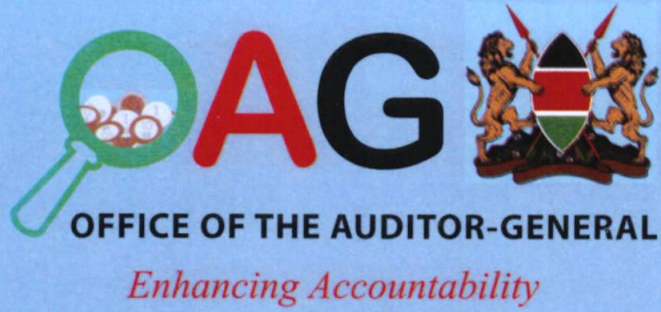
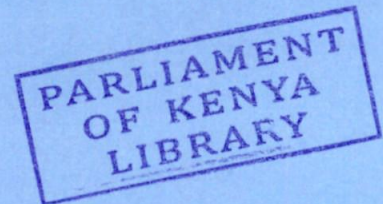


REPUBLIC OF KENYA



**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**NANDI COUNTY EDUCATION FUND**

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

PAPERS LAID	
DATE	6/8/2025
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COMMITTEE	
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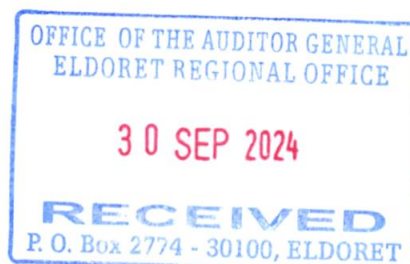
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**NANDI COUNTY EDUCATION SCHEME**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30<sup>TH</sup>, 2024**

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



# ***NANDI COUNTY EDUCATION SCHEME***

## **Annual Report and Financial Statements for the year ended June 30, 2024**

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# **NANDI COUNTY EDUCATION SCHEME**

## **Annual Report and Financial Statements for the Year Ended June 30, 2024**

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### **1. Acronyms and Definition of Key Terms**

#### **a) Acronyms**

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

#### **b) Definition of Terms**

##### **1. Fiduciary Management**

<b>Ref</b>	<b>Position</b>	<b>Name</b>
1.	Chair-County Assembly Committee on Education	Edwin Kiprop
2.	Head of Internal Audit	CPA Edwin Maiyo
3.	C.E.C.M- Education and Vocational Training	Scolastica Tuwei

##### **2. The key management personnel who had financial responsibility**

<b>Ref</b>	<b>Position</b>	<b>Name</b>
1.	Chief Officer -Finance and Economic Planning	Prisca Jepchirchir
2.	Chief Officer -Education and Vocational Training	Joseph Kipchumba Cheruiyot
3.	Chairperson-Nandi County Education Scheme Committee	Truphena Cheluget
4.	Administrator-Nandi County Education Scheme	Skammel Tallam

**2. Key Entity Information and Management****a) Background information**

Nandi County Education Scheme is established by and derives its authority and accountability from Nandi County Education Schem Act 2024. The scheme is wholly owned by the County Government of Nandi, a county domicile in Kenya.

The fund's objectives is to:

- Improved access to Education by all residents of Nandi County by providing funds to grant bursaries;
- Enhanced equity in education for all residents of Nandi County;
- Improvement of literacy level within Nandi County; and
- Ensuring that a specific portion of the County annual budget is devoted to the Education Scheme for the purposes of this Act.

**b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to Improving access to Education by all residents of Nandi County by providing funds to grant bursaries.

**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position
1	Truphena Cheluget	Chair Person
2	Mark Muge	Vice Chair Person/ Representing Nandi Hills sub county
3	Dorothy Chebet Kosgei	Member – Representing Emgwen Sub County
4	Shadrack Kosgei	Member – Representing Chesumei Sub County
5	Emmanuel Chirchir	Member – Representing Nandi Hills Sub County
6	Sharon Cherobon	Member – Representing Tindiret Sub County
7	Rael Chemurgor Koech	Member – Representing Mosop Sub County
8	Joshua Kiprotich Lagat	Member – Representing PWD
9	Anne Jepkosgei Saina	Memebr – Representing Religious Groups
10	Cornelious Kipruto	Member – Representing Youth
11	Julius K. Too	Member- Representing Education Department
12	Joseph Kipchumba Cheruiyot	Secretary- C.O Education Department
13	Tallam J. Skammel	Scheme Administrator
14	Prisca Jepchirchir	Chief Officer Finance and Economic Planning
15	Charles Kipkemboi Too	Sub county Administrator (Mosop) Ex-Official Member
16	Kimutai Sitienei	Sub county Administrator (Chesumei) Ex-Official Member
17	David Sum	Sub county Administrator (Aldai) Ex-Official Member

## ***NANDI COUNTY EDUCATION SCHEME***

### **Annual Report and Financial Statements for the Year Ended June 30, 2024**

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18	Barnabas Kiprotich Tallam	Sub county Administrator (Nandihills) Ex-Official Member
19	Cosmas Kemboi	Sub county Administrator (Tinderet) Ex-Official Member
20	Nehemiah Chumba	Sub county Administrator (Emgwen) Ex-Official Member

#### **d) Fiduciary Management**

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Priscah Jephchirchir	Chief Officer – Finance and Economic Planning
2	Joseph K. Cheruiyot	Chief Officer – Education and Vocational Training
3	Tallam Skammel	Fund Manager/ Scheme Administrator
4		

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Chair-County Assembly Committee on Education	Edwin Kiprop
2	Head of Internal Audit	CPA Edwin Maiyo
3	CECM Education and Vocational Training	Scolasticah Tuwei

**f) Registered Offices**

Nandi County Education Fund,  
P.O. Box 802-30300,  
Education Department Buildings,  
Kapsabet.

