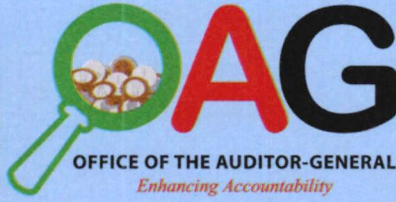


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability



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PARLIAMENT  
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REPORT

OF

THE AUDITOR-GENERAL

PAPERS LAID	
DATE	25/02/2025
TABLED BY	SNL
COMMITTEE	
CLERK AT THE TABLE	CHROP

ON

KIRINYAGA COUNTY  
EDUCATION BURSARY FUND

FOR THE YEAR ENDED  
30 JUNE, 2025

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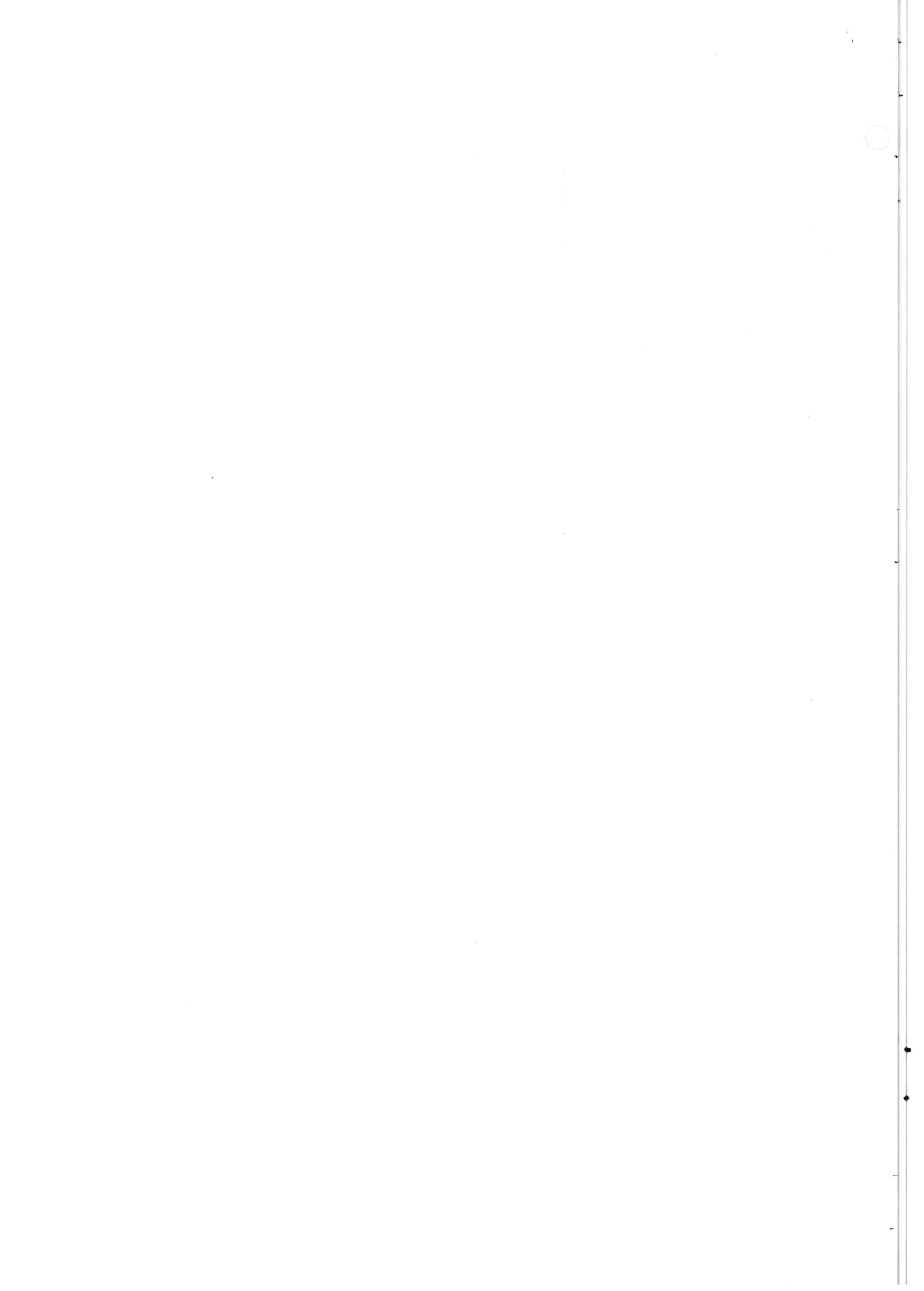
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**Kirinyaga County Education Bursary Fund**

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

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



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

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***Kirinyaga County Education Bursary 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>TVET</i>	<i>Technical and Vocational Educational Training</i>

**b) Definition of Terms**

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

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

**2. Key Entity Information and Management**

**a) Background information**

*Education Bursary Fund* is established by and derives its authority and accountability from Section 116 of the Public Finance Management Act, 2012. The Fund is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya.

