

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

PAPERS LAID	
DATE	5/3/2025
TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	Angela

OF

THE AUDITOR-GENERAL

ON

**MURANG'A COUNTY EDUCATION
SCHOLARSHIP FUND**

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

Issued 30th June 2024



Murang'a County Education Scholarship Fund

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

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



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Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

a) Acronyms

CT	County Treasury
CIDP	County Integrated Development Plan
KSHS	Kenya Shillings
TNT	The National Treasury
TVETs	Technical and Vocational Educational Training Institutions
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
KUCCPS	Kenya Universities and Colleges Central Placement Service
TSC	Teachers Service Commission
DOB	Date of birth
MCA	Member of the County Assembly
CECM	County Executive Committee Member
CO	Chief Officer

a) Glossary of Terms

The Fund	Murang'a County Education Scholarship Fund
The Committee	Murang'a County Education Scholarship Fund Committee

b) Definition of Terms

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

**Murang'a County Education Scholarship Fund
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2. Key Entity Information and Management

a) Background information

Murang'a County Education Scholarship Fund is established by and derives its authority and accountability from Murang'a County Education Bursary Fund Regulations, 2021, Assented on: 28th September 2021. The Fund is wholly owned by the County Government of Murang'a and is domiciled in Kenya.

b) Principal Activities

The principal activity/ mandate of the Fund is to: -

- i. Provide financial assistance to the needy, orphaned and vulnerable students in Murang'a County, enrolled in secondary schools, universities, colleges and special primary or secondary schools.
- ii. Grant scholarships in accordance with the criteria established under the Act; and
- iii. Meet any expenditure related to administration of the Fund as may be approved by the Executive Member:

c) Fund Administration Committee

The Murang'a County Education Scholarship Fund day-to-day management is under the following key organs:

Ref	Name	Position
1	Faith Njoroge	CECM Education & Technical Training
2	Leonard Guchu	Chief Officer, Education
3	Martin Mbau	Director, Vocational Training
4	David Waweru	Deputy Director, Education
5	John Ng'ang'a	Asst. Director Education
6	James Ndung'u	Accountant
7	Angela Kioko	Chief Officer, Technical Training

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d) Fiduciary Management

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

Ref	Name	Position
1	Fund Manager/ Administrator	Leonard Guchu
2	Fund Accountant	James Ndung'u

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Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Samuel Kaaga
2	County Assembly Committee on Education	

f) Registered Offices

P.O. Box 52-10200

Murang'a, Kenya

g) Fund Contacts

Telephone: (254) 060-2030271

info@muranga.go.ke

Website: www.muranga.go.ke

h) Fund Bankers

1. Family Bank of Kenya

P.O. Box 74145-00200

Murang'a Branch, Kenya

Murang'a County Education Scholarship Fund
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Key Entity and Management (Continued)

i) Independent Auditor

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

j) Principal Legal Adviser

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

k) County Attorney

County Hall
P.O. Box 52-10200

Murang'a County Headquarters, Kenya



**Murang'a County Education Scholarship Fund
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3. Fund Administration Committee Profiles

Name	Details of qualifications and experience
<p>Faith Njoroge</p> 	<p>DOB 28/10/1967 Bachelor of Education Master in Education Graduate Teacher Experience: 26 years TSC Teacher 2 Year in the County Government</p>
<p>Leonard Guchu</p> 	<p>DOB 04/09/1983 Bachelor of Arts in Mass Communication Diploma in Journalism Experience: 15 years in communication 2 years in the County Government</p>
<p>Angela M. Kioko</p> 	<p>DOB 20/10/1986 Bachelor of Arts (Economics & Sociology) Diploma in Project Management (KIM) Experience: 5 Years Procurement Officer</p>
<p>Martin Mbau</p> 	<p>DOB 28/11/1982 Bachelor of Education Master's in Business Administration Graduate Teacher Experience: 12 years in International Schools 3 years in a state corporation 1 year in the County Government</p>
<p>James Ndung'u</p> 	<p>DOB 04/08/1992 Bachelor of Commerce (Finance) CPA(k) Certified Information Systems Auditor Certified Fraud Examiner</p>
<p>David Waweru</p>	<p>DOB 26/09/1966 Bachelor of Education</p>



