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PERFORMANCE AUDIT REPORT ON PROVISION OF BURSARIES AND SCHOLARSHIPS BY THE NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF)



FEBRUARY 2026

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FOREWORD

I am pleased to present this Performance Audit Report on Provision of Bursaries and Scholarships by the National Government Constituencies Development Fund (NG-CDF). My Office carried out the audit under the mandate conferred to me by Article 229(6) of the Constitution of Kenya, 2010, to confirm whether or not public money has been applied lawfully and in an effective way. In addition, Section 36 of the Public Audit Act, 2015 requires the Auditor-General to examine the economy, efficiency and effectiveness with which public money has been expended.

Performance, financial and compliance audits form the three-pillar audit assurance framework that I have established to give focus to the varied and wide scope of the audit work done by my Office. The framework is intended to provide a high level of assurance to stakeholders that public resources are not only correctly disbursed, recorded and accounted for, but that the use of the resources results in positive impact on the lives and livelihoods of the Kenyan people. The main goal of our performance audits is to ensure effective use of public resources and promote service delivery to Kenyans.

The Report is submitted to Parliament in accordance with Article 229(7) of the Constitution of Kenya, 2010 and Section 39(1) of the Public Audit Act, 2015. In addition, I have submitted copies of the Report to the Chief of Staff and Head of Public Service, Principal Secretary, The National Treasury and the Chief Executive Officer, National Government Constituencies Development Fund (NG-CDF) Board.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

17 February, 2026

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EXECUTIVE SUMMARY

Background to the Audit

1. Bursaries and scholarships are forms of non-repayable financial aid that support students from financially disadvantaged backgrounds to meet the cost of education. The National Government Constituencies Development Fund (NG-CDF) provides bursaries and scholarships to students from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses.
2. The Fund (NG-CDF) receives at least 2.5% of the National Government's share of annual revenue, which is distributed among all the 290 constituencies. Constituencies allocate between twenty-five (25%) to forty (40%) percent of these funds to social security programs, education and bursary schemes. Over the period under review; (Financial Years 2021/2022 to 2024/2025), constituencies spent a Kshs.55.72 billion on bursaries and scholarships, supporting 1.8 million, 1.3 million and 1.8 million learners, respectively. The audit was motivated by the following factors: -
 - i. **Concerns raised by Members of Parliament:** There have been discussions regarding provision of public bursaries in the Country, including delays in disbursement of funds to learning institutions, concerns about nepotism, favoritism, political manipulation, lack of transparency and accountability in the public bursary and scholarship administration process.
 - ii. **Inefficiencies in administration of bursaries and scholarships:** Preliminary results of the pre-study highlighted performance issues in administration of bursaries and scholarships by the National Government Constituency Development Fund Board, including; flawed bursary and scholarship vetting process, inefficiencies in the mode of bursary disbursements, poorly maintained bursary and scholarship records and lack of monitoring of the bursary programme.
 - iii. **Sustained public outcry:** Media reports have amplified cases of learners missing school due to lack of fees and the perceived inequalities in the award

of bursaries and scholarships. Despite multiple education funding mechanisms, many eligible learners continue to be left out as a result of delays, inconsistencies, and weak accountability in the allocation process.

- iv. **Unsupported bursary disbursements:** Financial audit reports by the Auditor-General have consistently highlighted cases of unsupported disbursements under the National Government Constituencies Development Fund. For example, in the Financial Year 2023/2024, eighty-six (86) Constituencies were unable to support disbursements amounting to Kshs.2,122,652,960. Such audit queries raised concerns about accountability and transparency in the management of bursary funds.

Objective and Scope of the Audit

3. The audit assessed the extent to which the National Government Constituencies Development Fund (NG-CDF) had ensured access to bursary and scholarship funds by needy and deserving students. This included assessing the adequacy in allocation of bursary funds to applicants and the efficiency in disbursement of funds to learning institutions in the Country. The audit covered financial years 2021/2022 to 2024/2025.
4. The audit team sampled twenty-three(23) constituencies across six(6) counties: Nairobi, Kirinyaga, Makueni, Kilifi, Kisii, and Narok. The constituencies sampled are: Embakasi Central, Kibra, Kasarani, Dagoretti South, Embakasi South, Mbooni, Makueni, Kaiti, Kibwezi East, Ndia, Gichugu, Kirinyaga Central, Mwea, Kilgoris, Narok West, Narok East, Narok North, Nyaribari Masaba, Bomachoge Chache, Kitutu Chache South, Bobasi, Ganze, and Malindi. One hundred and seventy-seven (177) beneficiary learning institutions within the constituencies were sampled for review.

Summary of Audit Findings

Reliance on Manual Process Limited Access to Bursary and Scholarship Opportunities

5. The audit established that two hundred and eighty-two (282), out of two hundred and ninety (290), constituencies processed bursary applications manually. This limited access to application forms to students studying outside their home constituencies,

those living far from constituency offices, and persons with disabilities (PWDs) who could not easily obtain or submit physical application forms. This undermined fairness, transparency, and equal opportunity as eligible applicants may have been excluded.

Bursary Awards were not Based on Applicants' Socio-economic Needs and Vulnerability Status

6. Bursary awards across the twenty-three (23) sampled constituencies were determined by the level of the learning institution, that is: secondary; tertiary or college; university; or special needs schools, rather than the socio-economic or vulnerability status of applicants. The constituencies focused on the submitted application forms and whether the applicants or their parents/ guardians were registered voters in their jurisdictions. This led to some students receiving bursaries exceeding their school fees, leading to overpayments, while others had substantial fee arrears. As a result, there was inequitable distribution of funds, which reduced the effectiveness of bursaries, as the available amounts were spread thinly.

Lack of Disaggregated Records for Learners with Special Needs

7. The audit revealed that only three (3) constituencies, namely: Kasarani, Dagoretti South, and Malindi maintained beneficiary lists for learners with special needs. Although the National Government Constituencies Development Fund Board's monitoring tool was designed to capture this information, the audit team was not provided with this information at the constituency level for verification. This made it difficult to verify the actual number of learners with disabilities that were supported through bursaries. As a result, it was not possible to determine whether allocations corresponded to the needs of eligible applicants, creating a risk of exclusion. Over time, these gaps could deepen learners' vulnerability to poverty. due to inequitable access to bursaries.

Inadequate Vetting and Irregular Issuance of Bursaries

8. The audit noted that constituency committees did not conduct proper vetting of bursary applicants, as evidenced by: -

- i. **Incomplete Application Forms** - Review of 1,815 sampled application forms from thirteen (13) constituencies revealed that 1,127 forms, representing 62%, were not duly filled. The forms lacked mandatory information such as socio-economic status of applicants, authentication from local administrative leaders, religious leaders, or school administration. In addition, 1,393 application forms, representing 77%, lacked the required approval by the Fund Managers or committees' representatives, while 688 application forms, representing 38%, lacked one or more of the mandatory supporting documents. Regardless of the above anomalies, the applicants were considered and awarded bursaries.
- ii. **Issuance of Bursary without Application Forms** - The audit revealed instances where learners were awarded bursaries without application forms. In Mwea, Narok East, and Bobasi Constituencies, funds were set aside for 'special bursary', which were issued to learners without filling application forms or undergoing vetting. There were instances where learners in high-cost private learning institutions benefitted from bursaries amounting to Kshs.2,768,000, yet their application forms could not be traced. The institutions include Moi Educational Centre, Kianda School, Consolata School, among others.
- iii. **Award of Bursary to all Applicants from the Same Learning Institutions** - The audit noted that some constituencies awarded bursaries to nearly all applicants from the same learning institutions, without evidence that the education bursary committee evaluated the applicants' financial needs. In Kaiti Constituency, comparison of beneficiary lists and school enrolment data for five (5) sampled schools showed that between 69% and 100% of learners in these institutions received bursaries. This was attributed to political interference, since the Fund was perceived as a public entitlement, leading to its distribution to all applicants uniformly, regardless of their financial needs or vulnerability.

Inadequate Identification of Scholarship Beneficiaries

9. The audit revealed that constituencies did not vet applicants for scholarships, instead the awards were based on referrals or unsystematic walk-in requests, rather than through a transparent and structured vetting process. Additionally, there was inadequate monitoring of scholarship recipients, to ensure continuity and academic performance, despite investing huge amounts of funds in the programme.

Multiple Award of Bursaries and Scholarships

10. The audit revealed cases of duplication of awards within the constituencies. In Bobasi Constituency for instance, in the financial year 2023/2024, there were 139 students with more than one(1) award, out of which twenty (20) students from high-cost private institutions received between Kshs.30,000 and Kshs.160,000 each.
11. Further, the audit established that constituency committees did not collaborate with other public bursary providers to prevent multiple awards of bursaries and to ensure equitable access for needy students. Review of 570 fee statements from learning institutions revealed that 73% of learners that benefited from NG-CDF bursary received additional bursaries from the National Government Affirmative Action, Presidential Secondary School Bursaries, county governments and Elimu Scholarship. Minimal collaboration was attributed to the political nature of bursaries, where leaders viewed bursary allocations as tools for enhancing their visibility and gaining voter goodwill. This led to inequitable distribution of financial assistance among learners.

Delay and Unreliable Disbursement of Funds to Constituencies

12. The audit revealed delays and unreliable disbursement of funds from The National Treasury (TNT) to the State Department for Economic Planning, and subsequently to the NG-CDF Board Account, which in turn affected disbursement of funds to constituencies. Further, TNT disbursed a significant percentage of the funds towards the end of the financial years. The delays resulted in late disbursement of funds to learning institutions, thereby limiting learners' retention in school.

Inefficient and Uneconomical Mode of Disbursement

13. The audit established that the use of cheques as a mode of disbursement resulted in inefficiencies, including cases of uncollected, unrepresented and stale cheques. For instance, in the financial year 2024/2025 there were cases of unrepresented cheques in five (5) constituencies totaling Kshs.722,636,387. This could have benefited approximately 18,065 students in extra county schools on full scholarship. Additionally, five (5) constituencies reported cases of stale cheques amounting to Kshs.14,174,132, which could have fully sponsored 351 students in extra county schools for one (1) academic year.

Lack of Guidelines for Selection of Beneficiaries of Re-issued Stale Cheques

14. The audit noted that the uncollected and unrepresented cheques were reversed after six (6) months, and reissued to other learners. However, there were no guidelines for the selection of beneficiaries for the reissued cheques, giving constituency committees full discretion to decide which learners to support, without application forms or vetting of applicant's need or vulnerability.

Inadequate Monitoring of the Bursary and Scholarship Programme

15. The audit revealed that the Board and constituency committees did not undertake adequate monitoring of the bursaries and scholarships, as evidenced by inconsistent reporting by constituency committees to the Board and limited and undocumented school visits. Additionally, constituency committees received minimal acknowledgement receipts from learning institutions confirming receipt of bursary funds. Nine (9) constituencies recorded acknowledgment receipts below 30%. This limited assurance that the funds reached the intended beneficiaries.

Conclusion

16. The National Government-Constituency Development Fund Board and Constituency Committees have not ensured equitable allocation of bursaries. All applicants receive a uniform amount of funds, regardless of their individual financial needs, capabilities, or total school fees. Furthermore, committees failed to conduct due diligence of applicants, resulting in a flawed and unverifiable vetting process.

This lack of thoroughness in vetting allowed non-deserving applicants to benefit at the expense of genuinely needy learners.

17. The National Government-Constituency Development Fund Board has not ensured timely disbursement of funds to learning institutions. Funds are frequently disbursed late and are misaligned with the school calendar. These delays create a ripple effect, often leading to potential beneficiaries missing classes. Ultimately, the lost class time results in an economic loss, and the Fund's objective of enhancing learner retention is compromised.
18. The National Government-Constituency Development Fund has not adopted an efficient mode of funds disbursement. The current use of cheques is uneconomical and encounters challenges such as loss, misplacement, and errors, which hinder the timely crediting of beneficiary accounts. This preferred mode of disbursement also attracts additional costs for delivery and allowances for clerks, decreasing the funds available for bursary and scholarship.
19. The National Government-Constituency Development Fund Board has not ensured adequate and consistent monitoring of the bursary programme. The Board has failed to follow up with constituencies to ensure consistent reporting, which compromises the reliability of data that is submitted for national reporting. As such, the Board does not maintain a master list, and cannot confidently account for the bursary funds disbursed over the years. Additionally, the follow-up of beneficiaries in their respective learning institutions is inadequate, leading to a lack of accountability regarding whether beneficiaries genuinely exist and actually receive the funds. Finally, there is inadequate acknowledgment of bursary funds by learning institutions, further aggravating the lack of accountability.

