

REPUBLIC OF KENYA

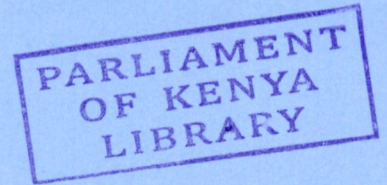


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**ELGEYO MARAKWET COUNTY
EDUCATION FUND**

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

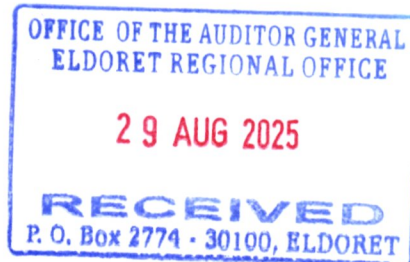
PAPERS LAID	
DATE	26/11/25
TABLED BY	S.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda



ELGEYO MARAKWET COUNTY EDUCATION FUND

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

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



Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Fund Administration Committee Profiles	vi
4. Key Management Team	viii
5. Chairman's Report	ix
6. Report of The Fund Administrator	xi
7. Statement of Performance Against Predetermined Objectives for FY 2024/2025	xiii
8. Statement of Corporate Governance	xiv
9. Management Discussion and Analysis	xv
10. Environmental and Sustainability Reporting	xvi
11. Report of The Committee	xvii
12. Statement of Management's Responsibilities	xviii
13. Report of The Auditor General on Elgeyo Marakwet County Education Fund Financial Statements	xix
14. Statement of Financial Performance for the Year Ended 30 th June 2025	1
15. Statement of Financial Position as at 30 June 2025	2
16. Statement Of Changes in Net Assets for the year ended 30 th June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30 th June 2025	5
19. Notes to the Financial Statements	7
20. Annexes	25

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

2. Key Entity Information and Management

a) Background information

Elgeyo Marakwet County Education Bursary Fund is established by and derives its authority and accountability from the Elgeyo Marakwet County Education Fund Act 2017 on March 2017. The Fund is wholly owned by the County Government of Elgeyo Marakwet and is domiciled in Kenya.

The fund's objective is to;

- (a) Improve access to education by all residents of Elgeyo/Marakwet County by providing funds to grant bursaries and scholarships
- (b) Enhanced equity in Education for all residents of Elgeyo Marakwet County
- (c) Improvement of literacy level within Elgeyo/Marakwet County
- (d) Ensuring that a specific portion of the county annual budget is devoted to the County Education Fund for the purpose of this Act.

b) Principal Activities

The principal activity of the Fund is to improve access to education by all residents of Elgeyo Marakwet County by providing funds to grant bursaries and scholarships

c) Fund Administration Committee

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

Ref	Name	Position
1	Fund Chairman	John Kigen
2	Fund Vice Chairperson	Jane Kiplagat
3	Member	Nelson Sawe
4	Member	Rev.Fr Paul Chelanga
5	Member	Ursla Jepkorir Tarus
6	Member	Irene Jepkemboi Kipchumba
7	Member	Benjamin Too Kiprotich
8	Member	Philemon Kipchirchir Busienei
9	CEC Education and Technical Services	Purity Koima
10	CEC Finance and Economic Planning	Alphaeus Tanui
11	Chief officer –Education and Technical Services/ Fund Administrator	Paul S.Rutto

Key Entity and Management (Continued)

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

d) Fiduciary Management

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

Ref	Name	Position
1	Chief officer Education and Technical Services /Fund Administrator	Paul Sorei Rutto
2	CEC Education and Technical Services	Purity Koima
3	CEC Finance and Economic Planning	Alphaeus Tanui
4	Chief Officer Finance and Economic planning	Kipruto Chesos
5	Director Accounting Services	JohnKeen Murkeu Jairo

e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements include;

