

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**LAIKIPIA COUNTY EDUCATION
BURSARY FUND**

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

PAPERS LAID	
DATE	20/2/2025
TABLED BY	Majority Whip
COMMITTEE	
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Laikipia County Education Bursary Fund

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

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

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Definition of Key Terms

a) Acronyms

<i>CT</i>	<i>County Treasury</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>KSHS</i>	<i>Kenya Shillings</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>TVETs</i>	<i>Technical and Vocational Educational Training Institutions</i>
<i>UNHCR</i>	<i>United Nations High Commissioner for Refugees</i>
<i>TSC</i>	<i>Teachers Service Commission</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>DKUT</i>	<i>Dedan Kimathi University of Technology</i>
<i>LCEBF</i>	<i>Laikipia County Education Bursary Fund</i>

b) Definition of Terms

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

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2. Key Entity Information and Management

a) Background information

The Laikipia County Education Bursary Fund is established by and derives its authority and accountability from Laikipia County Education Bursary Fund Act, (2014) and amendment regulation of 2017). The Fund is wholly owned by the County Government of Laikipia and is domiciled in Kenya.

b) Principal Activities

The principal activity of the Fund is to provide education bursary and scholarships to vulnerable students who hail from the County in various education facilities across the Country.

The Fund objective is to;

- a) Increase access to education.
- b) Promote and increase enrolment, retention, completion and transition rates in schools;
- c) Improve education standards and literacy levels in the County; and
- d) Reduce poverty, disparities and inequality.

c) Chairperson of the Laikipia County Education Bursary Fund

Chairperson of the Fund		
1.	Chairperson of the Fund	Stephen Biwott Kisorio

d) Fiduciary Management

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

Fiduciary Management		
1	Fund Administrator	John Gichuki
2	Fund Accountant Operations	Angela Wahome
3	Fund Accountant Financial Reporting	Caleb Mwangi

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Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

	Position	Name
1	Directorate Internal Audit	Head of Internal Audit
2	County assembly of Laikipia	Clerk to County Assembly
3	Office of the Auditor -General	Auditor -General
4	Office of the Controller of Budget	Controller of Budget

f) Registered Offices

P.O. Box 131-20321
County Headquarter Building
RUMURUTI, KENYA

g) Fund Contacts

Telephone: (254) 0202352720
E-mail: reports.treasury@laikipia.go.ke
Website: www.laikipiacountygovernment.go.ke

h) Fund Bankers

Family bank
Nanyuki Branch
Nanyuki-Nyeri Road

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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

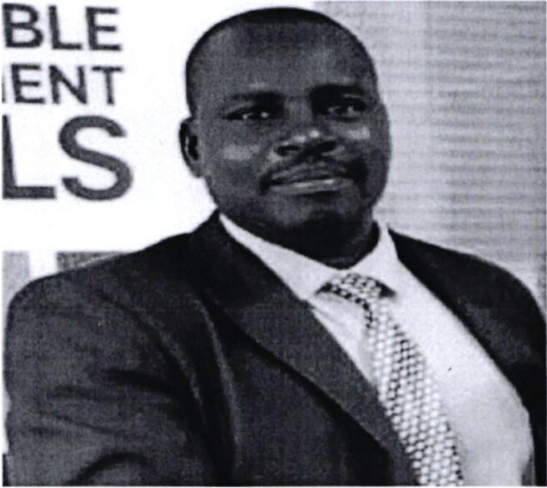
The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) County Attorney

The county Attorney
Office of the governor Laikipia County
Mt Kenya Road- 10
P.O. Box 1271-10400
Nanyuki, Kenya




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3. Chairperson of the Laikipia County Education Bursary Fund

Name	Details of qualifications and experience
<p data-bbox="268 521 568 555">Stephen Biwott Kisorio</p>  A black and white portrait of Stephen Biwott Kisorio, a man with a mustache, wearing a dark suit jacket, a white shirt, and a patterned tie. He is looking slightly to the right of the camera. In the background, there is a blurred sign with the letters 'BLE', 'ENT', and 'LS' visible. <p data-bbox="268 602 400 808">BLE ENT LS</p>	<p data-bbox="842 521 1398 752">Born on 1976, Mr. Stephen is the CECM- Education, Youth and sports. He has worked with UNHCR as education trainee and youth officer for 8years and 15years with TSC as a secondary school teacher. He holds a Bachelor of education (Arts) from Moi university.</p>

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

4. Key Management Team

Name	Details of qualifications and experience
<p>1. John Gichuki</p> 	<p>Born in 1972, Mr Gichuki is the Chief Officer for Education and library services. He has worked with Teachers Service Commission for 20 years in various management capacities. He holds a Bachelor of Education (Arts) degree from Kenyatta university and Master of Education (Admin) from university of Nairobi.</p>
<p>2. Angela Wahome</p> 	<p>Born in 1991. She is the accountant in charge of Operations for the Fund. She Holds a Bachelor's Degree in Actuarial Science. She is a member of the Association of Certified Chartered Accountants and is a member of the Institute of Internal Auditors of Kenya. She has experience working in both external and internal audit.</p>
<p>3. Caleb Mwangi</p> 	<p>Born in 1980. Mr Caleb is the accountant in charge of Financial Reporting for the Fund. Holds Bachelor's Degree in Commerce (Finance) and Post Graduate Diploma in Project Management (DKUT). He also a Certified Public Accountant of Kenya (CPA-K) and a member of ICPAK. He has over 14 years in Internal Auditing and Accounting.</p>

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

5. Chairman's Report

The fund takes delight in presenting the 2023/2024 annual financial statements and report. The fund operates under the ambit of the department of Education & Library Services. The fund is established under the Laikipia County Education Fund Act of (2014).