Recommendations

20. To ensure that the constituency committees award bursaries based on applicants' socio-economic needs and vulnerability status, the NG-CDF Board should:

- a) Explore adoption of Information and Communication Technology through investment in appropriate technology and initiatives to automate bursary and scholarship processes;
 - b) Set bursary and scholarship award limits to eliminate inconsistencies in decision-making across constituencies, minimize instances of spreading the funds thinly and ensure alignment with the fee structures approved by the State Department for Basic Education;
 - c) Develop guidelines on allocation of bursary and scholarship funds to learners with special needs during the development of project proposals, and proactively enhance oversight and enforce guidelines over constituency committees to maintain adequate documentation of beneficiaries with special needs; and
 - d) In collaboration with the National Assembly, enforce the provisions of the legal framework that grant the Board the authority on the Fund, to ensure its independent operations and prevent political interference in administration of the Fund.
21. To ensure thorough, fair, and objective vetting and the regular issuance of bursaries and scholarships to needy and deserving learners, the Board in collaboration with the Constituency Committees, should:
- a) Develop a system for mass applications, automatic vetting based on submitted supporting documents, and compilation of beneficiary lists. The Board should prioritize the training and capacity building of education bursary sub-committees and support staff involved in the vetting processes in areas of records management and verification of application documents;
 - b) Develop and enforce customized guidelines for vetting, awarding and monitoring scholarship programs; and
 - c) Develop guidelines for regulating awarding of applicants from private learning institutions and any other category that may be defined as special. In addition,

the Board should enhance oversight to identify and reprimand constituency committees that engage in irregular award of bursaries and scholarships.

22. To eliminate cases of double-dipping within constituencies and across bursary providers, and to guarantee availability of reliable data for all bursaries and scholarship beneficiaries, the NG-CDF Board should:
 - a) Develop and implement a co-ordination framework to enhance information sharing and joint planning with other public bursary and scholarship providers; and
 - b) Promote collaboration between constituency committees through information and data sharing during administration of the bursaries and scholarships program.
23. To ensure equitable awards, eliminate cases of double-dipping within constituencies and across bursary providers, and guarantee the availability of reliable data for all bursaries and scholarship beneficiaries, the Ministry of Education, in collaboration with Parliament, should develop a multi-agency collaboration framework for public bursary providers and consider establishing a centralized bursary issuance and administration system for all bursary providers.
24. To ensure timely disbursement of funds to the constituency committees, the NG-CDF Board, in collaboration with the National Parliamentary Select Committee on NG-CDF, should expedite the budgetary ceiling approval process and explore the possibility of aligning the disbursements to the school calendars.
25. To ensure efficiency in disbursement of funds to learning institutions, the Board should sanction the constituency committees that fail to remit bursary funds directly to learning institutions; and, explore adoption of technology to integrate electronic transfer of beneficiary funds to learning institutions, by leveraging existing platforms like the Kenya Education Management Information System and Integrated Financial Management Information System.

26. To ensure consistent monitoring of the bursary program and the availability of real-time, reliable data, the NG-CDF Board, in collaboration with constituency committees, should:
- a) Be proactive in conducting continuous follow-up and capacity building the constituency committees to address the reported data maintenance and reporting gaps;
 - b) Leverage on technology and embrace the use of emails, SharePoint or any other efficient mechanisms for sharing acknowledgment receipts and return forms by learning institutions and the constituencies;
 - c) Institute a collaboration mechanism that will allow each constituency committee to effectively follow up on all NG-CDF beneficiaries residing within the constituency, regardless of the constituency that awarded the bursary. The mechanism should enable Constituency Committees to access beneficiary data from all the constituencies; and
 - d) Collaborate with the State Department for Education to explore alternative mechanisms for verifying beneficiaries' data, institutions and disbursements, besides the quarterly bursary reports.

1.0 BACKGROUND OF THE AUDIT

Introduction

- 1.2 Bursaries and scholarships are forms of non-repayable financial aid that support students in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Scholarships on the other hand are awarded to students based on financial need, academic merit, talent, or other notable achievements¹.
- 1.3 With respect to the National Government Constituencies Development Fund (NG-CDF), both bursaries and scholarships are awarded to students from low-income families, or those who have a demonstrated need for financial assistance, to cover the cost of tuition and related expenses, such as books and living expenses. Scholarships cover school fees for the entire duration of study, while bursaries are awarded on a less consistent basis, and are not guaranteed.
- 1.4 The National Government Constituencies Development Fund was established under the NG-CDF Act, 2015, as amended in 2023, with the aim of addressing the socio-economic development of the people at constituency level, to reduce poverty and enhance regional equity. The Fund receives at least 2.5% of the National Government's share of annual revenue annually, and distributes it to all the 290 constituencies. The constituencies allocate between twenty-five (25%) to forty (40%) of the funds to social security programs, education and bursary schemes. About 1.2 million² students benefit from the NG-CDF Bursary Scheme every year.

Motivation of the Audit

- 1.5 The Auditor-General authorized the audit after considering the following factors: -
- i. Concerns raised by Members of Parliament regarding provision of public bursaries in the Country. These include delays in disbursement of funds to constituencies, leading to subsequent delays in disbursement to learning

¹ NG-CDF Bursary and Scholarship Programme Annual Report, 2024

² NG-CDF Magazine 2024

institutions. A Senate Memo Ref. SEN/RESOLS/16/2025, to the Ministry of Education, dated 13 May, 2025, highlighted that issuance of bursaries by the Ministry of Education, National Government Constituencies Development Fund (NG-CDF), County Governments and National Government Affirmative Action Fund over the years have been marred by nepotism, favoritism, political manipulation, lack of transparency and accountability.

- ii. The preliminary results of the pre-study highlighted performance issues in administration of bursaries and scholarships by the National Government Constituency Development Fund. The issues included flawed bursary and scholarship vetting process, inefficiencies in the mode of bursary disbursements, poorly maintained bursary and scholarship records and lack of monitoring of the bursary programme.
- iii. There has been sustained public outcry, amplified by media reports, over learners missing school due to lack of fees and the perceived inequalities in the award of bursaries and scholarships. Despite multiple education funding mechanisms, many eligible learners are left out as a result of delays, inconsistencies, and weak accountability in the allocation process.
- iv. Financial audit reports by the Auditor-General have consistently highlighted cases of unsupported bursary disbursements under the National Government Constituencies Development Fund (NG-CDF). For example, in the financial year 2023/2024, eighty-six (86) Constituencies were unable to support disbursements amounting to Kshs.2,122,652,960. Such audit queries raise concerns about accountability and transparency in the management of bursary funds.

1.6 A performance audit was therefore, necessary to assess the efficiency, effectiveness, fairness, and transparency of the bursary and scholarship programme. The audit would also assess whether the Fund has effectively addressed the inherent systemic challenges and contributed to equitable access to education.

2.0 DESIGN OF THE AUDIT

Audit Objective

- 2.1 The main objective of the audit was **“To assess the extent to which the National Government Constituencies Development Fund (NG-CDF) has ensured access to bursary and scholarship funds by needy and deserving students.”**

The specific objective was to assess the extent to which:

- i. NG-CDF had ensured adequate allocation of bursary funds to applicants; and
- ii. Constituency committees had ensured timely disbursement of funds to learning institutions.

Audit Questions

- 2.2 The main audit question that guided the team in carrying out the audit was **“Has the NG-CDF ensured access to bursary funds by needy and deserving students?”**

The audit sub questions that guided the team in achieving the audit objective were:

- i. Has the National Government Constituencies Development Fund ensured adequate allocation of bursary funds to students?

Sub-sub questions:

- a) Has the NG-CDF ensured that bursaries are equitably awarded to the students?
 - b) Has the NG-CDF ensured that bursaries are awarded to deserving students only?
 - c) Has the NG-CDF instituted mechanisms to prevent duplication of beneficiaries across different bursary providers?
- ii. Have the Constituency Committees ensured timely disbursement of funds to learning institutions?

Sub-sub questions:

- a) Has the NG-CDF Board ensured timely disbursement of bursary funds to constituency Committees?
- b) Have the Constituency Committees been efficient in disbursing funds to the learning institutions?

Audit Scope

2.3 The audit focused on the activities of the National Government Constituencies Development Fund (NG-CDF) Board and its Constituency Fund Committees in ensuring access to bursary funds by needy and deserving learners in the Country. The audit assessed the process of identification of beneficiaries, disbursement of bursary funds to learning institutions, collaboration among bursary providers and the extent to which the bursary programme has promoted equity to learners. The audit covered a period of five (5) financial years, from 2021/2022 to 2024/2025. This period is considered sufficient to establish trends and provide a comprehensive evaluation of the programme's effectiveness. The audit was conducted between September 2024 and December 2025.

Limitation of Scope

2.4 The audit team was unable to conduct a comprehensive and uniform review across all sampled constituencies. Out of the twenty-three (23) constituencies selected for the audit, ten (10) had been examined during the pre-study phase, which did not cover certain aspects of the audit questions addressed during the main study phase. The report therefore, refers to twenty-three (23) constituencies in cases where comprehensive information was obtained, and thirteen (13) constituencies where applicable. In addition, the audit team did not have access to national-level data from the Board for the Financial Year 2024/2025.

Audit Criteria

2.5 The criteria used to assess the extent to which the National Government Constituencies Development Fund has ensured access to bursary and scholarship funds to needy and deserving learners are presented in **Table 1**.

Table 1: Audit Criteria

Audit Sub-Objective	Audit Criteria	Source of Criteria
To assess the extent to which the NG-CDF had ensured adequate allocation of bursary funds to applicants.	NG-CDF Committees should establish a system for identifying beneficiaries of bursary and scholarship that uphold the principles of openness, transparency and inclusivity.	NGCDF Guidelines for Administration of Bursary Schemes, 2020
To assess the extent to which constituency committees had ensured timely disbursement of funds to learning institutions.	The Board should ensure timely and efficient disbursement of funds to every constituency.	Section 16 of the NG-CDF Act 2016
	Bursary payments shall be processed upon the approval of constituency committee's and remitted directly to the respective education institutions through Electronic Funds Transfer or other efficient means. Where bursaries are remitted via cheque, constituency committees should avoid handover of the cheques directly to the beneficiaries or their guardians.	The NGCDF Guidelines for Administration of Bursary Schemes, 2020

Standards Used to Conduct the Audit

2.6 The audit was conducted in accordance with the Performance Audit Standard, ISSAI 3000. The Standard requires that the audit is planned and performed to obtain sufficient and appropriate audit evidence. The Standard also require that the audit should provide a reasonable basis for the findings, conclusion and recommendations, based on the audit objectives.

Methods used to Gather Audit Evidence

Document Review

- 2.7 The key documents reviewed include bursary application forms, approved lists of applicants and beneficiaries, minutes of constituency committees and education bursary sub-committees. In addition, the team reviewed learners fee structures and fee statements, NG-CDF Board's monitoring reports and constituency committees monitoring reports. A detailed list of all documents reviewed is listed in [Appendix I](#) of this report. These documents provided insights into the management of bursaries and scholarships, facilitating the corroboration of data necessary to achieve the audit objective.

Interviews

- 2.8 The audit team conducted interviews with staff from the National Government Constituencies Development Fund (NG-CDF) Board and the NGCDF Constituency Committees in order to get clarification on the underlying causes of the performance issues identified during planning. The audit teams also engaged with heads of learning institutions, finance officers, parents and beneficiaries of bursaries, as listed in [Appendix II](#). The interviews provided insights into existing challenges faced in the administration of bursaries and scholarships, as well as valuable perspectives into the effectiveness of the administration processes.

Surveys

- 2.9 The audit team undertook surveys with parents and beneficiaries of bursaries and scholarships, to assess their level of satisfaction with the programme. The survey enhanced understanding of the effectiveness and challenges experienced by learners and parents during application and disbursement of bursaries and scholarships.

Physical Verification

- 2.10 The audit team verified the existence of bursary and scholarship beneficiaries in the sampled learning institutions, as indicated in the provided beneficiary lists.

