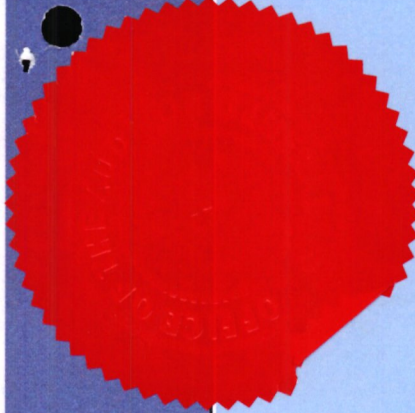
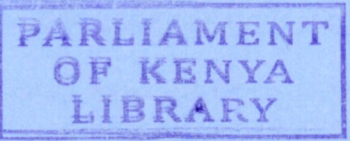


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

TURKANA COUNTY EDUCATION FUND

FOR THE YEAR ENDED

30 JUNE, 2025

	PAPERS LAID
DATE	27/11/25
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	Ms Nabalayo



TURKANA 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)

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

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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

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

2. Key Entity Information and Management

a) Background information

The Turkana County Education Fund is established by and derives its authority and accountability from Turkana County Education Fund Act, 2023. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

The fund's objective is to;

- i. To be used for granting bursaries to assist needy students to pursue education at eligible institution;
- ii. To be used to award scholarship to needy students admitted in eligible institutions to pursue rare skills;
- iii. To be used to advance to students in colleges and universities recognized in Kenya loans.

The Fund's principal activity is to provide fee subsidy to needy and deserving students both in colleges, university and tertiary institutions.

b) Principal Activities

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

- i. To be used for granting bursaries to assist needy students to pursue education at eligible institution;
- ii. To be used to award scholarship to needy students admitted in eligible institutions to pursue rare skills;
- iii. To be used to advance to students in colleges and universities recognized in Kenya loans.
- iv. Provide a framework for the inclusive consideration of any matter that affects the entities of Turkana County Government and other county stakeholders in the Education sector;
- v. Give effect to Article 187 and 200 of the Constitution, in respect of the transfer of functions and powers by one level of government of another, Including the transfer of the legislative powers; and
- vi. Provide mechanisms for the resolution of inter-entities and or stakeholders disputes where they arise.

c) Board of Trustees/Fund Administration Committee

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

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

Ref	Position	Name
1	Chairperson of the Board	Rev. Joseph Elibach Morungole
2	Board Member	Seline Locham
3	Board member	Daniel Edukon
4	Board Member	Emmanuel Ekai Nabenyo
5	Board Member	Robert Ekai Lotaruk
6	Board Member	William Ejore Emoru
7	Board member	Paul Lodunga
8	Board member	Rev. Jackson Iruko
9	Board member	Dr. Peter Edome
10	Fund Administrator	CPA Livingston Lusac Eyanae

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	CPA Livingston Lusac Eyanae	Fund administrator
2	Tiono Evans	Fund accountant
3	Rev. Joseph Elibach Morungole	Fund chairperson

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Turkana County Assembly Sectoral Committee on Finance, Planning, Trade, and ICT.

SN	Position	Name
1	Chairperson	Willy Nalimo
2	Vice Chairperson	Mathew Alany
3	Member	Michael Ewoi
4	Member	Anarclet Lemuya
5	Member	Amina Loitanit
6	Member	Samuel Aliwo
7	Member	Rebecca Epae
8	Member	Esther Mana

f) Registered Offices

P.O. Box 11-30500
Office of the County Executive-Education,
Sports and Social Protection
Lodwar Mixed Primary Highway
Lodwar, KENYA

g) Fund Contacts

E-mail: tcg@turkana.go.ke
Website: www.tcg.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
Lodwar Branch.

Turkana County Education Fund
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Key Entity and Management (Continued)

