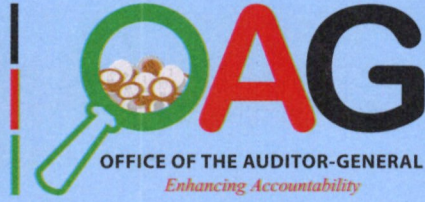


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REPORT

OF

THE AUDITOR-GENERAL

ON

KAKAMEGA COUNTY EDUCATION FUND

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

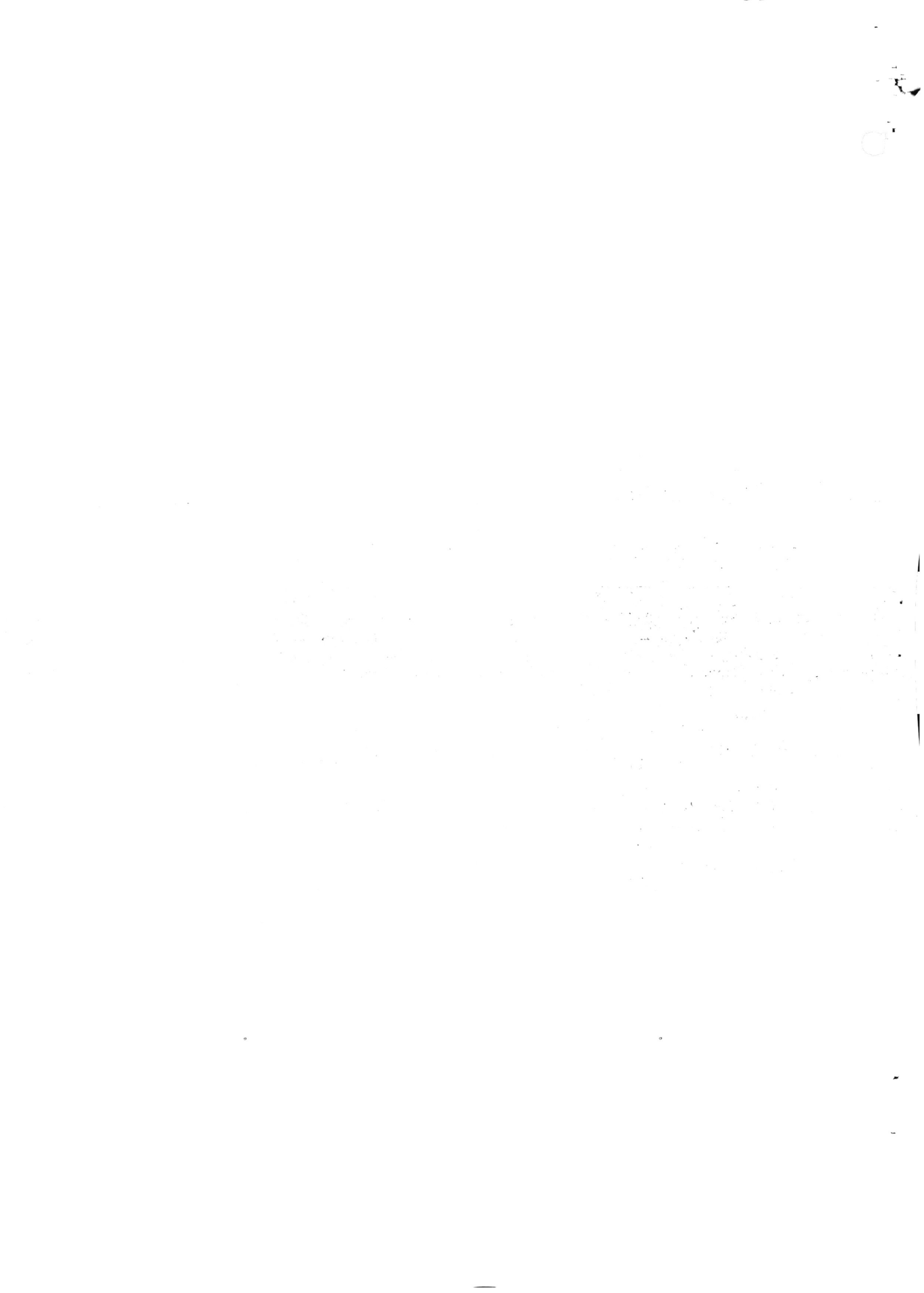
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KAKAMEGA COUNTY EDUCATION FUND

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

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



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

Table of Contents

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Trustees/ Fund Administration Committee Profiles	vi
4. Key Management Team	vii
5. Chairman's Report	viii
6. Report of The Fund Administrator	ix
7. Statement of Performance Against Predetermined Objectives for FY 2024/2025	xi
8. Statement of Corporate Governance	xiii
9. Management Discussion and Analysis	xiv
10. Environmental and Sustainability Reporting	xv
11. Report of The Trustees/Committee	xix
12. Statement of Management's Responsibilities	xx
13. Report of The Independent Auditor on the Financial Statements	xxi
14. Statement of Financial Performance for the Year Ended 30 th June 2025	1
15. Statement of Financial Position as at 30 June 2025	2
16. Statement Of Changes in Net Assets for the year ended 30 th June 2025	3
17. Statement of Cash Flows for The Year Ended 30 June 2025	4
18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30 th June 2025	5
19. Notes to the Financial Statements	7
20. Annexes	26

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

1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

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

2. Key Entity Information and Management

a) Background information

Kakamega County Education Fund is established by the County Government of Kakamega and derives its authority and accountability from PFM Act Regulations 2018. The fund administrator being the Chief Officer - Ministry of Education Science and Technology. The Fund is wholly owned by the County Government of Kakamega and is domiciled in Kenya.

b) Principal Activities

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

The principal activity of the Fund is to provide financial support to needy students in secondary schools and county polytechnics to enable them access education. The beneficiaries must be inhabitants of the County Government of Kakamega. The bursaries are ward based.