The Laikipia county bursary fund Act, 2014 is an act of county assembly of Laikipia to provide for the establishment of the county education bursary fund and administration of the fund for the purposes enacted by the county assembly of Laikipia

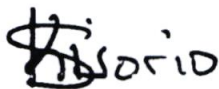
The purpose of the Act is to provide for the legal framework for establishing a County Education Bursary Fund for providing financial assistance to the poor and vulnerable students in the county to, increase access to education, promote and increase enrolment, retention, completion and transition rates in schools, improve education standards and literacy levels, reduce poverty, disparities and inequality.

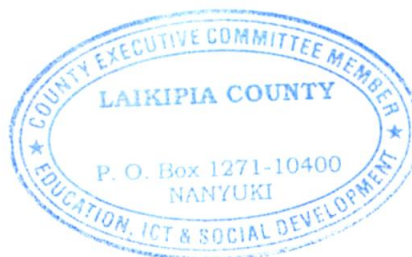
We therefore present the Laikipia County Education Bursary Fund annual report and financial statement for the financial year 2023/2024. In the year under review, we are pleased with the overall disbursement of bursary across the fifteen wards. We have put systems in place to ensure that the most needy and vulnerable students in Laikipia County get to benefit which is in tandem with the Fund's vision and mission statement. This will in turn support the Laikipia County government's efforts to reduce illiteracy by increasing access to education and improving transition rates from primary to secondary schools, therefore ensuring that students are retained in school after enrolment thus equalizing educational opportunities through bursary and scholarships among children from poor households and helping students to continue in education and training where financial barriers are evident.

The increased allocation and distribution of Bursary to Kshs.75 million on educational Bursaries played a key role in ensuring continuity and completion of education by needy students.

The fund continues to employ new ways and methods to make it more efficient and effective to address any gaps and bottlenecks realized during identification, verification, awarding, distribution and getting feedback from beneficiaries.

In conclusion the fund remains committed and emboldened in its objective of ensuring it supports the neediest students in their quest for education empowerment.





.....
Stephen Biwott Kisorio

Chairperson of the Laikipia County Education Bursary Fund

Date: 11th September 2024

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of The Fund Administrator

The Fund aims to provide bursary awards to students enrolled in secondary schools, special needs schools, technical & vocational training Centre's, colleges and universities to most needy students who are residents of Laikipia County. The Fund is also used to provide scholarships for the most deserving and bright students from humble background who if not supported would drop from school. The fund also caters for any administrative expenses incurred during implementation.

The bursary application and disbursement process runs, starting with advertisement for bursary and applications are received at ward levels where vetting is done by ward bursary committee. In awarding, the bursary committee is guided by the following categories: Orphan hood and vulnerability, fee arrears, school absenteeism, occupation of parents/guardians, and student's performance.

The bursary fund allocation was increased to Kshs.75,000,000 in the financial year 2023/2024 to benefit more students as compared to last year Kshs.50,000,000.

No of category	School category	Amount
1	Day secondary school	3,000
2	Boarding secondary school	5,000
3	Special schools	5000
4	Colleges, VTC's & universities	8,000
5	Scholarships	154,000 per ward

Transfers Received Since Inception

The following table and graph show the total transfers received since its inception in 2014 which totals to Kshs. 392,951,147. We have noticed an upwards trend in the total amount of bursary disbursement. It is also important to note that in this financial year it was the first time that the fund has been able to disburse an amount of Kshs.75,000,000 since its inception which was a very huge milestone and a huge success in our county.

YEAR	2014/15	2015/16	2016/17	2017/18	2018/19	2020/21	2021/22	2022/23	2023/24
Kshs. (Million)	4.45	40	48.5	50	50	25	50	50	75

Table 1 Transfers received since its inception

**Laikipia County Education Bursary Fund
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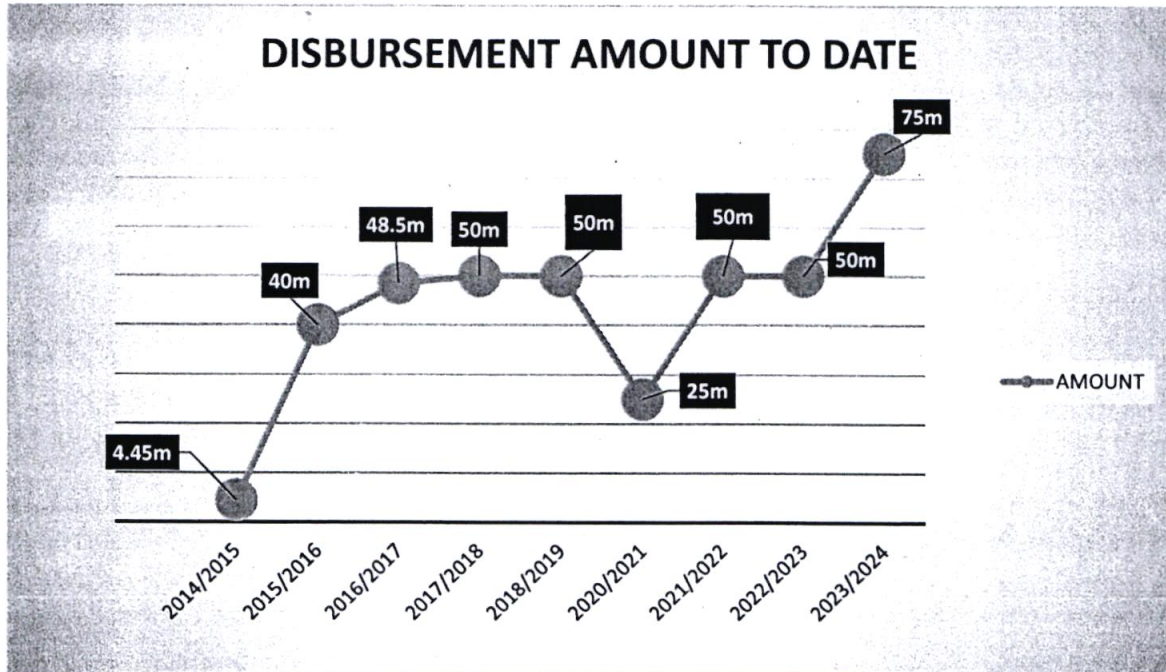


Figure 1 Transfers Received Since Inception

A challenge that arose is that some schools had almost all students applying for the bursary fund which was usually not enough following overwhelming response from applicants.

