

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

**HOMABAY COUNTY EDUCATION
BURSARY AND SCHOLARSHIP FUND**

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

PAPERS LAID	
DATE	12/11/25.
TABLED BY	S.M.W
COMMITTEE	-
CLERK AT THE TABLE	<i>Angela</i>



HOMA BAY COUNTY

HOMA BAY COUNTY BURSARY AND SCHOLARSHIP 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)

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Homa Bay County Education Bursary and Scholarship Fund
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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>VTC</i>	<i>Vocational training centers</i>
<i>Fy</i>	<i>Financial Year</i>

b) Definition of Terms

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

**Homa Bay County Education Bursary and Scholarship Fund
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2. Key Entity Information and Management

a) Background information

Homa Bay County Education Bursary and Scholarship Fund is established by and derives its authority and accountability from Homa Bay County Education Bursary and Scholarship Fund Act of 2024 on May 2024. The Fund/Scheme is wholly owned by the County Government of Homa Bay and is domiciled in Kenya.

The fund's objective is to provide assistance to eligible students in the county in order to enhance access to education and training, promote and increase enrolment, retention, completion and transition rates in institutions, improve education standards and literacy levels and reduce poverty and inequality.

b) Principal Activities

The principal activity/mission/ mandate of the fund is to provide Bursary to the needy Children.

c) Board of Trustees/Fund Administration Committee

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

Ref	Name	Position
1	Hon. Martin Opere	CEC-M Education
2	Mr.Stephen Othira	Chief Officer Human Capital Development and Vocational Training
3	Mr.Alphonse Wera	County Chief Officer- Finance
4	Fr.Philip Olage	CEB Representative
5	Mr. Elisaphan Owino Owino	PLWD Representative
6	Achieng Osogo	Fund Administrator

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	Hon.Solomon Obiero	CEC-M Finance and Economic planning
2	Achieng Osogo	Fund Administrator
3	Hon Martin Opere	CEC-M Education
4	Mr. Alphonse Wera	Chief Officer Finance and Economic planning
5	CPA Okello Sita	Head Of Accounts

e) Fiduciary Oversight Arrangements

i) Audit and risk management

The county government of Homa bay has a functional audit unit that carries out internal audit on the bursar fund.

ii) County Assembly Committees

The county assembly committee of Education and Public accounts committee has the mandate of over sighting the functions of the Homa Bay county bursary and scholarship fund.

f) Registered Offices

P.O. Box 469 - 40300
Council Building/House/Plaza
Rongo Homa Bay-Road/Highway
Homabay, KENYA

g) Fund Contacts

Telephone: +254 724060006
E-mail: executive@homabay.go.ke
Website: www.homabaycounty@.go.ke

h) Fund Bankers

1. Equity Bank
Equity Centre, Upper Hill
P.O. Box 1234 - 00100
Nairobi, Kenya
2. KCB Bank Kenya
Kenya and KCB plaza, Upper Hill
P.O. Box 48400-00100
Nairobi Kenya

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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


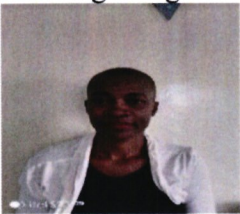
P.O. Box 469
Postal code 40300
Town (Homa Bay County Headquarters), Kenya

**Homa Bay County Education Bursary and Scholarship Fund
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3. Trustees/ Fund Administration Committee Profiles

Name	Details of qualifications and experience
<p>1. Hon. Martin Opere</p> 	<p>Mr. Martin Opere was appointed the Forth CECM in the year 2022 and is still serving in the same position. Date of Birth: 24TH December 1968 Bachelor's Degree in Education, Science.</p> <ul style="list-style-type: none"> ➤ CECM Education ➤ Senior Principal ➤ Chairperson of Homa Bay County KESHA <p>Chairperson CECM Welfare</p>
<p>2. Mr. Stephen Othira</p> 	<p>County Chief officer- Human capital Development and Vocational Training Date of Birth: 17TH September 1973 Bachelors of Education 20 years of experience</p>
<p>3. Mr. Alphonse Wera</p> 	<p>County Chief Officer- Finance Date of birth: 10^h Mach 1978. BCom (Accounting), MBA Finance, CPA K</p> <ul style="list-style-type: none"> ➤ Accountant old mutual Kenya 5 years. ➤ EASFCOM/EASBRICOM 2 YEARS ➤ Finance and systems controller at Red een kind 3 years ➤ Finance and admin manager 11 years
<p>4. Fr.Philip Olage</p> 	<p>CEB Representative Date of Birth: 10TH February 1975 Diploma of Theology</p> <ul style="list-style-type: none"> ➤ County Education Board, Homa Bay County – 6 years. ➤ Fund Administration Committee Member, Homa Bay County – 10 years.