Sampling Criteria

- 2.11 The audit team sampled twenty-three (23) constituencies across six (6) counties: Nairobi, Kirinyaga, Makueni, Kilifi, Kisii, and Narok. In selecting the constituencies, the team considered factors such as regional balance, the inclusion of marginalized areas, and financial irregularities highlighted in previous audit reports. The constituencies sampled were: Embakasi Central, Kibra, Kasarani, Dagoretti South, Embakasi South, Mbooni, Makueni, Kaiti, Kibwezi East, Ndia, Gichugu, Kirinyaga Central, Mwea, Kilgoris, Narok West, Narok East, Narok North, Nyaribari Masaba, Bomachoge Chache, Kitutu Chache South, Bobasi, Ganze, and Malindi.
- 2.12 The audit team sampled sixty-five (65) beneficiary learning institutions for review. The selection focused on institutions with a significant number of beneficiaries supported through bursaries and scholarships, and included secondary schools and tertiary institutions.

3.0 DESCRIPTION OF THE AUDIT AREA

Legal Framework

- 3.1 The National Government Constituencies Development Fund (NG-CDF) was established under the National Government Constituencies Development Fund Act, 2015, amended in 2023 (the Act). Section 48 of the Act provides that funding of social security programmes, including education bursary schemes among others, shall be considered as development projects.
- 3.2 In addition to the Act, the implementation of bursary and scholarship programmes is further guided by the following instruments:
- i. The National Government Constituencies Development Fund Regulations, 2016 operationalizes the Act and mandates NG-CDF constituency committees to support education bursary programmes; and
 - ii. The National Government Constituencies Development Fund Guidelines for Education Bursary Schemes, 2020, provides the framework for the administration of bursary schemes.

Institutional Framework

- 3.3 The administration framework for bursary under NG-CDF includes a three-tier structure the National-level NG-CDF Board, Constituency-level NG-CDF Committees, and Education Bursary Sub-committees. The NG-CDF Board provides policy direction and oversight of the NG-CDF Funds across the 290 constituencies, the NG-CDF Constituency Committees plan and implement bursary projects within the constituencies, while Education Bursary Sub-committees are tasked with identification of bursary and scholarship beneficiaries.

The National Government Constituencies Development Fund Board

- 3.4 The functions of the Board are:
- i. Submit constituency budgetary ceilings to the National Assembly Select Committee for approval.

- ii. Timely and efficient disbursement of bursary and scholarship funds to each constituency;
- iii. Ensure efficient management of the bursary and scholarship funds by the National Government Constituencies Development Fund Committees;
- iv. Receive, discuss and compile bursary and scholarship monitoring reports and returns from the constituencies; and
- v. Receive and address bursary and scholarship complaints and disputes, and take appropriate action where necessary.

National Government Constituency Development Fund Committees

3.5 There are 290 National Government Constituencies Development Fund Committees, whose roles include:

- i. Allocating funds to support education bursary schemes, amongst other projects;
- ii. Build the capacity of Education Bursary Sub-committees and sensitize the community on bursaries and scholarships;
- iii. Monitor the implementation of projects, including bursaries, in accordance with the Monitoring and Evaluation Framework prescribed by the National Government Constituencies Development Fund Board; and
- iv. Ensure the preparation and submission of bursary and scholarship reports to the National Government Constituencies Development Fund Board.

Education Bursary Sub-Committees

3.6 The National Government Constituencies Development Fund Guidelines, 2020 provide that the Education Bursary Sub-committee shall comprise of; an officer in charge of education in the sub-county, an officer of the Board seconded to the constituency who shall be the secretary to the committee, and a minimum of two (2) and a maximum of four (4) members drawn from the National Government Constituencies Development Fund Committee, excluding the chairman and secretary.

3.7 The Sub-committee may co-opt in writing, up to four (4) additional members drawn from the government or the community to enhance efficient decision making. The functions of the Sub-committee include:

- i. Invite applications in accordance with the requirements of the guidelines;
- ii. Analyzing received applications and making recommendations to the National Government Constituencies Development Fund Committee, clearly listing the applicants recommended and those not recommended for approval;
- iii. Ensure timely release of bursary payments to the targeted institutions;
- iv. Review monitoring reports on bursaries, mock examinations, and continuous assessment tests and ensure effective communication to all stakeholders; and
- v. Instituting efficient networking mechanisms to ensure synergy with other agencies undertaking bursary schemes, mock examinations and continuous assessment test programmes in the constituency for effective coordination and synergy.

Key Stakeholders

National Government Administrative Officers, Religious Leaders and Village Elders

3.8 During the bursary application process, constituency committees involve the National Government Administrative Officers, village elders and religious leaders to ascertain the socio-economic status of applicants and aid in determination of their neediness and whether they deserve bursary or scholarship.

National Assembly Select Committee on National Government Constituencies Development Fund

3.9 This is the Committee to which the NG-CDF Board submits proposed budget ceiling for all the constituencies. The role of the Select Committee is to table the budget ceilings for subsequent approval.

3.10 Other stakeholders include: -

- i. **Heads of learning institutions** - Confirm that learners are legitimate students in the learning institutions and are responsible for acknowledging receipt of funds disbursed by the constituency committees. In some constituencies, the heads also recommend needy learners for consideration by the constituency committee.
- ii. **Parents** – They are responsible for ensuring accurate and honest disclosure of financial information and children's needs.
- iii. **Learners** – They are the ultimate target beneficiaries of bursary and scholarship programmes. Their role is to submit applications with all the required attachments.

Process Description for Issuance of Bursaries

1. Allocations of Funds to Constituencies

3.11 The NG-CDF Board allocates funds to each of the constituencies annually. The Board submits the budget ceilings for all the 290 constituencies to the National Assembly Select Committee on NG-CDF. The budget ceilings are approved by the National Assembly Select committee on NG-CDF, after which communication is sent to the NG-CDF Board, as well as The National Treasury with the approved allocations.

2. Call for Proposals from the Constituency Committees

3.12 Once the budget ceilings are approved, the Board issues a call for submission of project proposals. These proposals, prepared by the constituency committees, include proposals for bursary and scholarship, among others. In line with the guidelines, between twenty-five (25) percent to forty (40) percent of the approved budgets must be allocated to the Bursary and Scholarship Programme, depending on each constituency's priorities. The proposals are submitted to the Board within thirty (30) days.

3.13 Upon receipt of the proposals, the Board undertakes verification and approval within seventeen (17) working days. The outcome of this process is the issuance of code lists, which specify the amounts approved for each project.

3. Disbursement of Funds to the Constituency Committees

3.14 Funds are disbursed from the Exchequer to the State Department for Economic Planning, and subsequently to the NG-CDF Board Account. Within seven (7) working days, the Board should disburse bursary and scholarship funds to the respective constituency committee accounts.

4. Awareness Creation to Constituents

3.15 Upon receipt of funds, constituency committees advertise bursary availability through multiple channels including; public address systems, local radio announcements, social media platforms, notice boards, National Government Administration Officers' barazas, village elders, religious gatherings and heads of learning institutions. Through these channels, constituents are informed on availability of bursary funds, mode of application, where to collect and submit bursary application forms, eligibility requirements and timeliness for submission.

5. Bursary and Scholarship Applications

3.16 Applicants access bursary application forms from designated collection points, which may include constituency offices or National Government Administration Offices. The forms are designed to capture the following information:

- i. Applicant's personal details including name, date of birth, gender and level of study;
- ii. Details of the applicant's learning institution;
- iii. Information relating to family background, including whether total orphan, partial orphan, single parent, whether both parents are alive, number of siblings, estimated annual family income and estimated annual family expenses;
- iv. Brief information about applicant's academic performance; and

- v. A declaration by student, parent or guardian confirming the accuracy of the information provided in the application form.

3.17 The application forms must be duly completed and accompanied by all mandatory supporting documents as specified in the application form. The information provided should be verified by the area national government administration officer, who confirms this by signing in the designated section. Additionally, heads of learning institutions are required to sign the application form, as confirmation that the applicant is a legitimate learner of the institution. Once completed and verified, the dully filled application forms are submitted to the constituency offices or other designated submission points as directed by the constituency committees.

6. Vetting of the Applications

3.18 Constituency Committee is responsible for vetting bursary applications in line with guidelines issued by the Board. After closure of the application period, the constituency education bursary sub-committee reviews the applications to confirm that the forms are duly filled and all the supporting documents are attached. The bursary subcommittee should also confirm whether the relevant supporting documents have been attached. They include:

- i. Students' transcript or report form;
- ii. Photocopy of parents or guardian national identity card;
- iii. Photocopy of student's national identity card, mandatory for students in higher learning institutions;
- iv. Photocopy of birth certificate;
- v. Photocopy of secondary or college or university identity card;
- vi. Parent (s) death certificate or burial permit for orphans;
- vii. Disability card for students with disability;
- viii. Current fee structure, compulsory for all applicants; and
- ix. Learning institution admission letters. This is mandatory for colleges or university students.

3.19 The vetting team should also confirm that the application form is verified by a religious and local administration leader. Thereafter, the team analyzes the applications and prepares recommendations to the NG-CDF Committee, clearly listing the applicants recommended and those not recommended for approval. In making recommendations, the vetting team must confirm that each form is duly filled, signed and accompanied by the necessary documents. During vetting, the team should analyze the socio-economic status, outstanding fee balances, if an applicant is orphaned and disability status.

7. Disbursement of Funds to Learning Institutions

3.20 Once the NG-CDF Committee approves the list of beneficiaries and the respective amounts awarded, bursary payments are processed and remitted directly to the respective learning institutions. Disbursement should be done through Electronic Funds Transfer or alternative efficient means.

3.21 Where bursaries payments by cheque is deemed more appropriate, the NG-CDF Committee should ensure that cheques are sent directly to the institutions, rather than handed over to beneficiaries or their guardians/kin. The list of beneficiaries duly authenticated by the Fund Accounts, must accompany the payment and be dispatched to the institutions through Express Mail Service (EMS), or any other safe and prompt delivery channel.

8. Accountability and Reporting for Bursary and Scholarship Funds

3.22 To ensure that bursary payments are properly accounted for and appropriate records kept, the Constituency Fund Manager should establish mechanisms requiring each recipient education institution to acknowledgment receipt of funds, confirming that the amounts have been credited to the targeted beneficiaries. This can be achieved by:

- i. Ensuring that the NG-CDF Committee maintains a record of contact addresses and telephone numbers of the beneficiary learning institutions to facilitate continuous communication;