In conclusion we are trying to bridge the gap between beneficiaries and applicants the total number of beneficiaries the Financial Year 2023/2024 is 14,458 compared to the previous Financial Year 2022/2023 which was 9,533 beneficiaries.



**John Gichuki
Fund Administrator**

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key development objective of the Fund as per the the County Integrated Development Plan (CIDP for the financial year 2023-2027 are to:

- a) Increase access to education for all students residing in Laikipia county
- b) Promote and increase enrolment, retention, completion and transition rates in schools
- c) Improve education standards and literacy levels in the County
- d) Reduce poverty, disparities and inequality.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Performance Indicator	Performance
Education Empowerment	1. Increase access to education.	Enhanced literacy	Number of beneficiaries	During FY 2023/24, 14,458 students in secondary school VTCs Colleges, universities and special schools were awarded bursaries and scholarships to enable continue with their studies
	2. Promote and increase enrolment, retention, completion and transition rates in schools	Enhanced literate population	Number of students beneficiaries transitioned	
	3. Improve education standards and literacy levels in the county	Enhanced literate population	Number of most needy students completing various levels of education	
	4. Reduce poverty, disparities and inequality	Innovative and inventive minds	Number of innovations and inventions	Increased intake to VTCs

8. Statement of Corporate Governance

The CECM Education appoints the Ward Education Bursary Committee.

There is established for each ward the Ward Education Bursary Committee.

The committee consists of seven members who include;

- a) Ward administrator
- b) County officer in charge of education in the ward who is the secretary
- c) One person representing FBO involved in education in the ward
- d) One person representing NGO involved in education in the ward
- e) One ward resident representing PWDs
- f) One ward resident representing Youth
- g) One person nominated by teachers' associations

Functions of the Ward Education Bursary Committee

- a) Creating awareness among residents of the ward about the fund
- b) Receiving reviewing and approving applications for bursary
- c) Determining amount of bursary to be awarded to each approved application
- d) Monitoring and evaluation progress of performance

Ward Education Bursary Committee Remuneration

The allowances for members of the committee are determined by county Treasury which is primarily determined by the SRC.

Vacation of office schedule provisions as to the conduct of Business and affairs of the committee

A member of the committee may vacate the office if:

- a) Has been absent from three consecutive meetings of the committee without permission of the chairperson
- b) Is convicted of a criminal offence and sentenced to imprisonment for term exceeding six months or to a fine exceeding ten thousand shillings
- c) Is convicted of an offence involving dishonesty or fraud

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- d) Is incapacitated by prolonged physical or mental illness
- e) Fails to comply with provisions of the act relating to disclosure

Meetings schedule provisions as to the conduct of Business and affairs of the Ward Education Bursary Committee

- (1) The Committees meets 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 the next meeting.
- (2) Notwithstanding the provisions of subparagraph (1) of the Act, the chairperson may, and upon requisition in writing by at least seven members with the approval of the executive member Convene a special meeting of the Committee at any time for the transaction of the business of the Committee
- (3) Unless three quarters of the total members of the Committee otherwise agree, at least fourteen days written notice of every meeting of the Committee shall be given to every member of the Committee
- (4) The quorum for the conduct of the business of the Committee is five members including the chairperson or the person presiding
- (5) The chairperson presides at every meeting of the Committee at which he is present but, in his absence, the members present shall elect one of their numbers to preside, who shall, with respect to that meeting and the business transacted thereat, have all the powers of the chairperson.
- (6) Unless a unanimous decision is reached, a decision on any matter before the Committee is by a majority of votes of the members present and voting and, in the case of an equality of votes, the chairperson or the person presiding shall have a casting vote.

**Laikipia County Education Bursary Fund
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9. Management Discussion and Analysis

Financial performance

In the Financial year 2023/2024 the county received seventy-five million (Kshs. 75,000,000) disbursement. A total of sixty seven million seven hundred and fifty thousand shillings (Kshs.67, 750,000) was distributed to the fifteen wards as bursary for secondary schools, colleges and universities and two million two hundred and fifty thousand shillings (Kshs.2,250,000) was allocated for administration costs of running the whole bursary process from start to finish, five million shillings (Kshs. 4,437,238) was distributed as bursary to the children at CEDEC.

Each ward was be awarded a specified amount as Bursary subsequent to the Laikipia County Education Bursary Fund Act (2014) Section 4(6).The section states that' an amount totalling to seventy five(75) percent of the amount set aside for disbursement under this Act shall be allocated equally to all wards and the remaining twenty five (25) percent shall be allocated in accordance with the prescribed formula determined in accordance with the population of secondary school going children and poverty levels and such other criteria as may be prescribed'

Operational Performance

a. Bursary disbursement per ward

A total of 14,458 beneficiaries benefited from the bursary and scholarship program budget allocation amounting to Kshs. 72,187,238. The following table depicts the bursary allocation and disbursement per ward as well as per category of beneficiary institutions.