Board of Trustees/Fund Administration Committee

Ref	Name	Position
1.	Ms Mariam Were	Ag CO Dept. of Education science & Technology
2.	Mr. Moses Akungwi	Director Education Support
3.	CPA Victor Kasyamani	Accountant

c) 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	Ms Mariam Were	Ag. CO Dept. of Education science & Technology
2	Mr. Moses Akungwi	Director Education Support
3	CPA Victor Kasyamani	Accountant
4	Ms Abscontitah Khindulu	Accountant

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

Key Entity and Management (Continued)

d) Fiduciary Oversight Arrangements

N	Position	Name
1	County Assembly	Assembly Committees
2	County Executive	Executive Committees

e) Registered Offices

Kakamega County Headquarters
P.O. Box 36-50100, 056 31850/31852/31853
County Headquarters
Kisumu/Kitale Highway
Kakamega, KENYA

f) Fund Contacts

Telephone: 056 31850/31852/31853
E-mail: info@kakamega.go.ke
Website: kakamega.go.ke

g) Fund Bankers

Co-operative Bank of Kenya
Haile Selassie Avenue
P.O. Box 48231- 00200
Nairobi, Kenya

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

Key Entity and Management (Continued)

h) Independent Auditor

Auditor General

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

i) Principal Legal Adviser


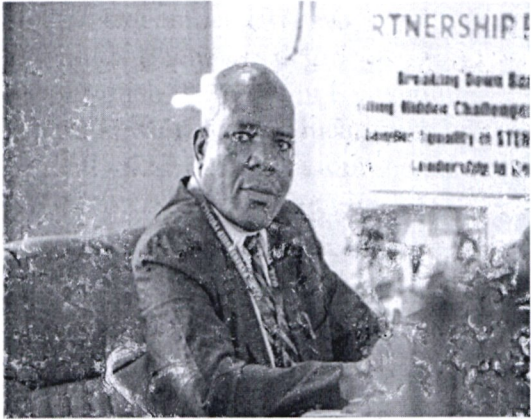
The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

j) County Attorney

P.O. Box 36
50100
Kakamega, Kenya




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

3. Trustees/ Fund Administration Committee Profiles

Name	Details of qualifications and experience
 <p data-bbox="204 745 515 779">Mrs. Mariam N. Were</p>	<p data-bbox="850 405 1385 472">Responsibility: Ag.Chief Officer Education Science & Technology.</p> <p data-bbox="850 479 1270 512">Qualifications and Experience</p> <p data-bbox="850 519 1139 553">MSc. Crop protection.</p> <p data-bbox="850 560 1038 593">B.ED Science.</p> <p data-bbox="850 600 1385 667">Experience: 10 years' work experience in education and crop production</p>
 <p data-bbox="204 1272 475 1305">Mr. Moses Akungwi</p>	<p data-bbox="850 799 1369 1016">Born on 23rd December 1973 Mr Akungwi holds Bachelors degree in education English literature in Kenyatta University and Masters in Education Management and Administration Makerere University</p> <p data-bbox="850 1023 1369 1090">He has served in public service for over 22 years</p> <p data-bbox="850 1097 1369 1164">Currently Director in County Education Support</p>

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

4. Key Management Team

Name	Details of qualifications and experience
 <p data-bbox="167 750 478 784">Mrs. Mariam N. Were</p>	<p data-bbox="861 414 1420 481">Responsibility: Chief Officer Education Science & Technology.</p> <p data-bbox="861 481 1284 515">Qualifications and Experience</p> <p data-bbox="861 515 1157 548">MSc. Crop protection.</p> <p data-bbox="861 548 1053 582">B.ED Science.</p> <p data-bbox="861 593 1420 672">Experience: 10 years' work experience in education and crop production</p>
 <p data-bbox="167 1332 574 1411">1. Mr. Moses Akungwi Director Education Support</p>	<p data-bbox="861 806 1388 1019">Born on 23rd December 1973 Mr Akungwi holds Bachelors degree in education English literature in Kenyatta University and Masters in Education Management and Administration Makerere University</p> <p data-bbox="861 1030 1388 1108">He has served in public service for over 22 years</p> <p data-bbox="861 1120 1388 1187">Currently Director in County Education Support.</p>
 <p data-bbox="167 1848 526 1926">2. CPA Victor Kasyamani Accountant</p>	<p data-bbox="861 1433 1412 1612">Born on 29th July 1979, Victor holds MSc Commerce Finance and Accounting as well as Bcom Accounting from KCA University and Mount Kenya University respectively</p> <p data-bbox="861 1624 1332 1691">He is a member of ICPAK in good standing with CPAK qualifications.</p> <p data-bbox="861 1702 1388 1736">Victor has served in public for 17 years.</p>

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

5. Chairman's Report

It is my pleasure to present this year's report on the Bursary Fund, which continues to be a cornerstone in our commitment to promoting equitable access to education for all deserving learners within our jurisdiction. This Fund remains instrumental in supporting students from vulnerable and marginalized backgrounds, thereby ensuring that financial limitations do not hinder their pursuit of academic excellence.

During the reporting year, the Fund encountered a number of key challenges, the most pressing of which included increased demand for bursary support in the face of limited resources. This surge was largely driven by rising school fees and economic hardships experienced by many households, especially in the wake of post-pandemic recovery and inflationary pressures. Additionally, logistical constraints in the application and disbursement processes posed notable operational challenges.