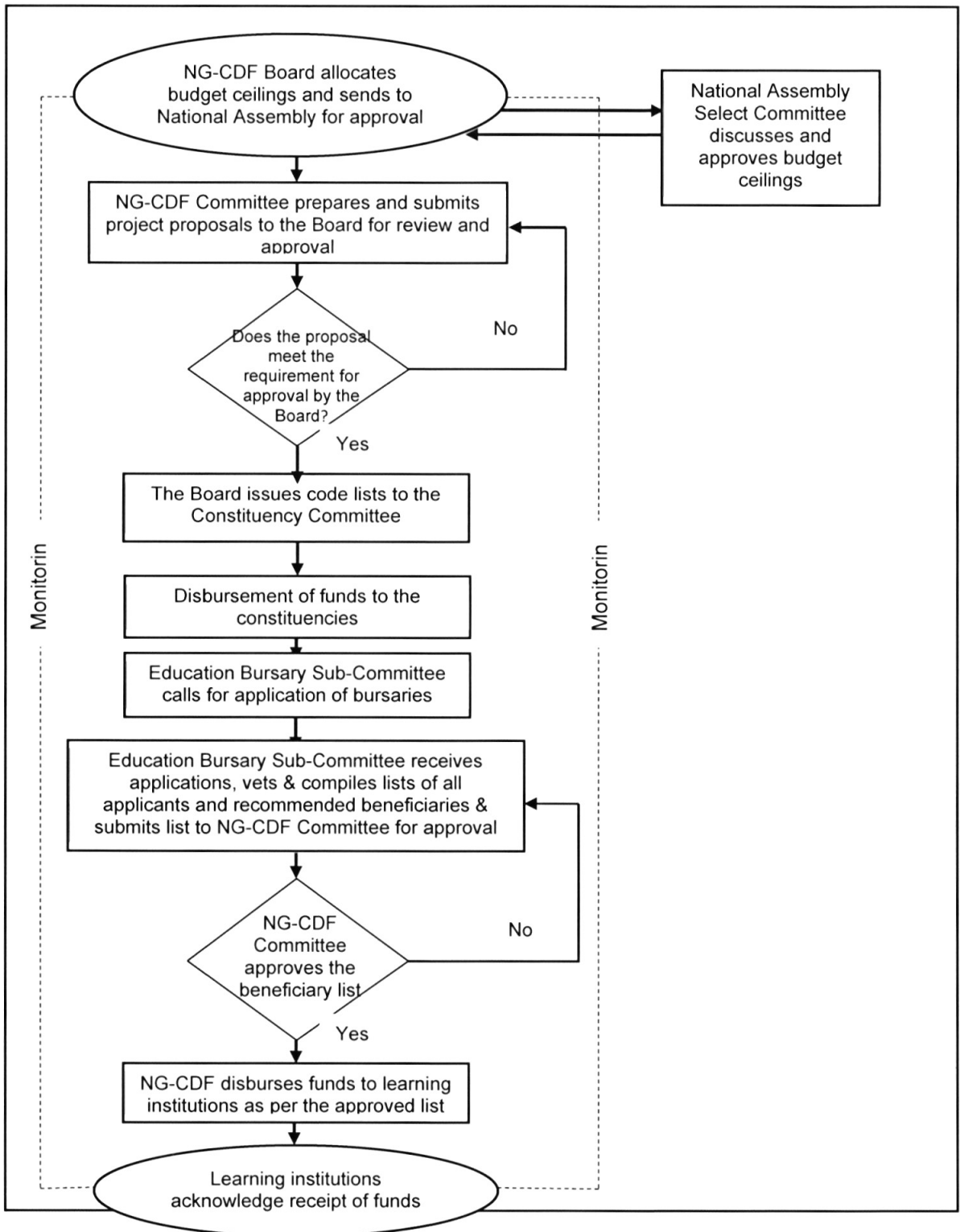
- ii. Establishing channels of formal communication and linkages with the recipient learning institution, including periodic information sharing meetings, to promote understanding on the best strategies to continuously improve bursary management;
- iii. Providing timely feedback to stakeholders on the outcome of the annual bursary award process; and
- iv. Reviewing the constituency's monthly bank reconciliation statements to identify and address issues such as un-presented or stale bursary cheques, to facilitate timely corrective action where necessary.

9. Monitoring of the Bursary Implementation Process

3.23 Monitoring of bursary implementation is a continuous process aimed at ensuring transparency, accountability, and effectiveness of the Programme. The Board conducts quarterly field visits to review records maintained by Fund Account Managers and take account of any innovations by the NG-CDF Committees to streamline the bursary process. During these visits, the Board also samples beneficiaries to gather feedback on their experiences with the bursary scheme. In parallel, the NG-CDF Committee conducts periodic monitoring visits to sampled education institutions to verify that bursary funds are being applied as intended, and to assess the overall effectiveness of the Programme.

3.24 Additionally, the Fund Accounts manager is required to submit quarterly implementation reports to the Board using a prescribed reporting format provided in the guidelines. For the purposes of tracking the impact of the bursary, the NG-CDF Committees should maintain contact details of the beneficiaries and their guardians for possible future follow up. Such information may also be useful in fostering a long-term relationship with past beneficiaries, for the purpose of partnership in communicating the impact of the Fund. The bursary issuance process is illustrated in **Figure 1**.

Figure 1: Process Flow of the NG-CDF Bursary and Scholarship Administration



Source: OAG Review of Documents and Interviews with NG-CDF Management

Budgets and Spending Trends

- 3.25 The National Government Constituencies Development Fund (NG-CDF) is allocated at least 2.5% of the national government's annual share of revenue, as determined by the Division of Revenue Act, 2024. Additionally, the Fund may receive other monies accrued to or donated to the Board from any other source. Of this total allocation, 5% is apportioned to cover administration expenses of the Board, while the remaining 95% is distributed among the 290 constituencies as development grant to support projects.
- 3.26 Over the last five financial years, the National Government Constituencies Development Fund Board has received a total allocation of Kshs.243.5 billion. Out of this amount, 5% (Kshs.10.09 billion) was apportioned to cover the Board's administrative expenses. The remaining 95% of funds (Kshs.191.71 billion) was disbursed to the constituencies as development grants. **Table 2** presents NG-CDF budgetary allocations for the financial years 2021/2022 to 2024/2025.

Table 2: Budgetary Allocations for NG-CDF

Financial Year	Amount Allocated to NG-CDF Kshs. (Billions)	NGCDF Board Administration Expense Kshs. (Billions)	Allocation to Constituencies Kshs. (Billions)
2021-2022	41.7	2.09	39.62
2022-2023	44.3	2.22	42.09
2023-2024	53.5	2.68	50.83
2024-2025	62.3	3.12	59.19
Total	201.8	10.09	191.71

Source: Analysis of NG-CDF Magazine, 2024

4.0 FINDINGS OF THE AUDIT

Introduction

4.1 The National Government Constituencies Development Fund provides bursaries and scholarships to needy and deserving learners from low-income families, or those who have demonstrated need for financial assistance. Over the period under review, constituencies spent Kshs.55.72 billion on bursaries and scholarships. The Fund supported 1.8 million, 1.3 million and 1.8 million learners in the financial years 2021/2022, 2022/2023 and 2023/2024, respectively. Despite the above successes, the audit noted administrative weaknesses, as discussed below: -

A. Lack of Equity in the Award of Bursaries and Scholarships

I. Reliance on Manual Process Limited Access to Bursary and Scholarship Opportunities

4.2 The NG-CDF Guidelines for Administration of Bursary Schemes, 2020, requires constituency committees to put in place a system for identifying beneficiaries that embraces community participation, transparency and inclusivity. Review of Monitoring Reports revealed that 282 out of 290 constituencies processed bursary applications manually. This limited access to application forms to students studying outside their home constituencies, those living far from constituency offices, and persons with disabilities (PWDs) who could not easily obtain or submit physical application forms.

4.3 However, South Mugirango, Uriri, Mwala, Gatanga, and Emgwen Constituencies had fully automated their bursary application and disbursement processes, resulting in improved efficiency and transparency. Garissa Township, Kacheliba, and Narok East constituencies had introduced online systems but faced significant implementation challenges, including data security gaps, unstable network connectivity, and incomplete system setup.

4.4 Reliance on a manual application process was attributed to failure by the Board to initiate adequate investments in information and communication technology infrastructure, to support automation of bursary and scholarship processes including but not limited to: development and operationalization of an information system;

development of standardized application forms; conducting of aggressive public awareness campaign to increase acceptance and build public trust in digital systems.

4.5 Use of manual processes led to disparities in administration of bursaries and scholarships across constituencies. This undermined fairness, transparency, and equal opportunity, as eligible applicants may be excluded. In addition, it resulted in inconsistencies in issuance of application forms and increased human error during application.

II. Bursary Awards were not Based on Applicants' Socio-economic Needs and Vulnerability Status

4.6 The National Government Constituencies Development Fund (NG-CDF) Guidelines for Administration of Bursary Schemes, 2020, required Constituency Committees to put in place a system for identifying beneficiaries that is in tandem with the socio-economic needs of the applicants. This was intended to promote equitable allocation of bursary funds and enhance access to education for the most deserving students.

4.7 The audit established that bursary awards across the twenty-three(23) sampled constituencies were determined by the level of the learning institution, rather than the socio-economic or vulnerability status of applicants that is: secondary; tertiary or college; university; or special needs schools. Seven(7) out of the twenty-three(23) sampled constituencies awarded amounts ranging from Kshs.2,500 to Kshs.3,000 to secondary school learners, irrespective of their declared financial needs. Only Bomachoge Constituency considered applicants' socio-economic and vulnerability status, while the remaining constituencies focused on the submitted application forms and whether the applicants or their parents/guardians were registered voters in their jurisdictions.

4.8 Review of bursaries beneficiary lists revealed that constituency committees awarded a uniform bursary amount to all applicants at the same education level without considering the applicants' reflected school fee balances or stated vulnerability categories. In addition, some students received bursaries exceeding their school fees, leading to overpayments, while others had substantial fee arrears. For instance, in Dagoretti South Constituency, review of 209 acknowledgment receipts revealed that

twenty-one (21) students had overpayments ranging from Kshs.5,000 to Kshs.47,000, while 188 still had outstanding fee balances between Kshs.3,500 and Kshs.86,000, despite all students receiving a uniform bursary amount. Review of 446 students' fee statements revealed that 159 beneficiaries had fee balances, despite having received bursaries.

4.9 The award of standardized bursary amounts to all applicants without regard to vulnerability status was attributed to ineffective oversight by the Board, with minimal enforcement of established guidelines. Committees used discretion to award bursaries, instead of assessed need and vulnerabilities of the applicants. Besides, the guidelines did not specify a minimum bursary threshold per student, leaving it at the discretion of the constituency committees. In addition, due to political interference, the Fund was perceived as a public entitlement, leading to its distribution to all applicants uniformly, regardless of their financial needs or vulnerability.

4.10 Award of equal amounts without considering the socio-economic needs of applicants led to inequitable distribution of funds, and reduced the effectiveness of bursaries, as the available amounts were spread thinly. Analysis of beneficiary survey feedback revealed that the allocated bursary amounts did not meet the needs of the beneficiaries. The learners, were therefore, sent home for school fees, negatively affecting retention and continuity in education.

III. Lack of Disaggregated Records for Learners with Special Needs

4.11 The National Government Constituencies Development Fund (NG-CDF) Guidelines for Administration of Bursary Schemes, 2020, require constituency committees to establish a system for identifying beneficiaries that gives special focus to persons with special needs. This provision aimed to promote equity and inclusivity in the allocation of bursary funds. Review of monitoring reports from the Board revealed that 115,245 students with special needs benefited from bursary and scholarship funds in the financial year 2021/2022, compared to 33,049 in the financial year 2022/2023 and 13,229 in the financial year 2023/2024.

4.12 Review of records and interviews in thirteen (13) constituencies established that in the administration of the Bursary and Scholarship Programme, learners with special

needs were considered through: inclusion of representatives of persons with disabilities (PWDs) into bursary subcommittees; facilitation of delivery and collection of bursary application forms for PWDs who cannot access the collection and submission; and allocation of separate funds for learners with special needs during the development of project proposals.

- 4.13 Analysis of constituency code lists confirmed that in practice, only seven (7) out of the audited thirteen (13) constituencies set aside funds for learners with special needs. For instance, Malindi Constituency consistently allocated bursary funds to this category throughout the audited period, while Kasarani and Embakasi South had similar allocations for three (3) consecutive years. However, Ganze, Kilgoris, Bobasi, and Kaiti constituencies did not allocate funds for this category, although interviews indicated that they still prioritized students with special needs. The details of the allocations are indicated in **Table 3**.

Table 3: Allocation to Special Schools

Constituency/Financial Year	2020/2021 (Kshs.)	2021/2022 (Kshs.)	2022/2023 (Kshs.)	2023/2024 (Kshs.)	2024/2025 (Kshs.)
Kasarani		-	2,000,000	2,000,000	2,000,000
Dagoretti South			400,000		
Embakasi South		-	500,000	500,000	500,000
Kibwezi East	-	-	648,000	-	-
Ndia		-	1,800,000	-	2,463,000
Narok West			1,000,000	-	
Malindi	3,047,118	1,378,672	2,000,000	2,376,633	1,400,000

Source: OAG Analysis of Constituency Allocations

- 4.14 Review of application forms indicated that learners were required to declare their vulnerability or disability status including consideration of those from households headed by persons with disabilities. Four (4) constituencies of: Kasarani; Bobasi; Narok West; and Ndia awarded slightly higher amounts to PWDs compared to regular students. Kasarani and Ndia constituencies awarded Kshs.10,000 and Kshs.8,000 to

learners with special needs, while regular students received Kshs.7,000 and Kshs.6,000, respectively.

4.15 The audit further revealed that only Kasarani, Dagoretti South, and Malindi constituencies maintained beneficiary list for learners with special needs. Although the NG-CDF Board's monitoring tool was designed to capture this information, this information was not available for verification at the constituency level.