Murang'a County Education Scholarship Fund

Annual Report and Financial Statements for the year ended June 30, 2024

	Senior Graduate Approved Teacher 1 Experience. 28 years as a TSC Teacher 6 years in the County Government.
<p>John Gituire</p> 	DOB 20/09/1965 Bachelor of Education Assistant Director Education Experience: 31 years

**Murang'a County Education Scholarship Fund
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4. Key Management Team

Name	Details of qualifications and experience
1. Leonard Guchu 	Bachelor of Arts in Mass Communication Diploma in Journalism <i>Fund Administrator</i>
2. James Ndung'u 	Bachelor of Commerce (Finance) CPA(k) Certified Information Systems Auditor Certified Fraud Examiner <i>Fund Accountant</i>

Murang'a County Education Scholarship Fund
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5. Chairman's Report

The year ended was ushered in with a new Chief Officer. The former Chief Officer Madam Angela Mueni Kioko was replaced by Leonard Guchu in January 2024.

The fund opened the year with a balance of Kshs 18,562,494 and received Kshs 251,994,480 from the county treasury and a donation from a well-wisher of Kshs 500,000 during the year. This amount was disbursed as scholarships and bursaries to deserving students from all thirty-five wards in the county.

Among the challenges the fund encountered during the financial year included an overwhelming number of needy students who come from families that were unable to fund their education due to the rising cost of living.

The fund intends to continue working with all stakeholders in providing assistance to students from needy and deserving students from the county to ensure they continue their schooling uninterrupted.

In conclusion, I would like to thank the Governor, the Education Committee of the County Assembly and all who have enabled this fund to fulfil its mandate.



.....
Faith W. Njoroge
CECM, Education & Technical Training

Chairman of the Fund Committee

Date 12/07/24

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of The Fund Administrator

Murang'a County Education Scholarship Fund is established and governed by the Murang'a County Education Scholarship Fund Regulations 2021. The fund's principal activity is to provide scholarships/bursaries to students from needy families in the County of Murang'a drawn from all thirty-five wards in a fair and transparent manner.

During the financial year ended June 30 2024, a total of six thousand, six hundred and four students from secondary schools, colleges, universities and special schools were awarded bursaries to assist them in paying for their school fees. The fund opened with a balance of Kshs. 18,562,494 and received Kshs. 251,994,480 from the county treasury and well-wishers and disbursed a total of Kshs. 245,036,000 to remain with a balance of Kshs. 6,870,093.

Among the challenges that the fund encountered in the financial year included an overwhelming number of needy students who come from families that were unable to adequately fund their education amid rising costs of living. While the Fund would have wanted to give bursaries to all who had applied, the reality is that there can never be enough funds for this. Aware of this, the fund has put in place structures that ensure only the most deserving students receive the assistance. The measures put in place include;

- i) Involvement of area MCAs
- ii) Involvement of local administration
- iii) Involvement of faith leaders
- iv) Involvement of school heads.

Going forward, the fund will endeavour to include as many needy students as the funds are available.



Leonard Guchu
Fund Administrator

Murang'a County Education Scholarship Fund
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7. Statement of Performance Against Predetermined Objectives for FY 2023/2024

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of Murang'a County Education Scholarship Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of Murang'a County Education Scholarship Fund performance against predetermined objectives.

The key objectives of Murang'a County Education Scholarship Fund are to Provide financial assistance to the needy, orphaned and vulnerable students in Murang'a County, enrolled in secondary schools, universities, colleges and special primary or secondary schools.

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
<i>Murang'a County Education Scholarship Fund</i>	<i>To improve access to education for needy students</i>	<i>50,919 students were provided with bursaries and accessed education uninterrupted</i>	<i>No of beneficiaries.</i>	<i>50,919 beneficiaries in FY 2023/24 learned uninterrupted</i>

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

8. Statement of Corporate Governance

The committee shall be appointed by the Governor and shall include;

- i. CECM Education
- ii. Two chief officers from The Department of Education
- iii. Two Directors from The Department of Education
- iv. The Departmental Accountant
- v. Member nominated by The Governor.