*The fund's objective is to ensure enrolment, retention, transition and completion of students supported under this fund.*

*The Fund's principal activity is....*

- *Providing education bursary to students enrolled in secondary schools, colleges, universities and other institutions that offer tertiary education*
- *Meeting any expenditure related to administration of the fund as may be approved by the Executive Committee Member*

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to...

*The principal activity/mission/mandate of the management is to supervise and control administration of funds to provide education bursary to students.*

**c) Board of Trustees/Fund Administration Committee**

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

Ref	Name	Position
1	Chairperson	Veronica Wangari Waweru
2	Other trustees/Committee Members	Julius Njega Wamwea
3	Fund Manager/ Administrator	Rose Wachira

**d) Fiduciary Management**

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

Ref	Name	Position
1	Fund Manager/ Scheme Administrator	Rose Wachira
2	Fund Accountant	Pauline Ngondi
3	Assistant Fund Administrator	Julius Njega Wamwea

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

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Directorate Internal Audit	Philomena Nyokabi
2	Staff car Mortgage and car Loan Advisory Committee	James Kimaru

**f) Registered Offices**

County Headquarters

P.O. Box 260-10304  
Kutus, KENYA

**g) Fund Contacts**

Telephone: (254) 20-2054354  
E-mail: [education@kirinyaga.go.ke](mailto:education@kirinyaga.go.ke)  
Website: [www.kirinyaga.go.ke](http://www.kirinyaga.go.ke)

**h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Cooperative Bank  
...  
...

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

**Key Entity and Management (Continued)**

**i) Independent Auditor**

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

**j) Principal Legal Adviser**





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

**k) County Attorney**

Caroline N. Kinyua  
  
P.O. Box 260  
Postal code 10304  
Kutus, Kenya




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

**3. Trustees/ Fund Administration Committee Profiles**

Name	Details of qualifications and experience
<p>1. Veronica Wangari Waweru</p> 	<p>CECM Education and Bursary Fund</p> <p><b>Academic Qualifications</b>            Bachelor in Arts –Education            Masters in Planning, Policy and Administration of Education            Experience: Over 30 years in public sector</p>
<p>2. Rose Wachira</p> 	<p>Chief Officer Education (Fund Administrator)</p> <p><b>Academic Qualifications</b>            Master in Education            Experience: 30 years in Public Service</p>
<p>3. Julius Njega Wamwea</p> 	<p>Assistant Fund Administrator</p> <p><b>Academic Qualifications</b>            Bachelor of Business Management            Experience: 12 years.</p>
<p>4. Pauline Ngondi</p> 	<p>Fund Accountant</p> <p><b>Academic Qualifications</b>            Bachelor of Commerce (Finance Option)            CPA K            Experience: 9 years</p>

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

**4. Key Management Team**

Name	Details of qualifications and experience
<p>1. Veronica Wangari Waweru</p> 	<p>CECM Education and Bursary Fund</p> <p><b>Academic Qualifications</b>            Bachelor in Arts –Education            Masters in Planning, Policy and Administration of Education            Experience: Over 30 years in public sector</p>
<p>2. Rose Wachira</p> 	<p>Chief Officer Education (Fund Administrator)</p> <p><b>Academic Qualifications</b>            Masters in Education            Experience: 30years in Public Service</p>
<p>3. Julius Njega Wamwea</p> 	<p>Assistant Fund Administrator</p> <p><b>Academic Qualifications</b>            Bachelor of Business Management            Experience: 12 years</p>

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

**5. Chairman's Report**

The Kirinyaga Education Bursary Fund is managed in accordance with The Public Finance Management (The Kirinyaga County Education Bursary Fund) Regulations, 2023. There were no amendments to the Regulations during the period under review. According to the Regulations, the fund is administrated by the Chief Officer responsible for education.

