability status on specific verifiable criteria such as family status, household income, and special circumstances

    c) Set bursary and scholarship award limits to eliminate inconsistencies in decision-making across wards, reduce the risk of spreading funds too thinly among beneficiaries, and align allocations with the fee structures approved by the State Department for Basic Education.

30. To prevent multiple allocation of bursaries to beneficiaries, the County Bursary Management Board should:

    a) Lobby for the approval and adoption of the Concept Note on automation of the bursary and scholarship systems and processes, to promote information and data sharing and collaboration between Ward Bursary Committees; and

    b) In collaboration with the State Department for Basic Education and Parliament, develop a multi-agency collaboration framework for bursary and scholarship providers and establish a centralized bursary and scholarship

administration management system to enhance transparency in awarding of bursaries.

31. To increase awareness and uptake of the scholarship among learners with disabilities, the County Bursary Management Board should promote targeted outreach and sensitization among the community. They should also enhance collaboration with the National Council for Persons with Disabilities, County and Sub- County Education officers and heads of learning institutions to identify learners with disabilities and to facilitate timely applications for bursary and scholarships by this vulnerable group.

32. To ensure economy and efficiency in disbursement of funds to learning institutions, the County Bursary Board should consider adopting electronic funds transfer by leveraging on existing platforms like Kenya Education Management Information System and the Integrated Financial Management Information System.

33. To guide the receipt, handling, documentation, and resolution of complaints the Narok County Bursary Management Board should develop and implement a formal grievance redress policy and accompanying Standard Operating Procedures. In addition, the Board should conduct public awareness outreach so that beneficiaries and applicants are informed of available grievance channels.

34. To ensure adequate monitoring of the bursary and scholarship fund, strengthen oversight of ward bursary committees, and enhance accountability, the Bursary Board should develop and implement a robust monitoring and evaluation framework and also explore the adoption of an integrated system with a monitoring interface.

35. To legally undertake the bursary programme to learners in institutions under the National Government, the Narok County Bursary Management Board should design and complete a formal intergovernmental transfer process and secure approval through gazettement by both the National Assembly and the County Assembly.

CHAPTER 1: BACKGROUND OF THE AUDIT

Introduction

1.1 Bursaries and scholarships are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Scholarships on the other hand are awarded to students based on financial need, academic merit, talent, or other notable achievements.

1.2 Both bursaries and scholarship are awarded to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses. Scholarships cover school fees for the entire duration of study while bursaries are awarded on a less consistent basis and are not guaranteed.

1.3 The County Government of Narok has established a County Bursary and Scholarship Fund to assist students from needy groups such as: orphans, those from poor families, and those with special needs to pursue education at recognized institutions. This promotes access to secondary and tertiary education, for needy learners in the County.

1.4 The mandate for the provision of bursaries and scholarships in the Narok County is vested in the Bursary Management Board. The Board is responsible for: formulating sound policies for regulating the management of the bursary funds, raising and soliciting for the funds, and setting the criteria and conditions governing the eligibility of awarding bursaries to applicants.

1.5 The activities involved in the provision of bursaries and scholarships fall within the Education Sector under the County Executive Committee Member for Education.

Motivation for the Audit

1.6 The Auditor-General authorized the audit after considering the following factors:

i) According to the Hansard report dated 30 April, 2024, the Senate discussed the oversight of county governments in the management of bursary funds, highlighting issues of mismanagement and corruption across several counties. The members also underscored the need for regular monitoring and evaluation

to gauge the impact of bursary programmes, thereby improving educational access and retention for learners.

ii) In September 2024, Members of the National Assembly discussed the need to have the various bursary and scholarship funds consolidated to address gaps in the current education funding model. This consolidation should aim to create a more efficient system for providing bursaries and scholarships, ensuring resources are more equitably distributed and increasing access to funds for more needy learners[2].

iii) The County Government of Narok cumulatively spent Kshs.1.3 billion from 2021/2022 to 2024/2025 on bursaries.

iv) Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in Narok County. The results of the Pre-study indicated that the provision of bursaries and scholarships by the County Government of Narok faces various set-backs that hinder the full achievement of the intended objectives. These include: inadequacies in verification of applicants, late disbursement of bursary and scholarship funds, lack of coordination amongst the various bursary and scholarship providers, and a lack of regular monitoring and evaluation, which prevents the County from effectively measuring such Programmes' impact and informing necessary adjustments.

v) The provision of bursaries and scholarships is linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.

1.7 Given the above factors, an audit on the provision of bursaries and scholarships was necessary to assess the progress made by the County Government of Narok in eliminating barriers to access to education by needy learners. It is essential to assess the efficiency and transparency with which the County has utilized and disbursed bursary and scholarship funds to beneficiaries.

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[2] The National Assembly Hansard Report dated Wednesday 25 September, 2024, Page 21

CHAPTER 2: DESIGN OF THE AUDIT

Objective of the Audit

2.1 The main objective of the audit was **"To assess the extent to which the County Government of Narok has ensured access to bursaries and scholarships by needy learners."**

The sub-objectives were to;

i. Assess the extent to which the County Government of Narok ensured adequate allocation of bursaries and scholarship funds; and

ii. Determine the extent to which the County Government of Narok ensured timely disbursement of bursaries and scholarships to needy students.

Audit Questions

2.2 The main audit question that guided the team in carrying out the audit was "**Has the County Government of Narok ensured access to bursaries and scholarships by needy learners?"** The sub audit questions that guided the team in achieving the audit objective were:

(i) Has the County Government of Narok ensured adequate allocation of bursaries and scholarships?

(ii) Has the County Government of Narok disbursed bursaries and scholarships on time?

Audit Scope

2.3 The audit focused on the activities of the County Government of Narok in ensuring access to bursaries and scholarships for needy learners within Narok County. These are identification of needy learners, allocation of bursaries and scholarships, and disbursements of funds.

2.4 The audit covered the financial years 2021/2022 to 2024/2025 which was deemed sufficient to establish trends and provide a comprehensive assessment. The audit was conducted between September, 2024 and December, 2025.

Audit Criteria

2.5 The audit assessed provision of bursaries and scholarships by the County Government of Narok using the criteria indicated in **Table 1.** The detailed criteria are provided in the findings chapter.