S/N	WARD	CATEGORIES	NO. OF BENEFICIARIES	TOTAL AMOUNT AWARDED
1	GITHIGA	DAY SCHOOLS	566	1,698,000
		BOARDING SCHOOLS	271	1,355,000
		COLLEGES AND UNIVERSITIES	142	1,136,000
		VOCATIONAL TRAINING CENTRES	4	38,000
		SCHOLARSHIP	4	154,000
	TOTAL		987	4,381,000
2	NANYUKI	DAY SCHOOLS	571	1,721,000
		BOARDING SCHOOLS	385	1,925,000
		COLLEGES AND UNIVERSITIES	115	920,000
		VOCATIONAL TRAINING CENTRES	19	190,000
		SCHOLARSHIP	4	144,000
	TOTAL		1094	4,900,000
3	SALAMA	DAY SCHOOLS	460	1,380,000
		BOARDING SCHOOLS	178	890,000
		COLLEGES AND UNIVERSITIES	162	1,296,000
		VOCATIONAL TRAINING CENTRES	7	70,000

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S/N	WARD	CATEGORIES	NO. OF BENEFICIARIES	TOTAL AMOUNT AWARDED
		SCHOLARSHIP	4	154,000
	TOTAL		811	3,790,000
4	RUMURUTI	DAY SCHOOLS	472	1,416,000
		BOARDING SCHOOLS	254	1,270,000
		COLLEGES AND UNIVERSITIES	162	1,296,000
		VOCATIONAL TRAINING CENTRES	42	420,000
		SCHOLARSHIP	3	100,000
	TOTAL		933	4,502,000
5	OLMORAN	DAY SCHOOLS	419	1,257,000
		BOARDING SCHOOLS	210	1,050,000
		COLLEGES AND UNIVERSITIES	136	1,088,000
		VOCATIONAL TRAINING CENTRES	77	770,000
		SCHOLARSHIP	5	100,000
	TOTAL		847	4,265,000
6	UMANDE	DAY SCHOOLS	468	1,404,000
		BOARDING SCHOOLS	243	1,215,000
		COLLEGES AND UNIVERSITIES	152	1,216,000
		VOCATIONAL TRAINING CENTRES	3	30,000
		SCHOLARSHIP	5	154,000
	TOTAL		871	4,019,000
7	THINGITHU	DAY SCHOOLS	356	1,068,000
		BOARDING SCHOOLS	410	2,050,000
		COLLEGES AND UNIVERSITIES	133	1,064,000
		VOCATIONAL TRAINING CENTRES	8	80,000
		SCHOLARSHIP	4	154,000
	TOTAL		911	4,416,000
8	MUKOGODO EAST	DAY SCHOOLS	151	453,000
		BOARDING SCHOOLS	273	1,365,000
		COLLEGES AND UNIVERSITIES	150	1,200,000
		VOCATIONAL TRAINING CENTRES	17	170,000
		SCHOLARSHIP	4	154,000
	TOTAL		595	3,342,000
9	MUKOGODO WEST	DAY SCHOOLS	468	1,404,000
		BOARDING SCHOOLS	237	1,185,000
		COLLEGES AND UNIVERSITIES	131	1,048,000
		VOCATIONAL TRAINING CENTRES	15	150,000
		SCHOLARSHIP	4	154,000
	TOTAL		855	3,941,000
10	SOSIAN	DAY SCHOOLS	472	1,416,000

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S/N	WARD	CATEGORIES	NO. OF BENEFICIARIES	TOTAL AMOUNT AWARDED
		BOARDING SCHOOLS	265	1,325,000
		COLLEGES AND UNIVERSITIES	221	1,768,000
		VOCATIONAL TRAINING CENTRES	13	130,000
		SCHOLARSHIP	4	154,000
	TOTAL		975	4,793,000
11	SEGERA	DAY SCHOOLS	324	972,000
		BOARDING SCHOOLS	365	1,825,000
		COLLEGES AND UNIVERSITIES	136	1,088,000
		VOCATIONAL TRAINING CENTRES	6	60,000
		SCHOLARSHIP	4	154,000
	TOTAL		835	4,099,000
12	NGOBIT	DAY SCHOOLS	423	1,269,000
		BOARDING SCHOOLS	332	1,660,000
		COLLEGES AND UNIVERSITIES	146	1,168,000
		VOCATIONAL TRAINING CENTRES	21	210,000
		SCHOLARSHIP	4	154,000
	TOTAL		926	4,461,000
13	IGWAMITI	DAY SCHOOLS	544	1,632,000
		BOARDING SCHOOLS	386	1,930,000
		COLLEGES AND UNIVERSITIES	213	1,704,000
		VOCATIONAL TRAINING CENTRES	25	250,000
		SCHOLARSHIP	5	208,000
	TOTAL		1173	5,724,000
14	MARMANET	DAY SCHOOLS	510	1,530,000
		BOARDING SCHOOLS	313	1,565,000
		COLLEGES AND UNIVERSITIES	215	1,720,000
		VOCATIONAL TRAINING CENTRES	15	150,000
		SCHOLARSHIP	5	154,000
	TOTAL		1058	5,119,000
15	TIGITHI	DAY SCHOOLS	858	2,574,000
		BOARDING SCHOOLS	532	2,660,000
		COLLEGES AND UNIVERSITIES	50	400,000
		VOCATIONAL TRAINING CENTRES	21	210,000
		SCHOLARSHIP	4	154,000
	TOTAL		1465	5,998,000
16	CEDEC		122	4,437,238
GRAND TOTAL			14,458	72,187,238

The graph below shows bursary allocations per ward:

**Laikipia County Education Bursary Fund
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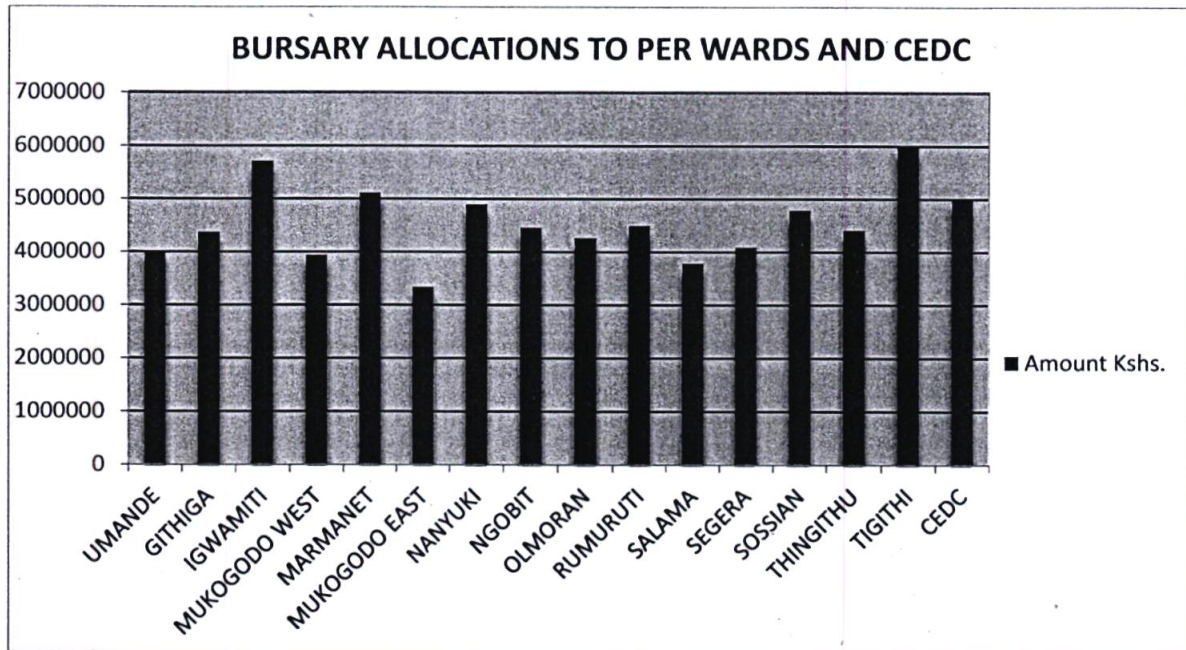


Figure 2 Bursary Allocation per Ward and Cede

The graph below shows the number of beneficiaries per ward.

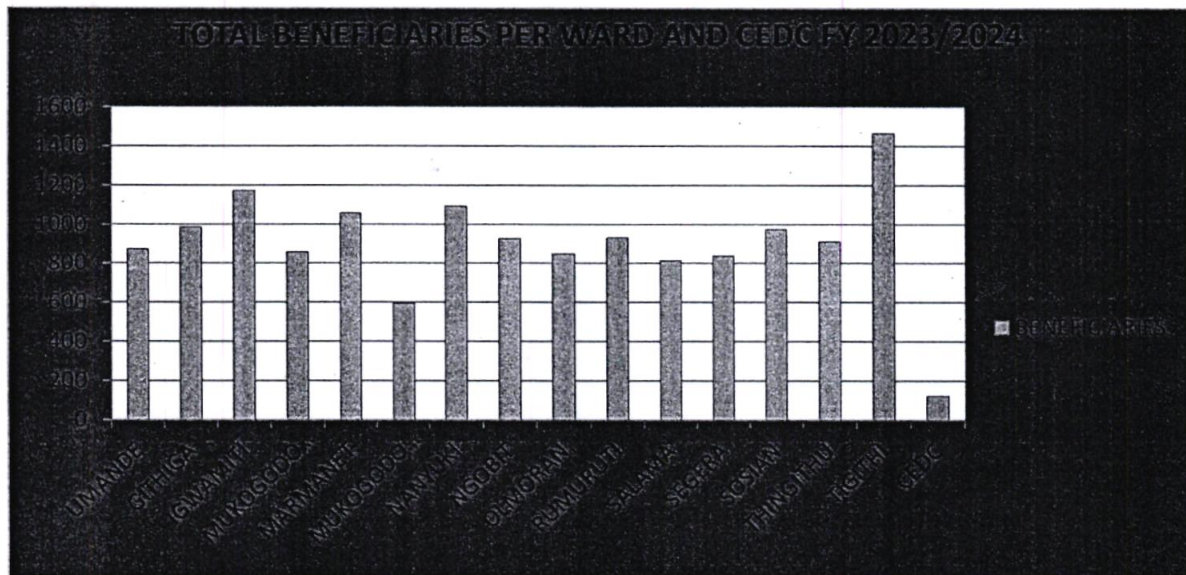


Figure 3 Total Beneficiaries per Ward and Cede

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b. Total number of beneficiaries in the last 3 Financial Years.

The total number of beneficiaries in the Financial Year 2023/2024 has increased significantly this is due to the increase in bursary allocation from kshs.50 million in the prior year to Kshs.75 million this financial year.

The table and graph below show the total number of beneficiaries within the last three financial periods.