**g) Fund Contacts**

Telephone: 0101-826 069  
Website: [www.nandicounty.go.ke](http://www.nandicounty.go.ke)

**h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Equity Bank  
Kapsabet Branch  
P. o Box 272-30300  
Kapsabet.

**Key Entity and Management (Continued)**

**i) Independent Auditor**

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







**j) Principal Legal Adviser**

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

**k) County Attorney**







Mr. Amos Magut  
P.O. Box 802  
30300  
Kapsabet, Kenya

**NANDI COUNTY EDUCATION SCHEME****Annual Report and Financial Statements for the Year Ended June 30, 2024****3. Trustees/ Fund Administration Committee Profiles**

<b>Name</b>	<b>Date of Birth</b>	<b>Qualifications</b>	<b>Work Experience</b>
1. Turphena Cheluget 	27/6/1976	Masters in Education Bachelors in Education	Over 30 years in Teaching Experience
2. Mark Muge 	24/8/1963	Bachelor Degree in Arts – Education.	37 Years Teaching Experience
3. Emmanuel K. Chirchir 	5/8/2995	Bachelor Degree in Arts – Education	5 Years Teaching Experience
4. Cornelious Kiprugut 	23/3/1994	Bachelor Degree in arts – Education	6 years in Teaching experience
5. Evelyne Jepkosgei 	12/12/1973	Certificate in Theology	Pastoral and Religious work for Over ten Years
6. Joshua Kiprotich Lagat 	21/5/1961	A Level	Retired Civil Savant-Worked as Clerk officer at Civil of Registration Office

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

<p>7. Rael Jemurgor Koech</p> 	<p>8/6/1977</p>	<p>Bachelor Degree in Education Diploma in Education Management (KEMI)</p>	<p>20 Years Teaching Experience</p>
<p>8. Joseph Kipchumba Cheruiyot</p> 	<p>11/11/1969</p>	<p>Post Graduate (Diploma in Education Management) from Kenya Education Management Institute. B.ed Arts from Egerton University</p>	<p>Over 35 Years in Teaching and Administration experience. He is currently serving as the Chief Officer-Education and Vocational Training.</p>
<p>9. Prisca Jepchirchir</p> 	<p>1984</p>	<p>Bachelor's Degree in Economics and Statistics Holder of CPA(K) and a Member of ICPAK</p>	<p>Over 10 Years experience as a Director Budget and Head of Economic Planning. She is currently serving as the Chief Officer- Finance and Economic Planning</p>
<p>10. Julius Too</p> 	<p>01/02/1970</p>	<p>Undergraduate-Education</p>	<p>Over 25 years in Teaching and Administration experience. He is currently serving as the County Director for Vocational Training Centres.</p>
<p>11. Tallam Skammel</p> 	<p>4/1/1984</p>	<p>Bachelor's Degree in MBA (Accounting Option)</p>	<p>Over 8 years' experience in Accounting and Financial Management. Currently Scheme Administrator.</p>
<p>12. Sharon Cherobon</p> 	<p>19/9/1995</p>	<p>Bachelor's Degree in Agribusiness Management.</p>	<p>5 years in Marketing and Hospitality Management Farming experience in Horticulture</p>
<p>13. Shadrack Kosgei</p> 	<p>8/1/1967</p>	<p>Diploma in Information Technology and Networking Bachelors in Education</p>	<p>37 years in Teaching Experience</p>
<p>13. Dorothy Chebet Kosgei</p>	<p>20/6/1991</p>	<p>Bachelors Banking and</p>	<p>2 years Working experience in Insurance</p>

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

		Finance	Company Audit and Tax Compliance
14. Charles Kipkemboi Too 	29/09/1975	MBA (Leadership Management), B.A(English Literature), Higher Diploma (Counselling Psychology)	20 years teaching experience, 4 Years in Administration (Sub-County Administrator), 15 Years Clinical psychologist (Kenya Institute of Professional Counselling)
15. Kimutai Sitienei 	15/5/1982	Bachelor of Education, Science	Over 20 years Teaching and Leadership experience.
16. David Sum 	6/03/1965	MBA (Business Administration)	Over 20 Years' Experience. He has Served as Town Manager, Kapsabet municipality, Sub-County Administrator, Tinderet among other keypositions.
17. Barnabas Kiprotich Tallam 	02/02/1976	Masters in Education, Curriculum and Instruction (Kisii University)	20 years Teaching Experience
18. Cosmas Kemboi 	14/05/1984	MA in Policy Analysis and Public Administration. Certified Monitoring and Evaluation	Over 5 years leadership experience and Teaching. Currently Sub County Administrator
19. Nehemiah Chumba 	27/12/1988	Bsc (Economic and statistics)	Over Five years' experience in Banking sector, Research Technician at KIRM, Director Sports and Culture department and Currently as a Sub-County Administrator.

*NANDI COUNTY EDUCATION SCHEME*

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

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**NANDI COUNTY EDUCATION SCHEME**








**Annual Report and Financial Statements for the Year Ended June 30, 2024**

**4. Key Management Team**

<b>Name</b>	<b>Date of Birth</b>	<b>Qualifications</b>	<b>Work Experience</b>
1. Turphena Cheluget 	27/6/1976	Masters in Education Bachelors in Education	Over 30 years in Teaching Experience
2. Mark Muge 	24/8/1963	Bachelor Degree in Arts – Education.	37 Years Teaching Experience
3. Emmanuel K. Chirchir 	5/8/2995	Bachelor Degree in Arts – Education	5 Years Teaching Experience
4. Cornelious Kiprugut 	23/3/1994	Bachelor Degree in arts – Education	6 years in Teaching experience
5. Evelyne Jepkosgei 	12/12/1973	Certificate in Theology	Pastoral and Religious work for Over ten Years
6. Joshua Kiprotich Lagat 	21/5/1961	A Level	Retired Civil Savant-Worked as Clerk officer at Civil of Registration Office