Table 1: Audit Criteria

Audit Sub-Objective	Audit Criteria	Source of Criteria
To assess the extent to which the County Government of Narok has ensured adequate allocation of bursaries and scholarships funds	The Narok County Bursaries Fund is dedicated to assisting students pursue education at recognized institutions.	Part II Section 3 (2) of the Narok County Bursaries Act, 2013. Regulation 12 (3), 13(1), 14 (1 & 2) and (2) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022,
To determine the extent to which the County Government of Narok has ensured timely disbursement of bursaries and scholarships to needy students.	To ensure smooth uninterrupted learning of student under the bursary and scholarship programme, it is expected that bursary and scholarship funds should be disbursed on or before school opening dates.	Best Practice

Source: OAG compilation

Methodology of the Audit

2.6 The audit was conducted in accordance with the Performance Audit Standard, ISSAI 3000, issued by the International Organization of Supreme Audit Institutions. The Standard requires that the audit is planned and performed to obtain sufficient and appropriate audit evidence. The Standard also requires that the audit should provide a reasonable basis for the findings, conclusions, and recommendations, based on the audit objectives.

Methods of Gathering Audit Evidence

2.7 The audit team used document review, interviews and physical verification to collect data.

a) Document Review

To confirm the activities carried out in provision of bursaries and scholarships in the County, the audit team reviewed the documents indicated in **Table 2.**

Table 2: List of Documents Reviewed

Document	Purpose of Review
The Public Finance Management (Narok County Bursaries Fund) Regulations, 2022	• To gather evidence on the legal framework and guidelines for the provision of bursaries and scholarships.
Approved County Budgets	• To obtain evidence on annual strategies, deliverables and budget allocations on bursaries and scholarships.
County financial reports, expenditure schedules and bank statements, uncollected, stale and unpresented cheques	• To ascertain the extent of resource allocation and expenditure towards bursaries and scholarships. • To ascertain the efficiency in the mode of bursaries and scholarships disbursement.
Disbursement reports and schedules	• To gather evidence on disbursement amounts and timelines. • To obtain evidence on receipt of funds by learning institutions. • To ascertain the extent of acknowledgement of bursaries and scholarships. • To ascertain the extent of monitoring and coordination of bursaries and scholarships by the County Government.
Beneficiary fee structure and statements	
Acknowledgement reports by schools	
Monitoring reports	
Correspondences between bursary and scholarships providers	
Application forms and support documents	• To obtain evidence on the number of applicants and beneficiaries. • To obtain evidence on adequacy of awarded bursary and identification. • To obtain evidence on criteria and process for awarding bursaries and scholarships.
Beneficiary lists	
County Bursaries Management Board and Ward Bursary Committee minutes	
Complaints/ Grievance registers and grievance resolution reports	• To obtain evidence on existence and effectiveness of redress mechanisms for aggrieved applicants.

Source: OAG compilation

b) Interviews

2.8 Interviews were held with various key personnel in the County Government of Narok, Wards Bursary Committees representatives, heads of learning institutions, and other key role players to gather evidence on access to bursaries and scholarships, as detailed in **Table 3.**

Table 3: List of Persons Interviewed

Interviewee	Purpose of the Interview
County Executive Committee Member, Education and Chief Officer	To obtain evidence on bursary application process, eligibility criteria, number of applicants and challenges in disbursement.
County Bursary Management Board	To obtain evidence on legal framework and structure, budgeting and expenditure, application and vetting process, monitoring and evaluation, and programme successes and challenges.
Ward Bursary Committees	To obtain evidence on composition and tenure, application and eligibility criteria, number of applicants, monitoring and evaluation, successes, challenges, and recommendations.
National Government Administrative Officers	To obtain evidence on role of chiefs and assistant chiefs in identification of needy learners, eligibility criteria, and challenges faced.
Principals and Heads of Finance (Sampled Institutions)	To gather evidence on the role of learning institutions in bursary administration, accountability for received funds, sufficiency of allocations and disbursement challenges.
Controller of Budget	To gather evidence on timeliness of funds disbursement.

Source: OAG compilation

Sampling and Sample Size

2.9 Five (5) out of thirty (30) Ward Bursary Committees were sampled for the audit. The basis for their selection was sub-county representation and absorption of funds into bursaries and scholarships. These included Narok Township, Suswa, Melili, Mosiro and Ololulung'a. In addition, eight (8) learning institutions were sampled based on the number of beneficiaries in the learning institutions. These included; Ole Tipis Girls, Narok Boys, Maasai Girls, Ololulung'a Boys, Narok Teachers Training College, Maasai Mara University, Maasai Mara Technical and Vocation College and Kenya Institute of Management. Further, two hundred and two (202) bursary application forms were randomly sampled for review.

CHAPTER 3: DESCRIPTION OF THE AUDIT AREA

Legal and Institutional Framework for Provision of Bursaries and Scholarships

3.1 The Constitution of Kenya, 2010 provides the framework for the State to ensure that education is accessible to all citizens. Articles 43(1)(f) and 53(1)(b) recognize that every child in Kenya, regardless of their background, has the right to access quality education and that they should attend school until they complete their basic education. Schedule 4 Part 2 (9) of the Constitution specifically lists village polytechnics as one of the functions that have been devolved to county governments.

3.2 Section 4(a) and (b) of the Basic Education Act, Cap.211 provides that every child has the right to free and compulsory basic education. The Act also provides that youth have equitable access to basic education and equal access to educational institutions.

3.3 Section 116 of the Public Finance Management Act, Cap.412A, gives power to counties to establish other public funds. It is on this basis that the County Government of Narok established a bursary and scholarship Fund. The Section also provides that allocations to the Fund should be within the established legal structures and also clarifies the roles and responsibilities of different Government entities involved in the management of bursary funds. This is intended to ensure that the County Government of Narok adheres to financial regulations and accountability principles in the management of Bursary Fund.

3.4 The County Government of Narok established the Narok County Bursary Fund Act, 2013 and the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022. The Act and the regulation outline key aspects in the establishment and management of the Fund, establishment and functions of the County Bursary Management Board and Ward Bursary Committees, sources of funding, establish the criteria for determining who is eligible to receive bursary and scholarship funds, establish the procedures for application and disbursement of bursary and scholarship funds. Additionally, they provide for monitoring

mechanisms, and sets standards for transparency and accountability in the management of the Bursary Fund.

Bursary Committees and their Respective Roles

3.5 The roles of the County Bursary Management Board and the Ward Bursary Committees for the County Government of Narok are indicated in **Table 4.**

Table 4: Bursary Committees and Their Respective Roles

Committee	Roles
County Bursaries Management Board	• Formulate policies to regulate management of Fund. • Raise and solicit funds for management of the activities of the Board. • Set criteria and conditions governing administration and award of bursaries. • Receive any grants made towards the Fund. • Consider appeals from the Ward Committee. • Grant bursary funds to eligible students upon recommendations from the Ward Committees.
Ward Bursary Committees	• Receiving and considering bursary applications. • Recommending to the Board the grant and award of bursaries to eligible students. • Conducting research and maintaining data on the eligibility for bursaries. • Monitoring the academic performance of bursary recipients. • Performing any other duties as may be assigned by the Act.