FINANCIAL YEAR	BENEFICIARIES
2021/2022	9,427
2022/2023	9,533
2023/2024	14,458

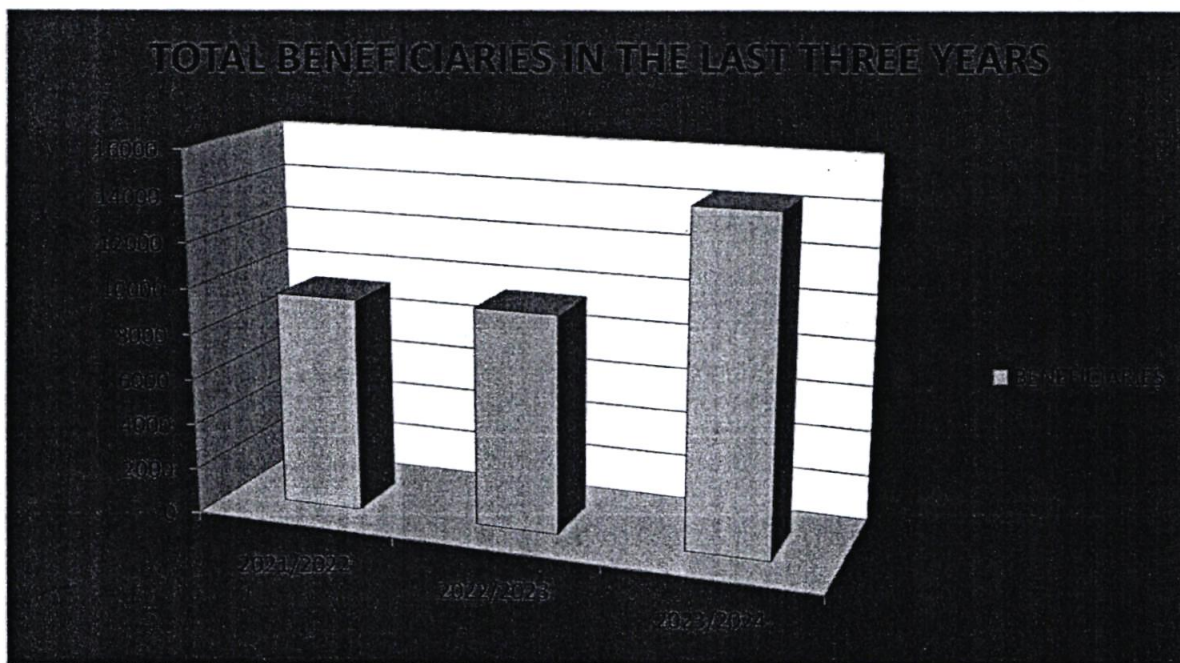


Figure 4 Total Beneficiaries within the last three financial period

Major Risks Facing the Fund

Inherently, the Fund encounters different risks including political risk, and economic risk such as interest fluctuation risk or inflation risk in its operations.

Risk categories

The Fund has identified and categorised risks as follows:

Laikipia County Education Bursary Fund

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- a) **Financial risks:** They are associated with the financial operations of the Fund.
- b) **Operational risks:** These are risks associated with the operations of the Fund.
- c) **Legal and regulatory risks:** Legal risks can arise from non-compliance with the legal and regulatory requirements.

10. Environmental and Sustainability Reporting

a) Community Engagements

The fund has been involved in public engagements to create awareness of the fund as well as gather information on emerging needs. The Fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its budgetary allocations and resource mobilization through lobbying to increase its financing capabilities with an objective of ensuring that the Fund's going concern is secured.

b) Market place practices

- Responsible marketing and advertisement - The Laikipia County Education Bursary Fund also practices responsible marketing and advertisement using County Government social media platforms and print media well as respecting payment practices.
- Product stewardship - The fund has the Act that guides on how this fund allows applicants to Individuals with needy cases.
- Responsible competition practice- the Fund ensures that only the needy Laikipia citizenry are identified and have equal access to the bursary fund.

c) Sustainability strategy and profile

The LCEBF is keen on posterity; The County's top management has activated various sustainability strategies for the County including but not limited to:

- Ensuring continuous compliance with government laws, regulations, policies and standards.
- Ensuring that substantial proportion of the county budget is allocated to the bursary fund
- Completed the formulation of a County Risk Management Framework Policy that help the County identify and mitigate risks.
- Engaging citizens through public participation to incorporate their ideas and contributions on County development matters

d) Employees' welfare

The Laikipia County Education Bursary Fund relies on the County Public Service Board that is charged with the hiring and empowering of employees in the County. The Fund has been allocated employees who serve in the 15 ward committees.

e) Corporate Social Responsibility and Community Engagements

The Laikipia County Education Bursary Fund has been engaging citizens to identify their demands and needs, holding social community activities e.g. leaders and elders' engagements. This reasonably aided most beneficiaries to be identified and access the bursary.

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of The Fund Administration

The County Executive Committee member for Education submits report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Fund's affairs.

Principal activities

The principal activity of the Fund is to provide education bursary and scholarship awards to vulnerable students who hail from the County in various education facilities across the Country.

Results

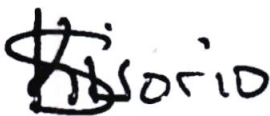
The results of the Fund for the year ended June 30, 2024, are set out on page 1 to 5.

County Executive Committee member for Education

The County Executive Committee member for Education who served during the year is shown on page vi. There were no changes in the fund administration during the financial year.

Auditors

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



Stephen Biwott Kisorio

Chair of the Laikipia County Education Bursary Fund

Date: 11th September 2024

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Management’s Responsibilities

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

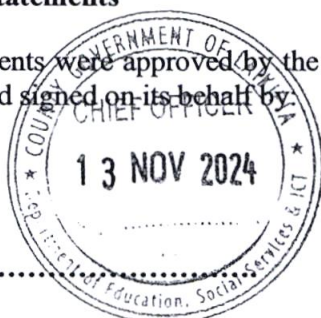
The Administrator of Laikipia County Education Bursary Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility 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 Laikipia County Education 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 and and the Laikipia County Education Bursary Fund Act 2014 applicable legislation establishing the County fund. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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 County Executive Committee member for Education on 11/09/2024 and signed on its behalf by



.....
Administrator of the Laikipia County Education Bursary Fund

REPUBLIC OF KENYA



Enhancing Accountability

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 LAIKIPIA COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia County Education Bursary Fund set out on pages 1 to 25, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia County Education Bursary Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Laikipia County Education Bursary Fund Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unexplained Variance in Transfers from the County Government

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the County Government amount of Kshs.75,000,000 while Laikipia County Executive statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers of Kshs.75,621,900 to the Bursary Fund account during the year under review resulting in an unexplained variance of Kshs.621,900.

In the circumstances, the accuracy and completeness of transfers from the County Government amount of Kshs.75,000,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts as at 30 June, 2024 reflects total budgeted expenditure of Kshs.75,000,000 and actual expenditure of Kshs.74,430,748 resulting to under absorption of Kshs.569,762.

The underperformance 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. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Prior Year Unresolved Audit Matters

In the previous audit report an issue was raised under basis for qualified opinion, However, Management has not provided reasons for the delay in resolving the prior year audit issue.