i) Independent Auditor

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

j) Principal Legal Adviser

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

k) County Attorney



The Office of the County Attorney
P.O. Box 11-30500
Lodwar, Kenya

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


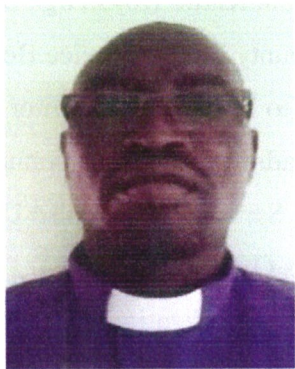

3. Trustees/ Fund Administration Committee Profiles

Name	Details of qualifications and experience
<p>1. Rev Joseph Elibach Morungole</p> 	<p>He is the chairperson of the Management Board and pastor of Full Gospel Churches of Kenya. He has a bachelor degree in Development Studies from Mount Kenya University. He has worked with NGO's in turkana county on Donor Relation and Project Management for over Ten years.</p>
<p>2. Mrs Seline Locham</p> 	<p>She is the vice chairperson of the management board. She has a bachelor degree in development studies from Catholic University of Eastern Africa.</p> <p>She is currently the Gender Inclusion and Social Change Officer USAID Nawiri Mercy Corps, supporting in the implementation of Gender transformative approaches and ensuring gender and social dimensions of food security and resilience are effectively addressed across the County</p> <p>She also worked for Caritas Lodwar as Community Mobilizer and Prevention officer in Raising community and local partners on SGBV and its prevention, conducting safety Audits and weekly meetings to assess risks encountered by women and Girls along the East Africa Trade Road A1 -in Turkana and other numbers of organization in the country.</p>
<p>3. CPA Livingstone Lusac Eyanae</p>	<p>He is the Fund Administrator and Assistant Director Accounting Service Turkana County Government. He has MSc finance from the university of Nairobi, bachelors in business management (finance and banking) from Moi University, Senior management course (SMC), strategic leadership programme (SLDP) and transformative leadership KSG Lower Kabete and current PhD candidate (Finance option) University of Nairobi. He is a member of ICPAK. He has 12 years of working experience in Finance.</p>


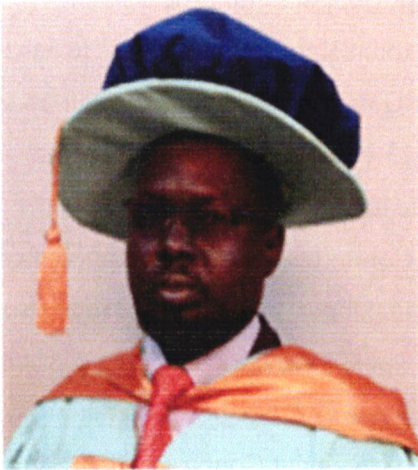
**Turkana County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

	
<p>4. Mr Emmanuel Ekai Nabeny</p> 	<p>He is a member of management board. He is the County Solicitor of the Turkana County Government. He is an Advocate of the High Court of Kenya and a distinguished legal professional currently serving as the Director of Legal Services and Acting County Solicitor at the County Government of Turkana. He is also the Founder and Executive Director of Article 43 International, a non-profit organization advancing socio-economic rights and legal empowerment for underserved communities across Africa. Academically, Nabeny holds a Master of Laws in Migration and Refugee Law from the University of Dar es Salaam, where he graduated with distinction. An alumnus of Lodwar Boys High School in Lodwar, Turkana County where he sat for his KCSE in 2009, Nabeny also earned a Bachelor of Laws degree from the University of Nairobi (Second Class Upper Division) and a Postgraduate Diploma in Law from the Kenya School of Law. He has undertaken leadership training at the University of Cambridge which further reflects his dedication to leadership, service delivery, excellence and public service.</p>
<p>5. Paul Lodunga</p>	<p>He is a member of management board and current chief officer for education and social protection. He has bachelor degree in education (arts). He has worked as teacher before appointed as chief officer. He is actively involved in various initiatives community development within the county.</p>


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

	
<p>6. Rev. Jackson Iruko</p> 	<p>He is a member of the management board and the current Dean of student at Turkana University College (constituent college of Masinde Muliro University of Science and Technology). He is a practising reverend for Reformed church of East Africa (RCEA). He possesses a bachelor's degree in Arts (theology) and master in education arts. Jackson has worked with mentorship programs within the county, possessing vast experience in counselling having engaged in counselling sessions with the Diocese of Lodwar to curb widespread of drug abuse among the young generation.</p>
<p>7. Robert Ekai Lotaruk</p> 	<p>He is member of management board and current chief officer of finance and economic planning. He holds Bachelors of Business Management (Supplies and Procurement Management) from Mount Kenya University. He has worked with Turkana County Government for the 10 years as supply Chain Specialist and 13 years with humanitarian and development non-state actors like World Vision and International Rescue Committee (IRC) in the implementation of food security and humanitarian programs. He is also a graduate of Kenya School of Government (KSG) where qualified with a Certificate in Strategic Leadership Programme (SLDP) and Senior Management Course (SMC).</p>

