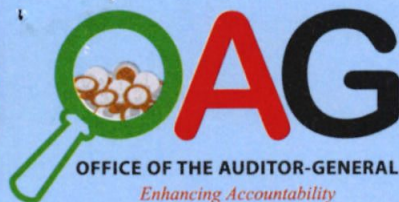


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

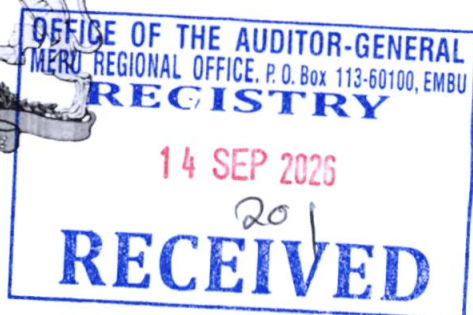
PARLIAMENT
OF KENYA
LIBRARY

ON

ISIOLO COUNTY EDUCATION
BURSARY FUND

FOR THE YEAR ENDED
30 JUNE, 2026

PAPERS LAID	
DATE	7/10/2026
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COMMITTEE	—
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Isiolo County Bursary Fund

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2026**

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

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Isiolo County Education Bursary Fund)

Annual Report and Financial Statements for the year ended June 30, 2026

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Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

1. List of Tables and Charts

- a. List of Tables
- b. List of Charts

2. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

3. Who we Are

a) Background information

- b) Isiolo County Education Bursary Fund is established by and derives its authority and accountability from Isiolo County Education Act 2015. The Fund is wholly owned by the County Government of Isiolo and is domiciled in Kenya.

The fund's objective is to provide for legal framework for establishing Education bursary fund for providing financial assistance to the poor and vulnerable students in the county in order: _

1. Increase access to education
2. Promote and increase enrolment, retention, and completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty. Disparities and equality.

c) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide financial assistance to the poor and vulnerable students in the county.

d) Assurance and Audit

Isiolo County Bursary fund applies a combined assurance model to enhance the reliability of this report.

Assurance is provided through:

- Management reviews
- Internal audit assessments overseen by the Board Audit, Risk, and Compliance Committee
- External audit of financial statements by the Office of the Auditor-General (OAG)

Legal, Compliance, and Corporate Governance Audits are conducted biannually to ensure adherence to applicable laws, regulations, and governance standards. The Board has applied its collective judgment to this report and confirms that it provides a balanced and accurate reflection of Isiolo County Bursary fund performance, strategy, and value-creation approach.

e) Fiduciary Oversight Arrangements

This fund being part of the overall funds received by the county executive, the internal audit department of the county treasury has fiduciary responsibility in assessing the risks faced by the fund on an ongoing basis. The internal audit evaluates and tests the effectiveness of the internal controls and operational controls and reports to the fund's board.

f) Registered Offices

P.O. Box 36-60300
County Education Building
NEMA-Police Road
Nairobi, KENYA

g) Fund Contacts

Telephone: (254) 700140436
E-mail: info@isiolo.go.ke
Website: www.Isiolo.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank

Kenya Commercial Bank
Isiolo Branch

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

Key Entity and Management (Continued)

i) Entity Auditor

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

j) Principal Legal Adviser

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

k) County Attorney

P.O. Box 36
Postal code 60300
Town Isiolo, Kenya

4. Chairman's Report

The Isiolo County Education Bursary Fund Board and Management remained in office during the Financial Year 2025/26, as the current Board's term had not expired. The Board continued to provide strategic oversight and ensure readiness to execute its mandate in accordance with the Isiolo County Education Bursary Fund Act.

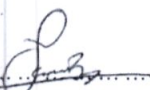
Unlike previous financial years, the Fund d received budgetary allocation of 35million during the 2025/26 Financial Year. Consequently, no bursary funds were disbursed to beneficiaries. This followed the nationwide suspension of county bursary fund disbursements by the Controller of Budget, which affected all county governments and, consequently, the implementation of county education bursary programmes.

The Board recognizes the significant role that the County Education Bursary Fund has played over the years in supporting needy and deserving students by improving access to education and reducing socio-economic inequalities. The inability to provide bursary support during the year was therefore a major setback for many vulnerable learners who have depended on the Fund to pursue their education.

Despite these challenges, the Board remained committed to the principles of equity, transparency, accountability, and prudent stewardship of public resources. Throughout the year, the Board continued to provide oversight and remained prepared to resume implementation of the Fund's mandate once the legal and policy environment permits the reinstatement of county bursary disbursements.

On behalf of the Board, I wish to express my sincere appreciation to the County Executive Committee, the County Assembly, and all stakeholders for their continued support and commitment to promoting access to education in Isiolo County. We remain optimistic that an appropriate legal and policy framework will be established to facilitate the resumption of county education bursary programmes, thereby enabling the Fund to continue supporting deserving and needy students.

I also extend my gratitude to my fellow Board members and the Secretariat for their unwavering dedication, professionalism, and resilience throughout this challenging period. Their continued commitment to the objectives of the Fund is commendable, and I remain confident that, once bursary operations resume, the Fund will continue to make a meaningful contribution towards improving educational opportunities and empowering the future generation of Isiolo County.


.....
SAINAB ISMAIL HASSAN

Chairman Isiolo county bursary Fund

5. Report of the Fund Administrator

The Isiolo County Education Bursary Fund has, since its establishment under the Isiolo County Education Bursary Fund Act, 2015 (as amended), played a significant role in promoting access to education for needy and vulnerable students enrolled in secondary schools, colleges, universities, and other institutions of higher learning. Over the years, the Fund has continued to enjoy strong support from the County Executive and other stakeholders, enabling many deserving students to pursue their educational aspirations.

During the Financial Year 2025/26, however, the Fund experienced an unprecedented operational challenge. Following the nationwide suspension of county bursary fund disbursements by the Controller of Budget, the County did not allocate any funds to the Isiolo County Education Bursary Fund. Consequently, the Fund did not receive any revenue during the financial year, and no bursary or scholarship disbursements were made to beneficiaries.

Despite the absence of funding, the Board and the Secretariat continued to discharge their oversight and administrative responsibilities in readiness for the resumption of the Fund's operations once the prevailing legal and policy issues are resolved. The Fund remains committed to its mandate of ensuring equitable access to education through financial assistance to deserving students.