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

<p>7. Rael Jemurgor Koech</p> 	<p>8/6/1977</p>	<p>Bachelor Degree in Education Diploma in Education Management (KEMI)</p>	<p>21 Years Teaching Experience</p>
<p>8. Joseph Kipchumba Cheruiyot</p> 	<p>11/11/1969</p>	<p>Post Graduate (Diploma in Education Management) from Kenya Education Management Institute. B.ed Arts from Egerton University</p>	<p>Over 35 Years in Teaching and Administration experience. He is currently serving as the Chief Officer-Education and Vocational Training.</p>
<p>9. Prisca Jepchirchir</p> 	<p>1984</p>	<p>Bachelor's Degree in Economics and Statistics Holder of CPA(K) and a Member of ICPAK</p>	<p>Over 10 Years experience as a Director Budget and Head of Economic Planning. She is currently serving as the Chief Officer- Finance and Economic Planning</p>
<p>10. Julius Too</p> 	<p>01/02/1970</p>	<p>Undergraduate</p>	<p>Over 25 years in Teaching and Administration experience. He is currently serving as the County Director for Vocational Training Centres.</p>
<p>11. Tallam Skammel</p> 	<p>9/9/1984</p>	<p>Bachelor's Degree in MBA (Accounting Option) Holder of CPA (K)</p>	<p>Over 8 years' experience in Accounting and Financial Management. Currently Fund Administrator.</p>
<p>12. Sharon Cherobon</p> 	<p>19/9/1995</p>	<p>Bachelor's Degree in Agribusiness Management.</p>	<p>5 years in Marketing and Hospitality Management Farming experience in Horticulture</p>
<p>13. Shadrack Kosgei</p> 	<p>8/1/1967</p>	<p>Diploma in Information Technology and Networking Bachelors in Education</p>	<p>37 years in Teaching Experience</p>
<p>13. Dorothy Chebet Kosgei</p>	<p>20/6/1991</p>	<p>Bachelors Banking and Finance</p>	<p>2 years Working experience in Insurance Company</p>

***NANDI COUNTY EDUCATION SCHEME***

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

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			Audit and Tax Compliance
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***NANDI COUNTY EDUCATION SCHEME***  
**Annual Report and Financial Statements for the Year Ended June 30, 2024**

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## **5. Chairman's Report**

On my behalf and of the Management Committee Members, it is my pleasure to present the Nandi County Education Scheme financial statements for the year the Year ending 30<sup>th</sup> June, 2024. The Financial Statements reflect the financial performance of the Scheme for the whole year of Financial year 2023/2024.

### **Sustainability**

According to Sustainable Development Goals (SDG), there is need for holistic and lifelong approach in dealing with all levels of education from pre-school to higher levels of Education. This is the reason why the Nandi County Education Scheme (NACES) is always at the forefront in ensuring increased access and equity to post-secondary education by providing financial facilitation through bursary to Nandi County residents enrolled in Secondary schools and institutions of Higher learning.

In the Kenya Vision 2030, education is prescribed as a key target and enabler under the Social Pillar which emphasizes on social protection and development. Nandi County Government continues to invest heavily in the education sector in line with these objectives. To enable Nandi County Government, achieve Vision 2030, there is need to have the right skills and this is the reason why the county government continues to lay more emphasis on Technical and Vocational training (TVET) to enhance skills development for National and County human resource availability, job creation by preparing young entrepreneurs as well as ensuring that the middle level economy is sustained. NACES continues to facilitate this goal by providing financial facilitation in form of Bursaries to Nandi County residents enrolled in TVET institutions. Through the mandate given by Nandi County Assembly, NaCES is looking forward to increase allocation to TVET in order to boost and increase the numbers of those who enrol for courses since this is the main mandate under the devolved function in Education department.

In order to ensure sustainability, the Fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long-term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options to ensure the Fund is a going concern.

### **Review of performance**

#### **County Government transfers**

The Fund Received transfers amounting to KShs.142,500,000 from the County Government.

#### **Expenditures**

The total expenditures during the period amounted to Kshs 4,243,000 Bursary Disbursement is KShs. 127,628,584, and bank charges of Kshs 471,062.

#### **Future outlook**

The Scheme focuses on building a robust and sustainable fund with a motivated workforce and operational structures that enhance efficiency and effectiveness in the service delivery. The Scheme is looking forward to establishing and maintaining links with other persons, bodies and organizations within or outside the county and beyond Kenya, as the board may consider appropriate for the

***NANDI COUNTY EDUCATION SCHEME***

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

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furtherance of its purposes for which the Board is established. The Scheme looks forward to continued support from the County Government of Nandi and well-wishers in the execution of its mandate.

**Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the County Government of Nandi, all the Stakeholders, Management, Staff and fellow committee members for the support and teamwork which made us achieve this great milestone.

I look forward to a fruitful end Financial Year 2023/2024.

Signed:  \_\_\_\_\_

**Mrs. Turphena Cheluget**  
**Chairperson: Nandi County Education Scheme**

**6. Report of The Fund Administrator**

It is my pleasure to present the Nandi County Executive Education Scheme financial statements for year ended 30<sup>th</sup> June, 2024. The financial statements reflect the financial performance of the scheme over the Last Financial Year 2023/2024.

The fund was established on 8<sup>th</sup> June, 2016 as an Act of the County Assembly of Nandi to provide for the establishment of the County Education Fund; to provide for the management, governance and administration of the Fund; and for the connected purposes.

**Financial Performance**

**a) Revenue**

During this current Financial Year 2023/2024 the Scheme was projecting a County transfer of KShs **150,000,000** which was the budgeted allocation for the Scheme.

**b) Bursary Disbursements**

During the current financial year 2023/2024, the funds were disbursed as bursaries to over 12,400 beneficiaries since the allocation was higher compared to Financial Year 2022/2023

**c) Cash flows**

The cash and cash equivalents as at 30<sup>th</sup> June, 2024

**d) Conclusion**

I take this opportunity to thank the County Education departmental leadership led by the CECM and Scheme Management Committee for their unwavering support throughout the period. I also thank the team of secretariat for their dedication and teamwork that saw Nandi County Education Scheme achieve its objectives for the quarter under review.