Other Information

The Management is responsible for the other information set out on page iii to xix which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration Committee and the Statement of Managements 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or

error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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

20 December, 2024

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Vote	Year Ended 30 June 2024	
		KES	KES
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	75,000,000	50,000,000
Total Revenue		75,000,000	50,000,000
Expenses			
Bursary transfers	10	72,187,238	48,103,486
Use of Goods and Services	12	2,243,510	1,399,692
Total Expenses		74,430,748	49,503,178
Surplus/(Deficit) for the Period		569,252	496,822

(The notes set out on pages 14 to 23 form an integral part of these Financial Statements)



.....
Name: John Gichuki
Fund Administrator




.....
Name: Caleb Mwangi
Fund Accountant
ICPAK Member Number: 10187

**Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

15. Statement of Financial Position as at 30 June 2024

Assets			
Current Assets			
Cash and Cash Equivalents	13	2,744,298	1,339,046
Total current assets		2,744,298	1,339,046
Total Assets (A)		2,744,298	1,339,046
Liabilities			
Total current liabilities		-	-
Total Liabilities (B)		-	-
Net Asset (A-B)		2,744,298	1,339,046
Represented By:			
Accumulated Surplus		2,744,296	1,339,044
Net Assets		2,744,296	1,339,046

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 11/09/2024 and signed by:

.....
John Gichuki
Fund Administrator



.....
Caleb Mwangi
Fund Accountant
ICPAK Member Number: 10187

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Balance as at 1 July 2022	842,222	842,222
Surplus/(Deficit) For the Year	496,822	496,822
Balance As At 30 June 2023	1,339,044	1,339,044
Balance As At 1 July 2023	1,339,044	1,339,044
Surplus/(Deficit) For the Year	569,252	569,252
Prior Year Adjustment (Note 18)	836,000	836,000
Balance As At 30 June 2024	2,744,296	2,744,296

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

DESCRIPTION	NO	2024	2023
Cash flows from operating activities			
Receipts			
Transfers From the County Government	6	75,000,000	50,000,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts			800,000
Total receipts		75,000,000	50,800,000
Payments			
Bursary Transfers	10	72,187,238	48,103,486
Scholarship grants		-	-
Use of goods and Services	12	2,243,510	1,399,692
Net cash flows from operating activities	17	569,252	1,296,822
Cash flows from investing activities			
		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash			
Equivalents		569,252	1,296,822
Cash and cash equivalents at 1 July 2023	13	1,339,045	42,223
Prior Year Adjustments	18	836,000	-
Cash and cash equivalents at 30 June 2024	13	2,744,297	1,339,045

Laikipia County Education Bursary Fund
 Annual Report and Financial Statements for the year ended June 30, 2024

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

	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From the County Government	75,000,000	-	75,000,000	75,000,000	-	100
Public Contributions and Donations	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total Income	75,000,000		75,000,000	75,000,000	-	
Expenses						
Bursary Transfers	72,750,000	-	72,750,000	72,187,238	562,762	99
Scholarship grants	-	-	-	-	-	-
Use of goods & Services	2,250,000	-	2,250,000	2,243,510	6,490	100
Total Expenditure	75,000,000	-	75,000,000	74,430,748	569,252	
Surplus for the period				569,252		

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Laikipia County Education Bursary Fund is established by and derives its authority from Education Bursary Fund Act. The entity is wholly owned by the Laikipia County Government and is domiciled in Kenya. Laikipia County Education Bursary Fund principal activity is to provide education bursary and scholarship awards to students residing in Laikipia County.

2. Statement of compliance and basis of preparation

Laikipia 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 2024.*

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

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

IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. There is no expected impact of the standard to the Entity.
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Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Description and Impacts
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></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>There is no expected impact of the standard to the Entity.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></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>There is no expected impact of the standard to the Entity.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></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>There is no expected impact of the standard to the Entity.</p>
<p>IPSAS 47- Revenue</p>	<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-</p>

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Description of the Standard
	<p>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>There is no expected impact of the standard to the Entity.</p>
<p>IPSAS 48- Transfer Expenses</p>	<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>There is no expected impact of the standard to the Entity.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<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>There is no expected impact of the standard to the Entity.</p>

(iii) Early adoption of standards

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

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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 2023/2024 was approved by the County Assembly on 29th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Bursary Fund upon receiving the respective approvals in order to conclude the final budget. The Laikipia County Education Bursary Fund did not record additional appropriations on the FY 2023/24 budget following the governing body's approval.

Laikipia County Education 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.

There was no need for 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 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

Laikipia County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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. There were no estimates or 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 Laikipia County Education 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 Laikipia County Education 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.

Laikipia County Education Bursary Fund

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e) Contingent liabilities

Laikipia County Education 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

Laikipia County Education 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 Laikipia 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 Laikipia County Education Bursary Fund does not create and maintain reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Laikipia County Education 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 Laikipia County Education 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 Laikipia County Education 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.

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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 Laikipia County Education Bursary 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.

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

No Provisions were raised for management to determine estimate based on the information available. No Additional disclosure of these estimates of provisions is included in Notes.

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

	2023/24	2022/23
Transfers From Education Department	75,000,000	50,000,000
Total	75,000,000	50,000,000

This relates to the Transfers from County executive earned. The transfers from the County Government were received.

7. Public Contributions and Donations

	2023/24	2022/23
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

8. Finance income

	2023/24	2022/23
Interest Income on Bank Deposits	-	-
Total finance Income	-	-

9. Other income

	2023/24	2022/23
Cheque write backs	-	-
Others	-	-
Total Other Income	-	-

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10. Bursary Transfers

Bursary Transfers		
Universities	9,791,500	5,800,000
TVETs and Colleges	11,711,050	11,800,000
Secondary schools	50,684,688	30,503,486
Total	72,187,238	48,103,486

11. Scholarship grants

Scholarship grants		
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Total	-	-

12. Use of Goods and Services

Use of Goods and Services		
Committee Allowances	1,500,000	1,200,000
Bank charges	143,510	51,192
Administration Expenses	600,000	148,500
Total	2,243,510	1,399,692

This relates to fund expenditure in operations. The expenses were paid for.