The Board continues to pursue its strategic objectives, which remain central to the Fund's mission:

1. Increase access to education.
2. Promote enrolment, retention, completion, and transition rates in educational institutions.
3. Improve education standards and literacy levels.
4. Reduce poverty, social inequalities, and educational disparities through equitable financial support.

Fund Revenue and Financial Performance

During the Financial Year ended 30 June 2026, the Fund received budgetary allocation of 35millio from the County Government. Consequently, no revenue was received, and no bursary funds were available for disbursement.

As a result of the nationwide suspension of county bursary fund disbursements, the Fund was unable to implement its planned activities or provide financial assistance to needy students during the year under review. This interruption affected many learners who have traditionally depended on the Fund to access and continue their education.

Operational Challenges

During the year under review, the Fund experienced the following key challenges:

1. Absence of budgetary allocation following the nationwide suspension of county bursary fund disbursements, resulting in the non-implementation of the Fund's core mandate.

Isiolo County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2026

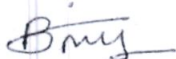
2. The statutory administrative cost ceiling of three per cent (3%) provided under the Act remains inadequate to effectively support the Fund's administrative and operational requirements whenever the Fund is operational.
3. Lack of permanent and adequately trained staff dedicated to the Fund Secretariat continues to affect institutional capacity, monitoring, reporting, and service delivery.
4. Inadequate training and capacity building for Board members and Ward Bursary Committee members affects effective implementation of the Fund's policies and programmes.
5. Inadequate monitoring and beneficiary feedback mechanisms continue to limit effective evaluation of the Fund's impact and service delivery.

Looking Ahead

The Fund remains optimistic that an appropriate legal and policy framework will be established to facilitate the resumption of county education bursary programmes. Once funding is restored, the Board and the Secretariat are fully prepared to resume implementation of the Fund's mandate in accordance with the Isiolo County Education Bursary Fund Act.

The Fund remains committed to promoting equitable access to education by supporting needy and vulnerable students across Isiolo County. We are confident that renewed investment in education will continue to improve school retention, enhance educational outcomes, reduce poverty, and empower future generations.

I wish to express my sincere appreciation to the County Executive, the County Assembly, the Board members, the Ward Bursary Committees, and the Secretariat for their unwavering commitment and professionalism during this challenging period. Their continued dedication has ensured that the institutional structures of the Fund remain intact and ready to resume operations once the necessary policy and funding frameworks are in place.



Name: Bokao Adan Gonje

Administrator of the Fund

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

6. Corporate Governance Statement

Part A: Board of Trustees' profiles:

Names	Details of qualifications and experience
<p>1. Ms. Sainab Ismael Hassan-(Fund Board Chairlady).</p> 	<p>Ms. Sainab Ismail Hassan was born in 1962.she holds a Diploma in education. She has over 20 years' experience working in the education Sector and 3 years at management level. She is currently the chairlady of Isiolo County Bursary Fund for a period of 3 years.</p>
<p>2. MS. Bokao Adan Gonje (Fund Administrator)</p> 	<p>Ms Bokao Adan Gonje has over 10 years' experience in leadership and management having served in different management capacities in many sectors.</p> <p>Currently she is serving as County chief officer department of Education in Isiolo county and doubles as executive board member and fund administrator of the Isiolo county Education bursary Fund.</p>
<p>3.Mr. Molu Mohamed (Fund Accountant).</p> 	<p>Mr. Molu Mohammed was born in the year 1995.He holds a degree in finance from university of Nairobi. He is an ex-official committee member. He has over 2 years' experience working in both the private and public sector.</p>
<p>4.. CPA Habiba Jirma Galgalo (Executive Board member).</p> 	<p>CPA Habiba Jirma Galgalo was born in the year 1980.She holds Master's degree in Accounting from JKUAT university. She is also a certified Public Accountant of Kenya. She has over 15 years' experience in finance, leadership and management having served on different management capacities in Government and donor funded projects.</p> <p>Currently she is the county chief officer of Finance and sit as executive board member.</p>
<p>5.Mr.Abraham Eyeyo(board Member)</p>	<p>Mr. Abraham Eyeyo was born in 1979. He holds a Bachelor's degree in Divinity from St. Paul's</p>

Isiolo County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2026

	<p>university. He also has a diploma in newspaper reporting. He has attended different training, i.e. community behaviour change, constitutional reform Tots, Basic Financial management training, Disaster preparedness and management. He has over 5 years 'experience working at different positions in the private sector. He has served in different boards as a board member and has actively participated as project coordinator in Community based projects.</p>
<p>7. Mr. David Kanamba (Board Member)</p> 	<p>Mr. David Kanamba was born in 1973.the is' Level certificate holder. He has over 10 years' experience serving as Community mobilizer and in leadership roles working under community-based projects.</p>
<p>7. Mrs. Mariam Osman (Board member)</p> 	<p>Mrs. Mariam Osman was born in 1974. She holds a certificate in education from Mosoriot Teachers college. She has over 10 year's working experience in government as A professional teacher. She is currently serving as a board member,</p>
<p>8, Mr. Mohammed Rashid (board Member)</p> 	<p>Mr. Mohammed Rashid was born in 1964. He holds a higher diploma in Guidance and psychological Counselling. He is a prominent religious leader with over 10-year experience working in religious institutions and non-governmental organizations. He is Currently serving as a board member.</p>

Isiolo County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2026

9.Mr Adan Diba Jillo (Board Member)	Mr. Adan Diba Molu was born in 1975. He holds a diploma in sales and marketing and a certificate in information technology. He has a 5-year experience serving in different capacities in both education and business Environment. He is currently serving as aboard member.
10.Mr. Letimalo John.(Board Member) 	Mr.Letimalo John was born 1975. He holds a diploma in Education. He has over 15 years experience serving as a teacher and Educationist in the community, he is currently Serving as a board member of the fund.
11.Mr.Adan Boru Kara (Board Member) 	Mr. Adan Boru Kara was born in 1961.He holds a diploma in education from a recognized institution. He has over 10 years' experience serving in different capacities in the Industry. He is currently serving as a board member.
12.Mr.Golo Roba (board member)	Mr. Gollo Roba was born in 1963. He holds a diploma in business management from a recognized institution. He has over 4 years experience working in the business world.