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

<p>8. Mr William Ejore Emoru</p> 	<p>He is a member of management board. He has Master's Degree in Special Needs Education(SNE) and Bachelor Degree (SNE) from Maseno University, Higher National Diploma in human Resource Management (HRM option) KNEC TTI, Diploma in Special Education (VI option) KISE. He is also holder of Strategic Leadership Development Programme, Senior Management Course from Kenya School of Government, Nairobi Kenya and Diploma in International Human Resource Management from Galilee Institute, Israel. Is the current Deputy Principal at Katilu Boys High School. He was a former Member, County Public Service Board in Performing regular HR audits to investigate, monitor and evaluate the organization and administration personnel practices of the County Public Service. he was also Disability and diversity rights Awareness Officer/Teacher, Trainer of Trainers on braille standardization with the Ministry of Education and Chief Trainer of trainers in; use of adapted technology, braille modification, public service management and adapted T/L resources</p>
<p>9. Dr Peter Edome</p> 	<p>He is a member of management board. He is natural Plant Scientist in the area of Botany (Genetics) and a senior lecturer in the Department of Biological and Physical Sciences. He is the founder and acting Dean, School of Science and Technology since inception of Turkana University College with effect from March, 2017 up to date. Dr Edome, is a holder of Doctor of Philosophy in Botany specialized in Plant Genetics, MSc.Ed (Biology) and B.Ed. Science (Botany and Chemistry) with a First Class Honors. He has served in many capacities including but not limited to University College Academic Board member, Deans Committee member and chairperson of several Ad Hoc Committees. He published papers in many peer-reviewed</p>

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

	<p>journals and participated in academic forum at both regional and international levels, also served has a technical expert in both bilateral technical committees at national and regional levels in Kenya and beyond.</p>
<p>10. Mr Daniel Edukon</p> 	<p>He is a member to the management board. He holds a Bachelor of Commerce (BCom) degree with a focus in finance and a Diploma in Supply Chain Management both from the University of Nairobi. He’s also a member of Kenya Institute of Supplies Management (KISM), which underscores his commitment to professional development and excellence in the field of supply chain management.</p> <p>In June 2022, He embarked on his professional career as a court assistant with the Judiciary. The role provided him with valuable insights into the legal and administrative processes within the judicial system. Subsequently, he transitioned to the directorate of supply chain management services, where he's currently serving as a supply chain management officer. In this capacity, he leverages his expertise to optimize and manage supply chain operations.</p>

**Turkana County Education 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. Rev. Joseph Elibach Morungole</p> 	<p>He is the chairperson of the Management Board and pastor of Full Gospel Churches of Kenya. He has a bachelor degree in Development Studies from Mount Kenya University. He has worked with NGO's in turkana county on Donor Relation and Project Management for over Ten years.</p>
<p>2.CPA Livingstone Lusac Eyanae</p> 	<p>He is the Fund Administrator and Assistant Director Accounting Service Turkana County Government. He has MSc finance from the university of Nairobi, bachelors in business management (finance and banking) from Moi University, Senior management course (SMC), strategic leadership programme (SLDP) and transformative leadership KSG Lower Kabete and current PhD candidate (Finance option) University of Nairobi. He is a member of ICPAK. He has 12 years of working experience in Finance.</p>
<p>3. Tiono Evans</p> 	<p>He is the Fund Accountant. He has over eight (8) years' working experience in Public areas of accounting and financial Management.</p> <p>He holds a bachelor degree in Business Management (accounting option-second class upper division) from Turkana University a constituent college of Masinde Muliro University of Science and Technology. He is a Certified Public Accountant (CPA) part 2 and Accounting Technician Certificate (ATC)</p>

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

	<p>KASNEB award winner in Principle of Management and Best Overall (ATC1). He possesses financial management expertise rising through the rank as a junior accountant to senior management. He is a continuing masters student (Mba Accounting) at Masinde Muliro University Of Science And Technology</p>
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5. Chairman's Report

The Turkana County Education Fund main objective is to provide quality education to resident of Turkana County, bridge the illiteracy gap and create a diversified knowledge base workforce through provision and subsidization of school fees to needy and deserving students.


During the year under review the fund was allocated **Kshs. 248,000,000** and received **Kshs. 235,000,000** from national exchequer. Moreover, the fund also had a carry-over from the previous financial year of **Kshs. 49,964,310**.

For the smooth operations of the fund, a total of **Kshs. 8,956,930 (3%)** was allocated to the fund administration cost while **Kshs 289,607,380 (97%)** was allocated for bursaries transfer and scholarship grants. However, **Kshs. 8,048,517** was used for administration cost and bank charges (use of goods and services) while **Kshs. 192,770,595** and **Kshs. 6,448,749** was for general expenses –bursary transfer and Scholarship Grants respectively to resident of Turkana County.