**Homa Bay County Education Bursary and Scholarship Fund
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<p>5. Mr. Elisaphan Owino Owino</p> 	<p>PLWD Representative Date of Birth: 1958 CPE Certificate Grade III Manager Ndhiwa CDF Tractors – 3 years Fund Committee Member Homa Bay County – 6 years</p>
<p>6. Achieng Osogo</p> 	<p>Fund Administrator Date of Birth: 9TH June 1980 CPA- Section 1&2 Bachelors of Education, Economics and Business Studies MA Com Studies Accounts Clerk IPPF – 7 years Project Management Barclays – 8 years Research Consultant – 7 years Fund Management, Homa Bay County.</p>

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Annual Report and Financial Statements for the year ended June 30, 2025**

4. Key Management Team

Ref	Name	Position	Details of Qualifications and Experience
1	Hon.Solomon Obiero 	CEC-M Finance and Economic planning	Date of Birth: 8 TH July 1980 Master's in Business Administration 20 years' work experience
2	Achieng Osogo 	Fund Administrator	Date of Birth: 9 TH June 1980 CPA- Section 1&2 Bachelors of Education, Economics and Business Studies MA Com Studies Accounts Clerk IPPF – 7 years Project Management Barclays – 8 years Research Consultant – 7 years Fund Management, Homa Bay County.
3	Hon Martin Opere 	CEC-M Education	Date of Birth: 24 TH December 1968 Bachelor's Degree in Education, Science. <ul style="list-style-type: none"> ➤ CECM Education ➤ Senior Principal ➤ Chairperson of Homa Bay County KESHA ➤ Chairperson CECM Welfare
4	Mr. Alphonce Wera 	Chief Officer Finance and Economic planning	County Chief Officer- Finance Date of birth: 10 ^h Mach 1978. BCom (Accounting), MBA Finance, CPA K <ul style="list-style-type: none"> ➤ Accountant old mutual Kenya 5 years. ➤ EASFCOM/EASBRICOM 2 YEARS ➤ Finance and systems controller at Red een kind 3 years ➤ Finance and admin manager 11 years ➤

Homa Bay County Education Bursary and Scholarship Fund
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5	CPA Okello Sita 	Head Of Accounts	Date of Birth: 2 ND December 1977 Business and Commerce, Accounting CPA-K 25 Years' experience
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5. Chairman's Report

The Homa Bay County Education Bursary and Scholarship Fund received for this financial year; the process was done successfully and funds were disbursed to needy students/beneficiaries across the county.

Conclusion.

The administration would therefore recommend that the funds be transferred early enough to allow for disbursement to beneficiaries in time to avoid inconveniencies with the school programmes.



Name: Martin Opere

CECM, Education, Human Capital Development and Vocational Training

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

6. Report of the Fund Administrator

It is my pleasure to present, on behalf of the Fund Administration Committee, the County Bursary and Scholarship fund financial statements for the Year Ended June 30, 2025. The financial statements present the financial performance of the fund over the past year.

Sustainability

The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities.

The fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options.

Review of performance


Income

The fund was allocated amount of **KShs.215, 000,000** for the year. **Kshs. 213,570,078.25** has been transferred to the Bursary account, which is disbursed to bursary and scholarship beneficiaries across the county. The performance was attributed to an opening cash balance of **Kshs. 2,004,620** at the beginning of the year.

Expenditures

The total expenditures for the period under review has amounted to **Kshs. 224, 969,857.52**

Signed: _____



HUMAN CAPITAL DEVELOPMENT
AND VOCATIONAL TRAINING
BURSARY AND SCHOLARSHIP
FUND ADMINISTRATOR
P. O. Box 706 - 40300, HOMA BAY

Achieng Osogo
Fund Administrator

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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 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 objectives of the Fund as per the county integrated development plan (2023-2027) are to:

Provide financial assistance to eligible students in the county.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Bursary disbursement to students across the county	To provide financial assistance to eligible students in the county	Enhanced access to education and training	Increased number of students benefiting from the bursary fund	In FY 24/25 the number of beneficiaries increased by about 45.45%

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8. Statement of Corporate Governance

The Homa Bay County Bursary and scholarship fund is established pursuant to the Act of Homa Bay County Assembly of 2024. Section 167 of the Public Finance Management (PFM) Act 2012 provides for the regulations and reporting of the fund. Its mandate is to provide Bursary to needy students across the County. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. The operations of the fund are governed by a fund administrator and the fund committee.