Source: Narok County Bursary Act, 2013

Other Key Actors in the Provision of Bursaries and Scholarships

3.6 Apart from the County Government of Narok, there are several other key actors involved in provision of bursaries and scholarships as summarised in **Table 5.**

Table 5: Key Actors in the Provision of Bursaries and Scholarships

Institution	Role
National Governments Administrative Officers	The Officers are responsible for the coordination of National Government functions in their respective jurisdictions. Therefore, the chiefs and assistant chiefs help in identification of potential beneficiaries by vetting the applicants and recommending the applications for onward processing by the County Bursaries Management Board and Ward Bursary Committees.
Other Bursary Providers (Ministry of Education, National Government Affirmative Action Fund, National Government -Constituency Development Fund and Presidential Secondary Schools Bursary)	Providing bursaries and scholarships to needy learners. The County Government of Narok is therefore expected to liase with these entities to avoid duplications in allocation of bursaries and scholarships to learners within Narok County.
The National Treasury and Economic Planning	Disbursement of bursary and scholarship funds to the County Government.

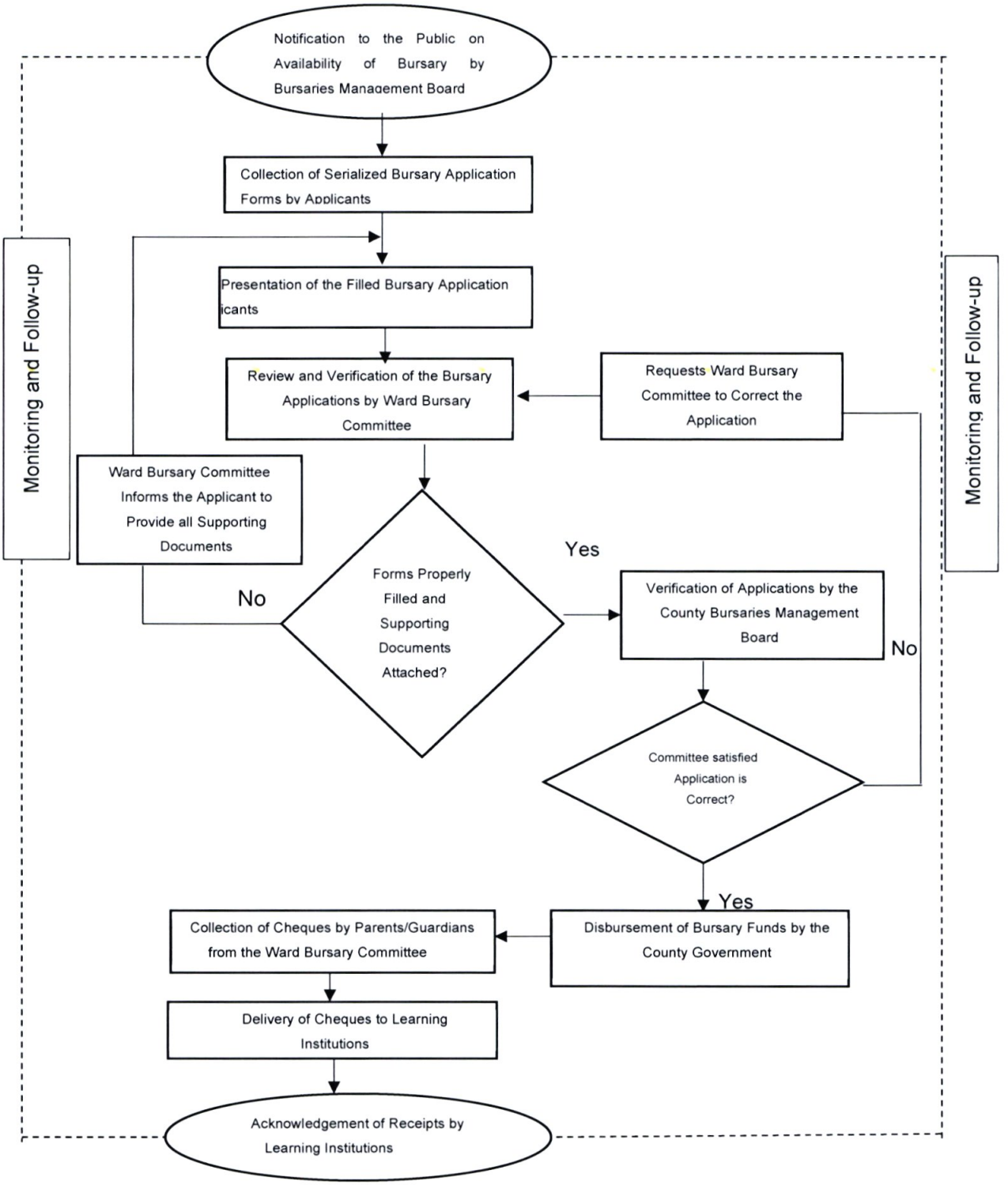
Source: OAG review of legal frameworks on key actors

Process Description for Issuance of Bursaries and Scholarships

3.7 The County Bursaries Management Board is expected to announce the availability of funds through local media, and notices in strategic ward locations, providing details on application procedures and requirements. Applicants collect serialized forms, which must be completed and submitted to the Ward Bursary Committee within thirty (30) days.

3.8 The Committee then reviews and considers applications within fourteen days. After vetting, the Committee submits a list of recommended beneficiaries to the Board for approval. Once approved, the bursary is disbursed via a bank cheque made out to the educational institution, along with a list of beneficiaries. The institution must provide a written acknowledgment for accounting purposes, and the Committee is responsible for monitoring the academic performance of the recipients. **Figure 1** depicts the process involved in the provision of bursaries and by County Government of Narok

Figure 1: Process Description for Issuance of Bursaries



Source: OAG review of county bursary and scholarship guidelines and interviews

3.9 County Government of Narok funds its bursary activities primarily through the Exchequer allocations. Review of County Government of Narok's financial statements and the vote books indicated that the County set aside a budget of Kshs.5.2 billion to support activities in the Department of Education. Of this amount, Kshs.1.3 billion accounting for **26%** of the education budget was earmarked for bursary administration as indicated in **Table 6.**