Signed: \_\_\_\_\_ 

**Skammel Tallam**  
**Administrator: Nandi County Education Scheme**

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

**Introduction**

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

The key development objectives of the Fund as per the strategic plan for 2023-2028 are to:

- a) To Improve access to Education by all residents of Nandi County by providing funds to grant bursaries;
- b) To Enhance equity in education for all residents of Nandi County;
- c) To Improve on literacy level within Nandi County; and
- d) To ensure that a specific portion of the County annual budget is devoted to the Education Fund for the purposes of this Act.

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Bursary Disbursement	To Improve access to Education by all residents of Nandi County by providing funds to grant bursaries;	Increased number of beneficiaries from the bursary fund.	Increase of Bursary Allocation and Number of beneficiaries.	Increased number of beneficiaries for the four categories.

**8. Statement of Corporate Governance**

## **1. Corporate Governance Statement**

During the Quarter Ending 30<sup>th</sup> June of financial year 2023/2024, the Board held Board meetings. In all the meetings held, the attendance was 100%. The committee is charged with the following specific roles:

- **Receive, deliberate and approve** applications for bursary education scheme;
- **Review the applications** for bursary and make the **awards** to the eligible and successful applicants for both full scholarship and partial beneficiaries.
- **Resolve disputes** arising from the award of bursary education scheme.
- **Ensure that fairness and equity** is adhered to in making the awards for bursary education scheme.
- **Perform such other duties** as are allocated to them by the County Executive Committee Member.

The committee is representative in that it has membership incorporating a wide range of stakeholders including the youth, persons living with disability, regions, gender and the Department of Finance and Education in the County.

### **Administration of the Scheme**

The Committee is responsible for the overall management of the Scheme including—

- funds acquisition;
- disbursement;
- records keeping;
- complaints receipt and dispute resolution; and
- Quarter and Annual reporting.

The County Executive Committee Member in charge of finance nominates an administrator to be responsible for administration of the Fund and He/she ensures that—

- payment of the amount allocated to each beneficiary is promptly made, upon receipt of a certified list of beneficiaries from the Executive Committee Member;
- all disbursements are made in good time;
- section 28 of the Act relating to application of disbursed funds is complied with;
- the minimum award rule under section 23 of the Amendment Act is complied with; and
- any other payment-related matter is dealt with in accordance with the Act.

The County Assembly Committee on Education formed in accordance with the County Assembly standing orders plays an oversight role in the management of the Scheme.

**Appointment of the chairperson.**

The chairperson of the Committee is competitively sourced by the County Public Service Board in accordance with the following procedure—

- (a) a notice inviting interested qualified members of the public to apply for the post of chairperson with the qualifications stated under Section 12 (3) of the Act shall be published;
  - (b) the applicants must be residents of the County;
  - (c) a shortlist of the qualified applicants are published inviting the shortlisted candidates for interviews; and
  - (d) the County Public Service Board then recommends three (3) suitably qualified candidates to the Executive Committee Member for consideration and appointment.
- (2) The Executive Committee Member appoints a qualified and experienced chairperson from among three (3) persons recommended by the County Public Service Board.

**Designation of the county education officer to the Committee.**

The Executive Committee Member designates a county education officer to form part of the membership of the Committee and such appointing power shall be discretionary, provided that the officer so appointed is not below the rank of a County Director of Education.

**Appointment of other committee members.**

A person representing each Sub-County is appointed to the Committee by the Executive Committee Member as outlined by Section 12 (1) (c) of the Act.

The respective umbrella bodies of the three (3) organized groups referred to under Section 12 (1) (d) identifies a person to be appointed as members of the Committee by the Executive Committee Member.

**Remuneration of the Committee.**

The Committee are paid a sitting allowance whenever they have a meeting.

The allowance rates are as per the guidelines set out by the Salaries and Remuneration Commission.

## **9. Management Discussion and Analysis**

Lack of school fees among many students coupled with low prioritization in budgetary allocation is a critical issue on access to higher education in Nandi County. Evidence of abject poverty is prevalent and many individuals in the community are unable to pay for basic needs. Indicators show an upsurge in drop-outs, irregular attendance and even absenteeism. Poverty indicators show the County standing at 40 per cent (i.e. the proportion of the population living below poverty line) compared to the national index of 45.2 as of 2009. Aware that education is an inalienable right, the County Government created an Education Fund through the NACES Act of 2024 to enable it to mobilize and utilize resources in an effective and efficient manner to help mitigate the impact of misery and agony on vulnerable groups unable to pay for their education. Thus, it is hoped that, with increased funding and properly managed disbursement, the initiative will go a long way into alleviating the loss of attainment and completion of an education program.

The committee recommends that:

- i) Advocate disbursement of Bursary using Sub-locations instead of Wards as before, for the Act stipulate that funds be disbursed equitably and not equally as its been followed. This will cushion those extra-large wards such as Songhor-Soba and Kilibwoni.
- ii) Advocate for a more rational sizes of wards to avoid extremes in future.
- iii) Increase funding by reaching out to a wider field of financial sources. This can be achieved through establishing and maintaining links with other persons, bodies and organizations within or outside the Nandi County.
- iv) Set a fund for public mobilization and community participation in order to create awareness and change of attitude towards vocational training.
- v) Compile, on continuous basis, data on children and students living with disability from the County to enable a more informed management of bursary.
- vi) County administrative structure should be existent down to the village to avoid over-reliance on National Government.
- vii) County Assembly members support should be sought after especially in mobilizing communities to educate the public and minimize conflicts.
- viii) Empower Committee members and Ward administrators to be able to make follow-up and to ensure assisted students are indeed in school and to be able to check on their performance. This will ensure county monies are used meaningfully.

The Community is at all time involved in identifying the beneficiaries through public participation. The fund is continuously in compliance with all the statutory and regulatory guidelines in all material respects and the Committee is optimistic of future existence of the fund.

**10. Environmental and Sustainability Reporting**

## **2. Environmental and Sustainability Reporting**

Nandi County Education Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: To Improve access to Education by all residents of Nandi County by providing funds to grant bursaries, To Enhance equity in education for all residents of Nandi County, To Improve on literacy level within Nandi County and To ensure that a specific portion of the County annual budget is devoted to the Education Fund for the purposes of this Act.