The Fund encountered a number of challenges during the year that affected budget implementation including but not limited to delay in submission of beneficiary lists from the Wards appraisal committees and incorrect information in regard to beneficiaries' details and Institutions which delays disbursements to some Institutions.

The management intends to employ the following measures;

- Strict timelines for submission of beneficiary lists from Wards Appraisal Committees.
- Implementation of the e-bursary system to enhance efficiency.
- Training of ward appraisal committee for purpose of improving allocation and identification of beneficiaries

Signature..........Date.....23/10/2025.....

Name: Joseph Morungole Elibach

Fund Board Chairperson

6. Report of The Fund Administrator

The Turkana County Education Fund main objective is to provide quality education to resident of Turkana County, bridge the illiteracy gap and create a diversified knowledge base workforce through provision and subsidization of school fees to needy and deserving students.

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The management intends to employ the following measures;

- Strict timelines for submission of beneficiary lists from Wards Appraisal Committees.
- Implementation of the e-bursary system to enhance efficiency.



.....

Name: Livingstone Lusac Eyanae

Fund Administrator

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 2025 to 2026 are to:

- a. Provide quality education to resident of Turkana County.
- b. To bridge the gap of illiteracy
- c. To diversify knowledge around the corners of the Turkana County.
- d. To reduce poverty levels by empowering community to enrolling children to schools
- e. To nurture talents through skill developments programs

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Turkana County Education Fund	To ensure the residents attain quality education at high levels of learning	Increased number of beneficiaries enrolling to tertiary institutions	Number of beneficiaries enrolling to tertiary institutions.	The number of students supported in tertiary institutions improved
	To bridge the gap of illiteracy	Improved illiteracy levels in the county	Percentage of literacy level in the County	Majority of students benefitted
	To diversify knowledge around the corners of the Turkana County.	Availability of diverse skill sets across the County	Number of rare skills nurtured across the County.	Various skill sets have been developed.
	To nurture talents through skill developments programs	Availability of diverse skill set in the county	Number of diverse rare skills nurtured and accessible in the county	Various skill sets have been developed.

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

8. Statement of Corporate Governance

During the Financial Year the Management Board held **8 meetings** and all the members were present all through. The first meeting held was for members to approve the fund annual budget and work plan.

Name	Designation	Meetings Date								Remuneration
Rev. Joseph Elibach Morungole	Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Seline Locham	Vice chairperson	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Cpa Livingstone Eyanae	Fund Administrator	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Paul lodunga	Board member	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Ruth Emanikor	Board member	✓	✓	✓	✓	✓	✓	✓	✓	112,000
William Ejore Emoru	Board member	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Rev. Jackson Iruko	Board member	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Dr Peter Edome	Board member	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Daniel Edukon	Board member	✓	✓	✓	✓	✓	✓	✓	✓	112,000
Paul Lodunga	Board member	-	-	-	-	✓	✓	✓	✓	56,000
Robert lotaruk	Board member	-	-	-	-	-	-	-	-	-

The members are remunerated according to the SRC rates for board members in Public service.

The board members are appointed by the County Executive Committee member responsible for Education, Sports and Social Protection for a period of five years while the chairperson and Vice shall be elected among the members during the first meeting.

A person shall not be qualified for appointment as a member of the board if that person is;

- i. a member of National Assembly;
- ii. is adjudged bankrupt;

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

- iii. is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months.

An appointed member of the Board shall cease to be a member when;

- i. Dies;
- ii. Is unable to perform the functions of the office due to mental or physical infirmity

The Management board shall have the powers necessary for the performance of its functions and these powers shall be;

- i. equitably share funds among the 30 wards existing in the county;
- ii. review allocations to ensure support offered is adequate and sufficient;
- iii. approve disbursement of fee support awarded to each ward;
- iv. monitoring allocation to ensure needy and deserving students benefit;
- v. conduct periodic county skills surveys to identify critical skills for the purpose of refocusing support and encouraging students to pursue necessary disciplines;
- vi. maintain an updated database of all applicants and beneficiaries of the fund;

The members of the board shall be paid such allowances or remuneration as per the Salaries and Remuneration Commission and in accordance with the relevant financial regulations and/or guidelines currently in force including the Salaries and Remuneration Commission.

The conduct of business of the Board shall be as provided in the First Schedule, but subject thereto, the Board may regulate its own procedure. The quorum for the conduct of business of the meeting of the Board shall be two-thirds of the total number of members of the Board.

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

9. Management Discussion and Analysis

In the year under review, the fund received an allocation of **Kshs 235,000,000** from national treasury to cater for fee subsidies (bursaries transfer), scholarship and uses of goods and services. Moreover, the fund also had a carry-over from the previous financial year of **Kshs 49,964,310**.