4.16 Failure to maintain disaggregated records for learners with special needs was attributed to limited enforcement and oversight by the NG-CDF Board. Lack of adequate documentation by constituency committees made it difficult to verify the actual number of learners with disabilities that were supported through bursaries. As a result, it was not possible to determine whether allocations corresponded to the needs of eligible applicants, creating a risk of exclusion. Over time, these gaps could deepen learners' vulnerability to poverty, due to inequitable access to bursaries.

IV. Inadequate Vetting and Irregular Issuance of Bursaries

4.17 The National Government Constituencies Development Fund Guidelines for Administration of Bursary Schemes, 2020, require the Education Sub-committee to analyse the applications received and make recommendations to the NG-CDF Committee, clearly listing the applicants recommended and those not recommended for awards. The applicants are expected to attach requisite documents including fee structure, national identity card, birth certificate, parents' death certificate (in case the applicant is orphaned), disability card or a letter from a public hospital (if the applicant or their parent/guardian is physically challenged) and other relevant documents. Information obtained from these documents assists in assessing eligibility and awarding bursaries. The audit noted that constituency committees did not conduct proper vetting as discussed below: -

i. Incomplete Application Forms

4.18 Review of 1,815 sampled application forms from thirteen (13) constituencies revealed that 1,127 forms, representing 62%, were not duly filled. The forms lacked mandatory information such as socio-economic status of applicants, authentication

from local administrative leaders, religious leaders, or school administration. In addition, 1,393 application forms, representing 77%, lacked the required approval by the Fund managers or committees' representatives, while 688, representing 38%, lacked one or more of the mandatory supporting documents. Regardless of the above anomalies, the applicants were considered and awarded bursaries.

ii. Issuance of Bursary without Application Forms

4.19 Review of beneficiary lists and constituency committee minutes revealed instances where learners were awarded bursary without corresponding application forms. In Embakasi South Constituency, bursaries totaling Kshs.61,957,800 were awarded to 3,131 youths for driving and cosmetology courses for the period between financial years 2022/2023 to 2024/2025, without applications by the beneficiaries as summarized in **Table 4**.

Table 4: Issuance of Bursary without Application Forms

Financial Year	No. of Students	Amount in Kshs.
2022/2023	886	18,097,800
2023/2024	1,328	25,590,000
2024/2025	917	18,270,000
Total	3,131	61,957,800

Source: OAG Analysis of Embakasi South Constituency Bursary Documents

4.20 In addition, review of constituency committee minutes for Mwea, Narok East, and Bobasi constituencies revealed that these constituencies set aside funds for 'special bursary', which were issued to learners without filling application forms or undergoing vetting. Further analysis of payment vouchers, bank reconciliation reports and bank statements revealed instances where learners in high-cost private learning institutions benefitted from bursaries amounting to Kshs.2,768,000, yet their application forms could not be traced. The institutions include Moi Educational Centre, Kianda School, Consolata School, among others. The amounts awarded to these learners were relatively higher than those awarded to learners in public learning institutions. [Appendix III](#) details names of high-cost learning institutions to which bursary funds was disbursed.

4.21 Embakasi Central Constituency reported to have issued 7,500 application forms in the financial year 2023/2024. However, review of the list of beneficiaries revealed that the constituency awarded 11,132 learners. There was no explanation of the basis used to identify and award the additional 3,632 beneficiaries.

iii. Award of Bursary to all Applicants

4.22 Review of beneficiary lists revealed that constituencies would award bursaries to nearly all applicants from the same learning institutions. In Kaiti Constituency, comparison of beneficiary lists and school enrolment data for five (5) sampled schools showed that between 69% and 100% of learners in these institutions received bursaries as indicated in **Table 5**. There was no evidence that the education bursary committee evaluated the applicants' financial needs.

Table 5: Award of Bursary in Kaiti Constituency

School	Total Enrolment	No. of Students Awarded	% of Students Awarded
Inyokoni School	304	211	69%
AIC Nunguni Secondary School	445	305	69%
AIC Mumbuni Secondary School	127	130	102%
Isovyva Secondary School	385	322	84%
Kavatanzou Secondary School	264	223	84%

Source: OAG Analysis of Kaiti Constituency records

iv. Poor Record Keeping of Bursary and Scholarship Data

4.23 Review of records and observation revealed that all the sampled constituencies, except Kasarani, did not maintain lists of applicants, records of applicants recommended for award of bursaries, and list of unsuccessful applicants as all the applicants were considered beneficiaries. In addition, the constituency committees did not maintain detailed minutes capturing the vetting process, including the criteria applied and the basis for selection or non-selection of beneficiaries. It was therefore, not possible to verify whether the vetting process was objective and need-based.

4.24 Inadequate vetting was attributed to bursary sub-committees not having adequate staff to conduct vetting, considering that the bursary scheme received a high volume of applications, while the education bursary sub-committee are composed of four (4) members. In addition, the sub-committees were not sufficiently trained to review and verify supporting documents. Moreover, Constituency Committees exercised discretion in issuing application forms and awarding bursaries, allowing some applicants to benefit without due process or verification of need.

4.25 Failure by the Constituency Committees to conduct thorough vetting of the applicants before awarding bursaries resulted in lack of equity in bursary issuance. There was risk of non-deserving learners being awarded bursaries, while the most needy and vulnerable missed out or received a relatively lower allocation than what they rightfully deserved.

V. Inadequate Identification of Scholarship Beneficiaries

4.26 NG-CDF Guidelines requires constituency committees to put in place a system for identifying beneficiaries that embraces transparency, inclusivity and is in tandem with the socio-economic needs of the applicants. Scholarships are merit-based and are intended to cover full school fees for beneficiaries throughout their secondary education. Best practice requires that the identification process ensures that the committee advertises for scholarship opportunities, verifies the applicant's vulnerability status, and where need be, conduct home visit to ascertain the information provided in the application form. Moreover, there is need for monitoring of the beneficiaries' progress to ensure value for money.

4.27 Out of the thirteen (13) constituencies sampled, nine (9) offered both scholarships and bursaries. Review of records and interviews revealed that nine (9) constituencies provided scholarships without advertising the opportunities to prospective applicants. Six (6) constituency committees did not require applicants to fill formal application forms, while three (3) provided duly completed application forms as detailed in **Table 6**.

Table 6: Methods for Identification of Bursaries and Scholarship

	Constituency	Does the Constituency Award Scholarship?	Method of Beneficiary Identification	Scholarship Application Forms Available?	Advertisement for Scholarship Done?	Scholarship Records Available?
1	Kaiti	Yes	Community referrals or direct walk-ins	No	No	No
2	Ndia	Yes	Recommendations by the subcommittee	No	No	No
3	Malindi	Yes	Community referrals, conduct home visits	Yes	No	No
4	Ganze	Yes	Community referrals	Yes	No	No
5	Bobasi	Yes	Community referrals	No	No	No
6	Kilgoris	Yes	Home visit	No	No	No
7	Embakasi South	Yes	Not indicated	No	No	No
8	Dagoretti South	Yes	Not indicated	No	No	No
9	Kasarani	Yes	Applications, home visit and vetting	Yes	No	Yes

4.28 The audit established that constituencies did not vet applicants for scholarships. Interviews and review of education bursary sub-committee minutes from five (5) constituencies revealed that scholarships were awarded through referrals or unsystematic walk-in requests, rather than through a transparent and structured vetting process.

4.29 Further, review of records and interview of constituency education bursary sub-committees revealed inadequate monitoring of scholarship recipients to ensure continuity and academic performance, despite investing huge amounts of funds in the programme. Except for Kasarani Constituency, the other eight (8) constituencies lacked individual scholarship recipients' files to track the academic progress. In addition, none of the sampled constituencies maintained separate records for

scholarship and bursary beneficiaries, their names were often consolidated in one list, obscuring the distinction between the two (2) categories of support; bursary and scholarship.

4.30 The inadequate vetting and monitoring of scholarship Programmes could be attributed to lack of established guidelines and standardized procedures by the Board to guide the vetting, awarding, and monitoring of scholarship Programmes by the constituency committees. As a result, constituencies relied on informal methods and discretionary decisions by committee members, leading to inconsistencies and potential bias in beneficiary selection.

4.31 Inadequate vetting and monitoring of scholarship beneficiaries led to undeserving students accessing scholarships at the expense of the genuinely needy and deserving ones. This risk was evident in Kasarani Constituency, where a home visit by the committee revealed that two (2) students had provided false information about their vulnerability.

VI. Multiple Award of Bursaries and Scholarships

4.32 The National Government Constituencies Development Fund Guidelines for Administration of Bursary Schemes, 2020, require the education bursary subcommittee to institute efficient network mechanisms to ensure synergy and effective coordination with other agencies undertaking bursary schemes. Review of records revealed cases of duplication of awards within the constituency as detailed in **Table 7.**

Table 7: Students Benefiting Multiple Times within Constituencies

	Constituency	Number of Students with more than one Award			
		2021/2022	2022/2023	2023/2024	2024/2025
1	Bobasi	91	401	139	43
2	Bomachoge Chache		581	87	3
3	Embakasi South	229	1,240	747	
4	Ganze	88	121	234	73
5	Gichugu	0	0	0	3
6	Kaiti	35	360		1,540
7	Kasarani	1,038	84	114	522
8	Kibwezi East	70		336	1,249
9	Kilgoris	0	24	47	52
10	Malindi	0	69	67	16
11	Narok West	628	200	853	327
12	Ndia	198	198	128	142

Source: OAG Analysis of Constituencies' Beneficiary Data

- 4.33 Despite Bobasi Constituency having 139 students with more than one (1) award in the financial year 2023/2024, twenty (20) of these students were from high-cost institutions and received between Kshs.30,000 and Kshs.160,000 each which was significantly higher than the amounts awarded to students in public learning institutions.
- 4.34 In addition, review of constituency committee minutes revealed that constituency committees did not collaborate with other public bursary providers to prevent multiple awards of bursaries and to ensure equitable access for needy students. Review of 570 fee statements from learning institutions revealed that 413, representing 73% of learners that benefited from NG-CDF bursary received additional bursaries from the National Government Affirmative Action, Presidential Secondary School Bursaries, county governments and Elimu Scholarship. Further analysis revealed that 105 of these beneficiaries had fee overpayments.
- 4.35 Interviews with constituency committees revealed that ten (10) constituencies, namely; Makueni, Mbooni, Kitutu Chache, Nyaribari Masaba, Bomachoge Chache, Mwea, Malindi, Kasarani, Kilgoris, and Ganze engaged in informal collaboration and data sharing with other bursary providers, such as the Presidential Secondary School Bursary Committee, Elimu Scholarship Committee, and county governments. This coordination aimed to reduce cases of double dipping among beneficiaries. However,

these arrangements were neither formalized nor consistently applied across the constituencies.

- 4.36 In contrast, eleven (11) constituencies neither shared data nor established mechanisms for collaboration, and there was no indication of intent to do so. Moreover, even in cases where committee members shared public bursary boards, coordination and data sharing remained minimal, with committees largely operating independently.
- 4.37 Lack of collaboration among public bursary providers was attributed to the absence of a defined coordination framework to guide information sharing and joint planning among all public bursary schemes. In addition, there was no centralized bursary management system to facilitate data sharing, coordination, and oversight among the different public bursary providers. As a result, each provider operated independently, leading to fragmented beneficiary data, limited oversight, and duplication of support across the public bursaries' providers.
- 4.38 The audit also noted that collaboration was hindered by political influence among the different bursary providers, due to the political nature of bursaries, which were often associated with political leaders. Leaders viewed bursary allocations as tools for enhancing their visibility and gaining voter goodwill. Consequently, joint initiatives with other providers were perceived as politically sensitive, as they blurred individual credit and was seen as diminishing one's political influence.
- 4.39 Moreover, bursary providers operated independently, with differing disbursement cycles and eligibility criteria, making coordination and data harmonization challenging. Consequently, there was inequitable distribution of financial assistance among learners.

B. Delays in Disbursement of Funds to Learning Institutions

I. Delay and Unreliable Disbursement of Funds to Constituencies

- 4.40 Section 39 (2) of the National Government Constituencies Development Fund Act, 2015, (as amended in 2023) stipulates that disbursement of funds to the constituency fund account should be done at the beginning of the first quarter of each financial year. The initial amount should be equivalent to twenty-five percent of the annual allocation

for the constituency and thereafter, the constituency fund account shall be replenished in three equal instalments at the beginning of the second, third and fourth quarters of the financial year. The Act also requires the Board to ensure timely and efficient disbursement of funds to every constituency. In addition, guidelines issued by the Board stipulates that bursary payments shall be processed upon the constituency committee’s approval and be remitted directly to the respective education institutions.