Table 6: Education Budget and Allocation to Bursaries

Financial Year	Total Education Budget	Bursaries	
		Budget Allocation	% of Total Education Budget
2021/2022	1,162,669,354	90,094,929	7.75%
2022/2023	1,167,338,186	372,115,731	31.88%
2023/2024	1,316,660,292	400,185,364	30.39%
2024/2025	1,587,878,907	460,000,000	28.97%
Total	**5,234,546,739**	**1,322,396,024**	**26.26%**

Source: OAG analysis of the County Government of Narok financial documents

CHAPTER 4: AUDIT FINDINGS

4.1 The Narok County Bursary Management Board has made progress in the provision of bursaries and scholarships in the County. Review of the beneficiary lists revealed that the County had cumulatively issued bursaries and scholarships to 159,922 beneficiaries between the financial years 2021/2022 and 2024/2025, across all the thirty (30) Wards. Despite this achievement, there were weaknesses that hindered the full realization of the intended objectives, as discussed below:

I. Inadequate Identification of Needy Learners

4.2 Regulation 12 (3) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, stipulates that a person applying for a bursary shall collect a serialized prescribed application form and return it duly filled to the Committee within thirty (30) days of the date of publication of the notification. Regulation 13 (1) requires the Ward Bursary Committees, after vetting, to forward the list of recommended applicants to the Management Board and Executive Committee for approval.

4.3 Further, Regulation 14 (1) and (2) require that all beneficiaries shall be vetted through a transparent, democratic, equitable, and fair community-based process to ensure that a widespread cross-section of needy students in the County are reached. The regulations require bursary applications to be accompanied by: documentation that proves that an applicant resides in the respective Ward; a letter of admission to the learning institution in the case of a new applicant; a school fee structure and a copy of a certified student identification card; or such other documentation as the Board may require through notification.

4.4 Review of two hundred and two (202) sampled bursary application forms for the financial years 2021/2022 to 2024/2025 indicated that bursaries were awarded to beneficiaries with incomplete application forms. The audit revealed that two hundred and one (201) representing 99.5% of the sampled application forms were not approved by the Executive Committee, and were not properly completed by the applicants and lacked some required information as indicated in **Table 7.**

Table 7: Missing Information in Sampled Bursary Application Forms

Required Information	Number of Forms Missing Information out of the 202 Applications	Percentage %
Forms where Executive Committee approval was not filled	201	99.5%
Application forms not duly completed by applicants	193	95.5%
School endorsement section not filled	171	84.7%
Forms without serial numbers	107	53.0%
Ward Committee approval not duly filled	30	14.9%

Source: OAG Analysis of Sampled Application Forms

4.5 Further, review of the two hundred and two (202) sampled forms revealed that only fifty-nine (59) representing 29% had the required documentation, while one hundred and forty-three (143), representing 71% were not fully supported as they lacked various documents as indicated in **Table 8.**

Table 8: Missing Documentation in the Application Forms

Required Attachment	Number of Forms Missing the Documentation out of the 143	Percentage %
Report Form	89	62%
Birth Certificate	42	29%
Transcript	33	23%
Fee Statement	28	20%
Fee Structure	24	17%
Applicant ID/ National ID/ Student ID	6	4%
Disability card	3	2%
Admission Letter	2	1%
Death Certificate	2	1%

Source: OAG Analysis of Sampled Application Forms

4.6 The inadequate identification of needy learners was attributed to ineffective oversight of the bursaries and scholarship activities of the Ward Education Bursary Committees by the County Bursaries Management Board. As a result, needy and deserving students were not identified, negatively impacting on the objectives of the Programme.

II. Inadequate Allocation and Award of Bursaries

4.7 Regulation 13 (4) of the Public Finance Management (Narok County Bursaries Fund) Regulations 2022, mandates the Committee to award scores against the required criteria out of a possible one hundred percentage. Among the key documents applicants are required to submit are the school fee structure and fee statement, which provide evidence of the extent of the applicant's financial need.

4.8 Interviews with committees in three (3) out of the five (5) sampled wards indicated that during the financial year 2024/2025, seven thousand and fifty-five (7,055) applicants representing 64% of the total 11,000 applicants were not awarded bursaries, as indicated in **Table 9.**

Table 9: Analysis of Bursary Applications Versus Awards

Ward	Applications Received in 2024/2025 Financial Year	Number of Awards	Unsuccessful Applicants	Percentage of Applicants Not Awarded
Melili	2,000	1,333	667	33%
Mosiro	3,000	1,445	1,555	52%
Olololulung'a	6,000	1,167	4,833	81%
Total	**11,000**	**3,945**	**7,055**	**64%**

Source: OAG Analysis of Ward Bursary Committee Interview Minutes

4.9 In addition, comparative analysis of the annual number of awarded bursaries and scholarship and the total number of beneficiaries during the four (4) years under review indicated that they received an average of Kshs.8,400, covering an average of 21% of the approved school fees for Extra-County and County Schools as illustrated in **Table 10.**

Table 10 : Average Ward Bursary Allocations

Financial Year	Total Amount Issued	Number of Beneficiaries	Standard School Fees	Average Amount Awarded	Percentage of Fees Covered
2021/2022	449,562,400	52,406	40,535	8,600	21%
2022/2023	371,680,260	44,880	40,535	8,300	20%
2023/2024	333,087,620	41,707	40,535	8,000	20%
2024/2025	185,076,700	20,929	40,535	9,000	22%
Grand Total	**1,339,406,980**	**159,922**	**40,535**	**8,400**	**21%**

Source: OAG Analysis of Bursary Beneficiary Lists

4.10 The inadequate allocation and award of bursaries was attributed to inadequate needs assessment by the Ward Bursary Committees, who did not score applicants as required. In addition, the Fund Regulations did not specify the minimum and maximum allocations, leaving the awarded amounts to the discretion of the Committees. Further, the limited allocation was attributed to an effort to spread the funds to as many beneficiaries as possible for political gain.

4.11 Consequently, the objective of the Programme was undermined as financially needy students with substantial fee arrears were at risk of discontinuing their education, while students with comparatively lower financial needs benefitted from the bursary allocations.

III. Multiple Awards of Bursaries to Beneficiaries

4.12 Regulation 13 (2) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, stipulates that in recommending the award of bursary, the Ward Bursary Committee shall be guided by the principle of fairness and, ensure that funds are equitably distributed in the Wards. In addition, best practice requires that bursaries must be allocated equitably, reaching a wider range of deserving individuals and explicitly preventing multiple awards to the same applicant to maximize their impact and ensure fairness.