- The Internal Audit department responsible for ensuring proper recording of all books of Account.
- The Controller of Budget approves Exchequers requisitions in line with the Approved Budget
- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee
- Parliamentary committee activities
- Development partner oversight activities

f) Registered Offices

P.O. Box 220-30700
Elgeyo Marakwet County Building, Iten Town
Iten- Kabarnet Road
Iten, Kenya

g) Fund Contacts

Telephone: 053-4142277
E-mail: info@elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

Key Entity and Management (Continued)

h) Fund Bankers

1. Access Bank Ltd
P.O. Box 34353-00200
Nairobi

2. Kenya Commercial Bank
P.O. Box 456-30700
Iten

i) Independent Auditor

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

j) Principal Legal Adviser







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

k) County Attorney




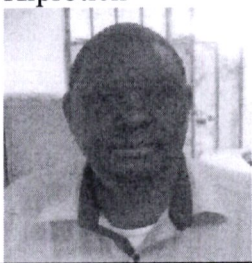
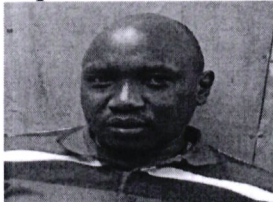
P.O. Box 220-30700
Elgeyo Marakwet County Building, Iten Town
Iten-Kabarnet Road
Iten, Kenya

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

3. Fund Administration Committee Profiles




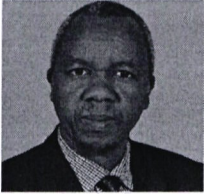
Ref	Position	Name/Photograph	Details of qualifications and experience
1	Fund Chairman	John Kigen 	Date of Birth: 1.1.1970 Academic Qualification: B. Education (Arts) Experience: 26 years
2	CEC Education and Technical Services	Purity Koima 	Date of Birth: 28-08-1985 Academic Qualification: Masters in Environment & Dev., Lead expert in EIA Experience: Over 10 years in various fields and 2 years as CEC M
3	Chief officer – Education and Technical Services/ Fund Administrator	Paul S Rutto 	Date of Birth: 1974 Academic Qualification: B. Ed (Arts) Experience: 27 and 2 years as Chief Officer Education and Technical Services
4	Finance and Economic Planning	Alphaeus Tanui 	Date of Birth: 11-10-1987 Qualification: Masters in Finance, PHD (On-going) Experience: 12 years of experience in various fields and 2 years CECM- Finance and Economic Planning
5	Member	Ursla Jepkorir Tarus 	Date of Birth: 27 th December,1987 Academic Qualification: Diploma in Information Studies Experience: 4 Years –Interior
6	Fund Vice chairperson	Jane Kiplagat 	Date of Birth: 14.04.1970 Academic Qualification: B.Ed Experience: 28 Years

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

7	Member	Nelson Sawe 	Date of Birth: 21 st January,1981 Academic Qualification: Diploma in Electrical and electronics engineering(Power option) Experience: 17 years
8	Member	Rev.Fr Paul Chelanga 	Date of Birth: 30 th January,1981 Academic Qualification: Bachelor of Philosophy Experience: 15 Years as a clergy
9	Member	Irene J. Kipchumba 	Date of Birth: 1978 Academic Qualification: Diploma in ICT Experience: 11 years
10	Member	Benjamin Too Kiprotich 	Date of Birth: 3.3.1956 Academic Qualification: EACE Experience: Served 40 as an Administrator
11	Member	Philemon Kipchirchir Busienei 	Date of Birth: 01.05.1976 Academic Qualification: KCSE Experience: Businessman

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

4. Key Management Team

Ref	Position	Name/Photograph	Details of qualifications and experience
1	CEC Education and Technical Services	Purity Koima 	Date of Birth: 04-01-1983 Academic Qualification: .B.Ed Experience: 9 years as a teacher and 2 years as CECM Sports and Education and Technical Services
2	Chief officer – Education and Technical Services/ Fund Administrator	Paul Sorei Rutto 	Date of Birth: 1974 Academic Qualification: B. ed (Arts) Experience: 27 and 2 years as Chief Officer Education and Technical Services
3	CEC Finance and Economic Planning	Alphaeus Tanui 	Date of Birth: 11-10-1987 Qualification: Masters in Finance, PHD (On-going) Experience: 11 years and 2 years as CECM Finance and Economic Planning
4	Director Accounting Services	JohnKeen Murkeu 	Date of Birth: 12-02-1969 Qualification: MBA-Finance, CPA (K), CCP(K) Experience: 31 years in various fields of Finance; 12 as Director Accounting Services