The fund administrator is appointed by the CECM for Finance and Economic Planning. He/she is responsible for the supervision of the fund, accounting for the fund, imposing conditions and restrictions on the use of any expenditure arising from the fund, ensuring that the earnings of, or accruals to the funds are retained in the fund is spent only for the purposes for which the funds were established.

There are two fund committees consisting of ward bursary committee at the ward level and County steering committee at the county level. The steering committee consist of:

- a. Chief Officer in charge of Human Capital Development and Vocational Training.
- b. County Executive Committee Member in charge of Education as the chair of the committee
- c. Chief Officer for Finance economic planning and Service delivery or his representative
- d. A representative of the county education board
- e. A member of the civil society appointed by the Governor
- f. A member appointed by the Governor to represent interest of the special group.
- g. A representative of faith based organization
- h. A representative of the youth.
- i. The fund administrator who shall be the secretary.

This committee has the responsibility of providing policy direction for the overall management of the fund, receiving and acting on the complaints and recommendations for improved management of the fund and also mobilizing additional resources for the fund apart from allocations through the ordinary budget.

The ward education bursary and scholarship fund committee is established for each ward and consist of

- The Ward Administrator who is also the secretary of the committee.
- A chairperson
- The county officer in charge of education in the ward.
- One person representing faith based organization involved in education matters in the ward, nominated by a joint forum of faith based organizations in the ward.
- One person representing Non-Governmental Organization and Community Based Organization involved education matters in the ward, nominated by a joint forum on Non-governmental organizations and community based organizations in the ward.
- One person experienced in education matters representing persons Living with Disabilities nominated by a joint forum of organizations of persons living with disability in the ward.
- One person representing the youth nominated by a joint forum of youth organizations within the ward.

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- One person representing women nominated by a joint forum of women organizations involving in education matters within the ward.

The organizations propose three names of persons to be considered for appointment to the Executive Committee Member who appoints one from each category.

The term of office for members appointed is three years which may be renewed for one further term only.

The members of the committee select a chair person at its first meeting.

The secretary of the committee provides secretarial services of the committee.

A person is eligible to be a member if;

- Holds at least a secondary school level education certificate and some professional training.
- Meet the require of chapter six of the constitution of Kenya 2010
- Is experienced to matters relating to education and community developments and
- Is a resident of the ward

The committee is responsible for;

- Receiving, reviewing decision of the village cluster committees under this act.
- Transmitting the decision of the village cluster committees to the county committee for final determination.
- Monitoring and evaluating the progress and the performance of the eligible students supported under this act.
- Creating awareness amongst the residents of the ward about the Bursary.
- Carrying out such other roles as are necessary for the implementation of the objectives and the funds and perfume such other functions as may from time to time assigned by the executive member.

Once the county executive committee member nominates the members for each category, the department organizes for trainings and inductions forward committee members on the expectations and roles of the committees

The remuneration of the members of the committee is determined by the County Treasury.

**Homa Bay County Education Bursary and Scholarship Fund
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Management Discussion and Analysis

1. Overview of Operations

The Homa Bay County Bursary and Scholarship Fund operates under the **Homa Bay Bursary & Scholarship Act, 2024**, which provides a comprehensive legal framework for bursary disbursement, beneficiary vetting, and transparency. The Fund supports learners across all 40 wards, prioritizing vulnerable groups including orphans, learners with disabilities, and marginalized communities.

In FY 2024/25, the Fund enhanced digital application systems, adopting paperless, transparent processes to expedite bursary and scholarship awards. Programmes such as **Fundi Mang’ula** for VTC students and the **Fins to Swim** initiative for secondary schools were successfully rolled out, supporting over 1,100 beneficiaries.