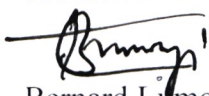
In response, we have undertaken a number of strategic reforms aimed at enhancing transparency, efficiency, and inclusivity. These include the digitization of the application and vetting process, strengthening of community bursary committees to ensure grassroots representation, and the introduction of a standardized scoring framework to promote fairness in award allocation. We have also intensified our collaboration with schools and community leaders to ensure the timely identification of the most vulnerable cases.

This year also witnessed a few notable changes within the Fund's governance and management structures. The appointment of new board members and key staff has brought renewed energy and expertise into the system. These changes are expected to improve service delivery, foster innovation, and deepen our accountability to the public.

Looking ahead, the Fund is poised to adopt a more data-driven and sustainable model. We are currently exploring partnerships with non-governmental and private sector stakeholders to supplement our resources and broaden the scope of our impact. Furthermore, we aim to implement robust monitoring and evaluation mechanisms to better track outcomes and inform policy adjustments.

As we forge into the future, our priority remains to ensure that no deserving student is left behind due to lack of financial support. We are committed to continuous improvement, stakeholder engagement, and prudent management of the resources entrusted to us.

On behalf of the entire team, I extend my sincere gratitude to all our partners, stakeholders, and community members who have supported this Fund. Together, we are transforming lives through education and shaping a more inclusive society.



Bernard Lumosi Amwayi
CECM Education Science and Technology
Kakamega County Education Fund

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

6. Report of The Fund Administrator

I am pleased to present the operational and financial performance report of the Bursary Fund for the period under review. The Fund has remained steadfast in its mission to support access to education for needy and deserving students across the County, and I am proud to report that significant progress has been made despite notable challenges.

Operational Performance

During the year, the Fund received over **5,000** bursary applications, reflecting a **60% increase** compared to the previous year. A total of **Ksh 116m was disbursed** to beneficiaries as bursaries, covering students in secondary schools and tertiary institutions. This was made possible through strengthened coordination with Ward Bursary Committees, educational institutions, and community leaders, which helped improve the transparency and inclusiveness of the selection process.

To streamline operations and enhance accountability, we intent to implement a **digital bursary management system**, which will facilitate online application, verification, and tracking of bursary status. This innovation significantly reduced processing time and minimized paperwork, while also improving record management.

We also conducted **capacity-building sessions** for bursary committees and staff at both county and ward levels to ensure they were well-equipped to handle the vetting process with integrity and fairness.

Financial Performance

In the financial year under review, the Fund was allocated **Ksh180,000,000 with a balance brought forward of Ksh. 60m**, of which no amount was disbursed to the fund for the year under review on behalf of successful applicants. The remaining funds were utilized for administrative costs, including system upgrades, monitoring visits, and stakeholder engagements.

While we operated within the budgetary framework, the demand for bursary support continues to outstrip available resources. This has necessitated the development of **prioritization criteria**, ensuring that the most vulnerable learners are given first consideration

A summary of fund allocation is provided below:

- **Total Fund Allocation:**Ksh180,000,000
- **Total Disbursed to Institutions:**Ksh116m as a carry over
- **Administrative and Operational Costs:**Ksh3.8m
- **Number of Beneficiaries:**Over 1000

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

Successes

- Increased transparency and reduced turnaround time in the disbursement process.
- Enhanced collaboration with schools and local leaders for effective targeting of beneficiaries.
- Positive feedback from beneficiaries and institutions regarding timeliness and clarity of fund disbursement.

Challenges

- High number of applicants versus limited funds.
- Delays in exchequer releases occasionally affected disbursement timelines.
- Logistical challenges in reaching remote or marginalized areas during verification.
- Limited follow-up mechanisms to assess the long-term impact of the bursaries on academic performance or retention.

Way Forward

In the coming year, the Fund will focus on:

- Strengthening monitoring and evaluation to measure the impact of the bursaries.
- Exploring partnerships with development partners, corporates, and alumni groups to widen the funding base.
- Enhancing public awareness campaigns to educate the community about application processes and eligibility criteria.
- Reviewing administrative cost structures to ensure more resources go directly to beneficiaries.

In conclusion, I wish to thank the County leadership, the Governing Board, Ward Committees, educational institutions, and all our stakeholders for their continued support and commitment to making the Bursary Fund a success. Together, we are unlocking the potential of our youth and investing in a better future.



.....
Administrator of the Kakamega County Education Fund

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

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

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

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2022 to 2027 are to:

- a) Increase access to education
- b) Promote equity in education
- c) Enhance retention and completion rates
- d) Support skills development and talent nurturing
- e) Encourage Inclusive education
- f) Foster community development through education
- g) Strengthen educational Institutions
- h) Align with County Development Goals

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
County Government of Kakamega Bursary fund	To improve access to education	Increased transition rate to tertiary institutions	No of beneficiaries.	59,200 beneficiaries in FY 2024/2025
	To promote equity in education	Greater educational equity across socio-economic groups	Proportion of bursaries awarded to students from low-income families or marginalized communities	Proportion of bursaries awarded to students from low-income families or marginalized communities in FY 2024/2025
	To enhance retention and completion rates	Increased student retention rate	Percentage of bursary recipients who continue with their education	100% of bursary recipients continued with their education in FY 2024/2025
	To support skills development and talent nurturing	Increased enrolment and successful completion of vocational	-Percentage of students supported in vocational and technical trainings programs	-80% of vocational and technical training students who applied for bursary were in FY 2024/2025