13.Mr.Geoffrey Nabea (board member)



Mr.Geofrey Nabea was born in 1976. He holds a diploma in business management from a recognized institution. He has over 4 Years' experience working in the business world. He is currently serving as a board member.

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

Part B: Management Profile

Name	Details of qualifications and experience
<p>1. Ms. Sainab Ismael Hassan- (Fund Board Chairlady)</p> 	<p>Ms. Sainab Ismail Hassan was born in 1962. she holds a Diploma in education. She has over 20 years' experience working in the education Sector and 3 years at management level. She is currently the chairlady of Isiolo County Bursary Fund for period of 3 years.</p>
<p>MS. Bokao Adan Gonje (Fund Administrator)</p> 	<p>Ms Bokao Adan Gonje has over 10 years' experience in leadership and management having served in different management capacities in many sectors.</p> <p>Currently she is serving as County chief officer department of Education in Isiolo county and doubles as executive board member and fund administrator of the Isiolo county Education bursary Fund.</p>
<p>3. Mr. Molu Mohamed(Fund Accountant)</p> 	<p>Mr. Molu Mohammed was born in the year 1995. He holds a degree in finance from university of Nairobi. He is an ex-official committee member. He has over 2 years' experience working in both private and public sector.</p>

Part C: Governance arrangements

Appointment of Board Trustees

Process of Appointment

- Trustees are appointed by the County Executive Committee Member (CECM) responsible for Education or by the Governor in accordance with the establishing legislation or County Executive decision.
- Appointments should be based on integrity, professional qualifications, experience, gender equity, and regional representation.

Isiolo County Education Bursary Fund

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- Appointment should be approved through the appropriate county governance processes.

A trustee may be removed for:

- Gross misconduct.
- Violation of the Constitution or relevant laws.
- Conflict of interest.
- Inability to perform duties.
- Conviction for a criminal offence involving dishonesty.
- Persistent absenteeism from board meetings.

The Board should ideally comprise 7–11 members, including:

- Chairperson.
- Representatives from the County Department of Education.
- County Treasury representative.
- Legal representative.
- Education professionals.
- Representatives of youth, women, persons with disabilities and marginalized communities.

The Board should comply with:

- Two-thirds gender rule.
- Regional balance within Isiolo County.
- Diversity in professional skills.

The Board should maintain a Board Charter outlining:

- Mandate.
- Roles and responsibilities.
- Ethical standards.
- Meeting procedures.
- Decision-making process.
- Committee structure.
- Performance evaluation process.

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

ii. Roles and Functions of the Board

The Board should:

- Provide strategic direction.
- Approve bursary policies.
- Approve annual budgets.
- Oversee bursary allocation.
- Ensure compliance with applicable laws.
- Approve annual work plans.
- Monitor financial performance.
- Ensure prudent utilization of public funds.
- Oversee risk management.
- Approve annual reports.

iii. Induction, Training and Development

Board members should receive:

- Induction upon appointment.
- Orientation on county legislation.
- Financial management training.
- Corporate governance training.
- Ethics and integrity training.
- Continuous professional development annually.

iv. Board and Members' Performance

Performance should include:

- Annual Board evaluation.
- Individual trustee performance assessment.
- Committee performance reviews.
- Chairperson evaluation.
- External governance review every 2–3 years.

Performance indicators may include:

- Attendance.
- Decision quality.
- Compliance.

- Strategic oversight.
- Timely approval of bursaries.

v. Board Meetings and Attendance

The Board should:

- Hold at least four quarterly meetings annually.
- Convene special meetings where necessary.
- Maintain attendance registers.
- Record and approve minutes.

vi. Succession Plan

The Board should maintain a succession plan covering:

- Chairperson.
- Committee Chairs.
- Fund Administrator.
- Finance Officer.
- Key technical staff.

The plan should identify:

- Critical positions.
- Competency requirements.
- Talent development.
- Knowledge transfer arrangements.

vii. Policy to Manage Conflicts of Interest

The policy should require:

- Annual declaration of interests.
- Disclosure before meetings.
- Recusal where conflicts arise.
- Recording of conflicts in meeting minutes.
- Prohibition of participation in decisions involving personal interests.

viii. Board Remuneration

Board remuneration should:

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

- Be approved by the County Government.
- Follow applicable government guidelines.
- Consist primarily of sitting allowances and reimbursement of legitimate expenses.
- Avoid performance bonuses unless authorized by law.

ix. Ethics and Conduct

Board members should:

- Sign a Code of Conduct.
- Observe leadership and integrity principles under Chapter Six of the Constitution.
- Maintain confidentiality.
- Avoid corruption.
- Declare wealth where required.
- Protect public resources.

x. Governance Audit

The Fund should undertake:

- Periodic governance audits.
- Internal governance reviews.
- Compliance assessments.
- Implementation of audit recommendations.

Audits may be conducted by:

- Internal Audit.
- External auditors.
- Oversight bodies where applicable.

xi. Communication Policy

The policy should provide for:

- Stakeholder engagement.
- Public disclosure.
- Media communication.
- Complaint handling.

- Information sharing.
- Public participation.

xii. Terms of Reference of Committees

Suggested Board Committees include:

Finance and Audit Committee

Responsibilities:

- Financial oversight.
- Budget review.
- Internal controls.
- Audit follow-up.
- Risk management.

Human Resource and Governance Committee

Responsibilities:

- Governance.
- Board performance.
- Ethics.
- Training.
- Succession planning.

Bursary Allocation Committee

Responsibilities:

- Vet applications.
- Ensure equitable allocation.
- Review appeals.
- Monitor beneficiary selection.

xiii. Policy on Related Party Transactions

The policy should require:

- Full disclosure of related parties.
- Board approval before transactions.