The decision making in regard to award of bursary is decentralized to the ward level with each of the twenty (20) wards having a committee. Each committee has seven (7) members and the membership of the committees remained the same. On the other hand, each committee has a secretary appointed by the Executive Committee Member.

In the year under review, the fund received Kshs.4,450,000 being transfers from the county government. The fund had Kshs.5,269,028 brought forward from the previous year, bringing the total amounts available for expenditure to Kshs.9,719,028 ,against total final revenue of Kshs.115,639,028 which was due to underfunding due to national legislative challenges affecting the devolved units' authority to issue bursary funds to education functions designated for the national government. In conclusion, the Fund continues to play a key role in assisting the needy students attending secondary schools, tertiary colleges and universities. The demand for financial assistance is overwhelming as indicated by the numerous applications received. Moving forward and budgetary provisions allowing, the allocation to the Fund may be increased.

Name:....*Veronica K. Klaweta*.....Signature...*For Veronica K. Klaweta*.....Date....*6/11/2025*.....

Chairperson of the Board/Fund

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

**6. Report of the Fund Administrator**

The Kirinyaga County Education Bursary Fund was established in FY 2013/14 and has continued to date. At the County Headquarters, the Fund is administered by the Chief Officer responsible for Education, assisted by one of the directors. At the ward level, the Fund is administered by a Ward Education Bursary Committee comprising of a chairperson and six (6) other members appointed by the Executive Committee Member responsible for education. In the County, there are twenty (20) wards and so are the committees. Each committee has a secretary appointed by the Executive Committee member.

Each of the wards has a bank account where the funds for the ward are deposited. The signatories to the accounts are the Chairperson, Secretary and Accountant assigned to the ward. Payments from the accounts are by cheques drawn in favour of the educational institution where the beneficiary is enrolled.

The ward committees receive application forms from students seeking financial assistance. The committees appraise the applications and award bursaries to the qualifying beneficiaries. A total number of 118 students for universities, 389 for tertiary colleges and 480 for secondary schools benefited in the financial year 2024/2025 from the bursary fund. This amounted to total of 987 students that benefited in financial year 2024/2025.

Name: Rose Klachira Signature:  Date: 6/11/2025

Fund Administrator

**Kirinyaga County Education Bursary 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) for 2024 to 2025 are to:

- a) *Retention*
- b) *Increased enrolment*
- c) *Completion rate*

**Progress on the attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Output</b>	<b>Performance Indicator</b>	<b>Performance</b>
<i>Kirinyaga County Education Bursary fund</i>	<i>To improve access to education by supporting the bright and needy students.</i>	<i>Increased transition rate to secondary and tertiary institutions</i>	<i>No of beneficiaries</i>	<i>Decreased number of bursary beneficiaries for universities institutions from 5,085 to 118 FY 2024/2025</i>  <i>Decreased number of bursary beneficiaries for tertiary institutions from 7,431 to 389 FY 2024/2025</i>  <i>Decreased number of bursary beneficiaries for secondary institutions from 39,048 to 480 FY 2024/2025</i>

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

**8. Statement of Corporate Governance**

Pursuant to Kirinyaga County Education Bursary fund established under regulation 4 of the public finance management Act the department is mandated to facilitate and support all the committee/boards constituted as per the Acts. The fund is administered by the Chief Officer Education. The committee shall comprise of the following members who shall be appointed by the Executive Committee member with the approval of the County Assembly;

- a) A chairperson
- b) One person per sub location or a maximum of six members who shall be drawn from various representation including civil societies and religious groups in the respective ward.

**BOARD MEETINGS ATTENDANCE**

The Fund is disbursed in twenty (20) wards through committees that shall meet not more than twelve times in every financial year and not more than four months shall elapse between the date of one meeting and the date of next meeting. On average, the Ward Bursary Committees held 5 meetings in the year ended 30<sup>th</sup> June 2025.

**FUNCTIONS OF THE COMMITTEE**

- a) Creating awareness among the residents of the ward about the fund
- b) Receiving, reviewing and approving applications for the bursary
- c) Determining the amount bursary or scholarship or be awarded to each approved application
- d) Monitoring and evaluating the progress and performance of the students supported under these regulations
- e) Maintaining and operating ward education bursary accounts

Carrying out such other roles necessary for the implementation of the other object and purpose of these regulations and perform such other functions as may from time to time be assigned by the Executive Committee Member.