4.41 The audit revealed delays and unreliable disbursement of funds from The National Treasury (TNT) to the State Department for Economic Planning, and subsequently to the NG-CDF Board Account, which in turn negatively affected disbursement of funds to constituencies. Interviews and analysis of NG-CDF Board disbursement schedules indicated that TNT disbursed a significant percentage of the funds towards the end of the financial year. For example, in the financial year 2023/2024, there was zero disbursement during the first and the fourth quarter, while 31% of the annual allocation of Kshs.58 billion was disbursed in the first quarter of the subsequent financial year 2024/2025. The percentage disbursements by TNT are indicated in **Table 8**.

Table 8: Quarterly Disbursements of Funds to Constituencies

Quarters/FY	2021/2022	2022/2023	2023/2024	2024/2025
Q1	23%	0	0%	0%
Q2	23%	9%	34%	11%
Q3	37%	30%	34%	19%
Q4	16%	62%	0%	70%
Total	100%	100%	69%	100%

Source: OAG Analysis of NG-CDF Board Disbursement Schedules

4.42 The delay in disbursements by TNT was attributed to delays in approval of the constituency budgetary ceilings by the Parliamentary Select Committee for NG-CDF, which in turn led to delays in calling for proposals by the Board. Review of circulars for call for proposals revealed that the Board called for proposals between mid-August and Decemberr, during the period under review, as indicated in **Table 9**.

Table 9: Call for Proposals by NG-CDF Board

Financial Year	Call for Proposals Date
2020/2021	10-Aug-20
2021/2022	26-Aug-21
2022/2023	15-Dec-22
2023/2024	29-Aug-23
2024/2025	19-Sep-24
2025/2026	17-Sept-25

Source: OAG Analysis of NG-CDF Board Proposal Records

4.43 After the call for proposals, the constituencies were allowed a window period of thirty (30) days to submit their proposals, hence, constituencies submitted proposals between November and January. Subsequently, the Board was required to review the proposals and approve project code lists within seventeen (17) days, thus remittances of funds to constituencies were made between the months December and February; during third and fourth quarters of the financial year. The delays resulted in late disbursement of funds to the learning institutions between the months of April to June, which is the second term of the school calendar.

4.44 Review of monitoring reports for Kibwezi East Constituency revealed that learning institutions reported delays in disbursement, as the bursary funding was not aligned to the school calendar. The schools also cited adverse effect on operations of the learning institutions, especially day schools, which highly depended on bursary funds to run the meals programme. Learners would also be sent home for school fees, thereby negatively affecting their learning and limiting their retention at school.

II. Inefficient and Uneconomical Mode of Disbursement

4.45 The National Government Constituencies Development Fund Bursary Administration Guidelines, 2020 recommended that Bursary payments should be remitted directly to the respective education institutions through Electronic Funds Transfer or alternative efficient means. Where bursaries are remitted via cheque, constituency committees should avoid handover of the cheques directly to the beneficiaries or their guardians.

4.46 Review of disbursement records and interviews revealed that all the sampled 23 constituencies made bursary payments using cheques. However, Malindi and Ganze constituencies also used Electronic Funds Transfer for amounts exceeding Kshs.1.5

million and Kshs.1 million, respectively. The audit established that nine (9) constituencies, namely: Embakasi South; Embakasi Central; Kasarani; Bomachoge Chache; Kilgoris; Ganze; Narok West; Kibra; and Dagoretti South issued individual cheques during bursary award ceremonies. Further, Bomachoge Chache and Kibwezi East constituencies issued block cheques for multiple beneficiaries in the same local learning institution and constituency committees responsible for delivering the cheques. Use of cheques as a mode of disbursement resulted to inefficiencies, as detailed below: -

i. Uncollected, Unpresented and Stale Cheques

4.47 Interviews with constituency committees and review of bank statements revealed that all the sampled constituencies experienced cases of uncollected cheques. Dagoretti South, and Embakasi South constituencies had uncollected cheques worth Kshs.321,000 and Kshs.312,000, respectively in the period under review. In addition, review of monthly bank reconciliation statements in the financial year 2024/2025 revealed cases of unpresented cheques in five (5) constituencies, ranging between Kshs.77,820,028 to Kshs.218,787,938, as presented in **Table 10**.

Table 10: Unpresented Cheques

Constituency	Financial Year	Total (Kshs.)
Ganze	2024/2025	77,820,028
Kaiti	2024/2025	201,630,738
Gichugu	2024/2025	86,434,226
Kilgoris	2024/2025	137,963,457
Narok West	2024/2025	218,787,938
Total		722,636,387

Source: OAG Analysis of Constituencies Data

4.48 From the table, assuming school fees of Kshs.40,000 per year, the total amount of Kshs.722,636,387 would have benefited approximately 18,065 students in extra county schools on full scholarship. Additionally, review of bank reconciliation statements and constituency committee minutes indicated that there were cases of stale cheques, as analyzed in **Table 11**. Further analysis of the value of stale cheques

in five (5) constituencies indicated that the total amount of Kshs.14,174,132 could have fully sponsored 351 students in extra county schools for one (1) academic year.

Table 11: Stale Cheques

Constituency	Value of Stale Cheques Reported (Kshs.)	Year Reported	No. of Beneficiaries @Kshs. 40,000 per year (Missed Opportunity)
Kasarani	2,501,800	2023	62
Mwea	2,750,000	2021	68
Kibwezi East	980,000	2023	24
Embakasi South	3,592,332	2025	89
Embakasi Central	4,350,000	2024	108
Total	14,174,132		351

Source: Constituency Committee Minutes and OAG Analysis

ii.Lack of Guidelines for Selection of Beneficiaries of Re-issued Stale Cheques

4.49 The audit noted that the uncollected and unrepresented cheques were reversed after six (6) months, and reissued to other learners. However, these was delayed service delivery and there were no guidelines to govern the selection of beneficiaries for the reissued cheques, giving constituency committees full discretion to decide which learners to support. Review of bursary committee minutes in Mwea and Embakasi South constituencies revealed that stale cheques were reissued to learners based on verbal requests made to NG-CDF offices, without supporting application forms or vetting of applicant’s need or vulnerability. However, Kasarani Constituency Bursary Committee minutes had a documented vetting process for reissued stale cheques.

4.50 Interviews with constituency committees established that cheques were the preferred mode of disbursement; the mode created an avenue for publicity during public award ceremonies. In addition, the Board did not enforce compliance with the Bursary Disbursement Guidelines, which restricted issuance of cheques directly to the beneficiaries. Due to the absence of enforcement measures and sanctions, constituencies continued issuing cheques directly to beneficiaries, contrary to the prescribed guidelines, reducing bursaries to political giftings.

4.51 Constituency Committees attributed the cases of stale cheques to misplacement or loss by beneficiaries or their guardians. The constituency committees did not create awareness to the beneficiaries about the validity period of cheques and effect of late presentation of cheques to banks. In addition, failure to present the cheques to the banks and the resultant stale cheques resulted in loss of learning time by beneficiaries, as learners were sent home for school fees, despite having been awarded bursaries. Consequently, this limited the retention of learners in school, undermining the objective of awarding bursaries.

4.52 The constituency committees also reported that the process of writing a large number of cheques was time-consuming, and required hiring of additional casual clerks. This resulted in additional staff costs and bank charges, arising from rejected cheques by banks due to errors in drawn cheques. These additional costs, as well as stale cheques would have been avoided if the committees disbursed the funds directly to institutions through Electronic Funds Transfer.

iii. Incomplete Records of Cheque Issuance Registers

4.53 Review of records revealed that even though the constituencies kept cheque collection registers indicating the cheque number, payee, and name of the person collecting, the registers were not up to date. The registers had gaps where signatures of persons collecting the cheques were missing, indicating that collection of some cheques were not duly acknowledged by the beneficiaries

4.54 Incomplete cheque registers led to lack of accountability as Constituency Fund Account Managers could not account for beneficiary cheques that were not signed for. Consequently, the committees were unable to fully account for funds disbursed to learning institutions, limiting their ability to demonstrate that the funds reached the intended institutions and beneficiaries at the appropriate time. There was a risk of misapplication of funds for unintended beneficiaries in the same learning institution.

C. Inadequate Monitoring of the Bursary and Scholarship Programme

4.55 Best practice requires continuous monitoring of activities within a programme. The audit revealed that the Board and constituency committees did not undertake adequate monitoring of the Bursary and Scholarship Programme, as indicated below:

I. Inconsistent Reporting on the Bursary Programme

4.56 The National Government Constituencies Development Fund Guidelines for Administration of Bursary Schemes, 2020, require Constituency Fund Account Managers to submit quarterly reports to the Board as per the bursary reporting tool. Quarterly reporting enables the Board to track progress of implementation of the Programme. It also ensures that the Board maintains up-to-date and comprehensive data on all beneficiaries across constituencies, which support the generation of a national beneficiary master list.

4.57 The Bursary Beneficiary Reporting Tool issued in 2023 requires constituencies to capture specific beneficiary data, including the student's name, registration number, NEMIS number, institution, gender, and expected year of completion. It should also capture the student's level of study and learners with special needs. Additionally, the tool captures disbursement amounts per level of institution and acknowledgement receipt reference number. It also requires a summary of activities in the bursary application and award process.

4.58 Interviews with constituency committees and review of records revealed that only Kasarani Constituency prepared and submitted quarterly bursary reports to the Board for all the four (4) years under review. In addition, Kibwezi East Constituency submitted all the quarterly bursary reports for in the financial year 2023/2024 and 2024/2025; Ganze Constituency only submitted all the quarterly bursary reports for the financial year 2023/2024; while Kaiti Constituency submitted only for the first quarter of the financial year 2024/2025. Nine (9) constituencies, namely: Dagoretti South, Embakasi South, Ndia, Gichugu, Kilgoris, Narok West, Bomachoge Chache, Bobasi and Malindi did not provide evidence of preparation and submission of quarterly bursary reports to the Board.

- 4.59 Review of the reports submitted by the four (4) constituencies revealed that they were incomplete and lacked key beneficiary data fields such as NEMIS number, acknowledgment reference number and summary of activities as per the reporting tool. Furthermore, the Board did not demonstrate evidence of alternative mechanisms for verifying beneficiary data, institutions, and disbursements, thereby exclusively relying on quarterly reports.
- 4.60 Constituency committees attributed the failure to prepare and submit quarterly reports to the lack of designated staff responsible for data entry and reporting, citing insufficient funding to hire additional staff as the main constraint. As an exception, Kasarani Constituency utilized its monitoring allocation to hire an accounts clerk who also served as a data clerk, enabling consistent preparation and submission of reports. The reporting gaps were also as a result of lack of training constituency staff on use of the reporting tool, leading to irregular or incomplete reporting.
- 4.61 Without complete and consistent reporting, the Board could not compile a consolidated master list of bursary and scholarship beneficiaries or confirm the authenticity of the reported institutions and students. Consequently, the national data compiled by the Board was unreliable, leading to weak accountability and oversight of bursary funds. Further, the overall impact of the Programme could not be reliably assessed, despite the billions of shillings being invested in the Programme. This increases the risk that there could be misapplication of funds meant for bursaries and scholarships, while needy learners miss an opportunity to gain basic education.

II. Limited and Undocumented School Monitoring Visits

- 4.62 The National Government Constituencies Development Fund Guidelines for Administration of Bursary Schemes, 2020, require constituency committees to conduct periodic monitoring visits to sampled education institutions to confirm the effectiveness of bursary programs. Review of records and interviews with twenty-three (23) constituency committees revealed that only two (2) constituencies conducted monitoring visits and documented their findings. Kibwezi East Constituency documented findings of monitoring visits to nineteen (19) schools in the financial year

2023/2024 and 2024/2025, while Kaiti Constituency documented findings for monitoring visit to one (1) school in the financial year 2022/2023.

4.63 Constituency committees attributed limited school monitoring visits to lack of budgetary allocation for resource requirements of staff, vehicles, and fuel to significantly cover the vast education institutions spread across the country as indicated in **Table 12**. A Constituency Committees is composed of an average of ten (10) members including the Fund Manager. This number could not adequately monitor beneficiaries across the learning institutions.