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

5. Chairman's Report

The financial statements for Elgeyo Marakwet County Education Fund for the year ended 30 June, 2025 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The Elgeyo Marakwet County Education Fund operates the following two bank accounts;

- (i) EMC County Education Fund; Account no. 180100000045 with Access Bank. The Account was opened on 31st March, 2017.
- (ii) EMC ECD Capitation Fund- Account no. 1315727803 with KCB. The Account was opened in June 2023.

During the period Sh. 119,052,936 for the Bursaries and ECD Capitation was transferred by the County Executive to Elgeyo Marakwet County Education Fund compared to Sh. 96,407,938 transferred in the financial year 2023/2024. This translates to increase of 23%

Bursaries and ECD Capitation totalling to Sh. 116,056,810 were disbursed in the financial year ended 30th June 2025 comprising of;

Bursaries disbursement	-	Sh 97,181,573
ECD Capitation	-	Sh 18,875,237

The Bursaries of Sh.97,181,573 was disbursed to a total of 10,106 in various institutions in the FY 2024/2025 as tabulated below;

Institution	FY 2024/2025		FY 2023/2024	
	No of Beneficiaries	Amount disbursed	No of Beneficiaries	Amount disbursed
Secondary	7745	75,035,136	7515	71,108,420
Colleges	1559	14,300,877	1389	14,024,140
Universities	802	7,845,560	730	6,845,560
Total	10106	97,181,573	9634	91,978,120

The Elgeyo Marakwet County Education Fund identifies the beneficiaries of the bursary through Ward Bursary Committees (WBC) where vetting of the applicants is done to identify the needy cases. The demand for bursaries has been on an upward trend as compared to the

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

allocation given to the vote, the department therefore is considering amending the Act to make it a revolving fund where the beneficiaries will be able to repay at a low interest levels.



.....
Name: John Kigen

Fund Chairman- Elgeyo Marakwet County Education Fund

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of The Fund Administrator

The financial statements for Elgeyo Marakwet County Education Fund for the year ended 30th June, 2025 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The Elgeyo Marakwet County Education Fund operates the following two bank accounts;

- (i) EMC County Education Fund; Account no. 180100000045 with Access Bank. The Account was opened on 31st March, 2017.
- (ii) EMC ECD Capitation Fund- Account no. 1315727803 with KCB. The Account was opened in June 2023.

The County Government in the FY 2024/2025 allocated Sh. 125,252,936 towards Bursary in the recurrent expenditure supplementary budget during the year ended 30th June, 2025.

Sh. 119,052,936 was transferred by the County Executive to County Education Fund towards Bursaries and ECD Capitation against the budgeted amount of Sh. 125,252,936 in the financial year 2023/2024 as tabulated below;

	Approved Budget	Actual	%
Transfers from County Government – Recurrent (Bursaries)	100,967,894	100,967,894	100%
Transfers from County Government – Recurrent (ECD Capitation)	24,285,042	18,085,042	75%
Total	125,252,936	119,052,936	95%

The total payments of Sh. 120,220,507 reflected in the Statement of Financial Performance for the year ended 30th June 2025 consist of;

Bursaries disbursed	-	Sh 97,181,573
ECD Capitation	-	Sh 18,875,237
Administrative costs	-	Sh 4,127,700
Bank Charges	-	Sh 35,997

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

The Bursaries of Sh97,181,573 was disbursed to a total of 10,106 in various institutions in the FY 2024/2025 as tabulated below;