A member of the committee shall vacate office if

- a) At any time resign from office by notice in writing to the Executive Committee Member.
- b) Be removed from office by the Executive Committee Member if –
 - (i) Has been absent from three consecutive meetings of the Committee without the permission of the chairperson;
 - (ii) Is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings;
 - (iii) Is convicted of an offence involving dishonestly or fraud;
 - (iv) Is adjudged bankrupt or enters into a composition scheme of arrangement with his creditors;
 - (v) Is incapacitated by prolonged physical or mental illness or is deemed otherwise unfit to discharge his duties as a member of the Committee; or

Fails to comply with the provision of the Fund Regulations relating to disclosure.

The functions of the committee are;

- i) Receive and review applications for scholarships
- ii) Determine and award scholarships
- iii) Carry out other roles necessary for the implementation of the objective and purpose of the fund.

In the conduct of the functions of the committee, the following are the guiding principles;

- i) Fairness and equity
- ii) Inclusivity and non-discrimination
- iii) Public participation
- iv) Accountability and transparency
- v) Efficiency.

The committee held four meetings in the course of the financial year with the maximum allowed in a financial year being twelve (12).

No committee member declared or had a conflict of interest during the financial year

Murang'a County Education Scholarship Fund
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9. Management Discussion and Analysis

Section 166 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by Murang'a County Education Scholarship Fund Regulations 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 Murang'a County Education 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 end of the financial period ended on June 30 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of Murang'a County Education Scholarship Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Murang'a County Education Fund. 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 period ended June 30, 2024 and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of Murang'a County Education Scholarship 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 three months from the date of this statement.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Murang'a County Education Scholarship Fund's approach to sustainability focuses on ensuring funding for education and achieving excellence in line with current best practices in politics, economics, and the environment that characterize today's sustainability efforts. As attention to education and environmental issues increases, the Murang'a County

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Education Scholarship Fund has adjusted its objectives to align with these evolving priorities.

The Fund's top management is fully dedicated to development and incorporates it into decision-making procedures. This includes establishing enduring objectives that harmonize feasibility with environmental duties while conforming to global benchmarks, like the United Nations Sustainable Development Goals (SDGs), particularly Goal 4 (Quality Education) and Goal 13 (Climate Action).

2. Environmental performance

The Fund has implemented energy-saving lighting systems to decrease power usage by 20% in its work areas.

By transitioning from physical records and reducing paper usage, we have significantly reduced paper waste by 40%. This has been made possible by asking the public to submit applications electronically.

We prioritize working with environmentally conscious vendors to reduce waste in our procurement processes and supply chain operations.

3. Employee welfare

The Murang'a County Education Scholarship Fund upholds a commitment to ensuring a work environment in line with the regulations of the Occupational Safety and Health Act of 2007 (OSHA). Through health and safety assessments and employee education programs, following OSHA guidelines closely have notably reduced incidents of injuries.

4. Marketplace practices-

The company upholds policies against corruption to comply with fair competition laws and avoid biasing practices. Our dedication to transparency guarantees that everyone involved is treated equitably while maintaining a stance against bribery and corruption.

5. Corporate Social Responsibility / Community Engagements

To support the economy in our area, we back initiatives within the community, like vocational training programs. These programs aim to provide people with employment skills, encourage self-reliance, and lower unemployment rates in the region.

Murang'a County Education Scholarship Fund
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11. Report of The Fund Committee

Principal activities

The principal activities of the Fund are

- i. Grant scholarships in accordance with the criteria established under the Act
- ii. Meet any expenditure related to administration of the Fund as may be approved by the Executive Member:

Results

The results of the Fund for the year ended June 30, 2024 are set out from page 1

Trustees

The members of the Fund committee who served during the year are shown on page vii.