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13. Cash and cash equivalents

	2023-2024	2022-2023
Current Account	2,744,298	1,339,046
Total Cash and Cash Equivalents	2,744,298	1,339,046

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

	2023-2024	2022-2023
a) Current Account		
Family Bank	064000065823	2,744,298
Sub- Total	2,744,298	1,339,046
b) Others (Specify)		
Cash In Transit	-	-
Cash In Hand	-	-
Sub- Total	-	-
Grand Total	2,744,298	1,339,046

14. Non-Exchange Receivables

	2023-2024	2022-2023
Revenue receivable	-	-
Total non-exchange receivables	-	-

15. Exchange Receivables

	2023-2024	2022-2023
Interest receivable	-	-
Total exchange receivables	-	-

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16. Trade and other payables

16. Trade and other payables				
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

17. Cash generated from operations.

17. Cash generated from operations.		
Surplus/ (Deficit) For the Year	569,252	496,822
Adjusted For:		
Working Capital Adjustments		
Decrease In Receivables	-	800,000
Increase In Payables	-	-
Net Cash Flow from Operating Activities	569,252	1,296,822

18. Prior Year Adjustment

18. Prior Year Adjustment		
Overstated Expenditure (FY 2022/2023 Reversal of stale cheques)	836,000	-
Total	836,000	-

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19. 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		
Transfers from related parties	75,000,000	50,000,000
Total	75,000,000	50,000,000

c) Key management remuneration

Description		
Board of Trustees	-	-
Total	-	-

d) Due from related parties

Description		
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	2024	2023
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

20. Contingent assets and contingent liabilities

Description	2024	2023
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

21. Financial risk management

The Laikipia County Education Bursary 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 Laikipia County Education Bursary Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Laikipia County Education Bursary Fund has no 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.
At 30 June 2024				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	2,744,298	2,744,298	-	-
Total	-	-	-	-
As at 30th June 2023				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	1,339,046	1,339,046	-	-
Total	-	-	-	-

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 has no significant concentration of credit risk on amounts due from county executive.

The board of trustees sets the Fund'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 Laikipia County Education Bursary 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 Laikipia County Education Bursary 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	2024	2023	2022	2021
	RSK	RSK	RSK	RSK
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-
As at 30 June 2023				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The Laikipia County Education Bursary Fund has put in place an internal audit function to assist it in assessing the risk faced by the Laikipia County Education Bursary 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 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	2024		Total
	Kenya Shilling	US Dollars	
At 30 June 2024			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

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

Description	2024		Total
	Kenya Shilling	US Dollars	
(Current FY)			
Euro	-%	-	-
USD	-%	-	-
Other (Specify)	-%	-	-
(Comparative FY)			
Euro	-%	-	-
USD	-%	-	-
Other (Specify)	-%	-	-

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's deposits.

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Management of interest rate risk

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 0 (2023/24: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2023/24 – Kshs 0).

d) Capital risk management.

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

Description		
Accumulated surplus	2,744,296	496,822
Total funds	2,744,296	496,822
Less: cash and bank balances	(2,744,298)	(1,339,046)
Net debt/ (excess cash and cash equivalents)	(2)	(842,224)
Gearing	0%	(-169%)

22. Events after the reporting period

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

23. Currency

The financial statements are presented in Kenya Shillings (Kshs) and rounded off to the nearest shilling.

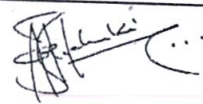
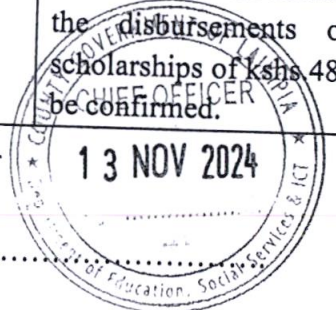
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20. Annexes

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.

<p>OAG/UERO/ LKP.EBF/2 022/2023/ (19)</p>	<p>The statement of financial performance and as disclosed in note 7 to the financial statements reflect use of goods and services expenses of kshs.49,503,178 which includes Kshs.48,068,000 on bursaries and scholarships disbursed to various secondary schools and tertiary institutions for the benefit of needy students. However, no acknowledgement receipts to support the disbursements were provided for audit review. In this circumstance the accuracy and validity of the disbursements on bursaries and scholarships of kshs 48,068,000 could not be confirmed.</p>	<p>This has been noted. We have been relying on the commitment of the bursary beneficiaries to return the acknowledgement receipts. however, this has not been successful. There currently is no framework to enforce this. We have been relying on the certified bank statement to confirm the receipt of the credited amount in the respective schools' bank account. Henceforth from the financial year 2024/2025 the bursary cheques and list of beneficiaries shall be sent to the schools via registered mail using postal corporation of Kenya and shall require the schools to acknowledge receipt to be sent back.</p>	<p>Unresolved</p>
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**John Gichuki
Fund Administrator**

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


Name of transferring entity: **County Executive - Department of Education**

Name of beneficiary entity: **Laikipia County Bursary Fund**

Confirmation of amounts received by Laikipia County Education Bursary Fund as at 30 th June 2024						
Reference Number	Date Disbursed	Amounts Disbursed by Laikipia County Education Bursary Fund (Kshs) as at 30 th June 2024			Amount Received by Laikipia County Education Bursary Fund (Kshs) as at 30 th June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
FT 240165Q8T6	75,000,000	75,000,000	-	75,000,000	75,000,000	-
-	-	-	-	-	-	-
Total	75,000,000	75,000,000	-	75,000,000	75,000,000	-

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

Head of Accounts Department - Disbursing Entity:
 Name *Angela Wahome* Sign  Date *11/9/2024*

Head of Accounts Department - Beneficiary Entity:
 Name *Caleb Mutangi* Sign  Date *11/09/2024*