Institution	FY 2024/2025		FY 2023/2024	
	No of Beneficiaries	Amount disbursed	No of Beneficiaries	Amount disbursed
Secondary	7745	75,035,136	7515	71,108,420
Colleges	1559	14,300,877	1389	14,024,140
Universities	802	7,845,560	730	6,845,560
Total	10106	97,181,573	9634	91,978,120

The opening cash book balance at the beginning of the year is sh, 1,833,270. The Cash and cash equivalents balance as at 30th June, 2025 amounts to sh. 665,699. The Cashbook balance comprise of;

- ECD Capitation account-KCB - Sh.11,683
- County Education Fund –Access Bank - Sh. 654,016

The challenges affecting the disbursement of Bursaries in the County include;

- ❖ Low allocation of bursaries to meet all needy cases
- ❖ Political interference during disbursement of bursaries
- ❖ Some schools do not acknowledge receipt of funds by sending the original receipts to the County for record purposes.
- ❖ Some schools do not present cheques to the bank on time as a result cheque become stale


Name: Paul Sorei Rutto

Fund Administrator-Elgeyo Marakwet County Education Fund



Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

7. Statement of Performance Against Predetermined Objectives for FY 2024/2025

Section 164 (2) (f) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the Accounting officer includes a statement of performance against predetermined objectives when preparing financial statements.

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) is to;

- a) Provide bursary for needy students in both Secondary schools and tertiary Institutions
- b) Enhance equity in education for all residents of Elgeyo Marakwet County.

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
Bursary/ Education	To support bright and needy students to access quality education	Increased transition rate to secondary and tertiary institutions	No. of beneficiaries.	During the year, the Fund disbursed bursaries to 10,106 students compared to 9,634 in the FY 2023/2024
ECD Capitation	To provide funds that facilitate improved access, equity and quality of ECD Education in Elgeyo Marakwet County	Increased enrolment and transition rate	- Increased number of pupils enrolled in ECD - Reduced absenteeism 100% of learners transiting from ECD to primary level	During the year, Ksh. 18,875,237 was disbursed compared to Sh.15,210,711 in the FY 2023/2024

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

8. Statement of Corporate Governance

The County Executive Committee member responsible for finance shall appoint Chief Officer Education and Technical services to administer the Fund. The fund administrator is accountable to the County assembly for ensuring that the resources of the fund are used in effective, efficient and transparent manner.

There is an established of Fund committee in each ward. The ward Education fund committee consists of;

- ✓ The chairman and the vice-chairman shall be elected from among themselves
- ✓ Ward Administrator as the secretary and an ex-officio member
- ✓ Representatives from each sub-location domiciled in that particular ward

There is an established County Education Fund committee consisting of;

- ✓ One member from each Sub-County
- ✓ County Executive member for Finance and Economic planning
- ✓ Chairperson from Kenya Secondary Schools Heads Teachers Association
- ✓ A representative of the Vocation Training Centers within the County
- ✓ A representative from religious organizations
- ✓ Chief Officer who shall be the secretary of the fund

The function of County Education Fund committee among other includes;

- ❖ Equitably share the fund among wards existing in the County
- ❖ Review allocation to ensure support offered is adequate and sufficient
- ❖ Monitor allocation and ensure the needy and deserving students benefit
- ❖ Receive, deliberate and approve applications for education loans.

The Committee adhered to the following principles while awarding funds;

- a) Equity and fairness
- b) Inclusivity and non-discrimination
- c) Public participation and
- d) Accountability and transparency

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

9. Management Discussion and Analysis

During the year ended, Sh. 119,052,936 was transferred by the County Executive to County Education Fund towards Bursaries and ECD Capitation against the budgeted amount of Sh. 125,252,936 in the financial year 2023/2024 as tabulated below;

	Approved Budget	Actual	%
Transfers from County Government – Recurrent (Bursaries)	100,967,894	100,967,894	100%
Transfers from County Government – Recurrent (ECD Capitation)	24,285,042	18,085,042	75%
Total	125,252,936	119,052,936	95%