Table 12: Number of Learning Institutions Receiving Bursary Disbursements

Constituency/FY	Number of Learning Institutions Receiving Bursary Disbursements			
	2021/2022	2022/2023	2023/2024	2024/2025
Bobasi	522	737	841	503
Bomachoge Chache		1,282	842	271
Embakasi South	4,244	3,131	2,817	
Ganze	499	1,019	1,026	884
Gichugu				143
Kaiti		738		1,509
Kasarani	3,799	3,631	3,669	4,293
Kibwezi East	389		1,341	1,826
Kilgoris		845	940	1,157
Malindi	65		492	4
Narok West	534	1,006	1,257	1,086
Ndia	1,219	1,232	969	1,042

Source: OAG Analysis of Beneficiary Data

4.64 Constituency Committees further indicated that the Board did not provide training or guidance on the Bursary and Scholarships Monitoring and Evaluation Framework. Minimal school monitoring visits and lack of well-documented reports by constituency committees limited the Board's ability to identify potential gaps in existence of beneficiaries, crediting of correct school and student accounts, and effective utilization of funds by learning institutions, in an effort to enhance the efficiency and effectiveness of the program.

III. Minimal Acknowledgment of Receipt of Bursary Funds by Learning Institutions

- 4.65 The National Government Constituencies Development Fund Guidelines for Administration of Bursary Schemes, 2020 require Fund Account Managers to institute mechanisms to ensure that the recipient learning institution remits back to the NG-CDF Committee a financial return. This requirement was intended to promote accountability and transparency in the administration of the bursary programme.
- 4.66 Review of records established that constituency committees received minimal acknowledgement receipts from learning institutions confirming receipt of bursary funds, indicating low levels of acknowledgement across constituencies. For instance, between the financial years 2021/2022 and 2024/2025, Kaiti Constituency disbursed Kshs.211,239,662, but received acknowledgment receipts amounting to Kshs. 25,765,256, representing 12% of the total disbursements. Similarly, Malindi and Bobasi constituencies reported acknowledgment of 17% and 0.04%, respectively. Nine (9) constituencies recorded acknowledgment receipts below 30%, as indicated in **Table 13**.

Table 13: Average Acknowledgment of Receipt of Bursary

Constituency	No. of Financial Years Reviewed	Amount Disbursed Over the Reviewed Financial Years (Kshs.)	Amount Acknowledged (Kshs.)	Average % Acknowledgment
Kasarani	2	109,608,543.00	9,569,632.00	9
Embakasi South	4	222,888,549.00	62,107,000.00	28
Kaiti	4	211,239,662.00	25,765,256.00	12
Kibwezi East	4	183,063,139.00	8,722,500.00	21
Ndia	1	52,000,000.00	42,628,195.00	82
Gichugu	2	118,500,000.00	53,071,000.00	45
Kilgoris	2	123,419,100.00	16,483,400.00	13
Bomachoge Chache	1	53,845,889.00	22,273,500.00	41
Bobasi	4	259,105,387.00	96,600.00	0
Ganze	3	180,203,563.00	22,967,967.00	13
Malindi	4	363,685,122.00	60,149,146.00	17

Source: OAG Analysis of Acknowledgment Receipts

4.67 Failure to receive acknowledgment of receipt of funds was attributed to failure by constituency committees to maintain records of contact addresses and telephone numbers of the beneficiary education institutions to facilitate continuous follow-up. In addition, the Board did not enforce the use of the beneficiary return form, which ideally should allow for the learning institutions to account for the funds disbursed. Moreover, the Board did not embrace the use of technology, such as emails and WhatsApp for sharing the acknowledgment receipts. The Board also failed to collaborate with the State Department for Basic Education who would be expected to have the contact details for all the learning institutions in the Country.

4.68 This lack of proactive measures limited assurance that the funds reached the intended beneficiaries. This gap further exposed the bursary programme to risks of misallocation, diversion, or misuse of funds and weakened accountability in the management of public resources.

5.0 CONCLUSION

- 5.1 The National Government-Constituency Development Fund Board and Constituency Committees have not ensured equitable allocation of bursaries. All applicants receive a uniform amount of funds, regardless of their individual financial needs, capabilities, or total school fees. Furthermore, committees failed to conduct due diligence of applicants, resulting in a flawed and unverifiable vetting process. This lack of thoroughness in vetting allowed non-deserving applicants to benefit at the expense of genuinely needy learners.
- 5.2 The National Government-Constituency Development Fund Board has not ensured timely disbursement of funds to learning institutions. Funds are frequently disbursed late and are misaligned with the school calendar. These delays create a ripple effect, often leading to potential beneficiaries missing classes. Ultimately, the lost class time results in an economic loss, and the Fund's objective of enhancing learner retention is compromised.
- 5.3 The National Government-Constituency Development Fund has not adopted an efficient mode of funds disbursement. The current use of cheques is uneconomical and encounters challenges such as loss, misplacement, and errors, which hinder the timely crediting of beneficiary accounts. This preferred mode of disbursement also attracts additional costs for delivery and allowances for clerks, decreasing the funds available for bursary and scholarship.
- 5.4 The National Government-Constituency Development Fund Board has not ensured adequate and consistent monitoring of the bursary programme. The Board has failed to follow up with constituencies to ensure consistent reporting, which compromises the reliability of data that is submitted for national reporting. As such, the Board does not maintain a master list, and cannot confidently account for the bursary funds disbursed over the years. Additionally, the follow-up of beneficiaries in their respective learning institutions is inadequate, leading to a lack of accountability regarding whether beneficiaries genuinely exist and actually receive the funds. Finally, there is inadequate acknowledgment of bursary funds by learning institutions, further aggravating the lack of accountability.

6.0 RECOMMENDATIONS

6.1 To ensure that the constituency committees award bursaries based on applicants' socio-economic needs and vulnerability status, the NG-CDF Board should:

- a) Explore adoption of Information and Communication Technology through investment in appropriate technology and initiatives to automate bursary and scholarship processes;
- b) Set bursary and scholarship award limits to eliminate inconsistencies in decision-making across constituencies, minimize instances of spreading the funds thinly and ensure alignment with the fee structures approved by the State Department for Basic Education;
- c) Develop guidelines on allocation of bursary and scholarship funds to learners with special needs during the development of project proposals, and proactively enhance oversight and enforce guidelines over constituency committees to maintain adequate documentation of beneficiaries with special needs; and
- d) In collaboration with the National Assembly, enforce the provisions of the legal framework that grant the Board the authority on the Fund, to ensure its independent operations and prevent political interference in administration of the Fund.

6.2 To ensure thorough, fair, and objective vetting and the regular issuance of bursaries and scholarships to needy and deserving learners, the Board in collaboration with the Constituency Committees, should:

- a) Develop a system for mass applications, automatic vetting based on submitted supporting documents, and compilation of beneficiary lists. The Board should prioritize the training and capacity building of education bursary sub-committees and support staff involved in the vetting processes in areas of records management and verification of application documents;

- b) Develop and enforce customized guidelines for vetting, awarding and monitoring scholarship programs; and
 - c) Develop guidelines for regulating awarding of applicants from private learning institutions and any other category that may be defined as special. In addition, the Board should enhance oversight to identify and reprimand constituency committees that engage in irregular award of bursaries and scholarships.
- 6.3 To eliminate cases of double-dipping within constituencies and across bursary providers, and to guarantee availability of reliable data for all bursaries and scholarship beneficiaries, the NG-CDF Board should:
- a) Develop and implement a co-ordination framework to enhance information sharing and joint planning with other public bursary and scholarship providers; and
 - b) Promote collaboration between constituency committees through information and data sharing during administration of the bursaries and scholarships programme.
- 6.4 To ensure equitable awards, eliminate cases of double-dipping within constituencies and across bursary providers, and guarantee the availability of reliable data for all bursaries and scholarship beneficiaries, the Ministry of Education, in collaboration with Parliament, should develop a multi-agency collaboration framework for public bursary providers and consider establishing a centralized bursary issuance and administration system for all bursary providers.
- 6.5 To ensure timely disbursement of funds to the constituency committees, the NG-CDF Board, in collaboration with the National Parliamentary Select Committee on NG-CDF, should expedite the budgetary ceiling approval process and explore the possibility of aligning the disbursements to the school calendars.
- 6.6 To ensure efficiency in disbursement of funds to learning institutions, the Board should sanction the constituency committees that fail to remit bursary funds directly to

learning institutions; and, explore adoption of technology to integrate electronic transfer of beneficiary funds to learning institutions, by leveraging existing platforms like the Kenya Education Management Information System and Integrated Financial Management Information System.

6.7 To ensure consistent monitoring of the bursary program and the availability of real-time, reliable data, the NG-CDF Board, in collaboration with constituency committees, should:

- a) Be proactive in conducting continuous follow-up and capacity building the constituency committees to address the reported data maintenance and reporting gaps;
- b) Leverage on technology and embrace the use of emails, SharePoint or any other efficient mechanisms for sharing acknowledgment receipts and return forms by learning institutions and the constituencies;
- c) Institute a collaboration mechanism that will allow each constituency committee to effectively follow up on all NG-CDF beneficiaries residing within the constituency, regardless of the constituency that awarded the bursary. The mechanism should enable Constituency Committees to access beneficiary data from all the constituencies; and
- d) Collaborate with the State Department for Education to explore alternative mechanisms for verifying beneficiaries' data, institutions and disbursements, besides the quarterly bursary reports.

APPENDICES

Appendix I: List of Documents Reviewed

Document Reviewed	Purpose of Review
NG-CDF Board Bursary Guidelines, 2020.	To establish the criteria for identifying beneficiaries, managing disbursements, and ensuring accountability. This served as a benchmark for assessing whether access to bursaries is fair, transparent, and aligned with policy.
NG-CDF constituency committee minutes Education bursary sub-committee minutes	To establish whether constituency committees documented the vetting criteria that considers fairness and inclusivity in identification and award of learners. To assess whether the vetting committees stick to the provisions of the guidelines during vetting. To establish how the constituency committees re-issue stale cheques. To establish how constituency committees resolve complaints from applicants. To confirm the number of beneficiaries approved and the amounts allocated to each.
Bursary and scholarships application forms	To confirm whether the identified beneficiaries submitted filled bursary application forms. To confirm whether the applicants attached all the required supporting documents. To confirm if the beneficiaries had their forms validated by the national government administrative officers. To confirm whether the applications were confirmed and approved by the members of the constituency committee.
Bursary and scholarship advertisements	To assess whether the constituency committees advertise/create awareness for bursary and scholarship availability, whether mode and means of bursary and scholarship communication would reach a wide audience and inform learners of the eligibility criteria, collection points for application forms, submission points, and deadlines.
Lists of applicants	To establish the number of applicants during the period under review.
List of beneficiaries	To establish the number of beneficiaries during the audit period and to confirm their existence in the respective learning institutions.

Cheque dispatch register	To confirm if all bursary and scholarship cheques were dispatched to the intended learning institutions.
Acknowledgement receipts	To confirm whether learning institutions acknowledge and account for funds disbursed to them. To confirm the number of learning institutions acknowledging receipt over the audit scope.
Bank statements	To determine the administrative expenses charged on bursaries, for instance bank charges for cheque clearance.
Bank Reconciliation Reports	To determine cases of unrepresented cheques, stale cheques and bounced cheques.
Payment Vouchers	To confirm whether payments were made to the beneficiaries as per the lists provided, and the learning institutions to which the payments were made to. To confirm the amounts paid to beneficiaries.
Bursary and Scholarship Expenditure Reports	To determine the expenditures and budget absorption rate.
Monitoring Reports	To confirm the issues raised in the monitoring activities and how the issues are resolved. To assess whether the constituency committees and the Board follows up on beneficiaries of bursaries and scholarships.