For the smooth operations of the fund, a total of **Kshs. 8,956,930 (3%)** was allocated to the fund administration cost while **Kshs. 289,607,380 (97%)** was allocated for fee subsidies. However, **Kshs. 8,048,517** was utilized for administration expense and bank charges (use of goods and services) while **Kshs. 192,770,595** and **Kshs. 6,448,749** for general expenses –Bursaries transfers and scholarship grants respectively. Furthermore, the fund by end of the financial year had internal borrowing amounting to **Kshs. 74,000,000** borrowed by the department of finance and economic planning and unpaid balance brought forward **Kshs. 3,146,500** totalling to **Kshs 77,146,500**.

From the disbursement, the ward appraisal committee managed to award funds to **23,534** students compared to the previous year **54,925** across the 30 wards in the entire County.

Utilization of the allocation as per level of studies and the number of beneficiaries;

Allocation

Description	FY 2024/2025	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Universities	31,017,148	57,502,278	51,303,716
TVETs and Colleges	58,290,884	106,472,305	74,995,191
Secondary schools	102,738,113	283,207,040	259,948,637
Other- (<i>adult schools, driving schools, seminaries/pastors schools</i>)	724,450	4,257,920	2,876,883
Total	192,770,595	451,439,543	389,124,427

Beneficiaries.

Description	FY 2024/2025	FY 2023/2024	FY 2022/2023
	No of beneficiaries	No of beneficiaries	No of beneficiaries
Universities	2,430	4,559	5,738
TVETs and Colleges	5,929	11,042	13,205
Secondary schools	15,083	38,820	39,457
Other- (<i>adult schools, driving schools, seminaries/pastors schools</i>)	92	504	452
Total	23,534	54,925	58,852

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

The Fund encountered a number of challenges during the year that affected budget implementation including but not limited to delay in submission of beneficiary lists from the Wards appraisal committees and incorrect information in regard to beneficiaries' details and Institutions which delays disbursements to some Institutions.

The management intends to employ the following measures;

- Strict timelines for submission of beneficiary lists from Wards Appraisal Committees.
- Implementation of the e-bursary system to enhance efficiency

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

10. Environmental and Sustainability Reporting

The Turkana County Education Fund is established by and derives its authority and accountability from Turkana County Education Fund Act, 2023 for the sole purpose of providing fee subsidies to needy students.

The fund does not undertake any CSR activities since it only focuses on providing fee subsidies to students in secondary, university and tertiary institutions.

Below is a brief highlight of our achievements in each pillar;

1. Sustainability strategy and profile -

The fund is created in such a way that it is disbursed as fee subsidies to needy students in secondary, tertiary institutions and universities.

2. Environmental performance

Since this is a fund meant for fee subsidization, there is minimal interaction of the products (loans) with the environment. The fund therefore does not have an environmental management policy.

3. Employee welfare

The fund comprises of a board of management that constitutes 4 gentlemen and 4 ladies. The fund does not hire any staff since it is operated and managed by the staff working for the department the fund is housed under.

4. Market place practices-

The organisation should outline its efforts to:

b) Responsible competition practice.

The fund is free and does not attract any interest. Advertisement for the funds is always made public through the local dailies, posters and official county social media platforms.

c) Responsible Supply chain and supplier relations- The fund occasionally engages suppliers on short term while fulfilling its contractual agreements promptly.

d) Responsible marketing and advertisement-The fund advertises calls for funding through the social media, radios and newspapers.

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

5. Community Engagements-

There were no charitable events undertaken by the fund during the financial year under review.

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

11. Report of The Trustees/Committee

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

Principal activities

The principal activities of the Fund are;

- i. To be used for granting bursaries to assist needy students to pursue education at eligible institution;
- ii. To be used to award scholarship to needy students admitted in eligible institutions to pursue rare skills;
- iii. To be used to advance to students in colleges and universities recognized in Kenya loans.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 5

Trustees

The members of the Board of Trustees who served during the year are shown on page VII.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Turkana County Education Fund for the year/period ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....

Chair of the Board/Fund Administration Committee

Date: 28/10/2025

Turkana 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.

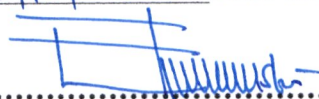
The Administrator of Turkana County Education Fund is responsible for the preparation and presentation of the Fund/Scheme’s financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on June 30, 2024. This responsibility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

The Administrator of the Turkana 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 Turkana County Education Fund Act 2023. The Administrator of the Fund/Scheme is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund/Scheme’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/Scheme, 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 Turkana County Education Fund has assessed the Fund/Scheme’s 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/Scheme will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund/Scheme’s financial statements were approved by the Trustee/Committee on 23/10/2025 2025 and signed on its behalf by:


.....