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

		and tertiary education programs that align with local economic needs.	-Percentage of bursary recipients completing vocational or higher education programs	- 45% of bursary recipients completed vocational training in FY 2024/2025
	To encourage inclusive education	Increased enrolment and support for students with disabilities and special needs	-Percentage of students with disabilities or special needs received bursary support. -Percentage of enrolment and retention of students with special needs	-100% of students with disabilities or special needs who applied received bursary support in FY 2024/2025 - 80% students with special needs enrolled and retained in FY 2024/2025.
County Government of Kakamega Bursary fund	To Foster community development through education	Enhanced community development as a result of educated individuals contributing to local economic and social growth	- percentage of bursary recipients who actively contribute to local community projects or leadership roles.	60% of bursary recipients actively contribute to local community projects or leadership roles in FY 2024/2025

8. Statement of Corporate Governance

The ward based committee of the bursary fund is headed by the sub-county administrator and ward administrator being members representing the 60 wards within the electoral areas of the County Government of Kakamega and one ex-official member from that ward. They are responsible for overseeing the strategic direction, financial management, and overall governance of the fund. Their roles include approving funding decisions, ensuring compliance with regulations, and monitoring the fund's impact.

We have a formal Committee Charter that outlines the roles, responsibilities, and authority of the members, guiding all governance practices and expectations.

Members to the Committee are appointed through a structured process involving nominations by existing members, a review of qualifications, and approval by the Committee. Removal of a member, if necessary, follows a formal procedure, ensuring due process is observed.

Over the past year, the Committee held six meetings, with an average attendance of 90% by members, ensuring active participation and effective decision-making.

We have a succession plan in place to ensure continuity, which includes identifying potential committee member candidates, providing them with training, and ensuring a smooth transition if a committee member departs.

New committee members undergo an induction program to familiarize themselves with the fund's operations and governance practices, and ongoing training is provided to keep all members informed of best practices and regulatory changes.

The performance of the Committee is regularly evaluated through self-assessments and feedback, helping to identify areas for improvement and ensuring effective fulfilment of their roles.

We manage and disclose conflicts of interest through strict policies that require members to declare any potential conflicts and recuse themselves from relevant discussions and decisions, ensuring impartiality.

Committee members serve on a voluntary basis and do not receive remuneration. Any expenses incurred while performing their duties are reimbursed according to our expense policy.

The Committee adhere to a code of ethics and conduct that promotes integrity, transparency, and accountability in all operations and decision-making processes.

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

9. Management Discussion and Analysis

Dear Stakeholders,

I am pleased to present the Management Discussion and Analysis (MD&A) for the Kakamega County Education Fund for the fiscal year ending 30th June 2025. This report offers a comprehensive overview of our operational and financial performance, key initiatives, compliance with statutory requirements, risk management efforts, and other pertinent information.

We have successfully implemented several key projects aimed at enhancing our impact and operational efficiency. These include expanded outreach programs, the integration of ward based bursary vetting committee comprising of the ward administrators under the leadership of the Sub-County Administrators to improve transparency and equity in allocation across the 60 wards, and strengthened partnerships to leverage resources and extend our reach.

In terms of compliance, the Kakamega County Education Fund has upheld all statutory requirements applicable to non-profit organizations. We have met reporting deadlines, maintained governance standards, and adhered to regulatory obligations throughout the year.

Despite our proactive risk management efforts, the fund faces inherent risks such as market fluctuations affecting investment returns, operational disruptions, and potential regulatory changes. We continue to monitor and mitigate these risks to ensure the fund's sustainability and effectiveness.

Financially, we have met all obligations including statutory filings, tax payments, and contractual commitments without any material arrears that could impact our operations or stakeholder confidence.

In conclusion, the Kakamega County Education Fund has achieved significant milestones in advancing educational opportunities and supporting talented individuals. We appreciate the ongoing support of our stakeholders, which enables us to make a meaningful impact in Kakamega County. Moving forward, we remain committed to innovation, transparency, and responsible resource management to deliver sustainable value for future generations.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

Our bursary fund is committed to sustainability by integrating environmental, economic, and social considerations into our operations. We support educational initiatives that prioritize sustainability, such as those focusing on renewable energy and waste reduction, and we follow international best practices by transitioning to paperless operations to minimize our carbon footprint.

We are also responsive to global political and macroeconomic trends, including increasing emphasis on climate action and social equity. Changes in environmental regulations and economic conditions influence our funding strategy, ensuring it remains relevant and impactful.

Among our key achievements, we have successfully funded projects that advance sustainable practices in education and have transitioned to digital processes, significantly reducing our environmental impact. However, we acknowledge that not all partner institutions have fully aligned with our sustainability goals, and economic uncertainties have sometimes affected our ability to provide consistent long-term support.

By continuously adapting to political and economic shifts and learning from both our successes and challenges, our bursary fund aims to enhance educational excellence and contribute to a more sustainable future.

2. Environmental performance

Our environmental policy for the bursary fund emphasizes reducing our ecological footprint and integrating sustainability into our operations and funding practices.

We support projects that focus on biodiversity, such as habitat restoration and conservation efforts, leading to successful improvements in local ecosystems. However, we recognize that our impact on biodiversity could be more comprehensive and that further efforts are needed to enhance these outcomes.

In waste management, we have transitioned to a paperless system, significantly cutting down on paper waste and reducing our overall environmental footprint. Despite these achievements, we still face challenges in achieving zero waste, particularly in areas where external waste management practices are less controlled.

To reduce the environmental impact of our funded projects, we prioritize those that use eco-friendly materials and implement energy-efficient technologies. While these initiatives have successfully lowered their carbon footprints, ensuring that all funded projects adhere to high sustainability standards remains an ongoing challenge.