4.13 Review of beneficiary records for financial years 2021/2022 to 2024/2025 indicated that 3,123 learners received multiple bursaries within and across wards totaling Kshs.66,243,193 as detailed in **Table 11.**

Table 11: Multiple Bursary Awards to Beneficiaries[3]

Financial Year	Number of Awards During the Year	Number of Beneficiaries	Total Amount Awarded (Kshs)
2024/2025	2	951	17,709,000
	3	41	1,291,000
	4	8	507,000
	5	3	142,000
	Total	**1,003**	**19,649,000**
2023/2024	2	149	2,159,000
	Total	**149**	**2,159,000**
2022/2023	2	1,261	27,368,192
	3	157	5,140,000
	4	82	3,443,000
	5	8	481,000
	6	1	150,000
	Total	**1,509**	**36,582,192**
2021/2022	2	427	6,794,000
	3	32	897,000
	4	1	20,000
	6	1	57,000
	7	1	85,000
	Total	**462**	**7,853,000**
	Grand Total	**3,123**	**66,243,192**

Source: OAG Analysis of Narok County Bursary Awards

4.14 Multiple allocations of bursaries were attributed to lack of a coordination framework among the Wards within the County. In addition, the County Bursary Management Board had not established an information system to integrate beneficiary data across the Wards. Further, there was a lack of independence in the vetting process at the Ward level, where informal social networks exerted undue influence over selection. In addition, spreading of funds thinly resulted in significantly low awards, prompting learners to apply multiple times in the hope of securing enough funds to cover their fees.

4.15 Further analysis of the 3,123 beneficiaries who received multiple awards revealed that one hundred and four (104) beneficiaries, representing 3%, received amounts above the approved fees for County boarding schools by Kshs.241,611, as indicated in **Table 12.**

[3] The analysis of multiple allocations is bulky and is available upon request

Table 12: Overpayments Above Approved Fees for County School

Financial Year	Number of Awards During the Year	Number of Beneficiaries	Average Award Per Beneficiary	Amount Above Kshs.40,535 approved fees
2024/2025	4	8	63,375	22,840
	5	3	47,333	27,333
2022/2023	4	82	21,704	1,453
	5	8	41,988	19,590
	6	1	60,125	109,465
2021/2022	6	1	57,000	16,465
	7	1	85,000	44,465
Total number of beneficiaries		**104**		**241,611**

Source: OAG Analysis of Narok County Bursary Awards

4.16 Based on the annual tuition fees approved by the State Department for Basic Education, the total overpayment of Kshs.241,611 could have supported other learners for one (1) academic year, as shown in **Table 13.**

Table 13: Number of Students who Would Have Benefitted from the Overpayments

Category of School	Standard Fee Approved Ministry of Education	Total Overpayments from 2021/2022-2024/2025	Number of Students Who Would Have Benefited from the Overpayments
National	53,554	241,611	5
County	40,535	241,611	6
Day	22,244	241,611	11

Source: OAG analysis of the overpayments based on approved fee structure

IV. Lack of Transparency in Awards for Funds Allocated to Office of the Governor and Special Interest Individuals

4.17 Regulation 13 (2) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022 , stipulates that in recommending the award of bursary, the Ward Bursary Committee shall be guided by the principle of fairness in allocating monies and ensure equitable distribution in allocation of monies to all parts of the Ward. In addition, best practice requires that bursaries and scholarships be allocated equitably, reaching a wider range of deserving individuals to maximize their impact and ensure fairness.

4.18 Review of Board minutes dated 18 January, 2024 established that the County Bursary Board made allocations of Kshs.65,118,000 in the Financial Year 2023/2024 to the Office of the Governor and for special interest individuals based on the nineteen (19) Nominated Members of the County Assembly (MCA), as shown in **Table 14.**

Table 14: Allocation to Office of the Governor & Special Interest Individuals

Bursary and Scholarship Vote	Basis of Allocation (Kshs)	Total Allocation (Kshs)
19 Nominated MCAs Special Interest Allocations	1,500,000 per MCA	28,500,000
Office of the Governor Vote		36,618,000
Total		**65,118,000**

Source: OAG Review of Narok County Bursary and Scholarship Disbursement Schedules

4.19 Interviews with the County Bursary Board members revealed that parents sought bursary support from the nominated Members of County Assembly (MCAs), hence these allocations were meant to cater for such varying populations across the different wards and also serve as an affirmative intervention. However, the Board did not provide documentation to ascertain that the beneficiaries under these allocations were vetted through a transparent, democratic, equitable, and fair community-based process. The allocations were attributed to political considerations as it provided discretion in award of bursaries and scholarships by the elected leaders outside established oversight structure.

4.20 Failure to ensure transparency in allocating the funds may have resulted to needy and deserving students missing out on bursaries and scholarships, and thus negatively impacting on the objectives of the Programme. Based on the annual tuition fees approved by the State Department of Basic Education, the special allocation of Kshs.65,118,000 could have paid full year school fees for needy learners for one (1) academic year, as shown in **Table 15.**

Table 15: Number of Students Who Would Have Benefited from the Special Allocation

Category of School	Standard Fee Approved Ministry of Education	Total Special Allocation	Number of Students Who Would Have Benefited from the Special Fund
National Schools	53,554	65,118,000	1,216
County Schools	40,535	65,118,000	1,606
Day Schools	22,244	65,118,000	2,927

Source: OAG analysis of the special allocation based on approved fee structure

V. Inefficient Bursary Data Management System

4.21 Section 149 (2) of the Public Finance Management Act, Cap.412A requires that all financial and accounting records that the entity keeps in any form, including in electronic form, are adequately protected, and backed up. Good practice requires that County governments develop and operate a records management system that not only provides for safe custody but also ensures efficient retrieval of information.

4.22 Both Section 14(c) of the Narok County Bursaries Act, 2013, and Regulation 15(9) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, require that the Ward Committees and the Board maintain comprehensive data on student eligibility and beneficiary records. Further, Regulation 7 of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, requires the Committees to ensure that proper minutes and records of all meetings are maintained, while Regulation 15(1) thereof requires the Committees to submit the list of recommended beneficiaries and minutes of the proceedings to the Board.

4.23 The audit revealed that the Bursary Management Board had not put in place a Bursary Data Management System to manage records and ensure efficient information retrieval. In addition, the Board did not provide the minutes of meetings for vetting and award of beneficiaries for the financial years 2021/2022 to 2023/2024.

4.24 Review of documents also revealed that during the financial year 2022/2023, the Board submitted a Concept Note to the County Executive on implementing a Bursary Management Information System to automate bursary and scholarship

processes and procedures and facilitate electronic generation of cheques and disbursement cover letters. However, approval had not been granted by the Executive as at the time of the audit.