Administrator of the Turkana 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 TURKANA 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 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 Turkana County Education Fund set out on pages 1 to 27, 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 Turkana 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 Turkana County Education Fund Act, 2023 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Turkana 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects final receipts budget and actual on comparable basis totalling Kshs.298,564,310 and Kshs.285,564,310 respectively. This resulted to underfunding of Kshs.13,000,000 or approximately 4% of the budget. Similarly, the Fund spent Kshs.207,267,861 against actual receipts of Kshs.285,564,310 resulting to an under-utilization of Kshs.78,296,449 or 27% of actual receipts.

The underfunding and underutilization of funds affected the planned activities and may have impacted negatively 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 Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls,

Risk Management and Governance, respectively. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Delay in Refund of Borrowed Funds
2	2023/2024	Lack of Risk Management Policy and Disaster Recovery Plan

Other Information

The Management is responsible for the Other Information set out on page iii to xxiv which comprise of Key Entity Information and Management, Trustees/Fund Administration Committee, Key Management Team, Chairman’s Statement, 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 Trustees/Committee, 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

Delay in Refund of Internally Borrowed Funds

The statement of financial position reflects receivables from non-exchange transactions of Kshs.90,146,500. As disclosed in Note 14 to the financial statements, the amount includes Kshs.77,146,500 in respect of internal borrowing by the County Executive. The funds had not been refunded at the time of audit in November, 2025 more than one (1)

year since the borrowing took place. This was contrary to Section 142(3) of the Public Finance Management Act, 2012 which provides that a County Government entity that has any such borrowings shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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

1. Weak Internal Controls

During the year under review, the Fund did not have in place risk management strategies including fraud prevention mechanism and IT strategic plan. In addition, Management has not implemented effective, efficient and transparent financial management and internal control systems due to lack of an organizational chart risk management policy; disaster recovery plan or business continuity plan and an IT strategic plan.

Further, the Fund did not have a robust information technology system in place during the year under review and the records of bursary disbursements for the year were maintained in Microsoft Excel spreadsheets which are prone to alterations, damage and possible manipulation of data without audit trail.

This was contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer shall ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and develops a system of risk management and internal control that builds robust business operations and Section 117(2)(c) of the County Government Act, 2012 which states that a public entity should ensure appropriate incorporation of the use of information technology.

In the circumstances, the effectiveness of internal controls and the credibility of the database could not be confirmed.

2. Failure to Conduct Internal Audit

During the year under review, there was no evidence that internal audit was carried out. This was contrary to the requirements of Section 155(1)(a) of the Public Finance Management Act, 2012 which states that a county government entity shall ensure that it complies with this Act and has appropriate arrangements for conducting internal audit according to the guidelines issued by the accounting standards board.

In the absence of an independent internal audit work carried out on the Fund, the effectiveness of internal controls 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) 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 Project'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

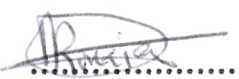
**Turkana County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	248,000,000	534,219,180
Public Contributions and Donations	7	600,000	-
		248,600,000	534,219,180
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		248,600,000	534,219,180
Expenses			
Bursary transfers	10	192,770,595	451,439,543
Scholarship grants	11	6,448,749	15,131,149
Use of Goods and Services	12	8,048,517	15,762,513
Total Expenses		207,267,861	482,333,205
Surplus/(Deficit) for the Period		41,332,139	51,885,975

(The notes set out on pages 6 to 24 form an integral part of these Financial Statements)


 Name: Livingstone Lusac Eyanae
 Administrator/Accounting Officer



 Name: CPA KORIKEL OOSTU
 Fund Accountant
 ICPAK Member Number: 29444


**Turkana 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 FY	2023/2024 FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	4,296,449	49,964,310
Non-exchange receivables	14	90,146,500	3,146,500
Exchange Receivables	15	-	-
Total current assets			53,110,810
Total Assets (A)		94,442,929	53,110,810
Liabilities			
Current Liabilities			
Trade and Other Payables	16	-	-
Total current liabilities		-	-
Total Liabilities (B)			
Net Asset (A-B)		94,442,929	53,110,810
Represented By:			
Revolving Fund		10,026,460	10,026,460
Accumulated Surplus		84,416,489	43,084,350
Net Assets		94,442,949	53,110,810

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 22/10/2025 and signed by:


 Name: Livingstone Lusac Eyanae
 Fund Administrator/Accounting Officer


 Name: CPA Kurukiel B. Ogot
 Fund Accountant
 ICPAK Member Number: 29944

Turkana 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	Revolving Fund	Accumulated surplus	Total
	Kshs.	Kshs	Kshs.
Balance as at 1 July 2023	10,026,460	-8,801,625	1,224,835
Surplus/(Deficit) For the Year		51,885,975	51,885,975
Balance As At 30 June, 2024	10,026,460	43,084,350	53,110,810
Balance As At 1 July, 2024	10,026,460	43,084,350	53,110,810
Surplus/(Deficit) For the Year		41,332,139	41,332,139
Balance As At 30 June, 2025	10,026,460	84,416,489	94,442,949

Turkana 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	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government	6	248,000,000	534,219,180
Public Contributions and Donations	7	600,000	-
Finance Income	8	-	-
Other receipts-refund from borrowings	17	-	938,000
Total receipts		248,600,000	535,157,180
Payments			
Bursary Transfers	10	(192,770,595)	(451,439,543)
Scholarship grants	11	(6,448,749)	(15,131,149)
Use of goods and Services	12	(8,048,517)	(15,762,513)
Total payments		(207,267,861)	(482,333,205)
Net cash flows from operating activities	17	41,332,139	52,823,975
Cash flows from investing activities			
Receivables From Non-Exchange Transactions-Borrowings		(74,000,000)	(3,146,500)
Net cash flows used in investing activities		(74,000,000)	(3,146,500)
Cash flows from financing activities		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		(32,667,861)	49,677,475
Cash and cash equivalents at 1 July	13	49,964,310	286,835
Cash and cash equivalents at 30 June	13	17,296,449	49,964,310

Note:

The difference in cash and cash equivalent in Statement of Financial Position and Statement of Cash Flow is due to undisbursed fund of kshs. 13,000,000

**Turkana 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
Revenue						
Transfers From the County Government	535,000,000	(287,000,000)	248,000,000	235,000,000	13,000,000	95%
Public Contributions and Donations	-	600,000	600,000	600,000	-	100%
Finance Income	-	-	-	-	-	0
Other receipts-Bal b / f	-	49,964,310	49,964,310	49,964,310	-	100%
Total Income	535,000,000	(236,435,690)	298,564,310	285,564,310	13,000,000	96%
Expenses						
Bursary Transfers	454,750,000	(200,970,337)	253,779,663	192,770,595	61,009,068	76%
Scholarship grants	64,200,000	(28,372,283)	35,827,717	6,448,749	29,378,968	18%
Use of goods & Services	16,050,000	(7,093,070)	8,956,930	8,048,517	908,413	90%
Total Expenditure	535,000,000	(236,435,690)	298,564,310	207,267,861	91,296,449	69%
Surplus For the Period	0	0	0	78,296,449	(78,296,449)	

NOTE:

The fund did not meet 100% budget utilization due to under disbursement of budget by kshs. 13,000,000.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	78,296,449
1	Total borrowed amount by the department of finance and economic planning	(74,000,000)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,296,449

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Turkana County Education Fund is established by and derives its authority from Turkana County Education Fund Act 2023. The entity is wholly owned by the Turkana County Government and is domiciled in Kenya. Turkana County Education Fund's principal activity is to provide fee subsidies and scholarship grants to vulnerable and bright student in secondary schools, colleges, technical/vocational and universities within Turkana County Government borderline.

2. Statement of compliance and basis of preparation

Turkana 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 cash flows of an Entity. The new standard requires entities to recognise, measure and present

Standard	Effective date and impact:
	<p>information on right of use assets and lease liabilities.</p> <p><i>The fund does not possess any financial instruments.</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>There is no impact to the fund.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>There is no impact to the fund.</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>There is no impact to the fund.</i></p>

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

Standard	Effective date and impact:
	<i>There is no impact to the fund.</i>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>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 of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>There is no impact to the fund.</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>There is no impact to the fund.</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>There is no impact to the fund.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>There is no impact to the fund</i></p>

(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 County Assembly approved the original budget for FY 2024/2025 on 26th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Turkana County Education Fund upon receiving the respective approvals in order to conclude the final budget adds the additional appropriations to the original budget. The Turkana County Education Fund did not receive any additional funds.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Financial instruments

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

(ii) Subsequent measurement

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

(iii) Amortized cost

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

recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iv) Fair value through net assets/ equity

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

(v) Fair value through surplus or deficit

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

(vi) Trade and other receivables

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

(vii) Impairment

The 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 Turkana 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 Turkana 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.

e) Contingent liabilities

Turkana 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

Turkana 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 Turkana 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 Turkana County Education Fund do not create and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Turkana 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 Turkana 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 Turkana County Education Fund, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Fund/Scheme administrator and senior managers.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes 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 Turkana County Education Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Turkana County Education Fund does not have any judgments, estimates and assumptions.