### **1. Sustainability strategy and profile -**

According to Sustainable Development Goals (SDG), there is need for holistic and lifelong approach in dealing with all levels of education from pre-school to higher levels of Education. This is the reason why the Nandi County Education Fund (NACEF) is always at the forefront in ensuring increased access and equity to Post-secondary education by providing financial facilitation through bursary to Nandi county residents enrolled in Secondary schools and institutions of Higher learning.

### **2. Environmental performance**

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

### **3. Employee welfare**

To enable Nandi County Government achieve Vision 2030, there is need to have the right skills and this is the reason why the county government continues to lay more emphasis on Technical and Vocational training (TVET) to enhance skills development for National and County human resource availability, job creation by preparing young entrepreneurs as well as ensuring that the middle level economy is sustained

### **4. Market place practices-**

To ensure responsible competition practices, the County Government of Nandi has undertaken vigorous training at various sub counties on emerging issues of competition both touching on county staff and the public.

The Government has ensured that fair competition environment exist for all the residents living in Nandi by eliminating all unethical or illegal business practices.

To maintain ethical marketing, the County Government of Nandi has embarked on ensuring that products of various companies operating within the county are not only benefiting consumers but also socially responsible and environmentally suitable.

**5. Corporate Social Responsibility / Community Engagements**

The Community is at all time involved in identifying the beneficiaries through public participation. The fund is continuously in compliance with all the statutory and regulatory guidelines in all material respects and the Committee is optimistic of future existence of the fund

### **3. Report of The Trustees**

The Trustees submit their report together with the audited financial statements for Financial year 2023/2024 which show the state of the Fund affairs.

#### **Principal activities**

The principal activities of the Fund are:

- 1) To Improve access to Education by all residents of Nandi County by providing funds to grant bursaries;
- 2) To Enhance equity in education for all residents of Nandi County;
- 3) To Improve on literacy level within Nandi County; and
- 4) To ensure that a specific portion of the County annual budget is devoted to the Education Fund.

#### **Results**

The results of the Fund for the quarter ended 30<sup>Th</sup> June, 2024 are set out on page 1 to 38

#### **Trustees**

The members of the Board of Trustees who served during the quarter are shown on page III to XV.

#### **Auditors**

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and section 35 the Public Audit Act, 2015.

By Order of the Nandi County Education Fund Committee,



**Mrs. Turphena Cheluget**  
**Chairperson of the Scheme Administration Committee**

**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 Nandi County Education Scheme is responsible for the preparation and presentation of the Scheme’s financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the financial year ended on June 30<sup>th</sup>, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Nandi County Education Scheme 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 Nandi County Education Scheme Act. 2024. 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<sup>th</sup>, 2024, 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 Nandi County Education Scheme 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 Scheme’s financial statements were approved by the Trustee/Committee on 30<sup>th</sup> September, 2024 and signed on its behalf by:

.....  .....

**Administrator of the Nandi County Education Scheme**

# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON NANDI COUNTY EDUCATION FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Nandi County Education Fund set out on pages 29 to 54, which comprise the statement of financial position as at

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*Report of the Auditor-General on Nandi County Education Fund for the year ended 30 June, 2024*

30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the 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 Nandi County Education Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Nandi County Education Scheme Act, 2024 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Presentation and Disclosure of the Financial Statements**

The financial statements presented for audit was not page numbered according to the requirements of the Public Sector Accounting Standards Board whereby the page where the financial statements starts with page 29 instead of page 1.

In the circumstance, the financial statements do not comply with the Public Sector Accounting Standards Board guidelines.

#### **2. Unsupported Use of Goods and Services**

The statement of financial performance reflects use of goods and services amount of Kshs.5,153,352 as disclosed in Note 12 to the financial statements. However, the amount was not supported by ledgers and other verifiable documents.

In the circumstances, the accuracy of use of goods and services expenditure of Kshs.5,153,352 could not be confirmed.

#### **3. Unsupported Committee Sitting Allowances**

The statement of financial performance reflects use of goods and services mount of Kshs.5,153,352 which included committee expenses amount of Kshs.4,243,000 as disclosed in Note 12 to the financial statements. The expenses related to allowances paid to committee members while attending meetings, and monitoring and evaluation exercises. However, allowances were not supported with invitation letters, meeting schedules, attendance register and signed minutes of the meeting held.

In the circumstances, the accuracy of the sitting allowances and other related expenditures amounting to Kshs.4,243,000 could not be confirmed.

#### **4. Misstatement of Bank Charges Amount**

Note 12 of the financial statements disclosed bank charges amount of Kshs.471,062. However, the respective schedules disclosed bank charges of Kshs.474,428 resulting to a variance of Kshs.3,365 that has not been reconciled and explained. Further, no supporting document was provided to support the bank charges amount of Kshs.471,062 as disclosed in Note 12 in the financial statements.

In the circumstance, the accuracy of the bank charges in the financial statements could not be confirmed.

#### **5. Unconfirmed Bursary Disbursements**

The statement of financial performance reflects bursary transfers of Kshs.126,452,051 as disclosed in Note 10 to the financial statement. The expenditure related to bursary disbursements to students in Universities, TVETS and Colleges, Secondary schools and Special Needs Institutions. However, disbursements of Kshs.114,132,102 sent to multiple Institutions were not supported by acknowledgment receipts from the receiving Institutions. In addition, it was observed that the Fund issues cheques to individual beneficiary students instead of making lump-sum transfers to the beneficiary institutions thereby increasing administrative costs and the risk of funds not being used for the intended purposes.

In the circumstances, the accuracy and completeness of bursary disbursements of Kshs.114,132,102 could not be confirmed.

#### **6. Misstatements in Cash Books**

During the year under review, the Fund management prepared. However, the Fund did not provide the petty cash book and board of survey certificates for confirmation of bank balance. In addition, an analysis revealed that the management spent Kshs.4,243,000 on administration cost while excel cash book had a balance of Kshs.3,645,790 leading to a variance of Kshs.597,210.