Auditors

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

By Order of the Committee



Date: 12/07/24

Faith W. Njoroge

CECM Education & Technical Training

Chair of the Fund Administration Committee

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Management's Responsibilities

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


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

The Administrator of the Murang'a County Education Scholarship 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 Murang'a County Education Scholarship Fund Regulations 2021. The Administrator of the Fund/Scheme is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

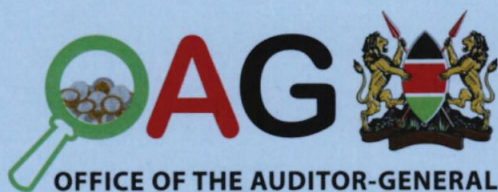
Approval of the financial statements

The Fund/Scheme's financial statements were approved by the Trustee/Committee on ____ 12th July ____ 2024 and signed on its behalf by:

.....


Administrator of the Murang'a County Education Scholarship Fund

REPUBLIC OF KENYA



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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON MURANG'A COUNTY EDUCATION SCHOLARSHIP FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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 Murang'a County Education Scholarship Fund set out on pages 1 to 18, which comprise the statement of financial

position as at 30 June,2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of Murang'a County Education Scholarship Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Murang'a County Education Scholarship Fund Regulations, 2021.

Basis for Qualified Opinion

Unsupported Expenditure - Hospitality

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects Kshs.19,150,881 in respect to use of goods and services which includes Kshs.8,843,200 in respect to hospitality which further includes payments totaling to Kshs.950,000 paid to a firm for provision of hospitality services. However, this was not supported by relevant documents including requisition, purchase order, invoice and contract agreement.

In the circumstances, the accuracy, propriety and completeness of expenditure amount of Kshs.950,000 in respect to hospitality could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Murang'a County Education 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis of Kshs.271,062,494 and Kshs.271,056,974 respectively resulting to an under-funding of Kshs.5,520. Similarly, the Fund expended Kshs.264,186,881 against an actual receipt of Kshs.271,056,974 resulting to an under-expenditure of Kshs.6,870,093 or 3% of the budget.

In the circumstances, the underfunding and under absorption of funds may have constrained execution of planned activities and delivery of services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

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 Profiles, Key Management Team, Chairman's Report, Report of the Fund Administrator, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, Statement of Corporate Governance, Report of the Trustees/Committee, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on 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 and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Over Expenditure on Administrative Costs

The statement of financial performance reflects Kshs.19,150,881 in respect to use of goods and services which represents administration expenditure for the Fund. The amount represents 7% of the Fund's approved budget of Kshs.271,062,494. This is

Report of the Auditor-General on Murang'a County Education Scholarship Fund for the year ended 30 June, 2024

contrary to Regulation (3)(c) of the Public Finance Management (The Murang'a County Education Scholarship Fund) (Amendment) Regulations, 2021 which states that the administrative cost of the Fund shall be a maximum of three percent (3%) of the approved budget of the fund.

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

2. Unsupported Criteria for Bursary Award

During the year under review, the Fund disbursed a total of Kshs.245,036,000 in respect to bursary and scholarship grants to 50,925 beneficiaries across the 35 Wards of the County. Records available revealed that beneficiaries were granted amounts ranging from Kshs.1,000 to Kshs.15,000. However, the Management did not provide for audit the criteria used to determine the eligibility of applicants and the amounts allocated to each applicant. This is contrary to Regulation 12 of the Public Finance Management (Murang'a County Education Scholarship Fund) Regulations, 2021 which states that the scholarship shall only be awarded to deserving and vulnerable students based on whether one is an orphan, financially incapable or physically or mentally disabled.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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


31 December, 2024


Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Note	2023/24	2022/23
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	251,994,480	308,000,000
Public Contributions and Donations	7	500,000	1,000,000
		252,494,480	309,000,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		252,494,480	309,000,000
Expenses			
Bursary transfers	10	116,100,000	282,693,008
Scholarship grants	11	128,936,000	-
Use of Goods and Services	12	19,150,881	21,334,587
Total Expenses		264,186,881	304,027,595
Surplus/(Deficit) for the Period		-11,692,401	4,972,405