## **9. Management Discussion and Analysis**

### **INTRODUCTION**

Kirinyaga County Education Bursary Fund (KCEBF) was established in the 2013-2014 financial year based on the Public Finance Management Act, 2012 legal framework to provide students ranging from orphans, specially-abled students, and those from poor backgrounds with financial assistance to enable them access education in secondary, tertiary, special schools, and university institutions.

The fund is administered by bursary committees domiciled in each of the 20 wards in Kirinyaga County which are guided by the values of fairness and equity; inclusivity and non-discrimination in ensuring that all residents are included in the process; public participation; accountability and transparency; and efficiency in funds disbursement.

Following the amendment of Kirinyaga County Education Bursary Fund regulations, 2023, a new committee, i.e. Kirinyaga County Executive Bursary Committee was created with the intention of providing education scholarships to extremely needy students, specially-abled students and orphans to enable them access education opportunities that would have been otherwise out of reach for them.

The main objective of establishing the Kirinyaga County Education Bursary Fund is to ensure enrolment, retention, transition and completion of students supported under this Fund.

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

F/Y 2024-2025 FUND PERFORMANCE

In the 2024-2025 financial year, the County Government of Kirinyaga allocated KSh. 60,000,000 towards the Kirinyaga County Education Bursary Fund. A further 18 wards allocated additional amounts from their Ward Development kitties as highlighted in table 1 below towards the Education Bursary Fund. This enhanced the total bursary fund allocation during the financial year to KSh. 110,370,000.

**Table 1: Bursary Fund Allocation**

However, from the above budgeted funds, only three (3) wards had their allocations disbursed to the Bursary Fund Accounts as shown in table 2 below. These funds were specifically meant to support learners in County TVET institutions, a function designated for the County Governments.

S/n	Ward	Amount of equal bursary share 'Ksh'	Amount of ward bursary enhancement 'Ksh'	Total bursaries amount 'Ksh'
1.	Baragwi	2,790,000	7,000,000	9,790,000
2.	Kabare	2,790,000	1,000,000	3,790,000
3.	Ngariama	2,790,000	-	2,790,000
4.	Njukiini	2,790,000	1,600,000	4,390,000
5.	Karumandi	2,790,000	2,000,000	4,790,000
6.	Gathigiriri	2,790,000	3,000,000	5,790,000
7.	Tebere	2,790,000	3,700,000	6,490,000
8.	Nyangati	2,790,000	900,000	3,690,000
9.	Murinduko	2,790,000	1,500,000	4,290,000
10.	Mutithi	2,790,000	3,000,000	5,790,000
11.	Kangai	2,790,000	1,520,000	4,310,000
12.	Wamumu	2,790,000	2,000,000	4,790,000
13.	Thiba	2,790,000	3,500,000	6,290,000
14.	Kerugoya	2,790,000	5,000,000	7,790,000
15.	Inoi	2,790,000	3,000,000	5,790,000
16.	Kanyekiini	2,790,000	2,500,000	5,290,000
17.	Mutira	2,790,000	3,250,000	6,040,000
18.	Kariti	2,790,000	-	2,790,000
19.	Mukure	2,790,000	3,000,000	5,790,000
20.	Kiine	2,790,000	2,900,000	5,690,000
21.	County Executive	4,200,000	-	4,200,000
	<b>Total</b>	<b>60,000,000</b>	<b>50,370,000</b>	<b>110,370,000</b>

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

**Table 2: Bursary Funds Disbursed**

S/N	WARD	AMOUNT 'KSH'
1	KIINE	2,900,000
2	MUTIRA	950,000
3	THIBA	600,000
	<b>TOTAL</b>	<b>4,450,000</b>

Notably, due to national legislative challenges affecting the devolved units' authority to issue bursary funds to education functions designated for the national government, the bursary funds allocated for the rest of the seventeen (17) wards were not disbursed during the year. These funds were reallocated to other county functions as guided by law.

In the financial year 2024/25, an amount totalling KSh. 7,354,201 made up of fund balances carried forward from FY 2023/24 totalling KSh. 5,269,028 as well as funds disbursed to the three wards in table 2 above was disbursed to a total of 987 beneficiaries (as shown in table 3 below) drawn from the application list of the previous FY 2023/24.