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Annual Report and Financial Statements for the year ended June 30, 2026

- Independent review.
- Fair market value.
- Recording in financial statements.
- Compliance with public procurement laws.

xiv. Statement of Compliance with Laws and Regulations

The Fund should annually confirm compliance with:

- Constitution of Kenya (2010).
- Public Finance Management Act, 2012.
- Public Procurement and Asset Disposal Act, 2015.
- County Governments Act.
- Relevant County Assembly resolutions and County Treasury guidelines.

xv. Existing Key Management Structure and Key Roles

Position	Key Roles
Chairperson	Provides leadership to the Board and oversees governance.
Fund Administrator/Secretary	Coordinates Fund operations, Board meetings, and implementation of Board decisions.
County Director of Education (or Education Officer)	Provides technical guidance on education matters and bursary administration.
Finance Officer	Budget preparation, financial reporting, accounting, and expenditure control.
Procurement Officer	Ensures procurement complies with procurement laws.
Monitoring and Evaluation Officer	Tracks bursary implementation and performance.
Internal Auditor	Reviews internal controls and risk management.
Legal Officer	Provides legal advice and ensures regulatory compliance.

xvi. Existing Fiduciary Oversight Arrangements

The Fund should have the following oversight mechanisms:

1. Board of Trustees

- Overall fiduciary responsibility.
- Approval of budgets and expenditures.
- Strategic oversight.
- 2. County Treasury
 - Budget approval.
 - Financial reporting oversight.
 - Release of funds.
- 3. Internal Audit
 - Reviews internal controls.
 - Conducts compliance audits.
 - Reports weaknesses.
- 4. Office of the Auditor-General
 - Conducts annual external audits.
 - Issues audit opinions and recommendations.
- 5. County Assembly
 - Exercises oversight through relevant committees.
 - Reviews annual reports and audited financial statements.
- 6. Management
 - Maintains accounting records.
 - Implements Board decisions.
 - Safeguards assets.
 - Ensures compliance with financial regulations.

7. Financial Performance Overview

FY 2025/26 Financial and Operational Performance Report

The Isiolo County Education Bursary Fund did not undertake bursary financing activities during the Financial Year ended 30 June 2026 following the absence of budgetary allocation to the Fund. Consequently, the Fund did not receive revenue from the County Government and no bursary disbursements were made during the year.

The suspension of county bursary fund disbursements at the national level significantly affected the implementation of the Fund's programmes. Nevertheless, the Fund continued to maintain its governance and administrative structures in readiness for the resumption of operations once the legal and policy environment permits.

5.2 Revenue

Revenue for FY 2025/26

During the year under review, the Fund did not receive any budgetary allocation or transfers from the County Government. Consequently, total revenue for the year was KShs. 0.

Table 5.1: Revenue Summary

Source of Revenue	FY 2025/26 (KShs.)	FY 2024/25 (KShs.)
County Government Transfers	0	35,000,000
Other Income	0	0
Total Revenue	0	35,000,000

Revenue Analysis

Revenue decreased significantly compared to the previous financial year due to the absence of budgetary allocation following the nationwide suspension of county bursary fund disbursements.

Revenue by Nature

Revenue Category	Amount (KShs.)	Percentage
Transfers from County Government	0	0%
Other Revenue	0	0%
Total	0	100%

5.3 Expenditure

Expenditure for FY 2025/26

The Fund incurred only minimal administrative and operational expenditures necessary to maintain its constitutional framework during the financial year. No bursary payments were made due to the absence of funding.

Table 5.2: Expenditure Summary

Expenditure Category	FY 2025/26 (KShs.)	FY 2024/25 (KShs.)
Administrative Expenses	0	2,993,340
Bursary Disbursements	0	32,403,329
Other Operating Expenses	0	0
Total Expenditure	0	35,396,669

Expenditure Analysis

Overall expenditure declined substantially compared to the previous year owing to the non-implementation of bursary programmes.

Expenditure by Nature

Present expenditure according to the audited financial statements, for example:

Nature of Expenditure	Amount (KShs.)
Employee Costs	0
Board Expenses	0
Administrative Expenses	0
Bank Charges	0
Bursary Disbursements	0
Total	0

Expenditure by Function

Function	Amount (KShs.)
Administration	0
Programme Activities	0
Governance	0
Total	0

5.4 Revenue and Expenditure Against Budget

Revenue Variance

No revenue was realized during the year because no budgetary allocation was approved for the Fund.

Expenditure Variance

Actual expenditure was below budget as the Fund did not implement bursary programmes during the financial year following the absence of funding.

5.5 Assets of the Fund

The Fund's assets as at 30 June 2026 comprised cash and cash equivalents together with any receivables and other assets reported in the Statement of Financial Position.

Table 5.3: Assets Summary

Asset Category	FY 2025/26 (KShs.)	FY 2024/25 (KShs.)
Cash and Cash Equivalents	(396,669)	(396,669)
Receivables	0	0
Other Assets	0	0
Total Assets	(396,669)	(396,669)

5.6 Liabilities

The Fund's liabilities comprised payables and accrued obligations outstanding as at 30 June 2026.

Liability	FY 2025/26 (KShs.)
Trade and Other Payables	0
Other Liabilities	0
Total Liabilities	0

5.7 Multi-Year Operational and Financial Performance

Operational Performance (2023/24–2025/26)

Financial Year	Budget (KShs.)	Amount Disbursed (KShs.)	Beneficiaries
2023/24	75,000,000	40,000,000	33,600,000
2024/25	70,000,000	32,403,329	32,403,329

2025/26	35,000,000	0	0
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Financial Performance Highlights

- No revenue was received during FY 2025/26.
- No bursary disbursements were made.
- Administrative operations were maintained at minimal levels.
- The Fund remained operational from a governance perspective despite the suspension of programme activities.

5.8 Key Projects and Investment Decisions

The Fund did not undertake any capital projects or investment activities during the year under review due to the absence of budgetary allocation.

5.9 Risk Analysis and Statutory Compliance

Key Risks

- Suspension of county bursary funding.
- Reduced access to education for vulnerable learners.
- Operational sustainability risks arising from prolonged absence of funding.
- Inadequate administrative funding.

Statutory Compliance

The Fund continued to comply with applicable provisions of:

- The Constitution of Kenya, 2010.
- The Public Finance Management Act, 2012.
- The County Governments Act, 2012.
- The Isiolo County Education Bursary Fund Act, 2015 (as amended).
- Applicable Public Sector Accounting Standards (IPSAS).