4.25 The inefficient bursary data management system was attributed to failure by the Bursary Management Board and the County Executive to prioritize adoption of a management information system for capturing, storing, and managing bursary and scholarship data and information. Inefficient data management compromised the processes of identification, vetting, and allocation to bursary applicants, resulting in the exclusion of deserving applicants and multiple awards. It also compromised data security and created a risk of permanent information loss, while making information retrieval a challenge.

VI. Inadequate inclusion of Persons with Disabilities in Award of Bursaries

4.26 Target 4.5 of the Sustainable Development Goal 4 requires the Government to ensure equal access to all levels of education and vocational training for persons with disabilities by 2030. Additionally, Regulation 13 (3) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, requires the Ward Bursary Committee to prioritize various special categories of applicants, including persons with disabilities.

4.27 Interviews with the Narok County Bursary Management Board indicated that they prioritized applicants living with disabilities who provided supporting documentation, such as a disability identification card. Further, interviews with the three (3) sampled Ward Bursary Committees highlighted various measures for ensuring inclusion of learners with disabilities during the selection process, as indicated in **Table 16.**

Table 16: Measures for PWD Inclusion during the Selection Process

Ward Bursary Committee	Measures for PWD Inclusion during the Selection Process
Mosiro	• Appointed a representative for Persons with Disabilities to the Committee to assist in the identification process. • Prioritized bursary awards for learners with disabilities and families with PWD parents.
Ololulung'a	• Utilized Chiefs and village elders to assist in the identification of persons with disabilities.
Melili	• Leveraged records maintained by Chiefs to identify and verify Persons with Disabilities.

Source: Interviews with the Bursary Ward Committees

4.28 However, despite the Ward initiatives to prioritize learners living with disabilities, review of application forms and beneficiary lists for the financial years 2021/2022 to 2024/2025 revealed minimal inclusion of learners with special needs. The board received minimal applications due to community stigmatization. This indicates that the Board had not made deliberate efforts to reach out to stakeholders and ensure inclusion of learners with disabilities in award of bursaries.

4.29 Failure to include learners with special needs and disabilities in bursary awards directly undermines the County's ability to achieve Sustainable Development Goal 4, which aims to ensure equal access to education for all vulnerable groups, including persons with disabilities, by the year 2030.

VII. High Administrative Expenses incurred During the Financial Years 2021/2022 and 2024/2025.

4.30 Section 6(3) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022 stipulates that the administrative costs of the Fund shall not exceed three percent (3%) of the approved budget of the Fund. Review of the audited Bursary Fund financial statements and banking records revealed that the administrative expenses exceeded the statutory 3% in the financial years 2021/2022 and 2024/2025 resulting an over expenditure of Kshs. 12,291,311 as shown in **Table 17.**

Table 17: Analysis of Administrative Expenses

Financial Year	Approved Budget Allocation	3% Threshold	Actual Administrative expenses (Kshs)	Amount by which the 3% Threshold was Exceeded	Percentage of Administrative Cost to the Approved Budget
2021/2022	195,000,000	5,850,000	7,153,044	1,303,044	3.67%
2022/2023	376,500,000	11,295,000	6,740,636	-	1.79%
2023/2024	379,000,000	11,370,000	4,179,238	-	1.10%
2024/2025	402,000,000	12,060,000	23,048,267	10,988,267	5.73%
Total				**12,291,311**	

Source: OAG Review of Narok County Bursaries Budget and Financial Statements

4.31 The excess amount incurred was due to failure by the Board to adopt electronic mode of disbursement which is more efficient and cost effective. It was also caused by political considerations due to publicity arising from the bursary award ceremonies that involve issuance of individual cheques to beneficiaries.

4.32 Based on the annual tuition fees approved by the State Department of Basic Education, the excess of expenditure of Kshs.12,291,311 could have paid full year school fees for needy learners in different categories of Schools, as shown in **Table 18.**

Table 18: Opportunity Cost for the Excess Administrative Expenses

Category of School	Approved Standard Fees	Total Extra Administrative Expenses for the four Financial Years	Number of Students Who Would Have Benefitted
National	53,554	12,291,311	230
County	40,535	12,291,311	303
Day	22,244	12,291,311	553

Source: OAG analysis of the extra administrative expenses based on approved fee structure

VIII. Lack of a Structured Grievance Redress Mechanism

4.33 The Public Sector Complaints Handling Guide, 2016 states that a complaint handling mechanism should be established in every public institution to ensure that complaints are given the necessary attention, to improve the delivery of services. Even where complaints are integrated into the service delivery process, there should be a designated section, office, or unit that bears the primary responsibility for the handling of complaints in the institution. It also underscores the need for all

public institutions to establish delineated complaint-handling mechanisms that are part and parcel of service provision to the public.

4.34 Additionally, Regulation 16(1) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022, stipulates that a person who is aggrieved by the decision of the Committee may appeal to the Board within thirty (30) days of the Committee's decision.

4.35 Interviews with the Narok County Bursary Fund Board members indicated that they received both verbal and written complaints from applicants, upon which they liaised with the Ward Bursary Committees to verify facts. However, interviews with the Ward Bursary Committee members revealed that mechanisms for handling complaints from unsuccessful bursary applicants was inconsistent and informal across the Wards, as indicated in **Table 19.**

Table 19: Grievance Handling Mechanisms in the Sampled Wards

Ward	Responses Provided in Relation to Handling Grievances
Ololulung'a	• The Ward maintained grievances register. • Complaints from unsuccessful applicants were submitted through the Ward Administrator's office or polling station representatives. The Committee followed up to confirm whether such applicants had received awards in previous cycles.
Mosiro	• The Committee received and recorded complaints from unsuccessful applicants for consideration during the subsequent bursary issuance cycle.
Melili	• The Committee did not maintain a grievance register. • The Committee expressed a need for training on standardized grievance handling procedures.

Source: Interviews with the Bursary Ward Committees

4.36 The absence of a structured grievance redress mechanism across the various Wards was attributed to lack of formal operational guidelines for recording, follow-up and resolution of grievances. This resulted in lack of transparency and accountability thus undermining public trust on administration of bursary and scholarship funds in the County.

IX. Inefficiencies in the Mode of Bursary Disbursement

4.37 Regulation 13(2)(f) of the Narok Public Finance Management Bursaries Regulations, 2022, stipulates that in recommending applicants for the award of

bursary, the Committee shall be guided by the principle of efficiency in funds disbursement. In addition, Section 15 (7) stipulates that the bursary funds shall be disbursed by way of a banker's cheque issued in the name of the institution and with a list of beneficiaries, closed and signed by the Secretary of the Board.