Appendix II: List of Persons Interviewed

Personnel Interviewed	Purpose of the Interviews
NG-CDF Board Officer In charge of allocations and disbursement	To assess the operations of the NG-CDF Board and the constituency development committees in relation to the administration of bursaries.
NG-CDF Board Monitoring and Evaluation Officer	To establish how monitoring is undertaken at the Board and at the constituency level with regard to administration of bursaries. To establish recommendations to the identified inefficiencies in access to bursaries and scholarships.
National Government Constituency Development Fund Committees (NG-CDFC) and Education Bursary Sub-Committee	To establish how bursary administration is undertaken in the constituencies, and corroborate with information from the documents reviewed. To assess the inefficiencies in access to bursaries and scholarships by needy and deserving learners. To establish the root causes for the inefficiencies in access to bursaries and scholarships by needy and deserving learners. To establish recommendations to the identified inefficiencies in access to bursaries and scholarships. To confirm whether they play their role as per the provisions of the NG-CDF guidelines.
Heads of learning institutions	To establish the possible causes of inefficiencies identified during planning phase. To establish possible recommendations to the identified inefficiencies in access to bursaries and scholarships.
National Government Administrative Officers	To establish beneficiaries' identification and vetting process. To establish the possible causes of ineffective identification and vetting. To establish the possible causes of ineffective identification and vetting of beneficiaries of bursaries and scholarships.

Appendix III: List of High-Cost Learning Institutions that Received Bursary Funds

S/No.	Name of the Learning Institution	Source of Information
1.	Lukenya Schools	Bank Statements
2.	Utumishi Academy	Bank Statements
3.	Pioneer International University	Bank Statements
4.	Moi Forces Academy	Bank Reconciliation Reports
5.	St Hannah's School	Bank Reconciliation Reports
6.	Phoina Beauty academy	Bank Reconciliation Reports
7.	Strathmore University	Bank Reconciliation Reports
8.	Kabarak University	Payment Voucher
9.	Malindi Premier School	Bank Reconciliation
10.	Kianda Foundation Trust	Payment Voucher
11.	Visa Oshwal Primary	Payment Voucher
12.	St Lilyana Preparatory School	Payment Voucher
13.	Sameta Memorial School	Payment Voucher
14.	Light Academy	Payment Voucher
15.	Consolata School	Payment Voucher
16.	Loreto Convent Msongari	Payment Voucher
17.	Kabarak High School	Payment Voucher
18.	Shani School	Payment Voucher
19.	St Lilyana Preparatory School	Payment Voucher
20.	Kitengela International School	Payment Voucher
21.	Hospital Hill Primary School	Payment Voucher
22.	Hospital Hill Primary School	Payment Voucher
23.	Moi Girls High School Kabarak	Payment Voucher
24.	Sameta Memorial School	Payment Voucher
25.	Moi Primary School Kabarak	Payment Voucher
26.	Laverna Primary School	Payment Voucher
27.	Hospital Hill Primary School	Payment Voucher
28.	Hospital Hill Primary School	Payment Voucher
29.	Utawala Academy	Payment Voucher
30.	Sunlight Academy	Payment Voucher
31.	Tomliza Educational Center	Payment Voucher
32.	Elimu Academy	Payment Voucher
33.	Beavers Academy	Payment Voucher

S/No.	Name of the Learning Institution	Source of Information
34.	Kianda School	Payment Voucher
35.	Riara Group of Schools	Payment Voucher
36.	United States International University	Payment Voucher
37.	Elsa Preparatory	Payment Voucher
38.	Valley Graceland Educational Center	Payment Voucher
39.	Le Pic School	Payment Voucher
40.	Sunrays Hill Academy	Beneficiary List
41.	Greenhill Academy	Beneficiary List
42.	Imperial Primary School	Beneficiary List
43.	Excel Preparatory	Beneficiary List
44.	Golden Angels Education Center	Beneficiary List
45.	Graceland Christian School	Beneficiary List
46.	Bugema University	Bank Reconciliation Reports
47.	University of Eastern Africa, Baraton	Payment Voucher
48.	Moi School Kabarak	Payment Voucher
49.	Moi Educational Center	Payment Voucher
50.	Moi Kabarak	Payment Voucher
51.	Moi High School-Kabarak	Payment Voucher

Appendix IV: Management Response

Section in the Report	National Government Constituency Development Fund Response	Auditor's Comments
<p>Findings of the Audit Reliance on Manual Process Limiting Access to Bursary and Scholarship Opportunities (Paragraph 4.2 – 4.5)</p>	<p>The Board acknowledges the audit finding regarding reliance on manual processes in the administration of bursaries and scholarships.</p> <p>To address this challenge, the Board has initiated automation of bursary management and reporting through the utilization of OneDrive-based online reporting tools to facilitate standardized, timely, and secure submission of bursary data from constituencies to the national level.</p>	<p>We commend the Board's effort to address the challenges encountered by Constituency Committees due to the manual bursary administration process. The Office will verify the implementation of the automation system during a follow up of the audit.</p> <p>The finding therefore, remains as reported.</p>
<p>Bursary Awards were not Based on Applicants' Socio-economic Needs and Vulnerability Status (Paragraph 4.6 – 4.10)</p>	<p>The Board acknowledges the audit finding and will continue to strengthen enforcement of the guidelines through enhanced monitoring and evaluation, capacity building of constituency committees, and risk-based audits.</p>	<p>The Office acknowledges this response. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>
<p>Lack of Disaggregated Records for Learners with Special Needs (Paragraph 4.11 – 4.16)</p>	<p>The Board acknowledges the audit finding and will continue to strengthen enforcement of the guidelines through enhanced monitoring and evaluation, capacity building of constituency committees, and risk-based audits.</p>	<p>The Office acknowledges this response. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>
<p>Inadequate Vetting and Irregular Issuance of Bursaries (Paragraph 4.18)</p>	<p>The Board issued Bursary Administration Guidelines issued in 2020, which provide that the subcommittees should invite applications, analyse and make recommendations to the NGCDF Committee, clearly indicating applicants proposed for approval, as well as those not recommended.</p> <p>The Board will continue to strengthen enforcement of the guidelines through enhanced monitoring and evaluation,</p>	<p>The Office acknowledges this information. The finding on inadequate vetting was drafted based on the provisions of these bursary guidelines. Since no additional evidence of enforcement has been provided, the finding remains as reported.</p>

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	capacity building of constituency committees, and risk-based audits.	
<p>Poor Record Keeping of Bursary and Scholarship Data (Paragraph 4.23)</p>	<p>The Board acknowledges the audit finding and will continue to strengthen enforcement of the guidelines through enhanced monitoring and evaluation, capacity building of constituency committees, and risk-based audits.</p>	<p>The Office acknowledges this response. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>
<p>Inadequate Identification of Scholarships Beneficiaries (Paragraph 4.28)</p>	<p>The Board issued Bursary administration Guidelines issued by the Board in 2020, which require the committees to give special focus to vulnerable families and ensure that academically outstanding but financially needy learners are able to access education without undue hindrance.</p> <p>The Board continues to strengthen enforcement of these guidelines through enhanced monitoring and evaluation, capacity building of Constituency Committees, and the implementation of risk-based audits.</p>	<p>We acknowledge this information. The finding on inadequate identification of scholarship beneficiaries was drafted while considering the provisions of these bursary guidelines. Since no additional evidence of enforcement has been provided, the finding remains as reported.</p>
<p>Delay and Unreliable Disbursement of Funds to Constituencies (Paragraph 4.39)</p>	<p>The Board acknowledges the delays in exchequer releases from The National Treasury, which affected timely disbursement of NG-CDF funds to constituencies. These delays are largely attributable to National Treasury cash flow constraints and competing budgetary priorities, resulting in a significant portion of funds being released late in the financial year or in the subsequent year.</p> <p>However, the Board continues to engage the State Department for Economic Planning to ensure timely disbursements of funds.</p>	<p>The Office acknowledges this response. Since no additional information is provided to the contrary, the finding remains as reported in our draft report.</p>
<p>Inefficient and Uneconomical Mode of Disbursement (Paragraph 4.44)</p>	<p>The Board issued Bursary Administration Guidelines issued by the Board in 2020, which provides clear guidance on the</p>	<p>The Office acknowledges this response. The finding on inefficient and uneconomical mode of disbursement was drafted while considering the provisions of these</p>

Section in the Report	National Government Constituency Development Fund Response	Auditor's Comments
	<p>procedures for processing bursary payments.</p> <p>The Board will continue to strengthen compliance with these guidelines through enhanced monitoring and evaluation, capacity building for constituency committees, and risk-based audits.</p>	<p>bursary guidelines. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>
<p>Uncollected, Unpresented and Stale Cheques (Paragraph. 4.45)</p>	<p>The Board issued Bursary Administration Guidelines issued in 2020, which provides clear guidance on the procedures for processing bursary payments.</p> <p>The Board acknowledges this finding and will continue to strengthen compliance with these guidelines through enhanced monitoring and evaluation, capacity building for constituency committees, and risk-based audits.</p>	<p>The Office acknowledges this response. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>
<p>Lack of Guidelines for Selection of Beneficiaries of Re-issued Stale Cheques (Paragraph. 4.47)</p>	<p>The Board acknowledges the audit findings and remains committed to strengthening the management of the bursary scheme across all 290 constituencies. Compliance with the guidelines issued in 2020 is being reinforced through enhanced monitoring and evaluation mechanisms, structured capacity building for constituency committees, and risk-based audits of the constituencies.</p>	<p>The Office acknowledges this response. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>
<p>Incomplete Records of Cheque Issuance Registers (Paragraph. 4.51)</p>	<p>The Board acknowledges the audit observation. The Board will strengthen controls over cheque collection processes to ensure that all cheque collection registers are accurately maintained and fully updated. Constituency committees will be required to ensure that all beneficiaries or their authorized representatives acknowledge receipt of cheques through signed registers at the NG-CDF committee offices. Compliance will be reinforced through enhanced monitoring and evaluation, capacity building for relevant NGCDF staff, and risk-</p>	<p>The Office acknowledges this response. The Board's effort to strengthen enforcement of the guidelines will be verified during a follow up of the audit. The finding remains as reported.</p>


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	based audits to ensure adherence to established procedures.	
<p>Inconsistent Reporting on the Bursary Programme (Paragraph. 4.56)</p>	<p>Management acknowledges the audit finding regarding the inconsistent preparation and submission of quarterly bursary reports by constituencies. The lapse was mainly attributed to limited capacity among constituency committee staff on the reporting requirements.</p> <p>To address this issue, the Board has automated the quarterly bursary reporting tool to ensure uniformity, accuracy, and completeness of reports. In addition, targeted capacity-building sessions have been conducted for constituency officers responsible for the preparation and submission of bursary reports. Further, the Board Secretariat has designated desk officers tasked with tracking report submissions, reviewing the reports, and providing timely feedback to the constituencies.</p>	<p>We commend the Boards effort to address the challenges encountered by Constituency Committees regarding reporting on Bursary Funds. The Office acknowledges the Board's efforts to strengthen quarterly reporting through the automation of reporting tools, targeted capacity-building sessions, and the appointment of designated desk officers responsible for tracking report submissions, reviewing reports, and providing timely feedback to constituencies. However, no evidence was provided to substantiate the implementation of these interventions. Consequently, the Office will verify the status of the reporting system automation during the audit follow-up. Therefore, the finding remains as reported.</p>
<p>Limited and Undocumented School Monitoring Visits (Paragraph. 4.62)</p>	<p>The Board acknowledges the audit finding regarding limited and inadequately documented school monitoring visits in relation to the NG-CDF Bursary Programme by the Constituency Committees. However, the Board clarifies that structured monitoring tools for bursary oversight already exist, designed to guide field monitoring visits by and provide a standardized mechanism for documenting bursary disbursement, beneficiary verification, and institutional feedback.</p> <p>The audit finding largely reflects inconsistent application and documentation of the tool, rather than its absence. In some constituencies, monitoring visits were conducted but not</p>	<p>We appreciate this response. Paragraph 4.55 in the report has acknowledged the availability of a well-structured reporting tool. However, due lack of documentation of the school visits, there was no evidence to convince the audit team that the Constituency Committees conducted school visits.</p> <p>The Office acknowledges the Board's effort in strengthening the institutionalization and mandatory use of the Bursary Monitoring Tool. The Office will verify the implementation of these</p>


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	<p>formally recorded using the prescribed tool, while in others, visits were constrained by capacity limitations and competing implementation priorities in the NG-CDFCs.</p> <p>To address this gap, the Board is strengthening the institutionalization and mandatory use of the Bursary Monitoring Tool and has put in place necessary measures.</p>	<p>enforcements during a follow up of audit.</p> <p>The finding therefore, remains as reported.</p>


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