Statutory Obligations

There were no material statutory arrears outstanding as at 30 June 2026, except as disclosed in the notes to the financial statements.

5.10 Economic and Sector Outlook

Kenya continued to prioritize education as a key driver of socio-economic development. However, during the year under review, county education bursary programmes were affected by changes in the legal and policy environment governing the administration and disbursement of county bursary funds.

The Fund remains optimistic that an appropriate legal and policy framework will be established to facilitate the resumption of county bursary programmes. Once funding is restored, the Fund will continue supporting equitable access to education for needy and vulnerable students in Isiolo County while strengthening governance, accountability, and prudent financial management.

8. Statement of Performance Against Predetermined Objectives for FY 2025/2026

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

The key development objectives of the Fund, as per the County Integrated Development Plan (CIDP) for 2023 to 2027 are to:

- a) Increase access to education for needy and vulnerable students.
- b) Promote enrolment, retention, completion, and transition rates in educational institutions.
- c) Reduce poverty, educational disparities, and inequalities through equitable provision of bursaries.

Progress on the attainment of Strategic development objectives

Below, we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
Bursary & Scholarship fund	To improve access to education	Increased transition rate to secondary and tertiary institutions	Number of beneficiaries awarded bursaries	0 beneficiaries. budgetary allocation of 35million was received during the financial year; consequently, no bursaries were awarded.

9. Environmental and Sustainability Reporting

i) Sustainability strategy, risk management, and profile

- a) The Isiolo County Education Bursary Fund recognizes that sustainable development requires a balance between social responsibility, prudent financial management, environmental protection, and good governance. The Fund's sustainability priorities are aligned with national development priorities, the County Integrated Development Plan (CIDP) 2023–2027, and global commitments including the United Nations Sustainable Development Goals (SDGs), particularly SDG 4 on Quality Education, which promotes inclusive and equitable access to education and lifelong learning opportunities.
- b) The Fund's core sustainability objective is to support needy and vulnerable students to access education by reducing financial barriers that contribute to school dropout, low transition rates, and educational inequalities. Through equitable distribution of bursary support, the Fund contributes towards poverty reduction, social inclusion, and improved livelihoods among households in Isiolo County.
- c) During the Financial Year 2025/26, the Fund experienced a major operational challenge following the nationwide suspension of county bursary fund disbursements. As a result, no bursary allocation was received and no financial assistance was provided to beneficiaries. This affected the Fund's ability to achieve its planned sustainability outcomes, particularly in improving access, retention, and transition of vulnerable learners.
- d) The Fund continued to manage the risks associated with the interruption of operations through maintaining governance structures, strengthening accountability mechanisms, and remaining prepared to resume bursary activities once funding is restored. The Board and Secretariat continued to uphold principles of transparency, equity, and responsible stewardship of public resources.

e) Environmental performance

The Fund recognizes environmental sustainability as an important component of responsible public sector management. Although the Fund's activities are mainly administrative and education-support oriented, it continues to promote environmentally responsible practices within its operations.

The Fund is guided by government environmental policies and encourages practices that minimize environmental impact, including:

- Reduction of unnecessary paper usage through digital communication and electronic record management where possible.
- Proper management and disposal of office waste.
- Promotion of responsible use of office resources such as electricity, water, and stationery.
- Encouraging environmentally responsible practices among staff and stakeholders.

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

During the reporting period, the Fund continued to support digital processes in communication and record management to enhance efficiency and reduce paper consumption.

Due to the nature and scale of the Fund's operations, activities such as climate-smart technologies, green buildings, biodiversity conservation, and large-scale environmental projects were not undertaken.

However, the Fund remains committed to supporting broader county and national environmental sustainability initiatives.

f) Employee welfare

a) The Fund recognizes employees and Secretariat staff as key drivers in achieving its mandate. The Fund is committed to promoting a safe, inclusive, and professional working environment guided by public service values, labour laws, and applicable human resource policies.

b) Recruitment and engagement of staff are undertaken in accordance with relevant public service procedures, emphasizing merit, equal opportunity, diversity, and non-discrimination. The Fund promotes inclusivity by encouraging participation of qualified individuals regardless of gender, age, disability, or social background.

c) The Fund supports continuous improvement of staff capacity through training, knowledge sharing, and professional development whenever resources are available. Performance management and staff appraisal processes are undertaken in line with applicable government human resource policies.

d) The Fund complies with the Occupational Safety and Health Act, 2007, by promoting a safe working environment and ensuring staff welfare considerations are observed. During the reporting period, there were no reported work-related injuries or occupational safety incidents.

g) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

- b) The Fund promotes ethical and responsible practices in all its operations. Procurement processes are conducted through fair, transparent, and competitive procedures in accordance with public procurement laws and regulations.
- c) The Fund maintains zero tolerance for corruption and promotes accountability through adherence to public sector ethics, conflict-of-interest declarations, and internal control mechanisms.

- d) The Fund also promotes citizen access to information through official communication channels and stakeholder engagement forums.

c) Responsible Supply chain and supplier relations

- c) The Fund maintains responsible relationships with suppliers by ensuring procurement processes are transparent and competitive. Where contracts are entered into, suppliers are treated fairly and payments are processed in accordance with contractual obligations and availability of funds.
- d) The Fund encourages participation of local suppliers and special groups in procurement opportunities in accordance with government procurement requirements.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

a) The Fund recognizes beneficiaries and the public as key stakeholders. Communication regarding bursary programmes, application processes, and requirements is undertaken through appropriate official channels to ensure accessibility and transparency.

b) The Fund promotes ethical communication by providing accurate information and avoiding misleading representations regarding available support.

d) Product stewardship or Awareness creation

- a) a) As an education support institution, the Fund's service is the provision of bursary assistance to eligible students. The Fund safeguards beneficiaries' interests through:
 - b) Transparent beneficiary identification and selection processes.
 - c) Protection of personal information provided during bursary applications.
 - d) Fair and equitable distribution of available resources.
 - e) Provision of appropriate channels for feedback and complaints.
 - f) The Fund remains committed to protecting beneficiary data in accordance with applicable data protection requirements.

e) Corporate Social Responsibility / Community Engagements

- a) The core social responsibility of the Isiolo County Education Bursary Fund is improving access to education for needy and vulnerable students within Isiolo County.
- b) Over previous financial years, the Fund has made significant contributions towards education access by providing bursary support to students in secondary schools, colleges, and universities. These interventions have contributed to improved school retention, transition rates, and reduced educational inequalities among vulnerable households.