4.38 However, the stipulated method of disbursement led to inefficiencies in funds disbursement. Review of bursaries and scholarships disbursements records, bank reconciliation statements and bank account statements for the financial year 2024/2025 revealed inefficiencies relating to bounced cheques, stale cheques and bank charges as detailed in **Table 20.**

Table 20 : inefficiencies from Cheque Disbursements

Financial Year	Bounced Cheques (Kshs.)	Stale Cheques (Kshs.)	Bank Charges (Kshs.)	Cheque Commission (Kshs.)	Total Amount (Kshs.)
2024/2025	355,000	5,390,000	22,835,607	101,700	**28,682,307**

Source: OAG analysis of Narok County Bursary Fund Bank Records

4.39 The significant bank charges of Kshs.22,835,607 were attributed to issuance of individual cheques to all the beneficiaries. Further, weak coordination between Ward Committees and the beneficiaries delayed cheque collection, leading to stale cheques. Furthermore, cheques deposited into bursary bank accounts bounced because the issuing accounts lacked sufficient funds.

4.40 Consequently, re-issuance of bounced cheques delayed the fee clearance process for needy learners. In addition, the needy beneficiaries risked being omitted during reissuance of cheques due to inadequate vetting and verification procedures. Based on the annual tuition fees approved by the State Department of Basic Education, the amount of Kshs.28,682,307 arising from anomalies in cheque disbursements could have paid annual school fees for additional needy learners in different Schools, as detailed in **Table 21.**

Table 21: Opportunity Cost relating to Anomalies in Cheque Disbursements

Category of School	Approved Standard Fees (Kshs)	Total Anomalies from Cheque Disbursements	Number of Students Who Would Have Benefited from the Anomalous Amount
National	53,554	28,682,307	536
County	40,535	28,682,307	708
Day	22,244	28,682,307	1,289

Source: OAG analysis of State Department for Basic Education approved fee structure versus the Anomalous amount from cheques disbursements

X. Inadequate Acknowledgement of Bursary Payments

4.41 Regulation 15 (8) of the Public Finance Management (Narok County Bursaries Fund) Regulations, 2022 stipulates that learning institutions shall acknowledge receipt in writing by issuing formal receipts to both the beneficiaries and the Board for accounting purposes.

4.42 The audit noted that the Board did not provide for verification acknowledgements for the bursaries disbursed during the financial years 2021/2022, 2022/2023 and 2024/2025. However, review of acknowledgement letters and receipts from the learning institutions for the Financial Year 2023/2024 revealed that Kshs.30,013,500 representing 8.3% of the total disbursements of Kshs.359,725,013 were acknowledged, while Kshs.329,711,513 representing 91.7% were not acknowledged, as shown in **Table 22.**

Table 22 : Total Disbursed Bursaries

Financial Year	Total Amount Awarded (Kshs)
2021/2022	192,929,700
2022/2023	369,669,812
2023/2024	359,725,013
2024/2025	469,211,400
Total	**1,391,535,925**

Source: OAG Analysis of Narok County bursary & scholarship records

4.43 Lack of acknowledgement for disbursed bursaries was attributed to adoption of individual cheques drawn in the name of beneficiaries as a mode of disbursement of funds and ineffective monitoring and follow up with learning institutions to ensure acknowledgement of receipts and submission of of returns to the County Bursary Management Board and the Ward Bursary Committees. Accountability over

bursary disbursements was undermined, increasing the risk of diversion and misappropriation of funds.

4.44 In addition, intended learners may have failed to benefit from the funds even after the institution had received payment, as their individual fee accounts may not be credited in a timely manner. Further, the intended beneficiaries may not have fully benefited from the bursary allocations as learners could have been incorrectly recorded as having fee arrears despite bursary payments having been made on their behalf, exposing them to penalties such as exclusion from classes, or other school activities.

XI. Inadequate Monitoring of the Bursary and Scholarship Programme

4.45 Part IV Section 14 (d) of the Narok County Bursary Act, 2013 requires Ward Bursary Committees to monitor the academic performance of the bursary recipients. Interviews with the three (3) sampled Ward Bursary Committees and the Narok Bursaries Management Board revealed various monitoring and evaluation activities, as indicated in **Table 23.**

Table 23 : Monitoring of Bursary Activities

Bursary Management Board/Ward Bursary Committees	Responses Provided on Monitoring and Follow-up Activities Undertaken
The Board	• The Board relied on information provided by Ward Administrators, representatives of Members of the County Assembly, and social media reports. • Undertook quarterly evaluation meetings with Ward Committees to help identify areas for improvement.
Mosiro	• The Committee relied on chiefs for information provided through school heads on learners who drop out of school.
Ololulung'a	• The Committee conducted follow-up through the heads of learning institutions to verify beneficiaries school attendance. • The Committee collaborated with chiefs and village elders to ensure that beneficiaries transition to secondary institutions during learner enrollment drives.
Melili	• The Committee utilized issued cheque numbers to verify student status with school heads. • The Committee verified that all applicants were bona fide students at their respective institutions prior to bursary award.

Source: OAG analysis of the Board and Ward Bursary Committees interview minutes

4.46 However, the Board and Ward committees did not provide documented feedback reports or minutes on follow up of identified recommendations for improvement.

Further analysis of the information provided during interviews revealed that the Committees focused on beneficiaries' school attendance while neglecting academic performance.

4.47 The inadequate monitoring was attributed to lack of a standardized framework for monitoring, follow-up and reporting on the implementation of the Programme. Inadequate monitoring and evaluation hindered the County's ability to enhance the bursary programme effectiveness, preventing the timely identification of gaps and the prompt implementation of corrective measures. Iinadequate monitoring and evaluation limited the County's ability to assess and improve the effectiveness of the bursary programme, hindering the timely identification of implementation gaps and weaknesses.

XII. Other Finding: Doubtful Continued Provision of Bursaries to Learners in National Government Institutions

4.48 The Fourth Schedule of the Constitution of Kenya on distribution of functions between the National Government and the county governments gives the counties the powers and functions for pre-primary education, village polytechnics, homecraft centres and childcare facilities. Further, Section 26 of the Intergovernmental Relations Act, 2012 requires transfers or delegation of powers, functions, or competencies between National and County Governments to be by a written agreement.