**Table 3: F/Y 2024-2025 Bursary Beneficiaries**

S/N	WARD	UNIVERSITIES STUDENTS	TVET/COLLEGE STUDENTS	SECONDARY STUDENTS	TOTALS
1	NGARIAMA	4	4	17	25
2	BARAGWI	45	68	189	302
3	KABARE	-	7	5	12
4	KARUMANDI	4	11	17	32
5	NJUKI-INI	6	5	26	37
6	MUTIRA	10	7	10	27
7	KANYEKI-INI	1	1	-	2
8	INOI	-	5	3	8
9	MUKURE	2	-	2	4
10	KIINE	2	162	9	173
11	KANGAI	11	5	30	46
12	THIBA	7	10	61	78
13	MURINDUKO	7	84	45	136
14	GATHIGIRIRI	-	2	9	11
15	TEBERE	2	-	-	2
16	COUNTY EXECUTIVE	17	18	57	92
	<b>TOTAL</b>	<b>118</b>	<b>389</b>	<b>480</b>	<b>987</b>

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

**Academic performance of beneficiaries**

Bursary support has been noted as an integral part of ensuring retention of students in schools thus ensuring that their academic performance is not compromised due to absence from school.

While undertaking routine monitoring and evaluation exercises, the monitoring committees noted general improvement in the academic performance of bursary beneficiaries from the Bursary Funds. This was attributed to longer contact hours with teachers as a result of retention in school among other factors.

**Enrolment, Retention, Transition and Completion levels of Beneficiaries**

The bursary issuance calendar has mostly coincided with the running of the school calendar in that applications are invited when schools are on session. As such, the bursary fund has played an integral part in ensuring the enrolment, retention, transition and completion levels of its beneficiaries.

Noteworthy, a few cases reported to have dropped out as a result of huge fee arrears have been picked up in the county executive bursary sponsorship program and have since gone back to school. This identification of needy cases is a collaborative exercise between the County Executive Bursary Committee, local administrators, school administrators and other local leaders to ensure it is efficient and transparent.

However, the rise in the cost of living among other factors has ensured that school fees across all institutions has been hiked the consequence of which is that the bursary offered to successful applicants alleviates only a small percentage of the school fees burden. The kitty therefore needs to be enhanced to ensure equitable distribution to different classes of applicants based on their levels of need. The County department of Education is also in the process of establishing a communication mechanism with other bursary providers like the National Government Constituency Development Fund, National Government Affirmative Action Funds among others to ensure learners do not benefit more than once from different providers.

Further, there is need to digitize the bursary issuance which will make the tracking of the bursary process right from the point of application to the point of monitoring the beneficiaries progress in school more efficient and transparent. As a department, we also propose the adjustment of the bursary issuance cycle to kick off earlier in the financial year to ensure that all classes of students are catered for without prejudice.

**10. Environmental and Sustainability Reporting**

*The fund does not have activities that involve environmental and sustainability activities.*

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

**11. Report of The Trustees/Committee**

The Trustees/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 are:

- Providing education bursary to students enrolled in secondary schools. Colleges, universities and other institutions that offer tertiary education.
- Meeting any expenditure related to administration of the fund as may be approved by the Executive Committee Member.

**Results**

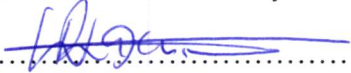
The results of the Fund for the year ended June 30, 2025 are set out on page xi to xii

**Trustees**

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

**Auditors**

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

For  .....

**Chair of the Board/Fund Administration Committee**

Date: ..... 6/11/2025

**Kirinyaga County Education Bursary 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 *County Bursary 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 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 the *County Bursary Fund* accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. 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 the *County Bursary 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’s financial statements were approved by the Trustee/Committee on 6/11/2025 and signed on its behalf by:

  
.....

**Administrator of the *County Bursary Fund***

# REPUBLIC OF KENYA

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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 KIRINYAGA COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Kirinyaga County Education Bursary Fund set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kirinyaga County Education Bursary 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 County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Conclusion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total final receipts budget and actual on comparable basis amounting to Kshs.115,639,028 and Kshs.9,719,028 respectively, resulting in under-funding of an amount of Kshs.105,920,000 or 92% of the budget. Similarly, the Fund spent an amount of Kshs.7,354,201 out of the total receipts of an amount of Kshs.9,719,028 resulting to under-expenditure amounting to Kshs.2,364,827 or 24% of total actual receipts.