- c) During the Financial Year 2025/26, no bursary awards were made due to the absence of budgetary allocation following the nationwide suspension of county bursary fund disbursements. Consequently, the Fund did not undertake new bursary-supported community interventions during the reporting period.
- d) Despite this limitation, the Fund continued to maintain engagement with its stakeholders, including the Board, Ward Bursary Committees, county departments, and community representatives, in preparation for the resumption of bursary activities.
- e) The Fund remains committed to strengthening community engagement and expanding educational opportunities once resources become available. Future interventions will continue to focus on supporting vulnerable learners, promoting equity, and contributing towards the achievement of inclusive education in Isiolo County.

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

10. Report of The Trustees/Committee

The Trustees/Committee submit their report together with the audited financial statements for the year ended June 30, 2026, which show the state of the Fund's affairs.

Principal activities

The principal activities of the Fund are .

1. Increase access to education.
2. Promote and increase enrolment, retention, completion and transition rates to schools.
3. Improve education standards and literacy levels.
4. Reduce poverty disparities and inequality

Results

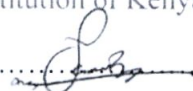
The results of the Fund for the year ended June 30, 2026 are set out on page ...1...to ...6...

Trustees

The Trustees who served during the year are shown on page xxxi . The changes in the Trustee during the financial year are as shown below:

Auditors

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

.....


Chair of the Board/Fund Administration Committee

Date: 21/07/26

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

11. Statement of Management's Responsibilities

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

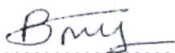
The Administrator of *Isiolo county education* Bursary Fund is responsible for the preparation and presentation of the Fund/Scheme's financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on June 30, 2026. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the *Isiolo county education bursary Fund* accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and . The Administrator of the Fund/Scheme is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2026, and of the Fund/Scheme's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/Scheme, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund/Scheme's financial statements were approved by the Trustee/Committee on ___31st July_2026 and signed on its behalf by:


.....

Administrator of the Isiolo county bursary Fund.

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ISIOLO COUNTY EDUCATION BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2026

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, Cap. 412A, and the Public Audit Act, Cap. 412B. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Isiolo County Education Bursary Fund set out on pages 1 to 30, which comprise of the statement of financial position as

at 30 June, 2026, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, Cap. 412B. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Isiolo County Education Bursary Fund as at 30 June, 2026 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Isiolo County Education Bursary Act, No.4 of 2015 and the Public Finance Management Act, Cap. 412A.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Changes in Net Assets

The statement of changes in net assets reflects opening prior year accumulated surplus and deficit for the prior year of Kshs.3,083,646 and Kshs.396,669, respectively resulting in accumulated surplus carried forward of Kshs.2,686,977. However, the statement reflects deficit carried forward of Kshs.396,669 resulting in an unexplained variance of Kshs.3,083,646. Further, the statement reflects current year deficit of Kshs.396,669, however instead of the nil deficit reflected in the statement of financial performance reflects for the year resulting in an unreconciled variance of Kshs.396,669.

In the circumstances, accuracy and validity of the balances reported in the statement of changes in net assets could not be confirmed.

2. Unsupported Overdrawn Cash and Cash Equivalents Balance

The statement of financial position reflects overdrawn cash and cash equivalents balance of Kshs.396,669 as disclosed in Note 13 to the financial statements. However, the balance was not supported by way of bank reconciliations statements, certificates of bank balances and cash books. In addition, there was no board of survey conducted at the end of the year to confirm the cash and cash equivalents balance. Further, the bank account has been overdrawn contrary to Section 119(4) of the Public Finance Management Act, Cap. 412A, which requires that, an accounting officer for a county government entity not to cause a bank account of the entity to be overdrawn beyond the limit authorized by the County Treasury or a Board of a county government entity, if any.

In the circumstances, the accuracy and completeness of overdrawn cash and cash equivalents balance of Kshs.396,669 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Isiolo County Education Bursary Fund

Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.35,000,000 and nil respectively, resulting in an under-funding of Kshs.35,000,000 or 100% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the residents of Isiolo County.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

The Auditor-General's report for the year ended 30 June, 2025 raised several audit issues which remained unresolved as at 30 June, 2026. Management has not taken action to resolve the following matters:-

S/No.	Issue
1.	Unexplained Variance in Bursary Transfers
2.	Cash and Cash Equivalents
3.	Unexplained Variance in Committee Allowances
4.	Inaccuracies in the Financial Statements
5.	Revenue Shortfall and Expenditure Above Actual Receipts
6.	Errors and Omissions in Other Information
7.	Expiry of The Legal Lifespan of the Fund
8.	Administration Expenditure Exceeding Statutory Limit
9.	Irregularities in Bursary Awards
10.	Irregular Payment of Secretariat Staff Allowances
11.	Irregular Payment of Staff Costs
12.	Unsupported Payments for Supplies

S/No.	Issue
13.	Unsupported Accommodation, Refreshments & Conference Services Costs
14.	Lack of Internal audit Activity

Other Information

The Management is responsible for the Other Information set out on page iv to xxxiii which comprise of the Fund Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting, and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, Cap. 412B, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to

believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, Cap. 412B.