The total payments of Sh. 120,220,507 reflected in the Statement of Financial Performance for the year ended 30th June 2025 consist of;

Bursaries disbursed	-	Sh 97,181,573
ECD Capitation	-	Sh 18,875,237
Administrative costs	-	Sh 4,127,700
Bank Charges	-	Sh 35,997

The Bursaries of Sh. 97,167,673 was disbursed to a total of 10,106 in various institutions in the FY 2024/2025 compared to the number of 9,634 in the FY 2023/2024 as tabulated below;

Institutions	FY 2024/2025		FY 2023/2024	
	No of Beneficiaries	Amount disbursed	No of Beneficiaries	Amount disbursed
Secondary	7,745	75,035,136	7,515	71,108,420
Colleges	1,559	14,300,877	1,389	14,024,140
Universities	802	7,845,560	730	6,845,560
Total	10,106	97,181,573	9,634	91,978,120

The Cashbook balance as at 30th June, 2025 amounts to sh.665,699 as follows

<u>Bank</u>	<u>Account no.</u>	<u>Amount (Sh)</u>
Kenya Commercial Bank	1315727803	11,683
Access Bank	0180100000045	654,016
Total		665,699

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

10. Environmental and Sustainability Reporting

There were no Corporate Social Responsibility and environmental related activities carried out in the year by the County Education Fund

11. Report of The Committee

The Committee submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund's affairs.

Principal activities

The principal activities of the Fund is to improve access to education by all residents of Elgeyo Marakwet County by providing funds to grant bursaries and scholarships

Results

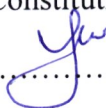
The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 6

Fund Committee

The Committee who served during the year are shown on page iii. There were no changes in the composition of Fund committee during the financial year:

Auditors

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



.....
Chair of the Fund Administration Committee

Date: ...22.8.2025.....

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the 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 Elgeyo Marakwet County Education Fund is responsible for the preparation and presentation of the Fund financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of Elgeyo Marakwet County Education Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, 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 Elgeyo Marakwet County Education 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 financial statements were approved by the Committee on **22.8. 2025** and signed on its behalf by:


.....


Administrator of the Elgeyo Marakwet County Education Fund

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 Elgeyo Marakwet County Education Fund set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of

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

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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Elgeyo Marakwet County Education Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Governments Act, 2012, Elgeyo Marakwet County Education Fund Act, 2017 (Amended 2020), the Elgeyo Marakwet County Education Fund (Amendment) Act, 2020 and the Elgeyo/Marakwet County Education Fund (Amendment) (2) Act, 2023.

Basis for Qualified Opinion

Unsupported Bursary Transfers

The statement of financial performance reflects bursary transfers of Kshs.116,056,810 as disclosed in Note 10 to the financial statements relating to bursary disbursements to students in Universities, TVETs and Colleges, Secondary Schools, and ECD Institutions. However, disbursements of Kshs.6,007,911 sent to sixteen (16) institutions were not supported by acknowledgement receipts.

In the circumstances, the accuracy, completeness and authenticity of the Kshs.116,056,810 for bursary awards could not be confirmed.

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

Key Audit Matters

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

Unresolved Prior Year Matters

In the audit report of the previous year, one issue was raised under Report on Financial Statements and another one issue under Report on Effectiveness of Internal Controls,

Risk Management and Governance. However, they have remained unresolved to date. They include;

1. Unsupported Bursary Transfers.
2. Use of Spreadsheet as an Accounting System.

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

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Use of Spreadsheet as an Accounting System

Review of the Fund records revealed that the Fund uses a spread sheet for recording and posting transactions. Use of a spreadsheet as an accounting software does not guarantee the internal check normally achieved via an inbuilt double entry system in an Enterprise Resource Management System or an Accounting System.