In the circumstances, the underfunding and under-expenditure may have negatively impacted on service delivery 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. There were no key audit matters to report in the year under review.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xviii which comprise Key Entity Information and Management, Chairman's Report, Report of the

Fund Administrator, Statement of Performance against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, 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 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, except for the effects of the matter 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**

#### **Failure by Ward Committees to Evaluate and Award Scores to Bursary Applicants**

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects an amount of Kshs.7,354,201 in respect of bursary transfers. However, Management did not provide any evidence to confirm that vetting of applicants was carried out by the Ward Education Bursary Committees as required by Section 5(1) of the Public Finance Management (Kirinyaga County Education Bursary Fund) Regulations, 2023. It is therefore not clear how the successful candidates were picked or were awarded scores in each category, as no reports from the Award Committee were provided for audit verification.

Further, no evidence was provided to show that background checks were carried out to ascertain whether any of the beneficiaries had benefited from other similar schemes to determine the extent of need. This is contrary to Regulation 13(3) and (4) of the Public Finance Management (Kirinyaga County Education Bursary Fund) Regulations, 2023.

In the circumstances, 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 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 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**

**21 November, 2025**



123456789

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

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6	4,450,000	148,000,000
Public Contributions and Donations	7	-	-
		<b>4,450,000</b>	<b>148,000,000</b>
<b>Revenue From Exchange Transactions</b>			
Finance Income	8	-	-
Other income	9	-	-
<b>Total Revenue</b>		<b>4,450,000</b>	<b>148,000,000</b>
<b>Expenses</b>			
Bursary transfers	10	7,354,201	146,284,922
Scholarship grants	11	-	-
Use of Goods and Services	12	393,212	4,659,000
<b>Total Expenses</b>		<b>7,747,413</b>	<b>150,943,922</b>
<b>Surplus/(Deficit) for the Period</b>		<b>(3,297,413)</b>	<b>(2,943,922)</b>

*(The notes set out on pages 7 to 25 form an integral part of these Financial Statements)*

.....  
**Name:** Rose Wachira  
**Administrator/Accounting Officer**

.....  
**Name:** Pauline Ngondi  
**Fund Accountant**  
**ICPAK Member Number:24794**




**Kirinyaga County Education Bursary 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	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	1,971,615	5,269,028
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
<b>Total current assets</b>		<b>1,971,615</b>	<b>5,269,028</b>
<b>Total Assets (A)</b>		<b>1,971,615</b>	<b>5,269,028</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Asset (A-B)</b>		<b>1,971,615</b>	<b>5,269,028</b>
<b>Represented By:</b>			
Accumulated Surplus		1,971,615	5,269,028
<b>Net Assets</b>		<b>1,971,615</b>	<b>5,269,028</b>

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 6/11/25 2025 and signed by:

  
 Name: Rose Machira  
 Fund Administrator/Accounting Officer

  
 Name: Pauline Ngondi  
 Fund Accountant  
 ICPAK Member Number:24794

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

**16. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

Description	Accumulated surplus
	Kshs
<b>Balance as at 1 July 2023</b>	8,212,950
Surplus/(Deficit) For the Year	(2,943,922)
<b>Balance As At 30 June 2024</b>	<b>5,269,028</b>
<b>Balance As At 1 July 2024</b>	<b>5,269,028</b>
Surplus/(Deficit) For the Year	(3,297,413)
<b>Balance As At 30 June 2025</b>	<b>1,971,615</b>

**Kirinyaga County Education Bursary 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	FY 2024/2025	FY 2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government	6	4,450,000	148,000,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
<b>Total receipts</b>		<b>4,450,000</b>	<b>148,000,000</b>
<b>Payments</b>			
Bursary Transfers	10	7,354,201	146,284,922
Scholarship grants		-	-
Use of goods and Services	12	393,212	4,659,000
<b>Net cash flows from operating activities</b>	<b>17</b>	<b>(3,297,413)</b>	<b>(2,943,922)</b>
<b>Cash flows from investing activities</b>			
		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(3,297,413)</b>	<b>(2,943,922)</b>
Cash and cash equivalents at 1 July 2024	13	5,269,028	8,212,950
<b>Cash and cash equivalents at 30 June 2025</b>	<b>13</b>	<b>1,971,615</b>	<b>5,269,028</b>