4.49 The audit established that County Government of Narok disbursed bursaries and scholarships to learners in secondary, universities, and colleges; institutions that fall under the mandate of the National Government. Analysis of list of beneficiaries revealed that the highest proportion of bursaries and scholarship funds were allocated to learners in National Government Institutions; which accounted for at least 96% of allocated funds in financial years 2021/2022 to 2024/2025. In contrast, vocational training institutions which fall within the County's devolved mandate, received less than 1% of total disbursements over the same period, as shown in **Table 24.**

Table 24: Disbursement of Funds to the Various Beneficiary Institutions

Financial Year	Category of Institution	Amount (KSh)	Number of Students	Percentage Disbursement Per Institution
2021/2022	Secondary Schools	141,839,900	18,845	80.24%
	Universities	19,683,000	1,432	11.14%
	Colleges	11,127,000	961	6.29%
	Vocational / Training Centres	575,000	32	0.33%
	Early Childhood Development Education	409,000	23	0.23%
	Driving Schools	860,800	78	0.49%
	Unclassified	2,267,300	21	1.28%
Total		**176,762,000**	**21,392**	**100.00%**
2022/2023	Secondary Schools	290,197,000	36,920	78.50%
	Universities	53,187,092	4,109	14.39%
	Colleges	21,845,420	1,816	5.91%
	Vocational / Training Centres	513,500	61	0.14%
	Early Childhood Development Education	53,000	5	0.01%
	Driving Schools	2,612,300	190	0.71%
	Special Schools	300,000	33	0.08%
	Unclassified	961,500	82	0.26%
Total		**369,669,812**	**43,216**	**100.00%**
2023/2024	Secondary Schools	282,801,020	36,857	75.65%
	Universities	52,030,100	4,296	13.92%
	Colleges (incl. Early Childhood Development Education, Technical and Vocational Eeducation Training, Teachers Training Colleges)	33,315,140	3,211	8.91%
	Vocational / Training Centres	2,515,000	325	0.67%
	Driving Schools	981,000	54	0.26%
	Unclassified	2,197,000	286	0.59%
Total		**373,839,260**	**45,029**	**100.00%**
2024/2025	Secondary Schools	328,727,100	41,550	70.06%
	Universities	72,149,000	5,858	15.38%
	Colleges	58,577,500	5,140	12.48%
	Vocational / Training Centres	2,890,400	340	0.62%
	Early Childhood Development Education	2,543,000	141	0.54%
	Driving Schools	2,883,400	251	0.61%
	Unclassified	1,441,000	129	0.31%
Total		**469,211,400**	**53,409**	**100.00%**

Source: OAG analysis of list of beneficiaries

4.50 The doubt in provision of bursaries and scholarships to learners in institutions under the National Government was attributed to failure by County Government of Narok to prioritize design and execution of an Intergovernmental Partnership Agreement that meets the required procedural and legal standards. The sustainability of the bursary and scholarship Programme is thus doubtful. In addition, the County resources were misapplied at the expense of learners in institutions that fall under the devolved functions like pre-primary education, village polytechnics, homecraft centres and childcare facilities.

CHAPTER 5: CONCLUSION

5.1 The County Government of Narok has not ensured adequate and equitable allocation of bursaries and scholarships to needy and vulnerable learners as applicants were awarded without regard to assessed socio-economic vulnerability or need. Ineffective control and oversight, unstructured Grievance Redress Mechanism, weaknesses in the information management system undermined collaboration among the wards and other bursary providers, hindered evidence-based decision-making, equity, accountability and transparency in the bursary and scholarship programme. In addition, the County did not ensure prudence in the utilization of administrative expenses.

5.2 The County Government of Narok has not ensured timely disbursement of bursary and scholarships funds to learning institutions due to inefficiencies associated with the cheque system of payments. There was minimal acknowledgment of received bursary and scholarship funds by learning institution and ineffective monitoring and evaluation framework. In addition, delay in execution of an Intergovernmental Partnership Agreement between the County and the National Government undermined accountability and reduced the efficiency of programme implementation.

CHAPTER 6: RECOMMENDATIONS

6.1 Based on the findings and conclusions of the audit, the following recommendations are proposed for implementation by County Government of Narok and key stakeholders, in the provision of bursaries and scholarships to needy learners:

6.2 To ensure adequate and equitable allocation of bursaries and scholarships to needy learners, the Narok County Bursary Management Board should:

a) Strengthen its oversight of ward-level verification of bursary application forms, vetting of applicants and implement regular reporting mechanisms by the Ward Bursary Committees;

b) In collaboration with the Ward Bursary Committees develop a formal Needs Assessment Tool that assigns scores based on applicant's vulnerability status on specific verifiable criteria such as family status, household income, and special circumstances; and

c) Set bursary and scholarship award limits to eliminate inconsistencies in decision-making across wards, reduce the risk of spreading funds too thinly among beneficiaries, and align allocations with the fee structures approved by the State Department for Basic Education.

6.3 To prevent multiple allocation of bursaries to beneficiaries, the County Bursary Management Board should:

d) Lobby for the approval and adoption of the Concept Note on automation of the bursary and scholarship systems and processes, to promote information and data sharing and collaboration between Ward Bursary Committees; and

e) In collaboration with the State Department for Basic Education and Parliament, develop a multi-agency collaboration framework for bursary and scholarship providers and establish a centralized bursary and scholarship administration management system to enhance transparency in awarding of bursaries.

6.4 To increase awareness and uptake of the scholarship among learners with disabilities, the County Bursary Management Board should promote targeted outreach and sensitization among the community. They should also enhance collaboration with the National Council for Persons with Disabilities, County and Sub- County Education officers and heads of learning institutions to identify learners with disabilities and to facilitate timely applications for bursary and scholarships by this vulnerable group.

6.5 To ensure economy and efficiency in disbursement of funds to learning institutions, the County Bursary Management Board should adopt electronic funds transfer by leveraging existing platforms like Kenya Education Management Information System and the Integrated Financial Management Information System.

6.6 To guide the receipt, handling, documentation, and resolution of complaints the Narok County Bursary Management Board should develop and implement a formal grievance redress policy and accompanying Standard Operating Procedures. In addition, the Board should conduct public awareness outreach so that beneficiaries and applicants are informed of available grievance channels.

6.7 To ensure adequate monitoring of the bursary and scholarship fund, strengthen oversight of ward bursary committees, and enhance accountability, the Bursary Board should develop and implement a robust monitoring and evaluation framework and also explore the adoption of an integrated system with a monitoring interface.

6.8 To legally undertake the bursary programme to learners in institutions under the National Government, the Narok County Bursary Management Board should design and complete a formal intergovernmental transfer process and secure approval through gazettement by both the National Assembly and the County Assembly.

CONTACTS
3rd Floor, Anniversary Towers, University Way, Nairobi
Phone: +254 020 3214000 ● **Email:** oag@oagkenya.go.ke ● **Website:** www.oagkenya.go.ke

Office of the Auditor-General Kenya | Office of the Auditor-General, Kenya | @OAG_Kenya