Overall, our policy guides us in minimizing our environmental impact through targeted efforts in biodiversity, waste management, and sustainable product practices. We

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

are committed to continuously improving our practices and addressing any shortcomings to better achieve our environmental goals.

3. Employee welfare

Our hiring process policies are designed to ensure fairness, diversity, and inclusivity. We actively consider gender balance in our recruitment efforts to promote a diverse workforce and are committed to engaging with stakeholders to refine and enhance our hiring practices. Our policies are reviewed and updated regularly to incorporate feedback and align with best practices in recruitment and employment.

We emphasize the continuous development of skills and career management for our employees. Training programs and professional development opportunities are provided to help employees advance their careers and enhance their skills. We also have a structured appraisal and reward system that recognizes and incentivizes performance, ensuring that employee contributions are acknowledged and rewarded.

Regarding safety, the fund adheres strictly to the Occupational Safety and Health Act of 2007 (OSHA). We have implemented comprehensive safety policies and procedures to ensure a safe working environment, conduct regular safety audits, and provide ongoing training to comply with OSHA regulations and maintain workplace safety.

4. Marketplace practices-

The organization should outline its efforts to

a) Responsible competition practice.

1 Service Charter

- **Public Service Charter:** Outlines service standards, timelines, staff responsibilities, and customer rights.
- **Performance Monitoring:** Regular review of service delivery against the charter with published reports.

2. Anti-Corruption Reporting Tools

- **Anonymous Reporting Channels:** Web-based or phone platforms for the public to report corruption.
- **Tracking & Feedback Mechanism:** Users can follow up on the status of their complaints or reports.
- **Integrity Assurance Units:** Specialized units to investigate reports and recommend actions.

b) Responsible Supply chain and supplier relations

•Ethical & Sustainable Procurement

Procurement should reflect broader priorities—like environmental sustainability, social responsibility, diversity, and inclusion. Prioritizing local or small suppliers can also support these goals.

•Mutual Trust for Shared Success

Trust, transparency, and shared goals encourage suppliers to invest in quality and ethical standards, ultimately benefiting both parties over the long term.

c) Responsible marketing and advertisement or Responsible Engagement with the Citizens

• Truthfulness in Public Messaging

Ensure media statements, website briefs, or public campaigns present accurate, verified information and avoid exaggeration.

• Diverse & Inclusive Engagement

Use inclusive language, imagery, and outreach methods that respect all communities and avoid stereotypes.

• Consultative Forums

Host stakeholder workshops or forums that invite feedback, encourage engagement, and drive active participation in shaping messaging.

• Transparent Communication Channels

Maintain accessible, easy-to-understand platforms (websites, media bulletins, social media) that share policies, updates, and disclaimers.

• Cultural Sensitivity & Respect

Tailor outreach to local contexts and values, especially in multicultural or diverse environments.

• Privacy & Consent in Outreach

When collecting information or feedback (surveys, registrations), obtain consent and clarify how data will be used.

d) Product stewardship or Awareness Creation

1. Protection of Health and Safety

- Ensuring public health through accessible healthcare services (e.g., NHIF).
- Occupational health and safety regulations in workplaces.
- Safety standards in public infrastructure (roads, water, electricity).

2. Providing Adequate Information

- Access to accurate information on services (NSSF, IDs, passports, logbooks, utilities).
- Transparent government communication (public notices, service charters).
- Civic education on constitutional rights and duties.

5. Corporate Social Responsibility / Community Engagements

Over the past year, our fund has actively participated in various CSR activities that have significantly impacted the community.

Our employee engagement in community service included organizing educational workshops for youth and participating in local environmental clean-up efforts. We also partnered with non-profit organizations to support food banks and shelters, contributing both time and resources.

The impact of these CSR activities has been considerable. Our educational contributions have helped over 1,000 students gain better learning resources.

Overall, our CSR activities demonstrate our commitment to positively affecting society through charitable giving, corporate social investment, and active community involvement. We are dedicated to continuing and expanding these efforts in the future.

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

11. Report of The Trustees/Committee

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

Principal activities

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

The principal activity of the Fund is to provide financial support to needy students in secondary schools and county polytechnics to enable them access education. The beneficiaries must be inhabitants of the County Government of Kakamega. The bursaries are ward based.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 7

Trustees

The Trustees who served during the year are shown on page (vi) (refer to the key entity information and management page). There was no changes in the Trustee 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.

..... *MARW*

Chair of the Board/Fund Administration Committee

Date: *6/10/2025*

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

12. Statement of Management’s Responsibilities

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


The Administrator of Kakamega county education Fund is responsible for the preparation and presentation of the Fund/Scheme’s financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on June 30, 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 kakamega county education Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kakamega County Education- Bursary Fund) Regulations, 2018. The Administrator of the Fund/Scheme is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025 and of the Fund/Scheme’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/Scheme, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the system of internal financial control.

In preparing the financial statements, the Administrator of the kakamega county education Fund has assessed the Fund/Scheme’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund/Scheme will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund/Scheme’s financial statements were approved by the Trustee/Committee on 25th August 2025 and signed on its behalf by:

.....


Administrator of the Kakamega County Education Fund

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Kakamega County Education Fund set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June 2025 and the statement of financial performance, statement of changes in net

assets, statement of cash flows and the 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kakamega County Education Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Kakamega County Education Fund) Regulations, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of the Statement of Changes in Net assets

The statement of changes in net assets reflects accumulated surplus balance of Kshs.36,400. However, re-calculation of the accumulated fund balance indicates accumulated deficit balance of Kshs.4,528,649 resulting to unreconciled variance of Kshs.4,492,249.

In the circumstances, the accuracy and completeness of the accumulated surplus balance of Kshs.36,400 could not be confirmed.