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

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

Auditor-General's Responsibilities for the Audit

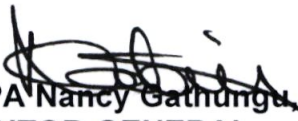
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, Cap. 412B and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require

that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, Cap. 412B. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, Cap. 412B.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 September, 2026

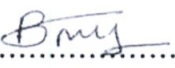
Isiolo County Education Bursary Fund)

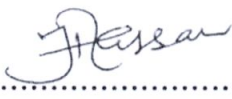
Annual Report and Financial Statements for the year ended June 30, 2026

13. Statement of Financial Performance for the Year Ended 30th June 2026

Description	Note	2025-26	2024-25
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	-	35,000,000
Public Contributions and Donations	7	-	-
		-	35,000,000
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		-	35,000,000
Expenses			
Bursary transfers	10	-	32,403,329
Scholarship grants	11	-	-
Use of Goods and Services	12	-	2,993,340
Total Expenses		-	35,396,669
Surplus/(Deficit) for the Period		-	(396,699)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 31/07/26 2026 and signed by:


.....
Name: Bokao Adan
Administrator/Accounting Officer


.....
Name: Jibril Hassan
Fund Accountant
ICPAK Member Number:21034

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

14. Statement of Financial Position as at 30 June 2026

Description	Note	2025-26	2024-25
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	(396,669)	(396,669)
Non-exchange receivables	14	-	-
Exchange Receivables	15	-	-
Total current assets		(396,669)	0
Total Assets (A)		(396,669)	0
Liabilities			
Current Liabilities			
Trade and Other Payables	16		396,669
Total current liabilities			396,669
Total Liabilities (B)		0	396,669
Net Asset (A-B)		(396,669)	(396,669)
Represented By:			

-The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2026 and signed by:

.....
Name:
Fund Administrator/Accounting Officer

.....
Name: Jibril Hassan
Fund Accountant
ICPAK Member Number: 21034

Isiolo County Education Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2026

15. Statement Of Changes in Net Assets for the year ended 30th June 2026

Description	Accumulated surplus
	Kshs
Balance as at 1 July (2024-25)	3,083,646
Surplus/(Deficit) For the Year	(396,669)
Balance As At 30 June ((2024-25)	(396,669)
Balance As At 1 July (2025-26)	(396,669)
Surplus/(Deficit) For the Year	(396,669)
Balance As At 30 June (2025-26)	(396,669)

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

16. Statement of Cash Flows for The Year Ended 30 June 2026

Description	Note	2025-26	2024-25
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		-	35,000,000
Public Contributions and Donations		-	-
Finance Income		-	-
Other receipts		-	-
Total receipts		-	-
Payments			
Bursary Transfers		-	(32,403,329)
Scholarship grants		-	(-)
Use of goods and Services		-	(2,993,340)
Net cash flows from operating activities	17	-	(396,669)
Net increase/(decrease) in cash & cash Equivalents		-	(396,669)
Cash and cash equivalents at 1 July	13	(396,669)	3,083,646
Cash and cash equivalents at 30 June	13	(396,669)	(396,669)

17. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2026

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening budget Carry Overs		xxx	xxx	xxx		
Receipts						
Transfers From the County Government	35,000,000	-	35,000,000	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total Receipts	35,000,000	-	35,000,000	-	-	-
Payments	-	-	-	-	-	-
Bursary Transfers	30,000,000	-	30,000,000	-	-	-
Scholarship grants	-	-	-	-	-	-
Use of goods & Services	5,000,000	-	5,000,000	-	-	-
Total Payments	35,000,000	-	35,000,000	-	-	-
Surplus For the Period	-	-	-	-	-	-

Budget notes

The approved budget for the Financial Year ended 30th June 2026 was **KShs. 35,000,000.**

The approved budget was not funded during the financial year as the anticipated transfers from the county government were not received. Consequently, the fund was unable to implement the planned activities relating to bursary transfers and other budgeted expenditure.

Isiolo County Education Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2026

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	(396,669)

18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Isiolo County Bursary Fund is established by and derives its authority from Isiolo county Education Bursary Fund Act. The entity is wholly owned by the Isiolo County Government and is domiciled in Kenya. Isiolo county Bursary Fund principal activity is Isiolo county bursary fund.

2. Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost basis. The financial statements have been prepared and presented in Kenya Shillings, the Entity's functional and reporting currency. The financial statements have been prepared in accordance with the PFM Act, the Isiolo county education bursary Act, and International Public Sector Accounting Standards (IPSAS). The adopted accounting policies have been consistently applied to all years presented.

a) Basis of measurement

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid, or the fair value of the consideration given to acquire them at the time of acquisition, plus directly attributable transaction costs. Liabilities are recorded at the amount of consideration received to assume the obligation, less transaction costs incurred when the liability was assumed.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Entity uses market-to-observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Entity using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Fair values are categorized into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date.

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- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- The Entity's accounting policy is to recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred. This policy is consistently applied to transfers into and out of each level.

b) Use of Estimates

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

method.

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2026.

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

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Standard	Effective date and impact:
Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none">Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.Clarifying transaction costs guidance to enhance consistency across IPSAS;Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2026.*

IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements

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	understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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(iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2026 was approved by the County Assembly on 2nd Dec 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Isiolo Bursary Fund upon receiving the respective approvals in order to conclude the final budget. The Isiolo Bursary Fund recorded reduction appropriations of Kshs. 35m on the FY 2025/26 budget following the governing body's approval.

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

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

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

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the entity's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(i) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

(ii) Subsequent measurement

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

(iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value

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through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iv) Fair value through net assets/ equity

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

(v) Fair value through surplus or deficit

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

(vi) Trade and other receivables

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

(vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Provisions

Provisions are recognized when the Isiolo County Bursary Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable

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estimate can be made of the amount of the obligation. Where the Isiolo county Bursary Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

e) Contingent liabilities

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

f) Contingent assets

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

g) Nature and purpose of reserves

The Isiolo county Bursary Fund/Scheme creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

h) Changes in accounting policies and estimates

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

i) Foreign currency transactions

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

j) Related parties

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

k) Cash and cash equivalents

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

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l) Comparative figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Transfers from the County Government

Description	2025-26	2024-25
	Kshs	Kshs
Transfers From County Government	-	35,000,000
Others (<i>Specify</i>)	-	-
Total	-	35,000,000

(Provide a brief explanation for this revenue)

7. Public Contributions and Donations

Description	2025-26	2024-25
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Provide a brief explanation for this revenue)

8. Finance income

Description	2025-26	2024-25
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others (<i>Specify</i>)	-	-
Total finance Income	-	-

(Provide a brief explanation for this revenue)

9. Other income

Description	2025-26	2024-25
	Kshs	Kshs
Cheque write backs	-	-
Others (<i>Specify</i>)	-	-
Total Other Income	-	-

10. Bursary Transfers

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Description	2025-26	2024-25
	Kshs	Kshs
Universities	-	500,1000
TVETs and Colleges	-	5,202,000
Secondary schools	-	22,200,329
Other (<i>Specify</i>)	-	-
Total	-	32,403,329