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.

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.

6. Transfers from the County Government

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfers From Department of Finance and Economic Planning	248,000,000	534,219,180
Others (<i>Specify</i>)	-	-
Total	248,000,000	534,219,180

Being transfer to Turkana County Education a Fund for provision of school fee and scholarship grants to vulnerable student in all levels of studies; secondary, colleges, technical/vocational and universities within and outside Turkana County.

7. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Donation From Development Partners	600,000	-
Contributions From the Public	-	-
Others (<i>Specify</i>)	-	-
Total	600,000	-

8. Finance income

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others (<i>Specify</i>)	-	-
Total finance Income	-	-

9. Other income

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
Cheque write backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

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10. Bursary Transfers

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Universities	31,017,148	57,502,278
TVETs and Colleges	58,290,884	106,472,305
Secondary schools	102,738,113	283,207,040
Other (<i>adult schools, driving schools, comp, pastors schools</i>)	724,450	4,257,920
Total	192,770,595	451,439,543

11. Scholarship grants

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Universities	600,000	-
TVETs and Colleges	-	-
Secondary schools	5,848,749	5,848,749
Other- <i>provision of assorted school items</i>	-	9,282,400
Total	6,448,749	15,131,149

12. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Committee Allowances	4,222,300	2,451,600
Bank charges	60,166	149,222
Audit fees	-	-
Other – administration expenditure	3,766,051	13,161,691
Total	8,048,517	15,762,513

13. Cash and cash equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account	4,296,449	49,964,310
Others (<i>Specify</i>)	0	-
Total Cash and Cash Equivalents	4,296,449	49,964,310

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
Kcb Bank- Lodwar Branch		4,296,449	49,964,310
Sub- Total		4,296,449	49,964,310
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		4,296,449	49,964,310

14. Non-Exchange Receivables

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revenue receivable (undisbursed funds)	13,000,000	-
Others-borrowing	77,146,500	3,146,500
Total non-exchange receivables	90,146,500	3,146,500

15. Exchange Receivables

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Interest receivable	-	-
Others-	-	-
Total exchange receivables	-	-

16. Trade and other payables

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	-	-	-	0%
1-2 years	-	-	-	0%
2-3 years	-	-	-	0%
Over 3 years	-	-	-	0%
Total (tie to above total)	-	-	-	0%

17. Cash generated from operations.

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year	41,332,139	51,885,975
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	-
Increase In Payables	-	938,000
Net Cash Flow from Operating Activities	41,332,139	52,823,975

18. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	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	-	-
Total	-	-

d) Due from related parties

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

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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	-	-
Total	-	-

19. Contingent assets and contingent liabilities

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

20. Financial risk management

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				

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Receivables From Non-Exchange Transactions	90,146,500	-	-	-
Receivables From Exchange Transactions	0	-	-	-
Bank Balances	4,296,449	-	-	-
Total	94,442,949	-	-	-
As at 30th June 2024	-	-	-	-
Receivables From Non-Exchange Transactions	3,146,500	-	-	-
Receivables From Exchange Transactions	0	-	-	-
Bank Balances	49,964,310	-	-	-
Total	53,110,810	-	-	-

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

The entity does not have significant concentration of credit risk

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

b) Liquidity risk management

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

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

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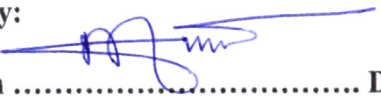
Annex II: Inter-Entity Confirmation Letter

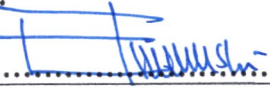
Name of transferring entity: Department of Finance and Economic Planning –Turkana county Government

Name of beneficiary entity: **Turkana County Education Fund**

Confirmation of amounts received by Turkana County Education Fund as at 30 th June 2024						
Reference Number	Date Disbursed	Amounts Disbursed by Department of finance and economic planning (Kshs) as at 30 th June 2025			Amount Received by Turkana County Education Fund (Kshs) as at 30 th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
	23/06/2025	235,000,000	-	235,000,000	235,000,000	-
Total		235,000,000	-	235,000,000	235,000,000	-

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

Head of Accounts Department - Disbursing Entity:
 Name CPA Michael Ate Kaglao Sign  Date 23/10/2025

Head of Accounts Department - Beneficiary Entity:
 Name CPA Liringtaw Epace Sign  Date 23/10/2025