2. Financial Highlights

Description	Amount (KES)
County Allocation	[215,000,000]
Funds Disbursed to Institutions	[216,761,711]
Administrative Expenses	[8,440,144]
Number of Beneficiaries	[32,000]
Balance Carried Forward	[10,604,841]

3. Key Achievements

- Streamlined bursary application and vetting processes through village cluster committees.
- Prioritized equitable access for vulnerable and marginalized learners.
- Fully implemented the provisions of the Homa Bay Bursary & Scholarship Act, 2024.
- Cohort 1 of Fundi Mang’ula’s successful completion

4. Risks and Mitigation

Risk	Description	Mitigation Measures
Legal Authority	Ambiguity over devolved education roles	Engaged legal counsel and intergovernmental forums to clarify mandates
Governance	Risk of bias or misallocation	Multi-layered vetting, public disclosure of beneficiaries

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Risk	Description	Mitigation Measures
Financial	misappropriation of funds	quarterly reconciliations
Operational	Inefficient bursary application system	Digitization of application and approval workflows

5. Outlook

The Fund will continue to enhance transparency, improve digital systems, and explore expanding support to secondary and tertiary education through intergovernmental frameworks under Article 187 of the Constitution.

9. Environmental and Sustainability Reporting

1. Operational Sustainability

The Fund has successfully transitioned to electronic, paperless application and processing systems, significantly reducing paper consumption and transport-related emissions. Procurement policies favor environmentally responsible suppliers to support green procurement.

2. Social Sustainability

The bursary schemes actively support education in green and sustainable fields, especially within the VTC sector, thereby contributing to the County's sustainable development goals. Gender equity and inclusion of marginalized groups remain a priority, aligning with the County's CIDP and national SDGs.

3. Future Sustainability Initiatives

- Expand digital platforms to further minimize environmental footprint.
- Integrate environmental awareness content in bursary communications.
- Partner with academic institutions offering sustainability-focused programmes.

Homa Bay County Education Bursary and Scholarship Fund
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10. Report of the Trustees/Committee

1. Legal Mandate and Governance

The Homa Bay County Bursary and Scholarship Fund was established under the Public Finance Management (County Governments) Act, 2012 and governed by the Homa Bay Bursary & Scholarship Act, 2024. Its primary mandate is to promote equitable access to education through bursaries and scholarships for vulnerable and disadvantaged learners.

The Fund is overseen by a committee comprising education officials and community stakeholders. The trustees are responsible for ensuring compliance with applicable laws and prudent financial management.

2. Trustees' Responsibilities

The trustees are charged with the administration of the Fund in line with legal and policy frameworks, ensuring transparency, equity, and accountability. This includes:

- Overseeing bursary allocation processes.
- Ensuring timely disbursement of funds.
- Preparing financial reports aligned with IPSAS and PSASB standards.
- Facilitating internal and external audits.

3. Performance Highlights

- Disbursed funds to support over [Insert Number] learners across all wards.
- Maintained administrative costs below the statutory ceiling.
- Ensured zero material findings in internal and external audits.
- Enhanced transparency through public display of beneficiary lists.

4. Risk Management and Compliance

The trustees have instituted controls to manage risks relating to:

- Legal authority boundaries, with ongoing consultations to clarify secondary and tertiary education roles.
- Potential governance weaknesses, mitigated through multi-layer vetting and public accountability.

5. Future Plans

**Homa Bay County Education Bursary and Scholarship Fund
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- Continue strengthening compliance with the Bursary Act and Public Finance Management regulations.
- Enhance digitization of bursary management and reporting systems.
- Work towards extending bursary support to secondary and tertiary levels through formal intergovernmental frameworks.

Signed on behalf of the Trustees,



Name: Achieng Osogo

Fund Administrator

Date: 09/09/25



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

11. 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 established by the Homa Bay County Education Bursary and Scholarship Fund Act, 2024 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board. The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

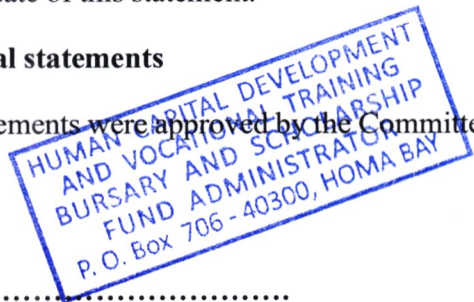
The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Homa Bay County Education Bursary and Scholarship Fund Act, 2024. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the period ended December 31, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved by the Committee on 5 September 2025 and signed on its behalf by:


.....