(The notes set out on pages 1 to 20 form an integral part of these Financial Statements)


 Name: Leonard Guchu
 Administrator/Accounting Officer


 Name: James Ndung'u
 Fund Accountant
 ICPAK Member Number: 27939

Murang'a County Education Scholarship Fund


Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position as at 30 June 2024

Description	Note	2023/24	2022/23
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	6,870,093	18,562,494
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
Total current assets		6,870,093	18,562,494
Total Assets (A)		6,870,093	18,562,494
Liabilities			
Current Liabilities			
Trade and Other Payables	16	-	-
Total current liabilities		-	-
Total Liabilities (B)		-	-
Net Asset (A-B)		6,870,093	18,562,494
Represented By:			
Reserves		18,562,494	13,590,089
Accumulated Surplus		-11,692,401	4,972,405
Net Assets		6,870,093	18,562,494

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 _____ 12th July _____ 2024 and signed by:



.....
Name: Leonard Guchu
Fund Administrator/Accounting Officer



.....
Name: James Ndung'u
Fund Accountant
ICPAK Member Number: 27939

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Accumulated surplus	Total
	Kshs	Kshs
Balance as at 1 July (2022)	13,590,089	13,590,089
Surplus/(Deficit) For the Year	4,972,405	4,972,405
Balance As At 30 June (2023)	18,562,494	18,562,494
Balance As At 1 July (2023)	18,562,494	18,562,494
Surplus/(Deficit) For the Year	-11,692,401	-11692,401
Balance As At 30 June (2024)	6,870,093	6,870,093


.....
Name: Leonard Guchu
Fund Administrator/Accounting Officer


.....
Name: James Ndung'u
Fund Accountant
ICPAK Member Number: 27939

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Note	2023/24	2022/23
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		251,994,480	308,000,000
Public Contributions and Donations		500,000	1,000,000
Finance Income		-	-
Other receipts		-	-
Total receipts		252,494,480	309,000,000
Payments			
Bursary Transfers		116,100,000	282,693,008
Scholarship grants		128,936,000	-
Use of goods and Services		19,150,881	21,334,587
		264,186,881	304,027,595
Net cash flows from operating activities	17	-11,692,401	4,972,405
Cash flows from investing activities			
		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		-11,692,401	4,972,405
Cash and cash equivalents at 1 July	13	18,562,494	13,590,089
Cash and cash equivalents at 30 June	13	6,870,093	18,562,494



.....
Name: Leonard Guchu
Fund Administrator/Accounting Officer



.....
Name: James Ndung'u
Fund Accountant
ICPAK Member Number: 27939

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue	A	B	c=(a+b)	D	e=(c-d)	f=d/c*100
Balance b/f	18,562,494	-	18,562,494	18,562,494	-	-
Transfers From the County Government	245,000,000	7,000,000	252,000,000	251,994,480	5,520	99%
Public Contributions and Donations	-	500,000	500,000	500,000	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total Income	263,562,494	7,500,000	271,062,494	271,056,974	5,520	-
Expenses						
Bursary Transfers	126,212,494	7,000,000	133,212,494	116,100,000	17,112,494	87%
Scholarship grants	130,000,000	-	130,000,000	128,936,000	1,064,000	99%
Use of goods & Services	7,350,000	500,000	7,850,000	19,150,881	-11,300,881	-
Total Expenditure	263,562,494	7,500,000	271,062,494	264,186,881	6,875,613	-
Surplus For the Period				6,870,093		

Budget notes

- The fund was allocated an additional Kshs 7,000,000 in supplementary I of 2023/24. The fund also received a donation of Kshs 500,000 from Amica Sacco during the FY 2023/24. (IPSAS 24.29)

.....
Leonard Guchu

Fund Administrator

.....
James Ndung'u
Fund Accountant
ICPAK Member Number: 27939

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Murang'a County Scholarship Fund is established by and derives its authority and accountability from Murang'a County Education Scholarship Fund Regulations 2021. The entity is wholly owned by the Murang'a County Government and is domiciled in Kenya. Murang'a County Education Scholarship Fund's principal activity is to provide scholarships to needy students from Murang'a County.