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

**18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30<sup>th</sup> 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
<b>Opening budget Carry Overs</b>	<b>5,269,028</b>	<b>-</b>	<b>5,269,028</b>	<b>5,269,028</b>	<b>-</b>	<b>100%</b>
<b>Receipts</b>						
Transfers From the County Government	166,370,000	(56,000,000)	110,370,000	4,450,000	105,920,000	4%
Public Contributions and Donations	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other receipts	-	-	-	-	-	
<b>Total Receipts</b>	<b>171,639,028</b>	<b>(56,000,000)</b>	<b>115,639,028</b>	<b>9,719,028</b>	<b>105,920,000</b>	<b>8%</b>
<b>Payments</b>						
Bursary Transfers	171,245,816	(56,000,000)	115,245,816	7,354,201	107,891,615	6%
Scholarship grants	-	-	-	-	-	
Use of goods & Services	393,212	-	393,212	393,212	-	100%
<b>Total Payments</b>	<b>171,639,028</b>	<b>(56,000,000)</b>	<b>115,639,028</b>	<b>7,747,413</b>	<b>107,891,615</b>	<b>7%</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,971,615</b>	<b>-</b>	

**NOTE:** In the year under review, the fund received Kshs.4,450,000 being transfers from the county government. The fund had Kshs.5,269,028 brought forward from the previous year, bringing the total amounts available for expenditure to Kshs.9,719,028. The fund spent Kshs.7,747,413 during the year ,thus a balance of Kshs.1,971,615 which was carried down to the following year.

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

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,971,615
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>1,971,615</b>

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

County Education Bursary Fund is established by and derives its authority from the Public Finance Management Act, 2012. The entity is wholly owned by the Kirinyaga County Government and is domiciled in Kenya. The County Bursary Fund principal activity is-

**2. Statement of compliance and basis of preparation**

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

**3. Adoption of new and revised standards**

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

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

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

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

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

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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><b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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><b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users</p>

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

Standard	Effective date and impact:
	of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul>

***(iii) Early adoption of standards***

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

**1. 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 8<sup>th</sup> August 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 County Bursary Fund upon receiving the respective approvals in order to conclude the final budget. The County Education Bursary Fund recorded additional appropriations of Kshs. 0 on the FY 2024/2025 budget following the governing body's approval.

The County Bursary 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/ equity**

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

**(v) Fair value through surplus or deficit**

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

**(vi) Trade and other receivables**

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

**(vii) Impairment**

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

**Financial liabilities**

**Classification**

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

**d) Provisions**

Provisions are recognized when the County Bursary 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 Bursary 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**

County Bursary 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 Bursary Fund does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the County Bursary 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 Bursary Fund creates and maintains reserves in terms of specific requirements.

**h) Changes in accounting policies and estimates**

The County Bursary 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 County Bursary 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 Bursary Fund, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, 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 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 County Bursary 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. Additional disclosure of these estimates of provisions is included in Note.

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

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**6. Transfers from the County Government**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From County Govt-Operations	4,450,000	148,000,000
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>4,450,000</b>	<b>148,000,000</b>

**7. Public Contributions and Donations**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**8. Finance income**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others ( <i>Specify</i> )	-	-
<b>Total finance Income</b>	<b>-</b>	<b>-</b>

**9. Other income**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Cheque write backs	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Other Income</b>	<b>-</b>	<b>-</b>

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**10. Bursary Transfers**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Universities	948,693	20,355,183
TVETs and Colleges	4,353,709	27,353,006
Secondary schools	2,235,699	98,576,733
Other ( <i>Specify</i> )	-	-
Stale/cancelled	(183,900)	
<b>Total</b>	<b>7,354,201</b>	<b>146,284,922</b>

**11. Scholarship grants**

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

**12. Use of Goods and Services**

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Committee Allowances	-	1,700,000
Bank charges	393,212	-
Audit fees	-	-
Other ( <i>operating expenses</i> )	-	2,959,000
<b>Total</b>	<b>393,212</b>	<b>4,659,000</b>

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**13. Cash and cash equivalents**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Account	1,966,590	4,188,698
Executive Bursary	5,025	1,080,330
<b>Total Cash and Cash Equivalents</b>	<b>1,971,615</b>	<b>5,269,028</b>