2. Inaccuracy of the Statement of Cash Flows

The statement of cash flows reflects net cash outflows from operating activities amounting to Kshs.60,194,568 as disclosed in Note 17 to the financial statements. However, re-casting of the amount reflected in Note 17 to the financial statements on cash generated from operations amounts to net cash inflows from operating activities of Kshs.56,199,320 resulting to unexplained variance of Kshs.116,393,888.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects approved final receipts budget and actual on comparable basis of Kshs.240,000,000 and Kshs.60,000,000 respectively resulting to under-funding of Kshs.180,000,000 or 75% of the budget. Similarly, the statement reflects actual expenditure of Kshs.120,194,568 against an approved budget of Kshs.240,000,000 resulting to under-performance of Kshs.119,805,432 or 50% of the budget.

The under-funding and under-performance 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 judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters 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

Unresolved Prior Year Matters

In the audit report of the previous year, one issue each was raised under the Report on the Financial Statements and Emphasis of Matter as indicated in **Appendix I**. However, the issues had not been resolved and Management did not provide satisfactory explanation for the delay in resolving the issues.

Other Information

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

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters 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

1. Legality of Kakamega County Education Fund

The County Assembly of Kakamega enacted the Kakamega County Education Fund Regulations, 2015 through Legal Notice No.2 dated 26 January, 2016 titled the Public Finance Management (Kakamega County Education Fund) Regulations, 2015 whose purpose was to provide bursaries, scholarships, loans and subsidized County Polytechnic tuition disbursements to students from the County.

However, it was observed that, the Kakamega Education Fund was created without a supporting enabling Act or a primary legislation, contrary to the Statutory Instruments Act, 2013 and the Constitution of Kenya 2010, which mandates that, Regulations in Kenya are made lawfully, transparently, and with public oversight, and that they cannot exist without a supporting enabling Act of Parliament.

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

2. Operationalization of the County Education Fund without Properly Constituted Fund Committee

Review of records provided for audit revealed that, the Fund has been operating without a substantive County Education Fund Committee as required by Regulation 6 (2a-f) of the Public Finance Management (Kakamega County Education Fund) Regulations, 2015. The Regulation prescribes nine (9) members to constitute a full committee. Information available indicate that, apart from the two (2) ex-officio members, the Chief Officers responsible for Education and Finance, the following member representatives have not been appointed to the committee since its inception:

- i. Chairperson appointed by the Governor
- ii. One (1) representative from the County Education Board

- iii. Three (3) members representing special interest groups of youths, people with disabilities (PWDs), and marginalized community in the County
- iv. Two (2) representatives amongst the religious organizations

The Fund has been managed by only two (2) Ex-officio Officers contrary to the law.

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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Conduct Internal Audit of the Fund

Although the Internal Audit Department and the Internal Audit Committee were in existence, Management did not provide quarterly or annual internal audit reports and evidence of follow-up on the implementation of the recommendations of internal and external auditors.

In the circumstances, the effectiveness of the internal audit department and the Fund's internal controls could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its 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 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

03 November, 2025

Appendices

Appendix 1: Unresolved Prior Year Matters

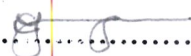
ISSUE / OBSERVATION
REPORT ON THE FINANCIAL STATEMENTS
Unsupported Bursary Transfers
EMPHASIS OF MATTER
Budgetary Control and Performance

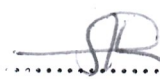
**Kakamega County Education Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	0	240,000,000
Public Contributions and Donations	7	0	0
		0	240,000,000
Revenue From Exchange Transactions			
Finance Income	8	0	0
Other income	9	0	0
Total Revenue		0	240,000,000
Expenses			
Bursary transfers	10	0	233,244,000
Use of Goods and Services	12	3,800,680	7,761,911
Total Expenses		3,800,680	240,745,911
Surplus (Deficit) for the Period		(3,800,680)	(745,911)

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

.....

Name: Ms Mariam Were
Administrator/Accounting Officer

.....

Name: Cpa Victor Kasyamani
Fund Accountant
ICPAK Member Number: 17463

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


15. Statement of Financial Position as at 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	99,400	60,293,968
Non-exchange receivables	14	0	60,000,000
Exchange Receivables	15	0	0
Total current assets		99,400	120,293,968
Total Assets (A)		99,400	120,293,968
Liabilities			
Current Liabilities			
Trade and Other Payables	16	63,000	121,021,937
Total current liabilities		63,000	121,021,937
Total Liabilities (B)		63,000	121,021,937
Net Asset (A-B)		36,400	(727,969)
Represented By:			
Accumulated Surplus		36,400	(727,969)
Net Assets		36,400	(727,969)

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 25th August 2025 and signed by:

.....

Name: Ms Mariam Were
Administrator/Accounting Officer

.....

Name: Cpa Victor Kasyamani
Fund Accountant
ICPAK Member Number: 17463

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

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

Description	Accumulated surplus
	Kshs
Balance as at 1 July 2023 (Previous FY)	17,942
Surplus/(Deficit) For the Year	(745,911)
Balance As At 30 June 2024 (Previous FY)	(727,969)
Balance As At 1 July 2024 (Current FY)	(727,969)
Surplus/(Deficit) For the Year	(3,800,680)
Balance As At 30 June 2025 (Current FY)	36,400

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		60,000,000	180,000,000
Public Contributions and Donations		0	0
Finance Income		0	0
Other receipts		0	0
Total receipts		60,000,000	180,000,000
Payments			
Bursary Transfers		(116,393,888)	(115,673,563)
Scholarship grants		0	0
Use of goods and Services		(3,800,680)	(4,050,411)
Net cash flows from operating activities	17	(60,194,568)	(60,276,026)
Cash flows from investing activities			
		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cash Equivalents		(60,194,568)	60,276,026
Cash and cash equivalents at 1 July 2024	13	60,293,968	17,942
Cash and cash equivalents at 30 June 2025	13	99,400.00	60,293,968