It was further, noted that the financial records, ledgers and cash books were maintained in a spreadsheet with no backup system and which lacks an audit trail. Further, the use of spreadsheet does not provide for approval and authorization of transactions. This was contrary to Regulation 102(3) on financial records and automation of financial operations which requires an Accounting Officer to satisfy himself or herself that transactions are authorized and recorded and that there is sufficient audit trail which shall identify the person who approved the transaction.

In the circumstances, internal controls over accounting systems could not be confirmed.

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

Responsibilities of 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) 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 of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 November, 2025

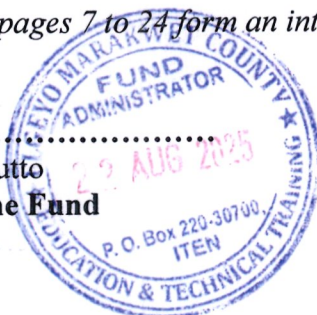
**Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	119,052,936	96,407,938
Public Contributions and Donations	7	-	-
		-	-
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		119,052,936	96,407,938
Expenses			
Bursary transfers	10	116,056,810	106,733,080
Scholarship grants	11	-	-
Use of Goods and Services	12	4,163,697	3,499,958
Total Expenses		120,220,507	110,233,038
Surplus/(Deficit) for the Period		(1,167,571)	(13,825,100)

(The notes set out on pages 7 to 24 form an integral part of these Financial Statements)

.....
Name: Paul Sorei Rutto
Administrator of the Fund



.....
Name: JohnKeen Murkeu Jairo
Director Accounting Services

ICPAK Member Number: 8112 22 AUG 2025



Sign:.....
P. O. Box 220 - 30700, ITEN

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

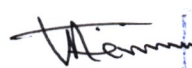
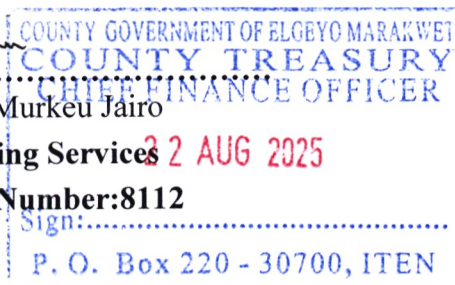
15. Statement of Financial Position as at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	665,699	1,833,270
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
Total current assets		665,699	1,833,270
Total Assets (A)		665,699	1,833,270
Liabilities			
Current Liabilities			
Trade and Other Payables	16	-	-
Total current liabilities		-	-
Total Liabilities (B)		-	-
Net Asset (A-B)		665,699	1,833,270
Represented By:			
Accumulated Surplus		665,699	1,833,270
Net Assets		665,699	1,833,270

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 **22.8.2025** and signed by:



 Name: Paul Sorei Rutto
 Administrator of the Fund



 Name: John Keen Murkeu Jairo
 Director Accounting Services
 ICPAK Member Number: 8112
 Sign:
 P. O. Box 220 - 30700, ITEN

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Accumulated surplus
	Kshs
Balance as at 1 July 2024	15,658,370
Surplus/(Deficit) For the Year	(13,825,100)
Balance As At 30 June 2024	1,833,270
Balance As At 1 July 2024	1,833,270
Surplus/(Deficit) For the Year	(1,167,571)
Balance As At 30 June 2025	665,699

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		119,052,936	96,407,938
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
Total receipts		119,052,936	96,407,938
Payments			
Bursary Transfers		(116,056,810)	(106,798,438)
Scholarship grants		-	-
Use of goods and Services		(4,163,697)	(3,434,600)
Total Payments		120,220,507	110,233,038
Net cash flows from operating activities	17	(1,167,571)	(13,825,100)
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		(1,167,571)	(13,825,100)
Cash and cash equivalents at 1 July 2024	13	1,833,270	15,658,370
Cash and cash equivalents at 30 June 2025	13	665,699	1,833,270