In the circumstances, the accuracy of cash books could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nandi County Education Scheme 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 budget and actual on a comparable basis of Kshs.150,000,000 and Kshs.142,500,000 respectively

resulting to an underfunding of Kshs.7,500,000 or 5% of the budget. Similarly, the Fund spent Kshs.132,342,646 against actual receipts of Kshs.142,500,000 resulting to an under-utilization of Kshs.10,157,354 or 7% of the actual receipts. However, the approved budget was not provided for audit.

Further, a reconciliation was not provided to explain the difference of Kshs.439,290 between the total expenditure actual on comparable amount of Kshs.132,342,646 recorded in the statement of comparison of budget and actual and the total expenses amount of Kshs.132,781,936 recorded in the statement of financial performance.

The under-absorption affected the planned activities and may have impacted negatively to the public.

My opinion is however not qualified 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 matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues nor given any explanation for failure to implement the recommendations. Further, the issues remain unresolved contrary to Section 149 (2) (I) of the Public Finance Management Act, 2012 which require accounting officers designated for county government entities to try and resolve any issues resulting from an audit that remain outstanding.

#### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Failure to Deduct Income Tax from Sitting Allowance**

The statement of financial performance reflects use of goods and services amount of Kshs.5,153,352 which includes committee expenses of Kshs.4,243,000 as disclosed in Note 12 to the financial statements. However, the payment was made without effecting income tax deductions as required by section 3(2) and 37 of the Income Tax Act, Cap 470 which provides that an employer paying emoluments to an employee should deduct therefrom and account for tax thereon, before the 10th day following the end of the month. The applicable tax at the rate of 30% amounts to Kshs.1,404,687 hence, the contravention of the tax may attract penalties in accordance with sections 72D and 94 of the Act.

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

### **2. Excessive Expenditure on Administrative Expenses**

The statement of financial performance reflects Kshs.5,153,352 in respect of use of goods and services as disclosed in Note 12 to the financial statements. However, included in the expenditure are committee allowance of Kshs.4,243,000 and printing and stationary of Kshs.439,290 totaling to Kshs.4,682,290 which is approximately 3.1% of the approved budget of Kshs.150,000,000 for the year under review. This was contrary to the provisions of section 197(1)(d) of the Public Finance Management-County Government Regulations, 2015 which limits administrative expenses to 3% of the approved budget. The management of the Fund has not provided explanations on why they incurred expenses in excess of 3% of the budget.

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

### **3. Failure to Publish List of Beneficiaries**

The statement of financial performance and as disclosed in Note 10 and Note 11 to the financial statements reflects expenditure of Kshs.126,452,051 in respect of Bursary transfers and Kshs.1,176,533 in respect of scholarship grants respectively. However, the management of the Fund did not publish the list of successful beneficiaries on the county website as required by Section 29(1) (e) of the Nandi County Education Fund Act, 2016, Amended 2023.

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

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

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE



## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Weakness of Information Technology Internal Control Environment**

A review of the Information Technology Internal Controls revealed that Management had not developed an Approved Emergency Procedure, IT continuity and disaster recovery plan which would be resorted to in case of disruption of service. Besides, the management of the County fund did not have an approved IT strategic committee, IT strategic plan, IT Steering Committee, and IT Security Policy which are important in performing the oversight function and formulation of policies to ensure that the IT investments and functions are directed towards achievement of the mandate of the County scheme. A review of the processes revealed that the Fund had integrated an Information Technology system to manage her financial processes. However, the management did not have ownership rights and obligations to the IT system.

In the circumstances, the reliability and effectiveness of the Information Technology internal controls could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**31 December, 2024**

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**13. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6	142,500,000	90,000,000
Public Contributions and Donations	7	-	35,137,867
		<b>142,500,000</b>	<b>125,137,867</b>
<b>Revenue From Exchange Transactions</b>			
Finance Income	8		
Other income	9		
<b>Total Revenue</b>		<b>142,500,000</b>	<b>125,137,867</b>
<b>Expenses</b>			
Bursary transfers	10	126,452,051	117,908,211
Scholarship grants	11	<b>1,176,533</b>	-
Use of Goods and Services	12	<b>5,153,352</b>	<b>2,877,133</b>
<b>Total Expenses</b>		<b>132,781,936</b>	<b>120,785,344</b>
<b>Surplus/(Deficit) for the Period</b>		<b>9,718,064</b>	<b>4,352,523</b>



.....  
**Name: Skammel Jerono Tallam**  
**Administrator**



.....  
**Name: Kevin Kipkoech**  
**Fund Accountant**  
**ICPAK Member Number:23469**

**NANDI COUNTY EDUCATION SCHEME**  
**Annual Report and Financial Statements for the Year Ended June 30, 2024**

**14. Statement of Financial Position as at 30 June 2024**

	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	18,114,012	8,395,948
Non-exchange receivables	14	-	
Exchange Receivables	15	-	
<b>Total current assets</b>		<b>18,114,012</b>	<b>8,395,948</b>
<b>Total Assets (A)</b>		<b>18,114,012</b>	<b>8,395,948</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	-	-
<b>Total current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Asset (A-B)</b>		<b>18,114,012</b>	<b>8,395,948</b>
<b>Represented By:</b>			
Accumulated Surplus		18,114,012	8,395,948
<b>Net Assets</b>		<b>18,114,012</b>	<b>8,395,948</b>

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 27<sup>th</sup> Sept. 2024 and signed by:



.....  
**Name: Skammel Jerono**  
**Fund Administrator**



.....  
**Name: Kevin Kipkoech**  
**Fund Accountant**  
**ICPAK Member Number: 23469**

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

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**15. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

<b>Description</b>		
<b>Balance as at 1 July 2022 (Previous FY)</b>	<b>4,043,425</b>	<b>4,043,425</b>
Surplus/(Deficit) For the Year	4,352,523	<b>4,352,523</b>
<b>Balance As At 30 June 2023 (Previous FY)</b>	<b>8,395,948</b>	<b>8,395,948</b>
<b>Balance As At 1 July 2023 (Current FY)</b>	<b>8,395,948</b>	<b>8,395,948</b>
Surplus/(Deficit) For the Year	9,718,064	<b>9,718,064</b>
<b>Balance As At 30 June 2024 (Current FY)</b>	<b>18,114,012</b>	<b>18,114,012</b>