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening budget Carry Overs	60,000,000	0	60,000,000	60,000,000	0	100
Receipts						
Transfers From the County Government	180,000,000	0	180,000,000	0	0	0
Public Contributions and Donations	0	0	0	0	0	0
Finance Income	0	0	0	0	0	0
Other receipts	0	0	0	0	0	0
Total Receipts	240,000,000	0	240,000,000	60,000,000	180,000,000	25
Payments						
Bursary Transfers	232,800,000	0	232,800,000	116,393,888	116,406,112	50
Scholarship grants	0	0	0	0	0	0
Use of goods & Services	7,200,000	0	7,200,000	3,800,680	3,399,320	53
Total Payments	240,000,000	0	240,000,000	120,194,568	119,805,432	50
Surplus For the Period	0	0	-	(66,194,568)		

Budget notes

(Budget carryovers* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the CRF. Budget carryovers should not include third-party funds such as contractors' retention.)

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different categorization of items as approved by the governing body.)

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

**Kakamega County Education 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	(60,194,568)
1	Reason for differences Bal Bf as a reserve	60,293,968
2	Reason for differences	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	99,400

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

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Kakamega County Education Fund is established by and derives its authority from Public Financial Management Act (Kakamega County Education Fund) Regulations, 2018. The entity is wholly owned by the County Government of Kakamega and is domiciled in Kenya. Kakamega County Education Fund's principal activity is to provide financial support to needy students in Secondary Schools and County Polytechnics to enable them access education

2. Statement of compliance and basis of preparation

Kakamega County Education Fund's 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.

5. Adoption of new and revised standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

(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.

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

Standard	Effective date and impact:
<p>IPSAS 43 Leases</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <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> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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;

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

Standard	Effective date and impact:
	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 48 Transfer Expenses</p>	<p>Applicable 1st January 2026</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>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</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>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <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.

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

Standard	Effective date and impact:
	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. State the expected impact of the standard to the Entity if relevant

(iii) Early adoption of standards

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

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

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 26/6/2024. 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 Kakamega county Education Fund upon receiving the respective approvals in order to conclude the final budget. The Kakamega County Education Fund recorded additional appropriations of Kshs. 0 on the FY 2024/2025 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

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

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 amortised 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

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

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 Kakamega County Education Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Kakamega County Education Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

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

e) Contingent liabilities

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

f) Contingent assets

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

g) Nature and purpose of reserves

The Kakamega County Education Fund creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

h) Changes in accounting policies and estimates

The Kakamega County Bursary Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Foreign currency transactions

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

j) Related parties

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

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

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

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 Kakamega County Education Fund/Scheme'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.

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.

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

6. Transfers from the County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Government	0	240,000,000
Others (<i>Specify</i>)	0	0
Total	0	240,000,000

(Provide a brief explanation for this revenue)

7. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

(Provide a brief explanation for this revenue)

8. Finance income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income on Bank Deposits	0	0
Others (<i>Specify</i>)	0	0
Total finance income	0	0

(Provide a brief explanation for this revenue)

9. Other income

Description	2024/2025	2023/2024
	Kshs	Kshs
Cheque write backs	0	0
Others (<i>Specify</i>)	0	0
Total Other Income	0	0

(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).

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

10. Bursary Transfers

Description	2024/2025	2023/2024
	Kshs	Kshs
Universities	0	0
TVETs, Colleges & Secondary schools	0	115,673,563
Bursaries not yet disbursed	0	117,570,437
Total	0	233,244,000

11. Scholarship grants

Description	2024/2025	2023/2024
	Kshs	Kshs
Universities	0	0
TVETs and Colleges	0	0
Secondary schools	0	0
Other (<i>Specify</i>)	0	0
Total	0	0

12. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Committee Allowances	3,532,600	5,310,000
Bank charges	268,080	72,511
Cheque books	0	123,000
Stationery	0	312,000
Admin costs	0	1,684,400
Total	3,800,680	7,501,911

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

13. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	99,400	60,293,968
Others (<i>Specify</i>)	0	0
TotalCashandCashEquivalents	99,400	60,293,968

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Cooperative Bank Kakamega	120114163267 8400	99,400	60,293,968
XXX Bank - Etc.		0	0
Sub- Total		99,400	60,293,968
b) Others(Specify)			
Cash In Transit		0	0
Cash in Hand		0	0
Sub- Total		0	0
Grand Total		99,400	60,293,968

14. Non-Exchange Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Revenue receivable	0	60,000,000
Others (<i>Specify</i>)	0	0
Total non-exchange receivables	0	60,000,000

15. Exchange Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest receivable	0	0
Others (<i>Specify</i>)	0	0
Total exchange receivables	0	0

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

16. Trade and other payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
TradePayables	63,000		121,021,937	
OtherPayables(<i>specify</i>)	0		0	
TotalTradeandOtherPayables	63,000		121,021,937	
Ageing analysis(Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	63,000	100%	118,990,058	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	63,000		118,990,058	

17. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year	(3,800,680)	(745,911)
Adjusted For:		
Working Capital Adjustments		
Decrease In Receivables	(60,000,000)	61,021,937)
IncreaseInPayables	0	0
Net Cash Flow from Operating Activities	(60,194,568)	60,276,026

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

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

18. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from related parties	0	0
Transfers to related parties	0	0

c) Key management remuneration

Description	2024/2025	2023/2024
	Kshs	Kshs
Board of Trustees- committee allowances	2,502,000	5,310,000
Total	2,502,000	5,310,000

d) Due from related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due From County Government	0	60,000,000
Total	0	60,000,000

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

Other Disclosures Continued

e) Due to related parties

Description	2024/2025	2023/2024
	Kshs	Kshs
Due to County Government	0	0
Due to Key Management Personnel	0	3,451,500
Total	0	3,451,500

19. Contingent assets and contingent liabilities

Contingent Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	0	0
Bank Guarantees	0	0
Total	0	0

(Give details)

20. Financial risk management

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

a) Credit risk

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025(Current Year)				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
Total	0	0	0	0
As at 30thJune (Previous Year)				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
Total	0	0	0	0

(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 no significant concentration of credit risk on amounts due from 2024.