Name: Achieng Osogo

Fund Administrator

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 HOMABAY COUNTY EDUCATION BURSARY AND SCHOLARSHIP 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 Homabay County Education Bursary and Scholarship Fund set out on pages 1 to 30 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in equity, 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 Homabay County Bursary and Scholarship 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 Homabay County Education Bursary and Scholarship Fund Act, 2024 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 Homabay County Bursary and Scholarship Fund management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 Audit Matters

In the prior years' audit reports, several issues were raised under the Lawfulness and Effectiveness in the Use of Public Resources. However, review of the status during audit of the Fund in 2024/2025 revealed that one issue of Non-Compliance with Bursary Act remained unresolved.

Other Information

Management is responsible for the Other Information set out on page iii to xx which comprise Key Entity Information and Management, Fund Administration Committee, Key Management Team, Chairman's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Homabay County Bursary and Scholarship Fund 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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

Lack of Regulations to Operationalize the Act

Review of documents provided for audit review revealed that the Homabay County Education Bursary and Scholarship Fund Act, 2024 governs the operations of the Fund. However, the County Executive Committee have not come up with the regulations of governing the Fund.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Board of Trustees

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.

The Trustees 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

28 October, 2025

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	215,000,000	230,000,000
Public Contributions and Donations	7	0	0
		215,000,000	230,000,000
Revenue From Exchange Transactions			
Finance Income	8	0	0
Other income	9	0	0
Total Revenue		0	0
Expenses			
Bursary transfers	10	177,900,749	-
Scholarship grants	11	38,628,962	-
Use of Goods and Services	12	8,440,144	-
Total Expenses		224,969,857	204,685,629
Surplus/(Deficit) for the Period		(9,969,857)	25,314,371

(The notes set out on pages 16 to 17 form an integral part of these Financial Statements)


 Name: Acheng'Osogo
 Fund Administrator



 Name: CPA Okello Sita
 Fund Accountant


ICPAK Member Number:30278

Homa Bay County Education Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

14. Statement of Financial Position as at 30 June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	10,604,841	2,004,620
Non-exchange receivables	14	8,869,522	27,439,600
Exchange Receivables	15	-	-
Total current assets		19,474,363	29,444,220
Total Assets (A)		19,474,363	29,444,220
Liabilities			
Current Liabilities			
Trade and Other Payables	16	-	-
Total current liabilities		-	-
Total Liabilities (B)		-	-
Net Asset (A-B)		19,474,363	29,444,220
Represented By:			
Accumulated Surplus		19,474,363	29,444,220
Net Assets		19,474,363	29,444,220

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 5th September, 2025 and signed by:




.....

Name: Achiong Osogo
Fund Administrator




.....

Name: CPA Okello Sita
Fund Accountant
ICPAK Member Number:30278

Homa Bay County Education Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Accumulated surplus
	Kshs
Balance as at 1 July 2023	4,129,849
Surplus/(Deficit) For the Year	25,314,371
Balance As At 30 June 2024	29,444,220
Balance As At 1 July 2024	29,444,220
Surplus/(Deficit) For the Year	(9,969,857)
Balance As At 30 June 2025	19,474,363

Homa Bay County Education Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		215,000,000	230,000,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
Total receipts		215,000,000	230,000,000
Payments			
Bursary Transfers		(177,900,749)	(xxx)
Scholarship grants		(38,628,964)	(xxx)
Use of goods and Services		(8,440,144)	(232,125,229)
Net cash flows from operating activities	17	8,600,221	(2,125,229)
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		8,600,221	(2,125,229)
Cash and cash equivalents at 1 July 2024	13	2,004,620	4,129,849
Cash and cash equivalents at 30 June 2025	13	10,604,841	2,004,620

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

Homa Bay County Education Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening budget Carry Overs		-	-	xxx		
Receipts						
Transfers From the County Government	215,000,000	-	215,000,000	215,000,000	-	100%
Public Contributions and Donations	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total Receipts	215,000,000	-	215,000,000	215,000,000	-	100%
Payments						
Bursary Transfers	166,550,000	-	166,550,000	177,900,749	(11,350,749)	107%
Scholarship grants	40,000,000	-	40,000,000	38,628,964	1,371,036	97%
Use of goods & Services	8,450,000	-	8,500,000	8,440,144	9,856	100%
Total Payments	215,000,000	-	215,000,000	224,969,857	(9,969,857)	
Surplus For the Period	-	-	-	(9,969,857)	-	