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening budget Carry Overs		-	-	-		
Receipts						
Transfers From the County Government	126,848,196	1,595,260	125,252,936	119,052,936	6,200,000	95%
Public Contributions and Donations	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other receipts	-	-	-	-	-	
Total Receipts	126,848,196	1,595,260	125,252,936	119,052,936	6,200,000	95%
Payments						
Bursary Transfers	122,996,648	1,501,300	121,495,348	116,056,810	5,438,538	96%
Scholarship grants	-	-	-	-	-	
Use of goods & Services	3,851,548	93,960	3,757,588	4,163,697	(406,109)	111%
Total Payments	126,848,196	1,595,260	125,252,936	120,220,507	5,032,429	96%
Surplus For the Period	-	-	-	(1,167,571)	-	

Budget notes

1. Sh.1,595,260 was reallocated to VTC's in the Budget during the Quarter
2. The total Bursary disbursements of Sh. 116,056,810 include Sh.1,216,017 for the ECD Capitation not disbursed in the FY 2023/2024

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Opening Cash and Cash Equivalent	1,833,270
2	Total Receipts	119,052,936
3	Total payments	(120,220,507)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	665,699

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

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Elgeyo Marakwet County Education Fund is established by and derives its authority from Elgeyo Marakwet County Education Fund Act, 2017 Act. The entity is wholly owned by the Elgeyo Marakwet County Government and is domiciled in Kenya. Elgeyo Marakwet County Education Fund principal activity is activity is improve access to education by all residents of Elgeyo/Marakwet County by providing funds to grant bursaries and scholarships

2. Statement of compliance and basis of preparation

Elgeyo Marakwet County Education 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 Bursary Fund/Scheme. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43 Leases	<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.

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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.
IPSAS 45- Property Plant and Equipment	<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.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: <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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<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-

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Standard	Effective date and impact:
	exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(iii) Early adoption of standards

The Entity 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 carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 25th June, 2024. 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 Elgeyo Marakwet County Fund upon receiving the respective approvals in order to conclude the final budget. The County Education Fund recorded a decrease of Kshs.1,595,260 in the FY 2024-2025 budget following the governing body's approval.

The County Education 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 cash flows.

c) Financial instruments

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

(i) Financial assets

Classification of financial assets

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

(ii) Subsequent measurement

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

(iii) Amortized cost

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

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

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

(v) Fair value through surplus or deficit

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

(vi) Trade and other receivables

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

(vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL)

Financial liabilities

Classification

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

d) Provisions

Provisions are recognized when the County Education 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 County Education 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.

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

e) Contingent liabilities

County Education 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

County Education 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 Elgeyo Marakwet County Education 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 County Education Fund did not create any reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The County Education 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 Elgeyo Marakwet County Education 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 County Education Fund, or vice versa. Members of key management are regarded as related parties and comprise of Fund Committee, the Fund administrator and senior managers.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at 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 Elgeyo Marakwet County Education 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.

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. There was no provision made by the fund in the year.

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.

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Transfers from the County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. – Recurrent (Bursaries)	100,967,894	95,083,894
Transfers From County Govt. – Recurrent (ECD Capitation)	18,085,042	1,324,044
Total	119,052,936	96,407,938

7. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

8. Finance income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Total finance Income	-	-

9. Other income

Description	2024-2025	2023-2024
	Kshs	Kshs
Cheque write backs	-	-
Total Other Income	-	-

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

10. Bursary Transfers

Description	2024-2025	2023-2024
	Kshs	Kshs
Universities	7,845,560	6,587,650
TVETs and Colleges	75,035,136	14,013,050
Secondary schools	14,300,877	71,377,510
ECD Capitation	18,875,237	14,754,870
Total	116,056,810	106,733,080

11. Scholarship grants

Description	2024-2025	2023-2024
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Total	-	-

12. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Committee Allowances	4,127,700	3,434,600
Bank charges	35,997	65,358
Audit fees	-	-
Total	4,163,697	3,499,958

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

13. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	665,699	1,833,270
Total Cash and Cash Equivalents	665,699	1,833,270