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.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables	63,000	0	0	0
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Total	63,000	0	0	0
As at 30 June (Previous FY)				
Trade Payables	0	0	0	0
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

e) 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.

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

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 (Current FY)			
Cash	0	0	0
Debtors/ Receivables	0	0	0
Liabilities			
Trade And Other Payables	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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%	0	0
USD	x%	0	0
Other (Specify)	x%	0	0
(Comparative FY)			
Euro	x%	0	0
USD	x%	0	0
Other (Specify)	x%	0	0

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.

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

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/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. 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 xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2024-2025 – Kshs 0).

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	0	0
Total funds	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
Gearing	0	0

21. Events after the reporting period

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

22. Currency

The financial statements are presented in Kenya Shillings (Kshs

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
N/A	<p>Unsupported Bursary Transfers The statement of financial performance reflects bursary transfers amounting to Kshs. 233,244,000, which as disclosed in Note 7 to the financial statements includes bursary transfers to TVETs, Colleges and Secondary Schools amounting to Kshs. 115,673,563. However, Management provided acknowledgement receipts for bursaries totaling Kshs. 104,278,300 leaving a balance of Kshs. 11,395,263 unsupported. Further, analysis of the beneficiaries list provided for audit review revealed that 2,244 beneficiaries did not have admission numbers. In addition, Note 7 to the financial statements reflects a balance of Kshs. 117,570,437 in respect to bursaries not yet disbursed.</p>	<p>-The breakdown of the institutions that did not provide acknowledgement receipts worth Kshs.11, 395,263 is available for further review. The institutions (TVETs, Colleges and Secondary Schools) where</p>	Not Resolved	Awaiting senate presentation

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

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>However, supporting schedules in form of vetted list of applicants was not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of bursary transfers amounting to Kshs. 233,244,000 could not be confirmed</p>	<p>the beneficiaries learn are distributed across the Country and some are situated in far areas of the Country which makes it difficult for management to follow up and get the acknowledgment receipts on time. During the audit process Management</p>		

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

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>wrote a reminder to the respective institutions to provide the acknowledgements which has been provided for your audit review.</p> <p>Going forward, management has provided a common email upon which the receiving institutions for the beneficiaries will</p>		

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

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>be scanning the acknowledgements and be sending back on time.</p> <p>-There was an oversight by the management during the vetting process not including the admission numbers on the vetted list, however management has</p>		

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

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>now provided a list of 2,244 beneficiaries with admission numbers for your review.</p> <p>-Management has provided Supporting</p>		
		<p>schedules in form of vetted list of applicants for your audit review.</p>		

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

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>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects approved revenue budget and actual on comparable basis totaling to Kshs. 240,000,000 and Kshs. 180,000,000 respectively, resulting to under-funding of Kshs. 60,000,000 or 25% of the budget. Similarly, the Fund incurred actual expenditure of Kshs. 119,723,974 against approved expenditure budget of Kshs. 240,000,000 resulting to under-expenditure of Kshs. 120,276,026 or 50% of the budget.</p> <p>The under-funding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p>	<p>Explanation of under-funding of Kshs. 60,000,000 or 25% of the budget.</p> <p>The underfunding of Kshs.60,000,000 was occasioned by late Exchequer remittance to the County by the National Treasury, this funds were received in</p>	<p>Not Resolved</p>	<p>Awaiting senate resolution</p>

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

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>26th July 2024 and subsequently disbursed to the respective successful vetted beneficiary's institutions in the FY 2024/2025.</p> <p>Explanation of under-expenditure of Kshs. 120,276,026 or 50% of the budget.</p>		

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


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)
		The under expenditure was caused by late exchequer remittances.		
	<p>Unresolved Prior Year matters</p> <p>In the audit of the previous year, several issues were reported under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given reasons for the delay in resolving the issues.</p>	In the financial year 2022/2023 there were two audit issues that was outstanding i.e. the inaccuracy of the Financial Statements and failure to submit Financial		

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

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>Statements to the auditor general. Management has implemented the recommendation issued by the auditor on this issues and is waiting</p>		
		<p>resolutions from the County Assembly and the Senate.</p> <p>The current progress report on prior year</p>		

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

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)
		matters has been provided for your review		

.....

Fund Administrator/Accounting Officer
Date.....6/10/2025.....

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

Annex II: Inter-Entity Confirmation Letter

Name of transferring entity:.....

Name of beneficiary entity:.....

Confirmation of amounts received by [XX County BursaryFund/Scheme] as at 30 th June 20xx						
Reference Number	Date Disbursed	Amounts Disbursed by [XXX County Department] (Kshs) as at 30 th June 20xx			Amount Received by XXX County BursaryFund/Scheme] (Kshs) as at 30 th June 20xx (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
Total						

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

Head of Accounts - Disbursing Entity:
 Name Sign Date.....

Head of Accounts - Beneficiary Entity:
 Name Sign Date.....