Homa Bay County Education Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(9,969,857)
1	Paid receivable during Fy 2024/2025	20,000,000
2	Budget balance	574,698
	Closing Cash and Cash Equivalent as per the statement of Cash flows	10,604,841

18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Homa Bay County Education Bursary Fund is established by and derives its authority and accountability from The Homa Bay County Education Bursary and Scholarship Fund Act, 2024. The entity is wholly owned by the Homa Bay County Government and is domiciled in Kenya. The entity’s principal activity is to provide Bursary and Scholarship to the needy students.

2. Statement of compliance and basis of preparation

Homa Bay County Education Bursary and Scholarship Fund financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the 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 standard

(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 information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i>

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

Standard	Effective date and impact:
Non- Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires,</p> <p>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:</p> <p>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>
IPSAS 45- Property Plant and Equipment	<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>
IPSAS 46 Measurement	<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>
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</p>

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

Standard	Effective date and impact:
	statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul 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.

(iii) Early adoption of standards

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

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on 27TH July, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Homa Bay County Education Bursary Fund on the FY 2023-2024 budget following the governing body's approval.

The entity'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 schemes 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.

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. (amend as appropriate).* 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) are set out in *Note xx*.

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 xxx Bursary Fund/Scheme 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 xxx Bursary Fund/Scheme 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

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

f) Contingent assets

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

g) Nature and purpose of reserves

The Homa Bay County Education Bursary and Scholarship fund creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Homa Bay County Education Bursary and Scholarship fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Foreign currency transactions

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

j) Related parties

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

k) Cash and cash equivalents

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

Homa Bay County Education Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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.

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

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

6. Transfers from the County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt	215,000,000	230,000,000
Others (<i>Specify</i>)	-	-
Total	215,000,000	230,000,000

(Provide a brief explanation for this revenue)

7. Public Contributions and Donations

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

8. Finance income

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

(Provide a brief explanation for this revenue)

9. Other income

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

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

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

10. Bursary Transfers0

Description	2024-2025	2023-2024
	Kshs	Kshs
Universities	15,200,000	14,270,000
TVETs and Colleges	15,825,749	16,900,000
Secondary schools	146,875,000	122,095,000
Other (<i>Specify</i>)	-	-
Total	177,900,749	153,265,000

11. Scholarship grants

Description	2024-2025	2023-2024
	Kshs	Kshs
Universities	570,499	467,897
TVETs and Colleges	157,700	157,700
Secondary schools	37,900,765	42,337,641
Other (<i>Specify</i>)	-	-
Total	38,628,964	42,963,238

12. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Committee Allowances	6,424,100	6,567,700
Bank charges	2,016,044	1,889,691
Audit fees	-	-
Other (<i>Specify</i>)	-	-
Total	8,440,144	8,457,391

**Homa Bay County Education Bursary and Scholarship Fund
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13. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	10,604,841	2,004,620
Others (<i>Specify</i>)	0	0
Total Cash and Cash Equivalents	10,604,841	2,004,620

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Equity Bank	09802634 10113	419	258
KCB Bank - Etc.	13214311 63	10,604,422	2,004,362
Sub- Total		10,604,841	2,004,362
b) Others (Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		10,604,841	2,004,362

14. Non-Exchange Receivables

Description	2024-2025	2023-2024
	Kshs	Kshs
Revenue receivable	8,869,522	27,439,600
Others(<i>specify</i>)	-	-
Total non-exchange receivables	8,869,522	27,439,600

15. Exchange Receivables

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

**Homa Bay County Education Bursary and Scholarship Fund
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16. Trade and other payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	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.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	(9,969,857)		25,314,371	
Adjusted For:				
Working Capital Adjustments				
Increase/Decrease In Receivables	18,570,078		(27,439,600)	
Increase In Payables	-		-	
Net Cash Flow from Operating Activities	8,600,221		(2,125,229)	

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

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18. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers from related parties	215,000,000	230,000,000
Transfers to related parties	-	-

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

d) Due from related parties

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

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Other Disclosures Continued

e) Due to related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

19. Contingent assets and contingent liabilities

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

(Give details)

20. Financial risk management

The Homa Bay County Education Bursary and Scholarship fund activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund/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 has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Non-Exchange Transactions	1,429,922	1,429,922	7,439,600	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	10,604,841	-	-	-
Total	12,034,763	1,429,922	7,439,600	-
As at 30th June 2024				
Receivables From Non-Exchange Transactions	27,439,600	20,000,000	7,439,600	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	2,004,620	-	-	-
Total	29,444,220	20,000,000	7,439,600	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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 significant concentration of credit risk on amounts due from xxxx.