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
KCB-1163964123	Mukure	7,116	60,007
KCB-1161083677	Kabare	12,057	118,091.50
KCB-1161083561	Karumandi	1,795	120,464
KCB-1161083510	Ngariama	38,896	427,608.50
KCB-1161083472	Baragwi	33,167	1,080,385
KCB-1161083413	Njukiini	1,206	200,732
KCB-1205585184	Kangai	14,715	368,062
KCB-1205585958	Wamumu	11,151	35,326
KCB-1205586253	Mutithi	17,502	6,728
KCB-1205586091	Thiba	605,315	255,450
COOP-01141491690500	Gathigiriri	25,557	88,667
COOP-01141491693500	Murinduko	14,680	840,720
COOP-01141491690200	Nyangati	55,830	47,770
COOP-01141491690400	Tebere	7,606	39,196
KCB-1161615997	Inoi	9,485	37,222.50
KCB-1161093095	Mutira	959,790	310,268.50
KCB-1161080740	Kerugoya	13,933	7,414
KCB-1161561358	Kanyekiine	5,603	16,767
KCB-1152890018	Kariti	127,659	27,920
KCB-1274143055	Kiine	3,527	99,899
<b>Sub-total</b>		<b>1,966,590</b>	<b>4,188,698</b>
<b>b) Others</b>			
KCB-1313570362	County Executive Bursary	5,025	1,080,330
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		<b>5,025</b>	<b>1,080,330</b>
<b>Grand Total</b>		<b>1,971,615</b>	<b>5,269,028</b>

**Kirinyaga County Education Bursary Fund**  
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**14. Non-Exchange Receivables**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revenue receivable	-	-
Others ( <i>Specify</i> )	-	-
<b>Total non-exchange receivables</b>	-	-

**15. Exchange Receivables**

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

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**16. Trade and other payables**

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

**17. Cash generated from operations.**

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
<b>Surplus/ (Deficit) For the Year</b>	<b>(3,297,413)</b>		<b>( 2,943,922)</b>	
<b>Adjusted For:</b>			-	
<b>Working Capital Adjustments</b>			-	
Increase In Receivables	-		(-)	
Increase In Payables	-		-	
<b>Net Cash Flow from Operating Activities</b>	<b>(3,297,413)</b>		<b>(2,943,922)</b>	

**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	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Board of Trustees	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due From County Government	-	-
<b>Total</b>	-	-

**Other Disclosures Continued**

**e) Due to related parties**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
<b>Total</b>	-	-

**19. Contingent assets and contingent liabilities**

Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

**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 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:

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2025</b>				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

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 board of trustees sets the Fund 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.

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

**c) Market risk**

The Fund has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 finance department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

**i. Foreign currency risk**

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
Cash	-	-	-
Debtors/ Receivables	-	-	-
<b>Liabilities</b>			
Trade And Other Payables	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the Fund 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
<b>FY 2024/2025</b>			
Euro	-	-	-
USD	-	-	-
Other ( <i>Specify</i> )	-	-	-
<b>FY 2023/2024</b>			
Euro	-	-	-
USD	-	-	-
Other ( <i>Specify</i> )	-	-	-

**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***

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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. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2024: Kshs - ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2025 – Kshs -).

**d) Capital risk management.**

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Accumulated surplus	-	-
<b>Total funds</b>	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

**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)


**Kirinyaga County Education Bursary Fund  
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**20. Annexes**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Accumulated surplus and cash and cash equivalents.	The opening cash and cash equivalent in FY 2022/2023 was kshs.8,212,950 and supported by bank reconciliations hence kshs.33,594,598 in the statement of cash flows was wrongly reported. The correct closing balance in FY 2023/2024 was kshs.5,269,028 as stated in the statement of cash flows.	Resolved	
2	Unresolved prior year matters	Resolved	Resolved	

.....  
  
Fund Administrator/Accounting Officer  
Date.....6/11/2025.....

**Kirinyaga County Education Bursary Fund  
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**Annex II: Inter-Entity Confirmation Letter**

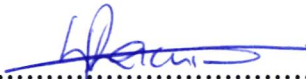
Name of transferring entity:...KIRINYAGA COUNTY

Name of beneficiary entity:...KIRINYAGA COUNTY

Confirmation of amounts received by [Kirinyaga County Bursary Fund] as at 30 <sup>th</sup> June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [Treasury County Department] (Kshs) as at 30 <sup>th</sup> June 2025			Amount Received by Kirinyaga County Bursary Fund (Kshs) as at 30 <sup>th</sup> June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
FT25168P6ZGP	17/06/2025	4,450,000	-	4,450,000	4,450,000	-
Total		<u>4,450,000</u>	=	<u>4,450,000</u>	4,450,000	-

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

**Head of Accounts - Disbursing Entity:**  
 Name ..... Raphael Nwanta ..... Sign .....  ..... Date ..... 6/11/2025 .....

**Head of Accounts - Beneficiary Entity:**  
 Name ..... Rose Wachira ..... Sign .....  ..... Date ..... 6/11/2025 .....