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the Year Ended June 30, 2024**

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government		142,500,000	90,000,000
Public Contributions and Donations		-	35,137,867
Finance Income			
Other receipts			
<b>Total receipts</b>		<b>142,500,000</b>	<b>125,137,867</b>
<b>Payments</b>			
Bursary Transfers		(126,452,051)	(117,908,211)
Scholarship grants		(1,176,533)	-
Use of goods and Services		(5,153,352)	(2,877,133)
<b>Net cash flows from operating activities</b>	17	<b>9,718,064</b>	<b>4,352,523</b>
<b>Cash flows from investing activities</b>			
		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>9,718,064</b>	<b>4,352,523</b>
Cash and cash equivalents at 1 July	13	8,395,948	4,043,425
<b>Cash and cash equivalents at 30 June 2024</b>	13	<b>18,114,012</b>	<b>8,395,948</b>

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

**NANDI COUNTY EDUCATION SCHEME**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**17. Statement of Comparison of Budget & Actual Amounts for Year Ended 30<sup>th</sup> June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers From the County Government	150,000,000	-	150,000,000	142,500,000	7,500,000	95
Public Contributions and Donations	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total Income</b>	<b>150,000,000</b>	<b>-</b>	<b>150,000,000</b>	<b>142,500,000</b>	<b>7,500,000</b>	<b>95</b>
<b>Expenses</b>						
Bursary Transfers	143,852,405	-	143,852,405	126,452,051	17,400,354	88
Scholarship grants	1,176,533	-	1,176,533	1,176,533	-	100
Bank Charges	471,062	-	471,062	471,062	-	100
Use of goods & Services	4,500,000	-	4,500,000	4,243,000	257,000	94
<b>Total Expenditure</b>	<b>150,000,000</b>	<b>-</b>	<b>150,000,000</b>	<b>132,342,646</b>	<b>17,657,354</b>	<b>88</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,157,354</b>	<b>-10,157,354</b>	<b>-</b>

**18. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Nandi County Education Scheme entity is established by and derives its authority and accountability from Nandi County Education Scheme Act, 2024. The entity is wholly owned by the Nandi County Government and is domiciled in Kenya. The entity’s principal activity is improving access to Education by all residents of Nandi County by providing Educational Funds.

**2. Statement of compliance and basis of preparation**

Nandi County Education Scheme’s financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Bursary Fund/Scheme. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis of accounting. The statement of cash flows is prepared using the direct method.

**3. Adoption of new and revised standards**

**(i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.***

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43 Leases	<i>Applicable 1<sup>st</sup> 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.

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> 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; Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i> 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</p>

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

***(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.*

*(state the standards, reason for early adopt, and impact on the on entity's financial statements.)*

**1. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Revenue transfers**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the County Assembly 29<sup>th</sup> June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 29 of these financial statements.

**c) Financial instruments**

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

**(i) Financial assets**

**Classification of financial assets**

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

**(ii) Subsequent measurement**

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

**(iii) Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is

recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**(iv) Fair value through net assets/ equity**

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

**(v) Fair value through surplus or deficit**

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

**(vi) Trade and other receivables**

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

**(vii) Impairment**

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

**Financial liabilities**

**Classification**

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

**d) Provisions**

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

**e) Contingent liabilities**

xxx Bursary Fund/Scheme 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 xxx 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 xxx 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 Nandi County Education Scheme 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 xxx Bursary Fund/Scheme 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 xxx Bursary Fund/Scheme, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Fund/Scheme administrator and senior managers.

**k) Cash and cash equivalents**

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

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

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

**a) Estimates and assumptions –**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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

**6. Transfers from the County Government**

Description	2022/2023	
	2023/2024	2022/2023
Transfers from County Treasury	142,500,000	90,000,000
Others	-	-
<b>Total</b>	<b>142,500,000</b>	<b>90,000,000</b>

*(Provide a brief explanation for this revenue)*

**7. Public Contributions and Donations**

Description	2023/2024	2022/2023
	Kshs	Kshs
Donations From Development Partners	-	-
Contributions from public	-	35,137,867
Others	-	-
<b>Total</b>	<b>-</b>	<b>35,137,867</b>

*(Provide a brief explanation for this revenue)*

**8. Finance income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others <i>(Specify)</i>	-	-
<b>Total finance income</b>	<b>-</b>	<b>-</b>

*(Provide a brief explanation for this revenue)*

**9. Other income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Cheque write backs	-	-
Others <i>(Specify)</i>	-	-
<b>Total Other Income</b>	<b>-</b>	<b>-</b>

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

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**10. Bursary Transfers**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Universities	19,144,287	35,372,463
TVETs and Colleges	31,907,149	35,372,463
Secondary schools	62,637,757	35,372,463
Special Needs (PWDs)	12,762,858	11,790,821
<b>Total</b>	<b>126,452,051</b>	<b>117,908,211</b>

**11. Scholarship grants**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	1,176,533	-
Special Needs (PWDs)	-	-
<b>Total</b>	<b>1,176,533</b>	<b>-</b>

**12. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Committee Allowance	4,243,000	2,625,500
Bank Charges	471,062	251,633
Audit Fees	-	-
Printing and Stationary	439,290	-
<b>Total</b>	<b>5,153,352</b>	<b>2,877,133</b>

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**13. Cash and cash equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account	18,114,012	8,395,948
Others ( <i>Specify</i> )		
<b>Total Cash and Cash Equivalents</b>	<b>18,114,012</b>	<b>8,395,948</b>

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank		-	-
Equity Bank	0490268594510	18,114,012	8,395,948
<b>Sub- Total</b>		<b>18,114,012</b>	<b>8,395,948</b>
<b>b) Others (Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>18,114,012</b>	<b>8,395,948</b>