2. Statement of compliance and basis of preparation

Murang'a County Scholarship Fund 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 Scholarship Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

3. Adoption of new and revised standards

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

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

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

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

**Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Murang'a County Education Scholarship Fund

Annual Report and Financial Statements for the year ended June 30, 2024

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

(iii) Early adoption of standards

The Murang'a County Scholarship Fund did not early – adopt any new or amended standards in the financial year.

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

Murang'a County Education Scholarship Fund
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carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2023/24 was approved by the County Assembly on 30th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Murang'a County Scholarship Fund upon receiving the respective approvals in order to conclude the final budget. The Murang'a County Scholarship Fund recorded additional appropriations of Kshs. 7,000,000 on the FY 2023/24 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. 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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

(ii) Subsequent measurement

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

(iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iv) Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

(v) Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

(vi) Trade and other receivables

Trade and other receivables are recognized at fair values, less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

(vii) Impairment

The Murang'a County Education Scholarship Fund 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).

Financial liabilities

Classification

The Murang'a County Scholarship Fund 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 Murang'a County Scholarship Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Murang'a County Scholarship Fund 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.

e) Contingent liabilities

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

f) Contingent assets

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

g) Nature and purpose of reserves

The Murang'a County Education Scholarship Fund creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Murang'a County Education Scholarship Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Foreign currency transactions

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

j) Related parties

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

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes

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

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 Murang'a County Scholarship Fund. 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.

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.

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Transfers from the County Government

Description	2023/24	2022/23
	Kshs	Kshs
Transfers From Finance Department	251,994,480	308,000,000
Others (<i>Specify</i>)	-	-
Total	251,994,480	308,000,000

(The amount requested was availed to the scholarship fund)

7. Public Contributions and Donations

Description	2023/24	2022/23
	Kshs	Kshs
Donation From Development Partners	500,000	1,000,000
Contributions From the Public	-	-
Others (<i>Specify</i>)	-	-
Total	500,000	1,000,000

(Donated by Amica Sacco to support needy students within the county)

8. Finance income

Description	2023/24	2022/23
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others (<i>Specify</i>)	-	-
Total finance Income	-	-

9. Other income

Description	2023/24	2022/23
	Kshs	Kshs
Cheque write backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

Murang'a County Education Scholarship Fund
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10. Bursary Transfers

Description	2023/24	2022/23
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Other (<i>Specify</i>)	116,100,000	282,693,008
Total	116,100,000	282,693,008

11. Scholarship grants

Description	2023/24	2022/23
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Other (<i>Specify</i>)	128,936,000	-
Total	128,936,000	-

12. Use of Goods and Services

Description	2023/24	2022/23
	Kshs.	Kshs.
Allowances	5,519,542	7,126,865
Bank charges	578,766	1,132,728
Printing & Stationery	1,790,852	1,597,850
Entertainers	-	60,000
Event Hosting	2,068,520	6,272,300
Communication	-	405,000
Hospitality	8,843,200	2,888,500
Other expenses	-	100,000
Transport	350,000	1,661,344
Total	19,150,881	21,334,587

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

13. Cash and cash equivalents

Description	2023/24	2022/2023
	Kshs	Kshs
Cash at the beginning of the Period	18,562,494	13,590,089
Cash at the End of the Period	6,870,093	18,562,494

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

Financial Institution	Account number	2023/24	2022/23
		Kshs	Kshs
a) Current Account			
Family Bank	006000024352	6,870,093	18,562,494
Sub- Total		6,870,093	18,562,494
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		6,870,093	18,562,494

14. Non-Exchange Receivables

Description	2023/24	2022/23
	Kshs	Kshs
Revenue receivable	-	-
Others (<i>Specify</i>)	-	-
Total non-exchange receivables	-	-

15. Events after the reporting period

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

16. Currency

The financial statements are presented in Kenya Shillings (Kshs)