11. Scholarship grants

Description	2025-26	2024-25
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Description	2025-26	2024-25
	Kshs.	Kshs.
Committee Allowances	-	413,000
Bank charges	-	83,340
Audit fees	-	-
Other (<i>Specify</i>)	-	2,497,000
Total	-	2,993,340

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13. Cash and cash equivalents

Description	2025-26	2024-25
	Kshs	Kshs
Current Account	(396,669)	(396,669)
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	(396,669)	(396,669)

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

Financial Institution	Account number	2025-26	2024-25
		Kshs	Kshs
I. Current Account			
KCB Bank	1286204739	(396,669)	(396,669)
Sub- Total		(396,669)	(396,669)
II. Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		(396,669)	(396,669)

14. Non-Exchange Receivables

Description	2025-26	2024-25
	Kshs	Kshs
Revenue receivable	-	-
Others (<i>Specify</i>)	-	-
Total non-exchange receivables	-	-

15. Exchange Receivables

Description	2025-26	2024-25
	Kshs	Kshs
Interest receivable	-	-
Others (<i>Specify</i>)	-	-
Total exchange receivables	-	-

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16. Trade and other payables

Description	2025-26		2024-25	
	Kshs		Kshs	
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		396,669	
Total Trade and Other Payables	-		396,669	
Ageing analysis (Trade and other payables)	2025-26	% of the Total	Comparative FY	% of the Total
Under one year	-	%	396,669	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		396,669	

17. Cash generated from operations.

Description	2025-26		2024-25	
	Kshs		Kshs	
Surplus/ (Deficit) For the Year	-		(396,669)	
Adjusted For:				
Working Capital Adjustments				
Decrease/Increase In Receivables	-		-	
Increase/Decrease In Payables	-		-	
Net Cash Flow from Operating Activities	-		(396,669)	

18. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2025-26	2024-25
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

c) Key management remuneration

Description	2025-26	2024-25
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

d) Due from related parties

Description	2025-26	2024-25
	Kshs	Kshs
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	2025-26	2024-25
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

19. Contingent assets and contingent liabilities

Contingent Liabilities	2025-26	2024-25
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	-	-
Bank Guarantees	-	-
Total	-	-

20. Financial risk management

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

a) Credit risk

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

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

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

The entity has significant concentration of credit risk on amounts due from xxxx.

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

b) Liquidity risk management

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

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

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

c) Market risk

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

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

The Fund/Scheme's finance department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

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Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund/Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx-1 – Kshs xxx).

d) Capital risk management.

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

Description	2025-26	2024-25
	Kshs	Kshs
Accumulated surplus	-	-
Total funds	-	-
	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

21. Events after the reporting period

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

22. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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19. Annexes

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

The following is a summary of the issues raised by the Auditor General and the management responses provided.

Reference No.	Issue/Observation	Management Response	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Financial Statements			
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 1.	Un-explained variance in Bursary transfers	The management confirms bursary Transfer of Kshs. 32,403,329, the variance was as a result of balance brought forward that was included in the year under review. The correction has since been done accordingly	Not resolved	In the subsequent year
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 2.	Cash and cash equivalent	Management concurs with the Auditor's observation. The variance was as a result of un-presented cheques. Management has since taken the initiative and advised the bank for immediate reversal of the transaction.	Not resolved	In the subsequent year
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 3.	Unexplained variance in committee allowances	Management confirms that only Kshs.413,000 was approved and paid. The expenditure has been reviewed and reconciled accordingly.	Not resolved	In the subsequent year

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Reference No.	Issue/Observation	Management Response	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 4.	Inaccuracies in financial statement	Management agrees with the Auditor's observation and has corrected the identified errors in the financial statements. The bank overdraft of Kshs.396,669 has been appropriately treated as a current liability, and the Statement of Changes in Net Assets has also been corrected accordingly.	Not resolved	In the subsequent year
Lawfulness & Effectiveness in the use of Public Resources				
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 5.	Budgetary control and performance	The management agrees with Auditors observation. The underfunding was as a result of late disbursement of Exchequer.	Not resolved	In the subsequent year
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 1.	Expiry of legal lifespan of the fund	We agree with the auditor's observation and the extension of the validity period of the fund has been granted and the gazettelement of the fund act has also been done.	Not resolved	In the subsequent year
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 2.	2. Administration Expenditure Exceeding Statutory Limit	Management agrees with the Auditor's observation and has put in place proper budget planning and strategies to ensure compliance with Section 4 of the Isiolo County Education Bursary Fund Act, 2015.	Not resolved	In the subsequent year

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Reference No.	Issue/Observation	Management Response	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 3.	3. Irregularities in Bursary Awards	Management confirms that the error has been corrected. The beneficiaries' records have been reviewed and amended to strengthen verification of students and prevent duplication of bursary awards.	Not resolved	In the subsequent year
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04). 4.	4. Unsupported Secretariat and Administrative Expenditures	Management agrees with the Auditor's observation and has since put in place internal and external control compliance measures to strengthen documentation, authorization and accountability of Fund expenditure.	Not resolved	In the subsequent year
	Effectiveness of Internal Controls, Risk Management & Governance			
OAG/IRO/AUD/ISL.CNTY/E BF/2024/2025/ (04).	Lack of Internal Audit Activity	Management concurs with the auditor's observation and looking forward to engage Internal auditors in future.	Not resolved	In the subsequent year

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Fund Administrator/Accounting Officer

Date: 31st July 2026

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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity:.....

Name of beneficiary entity:.....

Confirmation of amounts received by Isiolo County Education Bursary Fund as at 30 th June 2026						
Reference Number	Date Disbursed	Amounts Disbursed by County Treasury (Kshs) as at 30 th June 2026			Amount Received by Isiolo County Bursary Fund (Kshs) as at 30 th June 2026 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
		0	0	0	0	0
Total		0	0	0	0	

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

Head of Accounts - Disbursing Entity:

Name Bokao Adan Sign [Signature] Date : 31st July 2026

Head of Accounts - Beneficiary Entity:

Name Jibril Hassan Sign [Signature] Date: 31st July 2026