**14. Non-Exchange Receivables**

Description	2023/2024	2022/2023
	Kshs	Kshs
Revenue receivable	-	-
Others ( <i>Specify</i> )	-	-
<b>Total non-exchange receivables</b>	<b>-</b>	<b>-</b>

**15. Exchange Receivables**

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest receivable	-	-
Others ( <i>Specify</i> )	-	-
<b>Total exchange receivables</b>	<b>-</b>	<b>-</b>

16. Trade and other payables

Description	2023/2024		2022/2023	
	KShs.		KShs.	
Trade Payables	-		-	
Other Payables ( <i>specify</i> )	-		-	
<b>Total Trade and Other Payables</b>	-		-	
<b>Ageing analysis (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

17. Cash generated from operations.

Description	2023/2024		2022/2023	
	KShs.		KShs.	
<b>Surplus/ (Deficit) For the Year</b>	-		-	
<b>Adjusted For:</b>				
<b>Working Capital Adjustments</b>				
Increase In Receivables	-		-	
Increase In Payables	-		-	
<b>Net Cash Flow from Operating Activities</b>	-		-	

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

**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	2023/2024	2022/2023
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

Description	2023/2024	2022/2023
	Kshs	Kshs
Board of Trustees	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From County Government	-	-
<b>Total</b>	-	-

**Other Disclosures Continued**

**e) Due to related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
<b>Total</b>	-	-

**19. Contingent assets and contingent liabilities**

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

*(Give details)*

**20. Financial risk management**

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

**a) Credit risk**

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024 (Current Year)</b>				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June 2023 (Previous Year)</b>				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

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

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

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

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

**b) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024 (Current FY)</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30 June 2023 (Previous FY)</b>				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**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
<b>At 30 June (Current FY)</b>			
Cash	-	-	-
Debtors/ Receivables	-	-	-
<b>Liabilities</b>			
Trade And Other Payables	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

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

**Foreign currency sensitivity analysis**

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

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

**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.

*Management of interest rate risk*

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favorable 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	2023/2024	2022/2023
	Kshs	Kshs
Accumulated surplus	-	-
<b>Total funds</b>	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p><b>Budget Control and Performance.</b> The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparative basis of Kshs 125,137,867 and Kshs 125,105,141 respectively resulting to approximately 100% realization of receipts. Similarly, the fund spent Kshs 120,785,344 against a budget of Kshs 125,137,867 resulting to under absorption of Kshs 4,352,523 of the budget. However, the approved budget was not provided</p>	<p>The under absorption Kshs 4,352,523 was mainly occasioned by the delay of the last disbursement of funds from the National treasury. From the Bank statements provided, it is clearly evident that the last amounts of Kshs 10,000,000 was received on the last day of the Financial year(30th June, 2023). The beneficiaries for those funds were already identified awaiting the exchequer releases for onward payments.</p> <p>The budget for the was of Kshs 125,137,867 for the year under review was duly approved and herewith, attached are the certified approval minutes</p>	Resolved	

*Nandi County Education Scheme*

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	for audit.			
2.	<p><b>Non-disclosure of Cash and Cash Equivalents.</b> The statement of financial position reflects cash and cash equivalents balance of Kshs 8,395,948 held at a commercial bank account as disclosed in Note 12 to the financial statements. However, another bank account with a cash book balance of Kshs 3,130 as at 30th June, 2023 has not been disclosed.</p>	<p>The bank account with cash book balance of Kshs 3,130 is from an overseas Education Fund account which was an independent and was solely created to facilitate the overseas Education program. However, the program was discontinued and the account was permanently closed down via a letter of CECM-Finance and Economic Planning who in this case is an authorized person, dated 29th June, 2023. There was a corresponding letter towards this effect from the Bank Branch Manager confirming the official closure of the account as per the request. In the circumstances the closing balances of Kshs 3,130 in the account was forfeited as there was no other legitimate obligation and expenditure under the same fund account.</p>	Resolved	Resolved during the Audit process and immediately after the Audit.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		was no other legitimate obligation and expenditure under the same fund account.		



**Tallam Skammel**

Fund Administrator/Accounting Officer

**Date:** 30<sup>th</sup> September, 2024

*Nandi County Education Scheme*  
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**Annex II: Inter-Entity Confirmation Letter**

Name of transferring entity: Nandi County Treasury



Name of beneficiary entity: Nandi County Education Scheme

<b>Confirmation of amounts received by Nandi County Education Scheme as at 30<sup>th</sup> June 2024</b>						
Reference Number	Date Disbursed	Amounts Disbursed by Nandi County Treasury Department] (Kshs) as at 30 <sup>th</sup> June 2024			Amount Received by Nandi County Education Scheme (Kshs) as at 30 <sup>th</sup> June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
	13 <sup>th</sup> Sept. 2023	500,000	-	500,000	500,000	-
	18 <sup>th</sup> Sept. 2023	2,000,000	-	2,000,000	2,000,000	-
	5 <sup>th</sup> Dec. 2023	9,000,000	-	9,000,000	9,000,000	-
	25 <sup>th</sup> Jan. 2024	60,000,000	-	60,000,000	60,000,000	-
	25 <sup>th</sup> Jan. 2024	21,000,000	-	21,000,000	21,000,000	-
	25 <sup>th</sup> Jan. 2024	30,000,000	-	30,000,000	30,000,000	-
	7 <sup>th</sup> May, 2024	11,000,000	-	11,000,000	11,000,000	-
	30 <sup>th</sup> June, 2024	9,000,000	-	9,000,000	9,000,000	-
<b>Total</b>		<b><u>142,500,000</u></b>		<b><u>142,500,000</u></b>	<b>142,500,000</b>	
I confirm that the amounts shown above are correct as of the dates indicated.						

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<p>Name: Hellen Kemboi Sign .....  ..... Date ..... 20/9/2024 .....</p> <p>Head of Accounts Department - Beneficiary Entity:</p> <p>Name : Tallam Skammel Sign .....  ..... Date ..... 30/09/24 .....</p>
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