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

17. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year	-11,692,401	4,972,405
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow from Operating Activities	-11,692,401	4,972,405

**Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

19. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis for Qualified Opinion	Unconfirmed Bursary Disbursements	i. The correct amount of bursary disbursement is Kshs. 282,693,008 and not Kshs242,850,501 and the correct schedule to support has been provided for review.	Resolved	
Lawfulness & effectiveness in use of public funds	Lack of an approved budget	The approved budget is available for review.	Resolved	
Lawfulness & effectiveness in use of public funds	Lack of appointment letters of Fund Management Committees members	The committee members have now received their appointment letters to the Fund Management Committee.	Resolved	



.....
Fund Administrator/Accounting Officer

Date.....12/9/2024.....

**Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: Finance Department -Murang'a County Government

Name of beneficiary entity: Murang'a County Education Scholarship Fund

Confirmation of amounts received by Murang'a County Education Scholarship Fund as at 30th June 2024

Reference Number	Date Disbursed	Amounts Disbursed by Finance & Economic Planning Department (Kshs) as at 30 th June 2024			Amount Received by Murang'a County Bursary Fund (Kshs) as at 30 th June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
1000171073 MURANGA COUNTY ROC/0000045128	8 th Sept. 2023	50,422,480	-	50,422,480	50,422,480	-
FT23363SSS0H 1000171073	29 th Dec 2023	125,000,000	-	125,000,000	125,000,000	-
FT24064WR79Z 1000171073	4 th March 2024	37,000,000	-	37,000,000	37,000,000	-
FT24095D1L3C 1000171073	4 th April 2024	4,000,000	-	4,000,000	4,000,000	-
FT24127RPL0Z 1000171073	6 th May 2024	10,000,000	-	10,000,000	10,000,000	-
1000171073 MURANGA COUNTY ROC/0000048539	28 th May 2024	25,572,000	-	25,572,000	25,572,000	-
Total		251,994,480	=	251,994,480	251,994,480	-

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

Director Accounting Services – Murang'a County Government:

Name Eduini Kimuyu Sign [Signature] Date 12/07/2024

Fund Administrator – Murang'a County Education Scholarship Fund:

Name Lenaxi Wachu Sign [Signature] Date 12/7/2024

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Annex III: Trial Balance

TRIAL BALANCE AS AT 30TH JUNE 2024

DESCRIPTION	Dr.	Cr.
Fund Balance b/f	-	18,562,494
Transfers From the County Government	-	251,994,480
Public Contributions and Donations	-	500,000
Finance Income	-	-
Other Income	-	-
Bursary Transfers	140,100,000	-
Scholarship grants	104,936,000	-
Use of goods & Services	19,150,881	-
Fund Balance c/f	6,870,093	-
TOTAL	271,056,974	271,056,974



.....
Name: Leonard Guchu
Administrator/Accounting Officer



.....
Name: James Ndung'u
Fund Accountant
ICPAK Member Number: 27939

Murang'a County Education Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Annex IV: Bank Reconciliation Statement
F.O.30

REPUBLIC OF KENYA
BANK RECONCILIATION

MURANGA - MINISTRY OF FINANCE AND PLANNING

From Date: 01-JUNE-2024 To: 30-JUNE-2024 **MURANGA COUNTY EDUCATION SCHOLARSHIP FUND**

Bank: Family Bank, Branch: Murang'a, Account Number: 006000024352

Balance as per bank certificate: Kshs. 6,870,093

Less --

1. Payment in Cash Book not yet recorded in Bank Statement -
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book -

Add --

3. Payment in Bank Statement not yet recorded in Cash Book -

4. Receipts in Cash Book not yet Recorded in Bank Statement -

Bank Balance as per Cash Book

Kshs. 6,870,093

Reconciled by: James Ndingi Signature: [Signature] Date: 12/07/2024
Reviewed by: Judy Thuo Signature: [Signature] Date: 12/07/2024
Approved by: Lodwin Kimani Signature: [Signature] Date: 12/07/2024