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

c) Market risk

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

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

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Cash	10,604,841	-	10,604,841
Debtors/ Receivables	8,869,522	-	8,869,522
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	19,474,363	-	19,479,363

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
		Kshs	Kshs
(Current FY)			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-
(Comparative FY)			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-

ii. Interest rate risk

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

The Fund/Scheme 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.

d) Capital risk management.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Accumulated surplus	19,474,363	29,444,220
Total funds	19,474,363	29,444,220
Less: cash and bank balances	10,604,841	2,004,620
Net debt/(excess cash and cash equivalents)	8,869,522	27,439,600
Gearing	45%	93%

21. Events after the reporting period

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

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22. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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19. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Fund Administrator on acting capacity.	Review of the fund management revealed that the fund administrator was operating on acting capacity and had exceeded the recommended six months period. This is in contrary to section C.14(1)of public service commission human resource policies and procedures manual for the public service ,2016,which states that an employee who has successfully	As at the time of Audit the fund admin was on acting capacity and the management was in process of making an appointment as per The Homa Bay County bursary and scholarship fund Act 2024.	Resolved	22 nd November , 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and continuously acted in a position for a period of six (6) months and meets the job requirements will be deemed to have been confirmed in that position.			
Non-Compliance with the Bursary Act	The statement of financial performance reflects use of goods and services expenditure balance of Kshs. 204,635,584 which includes scholarships and educational benefits of Kshs. 196,228,238 as disclosed in Note 3 to the financial statement. The fund has subdivided its budget to busary	The management realised the Gaps in the Homa Bay county education bursary and scholarship Act 2024 and is yet to come up with regulations.	Not Resolved	Nov 2025

**Homa Bay County Education Bursary and Scholarship Fund
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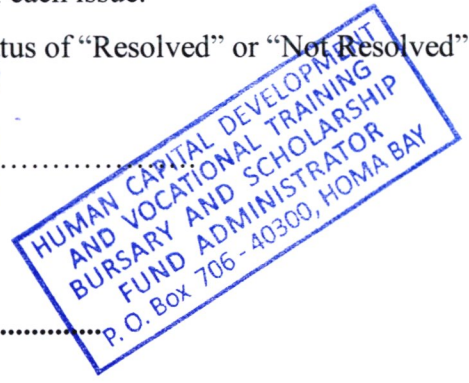
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>support full scholarship and procurement of assorted items to support the beneficiaries. However, there are no guidelines on percentage of allocation of each item to support budget requisition and planning. Further, there are no work plan or other explicit deliverables as directed under section 4(3)a and section 7(C) of the Homa Bay county education bursary fund Act,2015.</p>			

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Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report.

.....
Achieng Osogo
Fund Administrator
Date..... 09/09/25



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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: Homa Bay County TREASURY.....

Name of beneficiary entity: ...Homa Bay County Education Bursary FUND.....

Confirmation of amounts received by Homa Bay County Education Bursary and Scholarship Fund] as at 30th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [Homa Bay County Treasury] (Kshs) as at 30 th June 2025			Amount Received by Homa Bay County Bursary and Scholarship Fund (Kshs) as at 30 th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
	11-Nov-24	35,000,000.00	0	35,000,000.00	35,000,000.00	0
	12-Sep-24	70,570,078.25	0	70,570,078.25	70,570,078.25	0
	30/12/2024	40,000,000.00	0	40,000,000.00	40,000,000.00	0
	6-Jan-25	42,000,000.00	0	42,000,000.00	42,000,000.00	0
	20/02/2025	26,000,000.00	0	26,000,000.00	26,000,000.00	0
Total		213,570,078.25	0	213,570,078.25	213,570,078.25	0

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

Head of Accounts - Disbursing Entity:



Name ...OKELLO SITA..... Sign Date **9 SEPTEMBER 2025**

Head of Accounts - Beneficiary Entity:

NameACHIENG OSOGO..... Sign



Date