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1315727803	11,683	1,327,059
Access Bank	0180100000045	654,016	506,211
Sub- Total		665,699	1,833,270
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		665,699	1,833,270

14. Non-Exchange Receivables

Description	2024-2025	2023-2024
	Kshs	Kshs
Revenue receivable	-	-
Total non-exchange receivables	-	-

15. Exchange Receivables

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest receivable	-	-
Total exchange receivables	-	-

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

16. Trade and other payables

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

17. Cash generated from operations.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	(1,167,571)		(13,825,100)	
Adjusted For:				
Working Capital Adjustments				
Increase In Receivables	-		-	
Increase In Payables	-		-	
Net Cash Flow from Operating Activities	(1,167,571)		(13,825,100)	

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

18. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs	Kshs
Fund administration	4,127,700	3,434,600
Total	4,127,700	3,434,600

d) Due from related parties

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

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Other Disclosures Continued

e) Due to related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	4,127,700	3,434,600
Total	4,127,700	3,434,600

19. Contingent assets and contingent liabilities

Contingent Liabilities	2024-2025	2023-2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

20. Financial risk management

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

a) Credit risk

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

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	665,699	665,699	-	-
Total	665,699	665,699	-	-
As at 30th June 2024				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	1,833,270	1,833,270	-	-
Total	1,833,270	1,833,270	-	-

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

The County Education Fund has no significant concentration of credit risk on amounts due

The Fund committee credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

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

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

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-
As at 30 June 2024				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

The Fund's finance department is responsible for the development of detailed risk management policies for the day-to-day implementation of those policies.

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

i. Foreign currency risk

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

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

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the two main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
		Kshs	Kshs
2024-2025			
Euro	x%	-	-
USD	x%	-	-
2023-2024			
Euro	x%	-	-
USD	x%	-	-

ii. Interest rate risk

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

Management of interest rate risk

Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

d) Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Accumulated surplus	665,699	1,833,270
Total funds	665,699	1,833,270
Less: cash and bank balances	(665,699)	(1,833,270)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

21. Events after the reporting period

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

22. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unsupported Bursary and ECD disbursements	-Acknowledge letters from various institutions have been received -List of students from various institutions who received capitation have been availed to the auditor for review	Not resolved	3 months
2.0	Budgetary Control and Performance	The amount of Sh.15,210,711 relate to unspent amount of ECD Capitation funds in the FY 2022/202. The same was disbursed in the FY 2023/2024	Not resolved	3 months
3.0	Unresolved Prior year matters	The fund appeared before the Elgeyo Marakwet County Assembly Public Accounts committee. The fund is working on the recommendations of the committee -The fund is yet to be invited by the Senate committee for resolution of prior year matters	Not resolved	3 months


 Fund Administrator/Accounting Officer
 Date.....22.8.2025.....

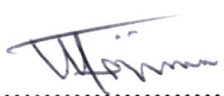


**Elgeyo Marakwet County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025**


Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: **Elgeyo Marakwet County Government**
Name of beneficiary entity: **Elgeyo Marakwet County Education Fund**

Confirmation of amounts received by Elgeyo Marakwet County Education Fund as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by Elgeyo Marakwet County Executive (Kshs) as at 30 th June 2025			Amount Received by Elgeyo Marakwet County Education Fund as at 30 th June 2025 (Kshs) (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
R4366/24-146	17-Jun-25	100,967,894	-	100,967,894	100,967,894	-
R4366/24-145	4-Mar-25	17,985,042		17,985,042	17,985,042	-
D4366/23-75	11-Jul-2024	100,000	100,000	100,000	100,000	-
Total		118,952,936	100,000	119,052,936	119,052,936	

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

Head of Accounts - Disbursing Entity:
NameJohnKeen Murkeu Jairo..... Sign  Date22.8.2025..... 

Head of Accounts - Beneficiary Entity:
NamePaul S.Rutto..... Sign  Date.....22.8.2025..... 