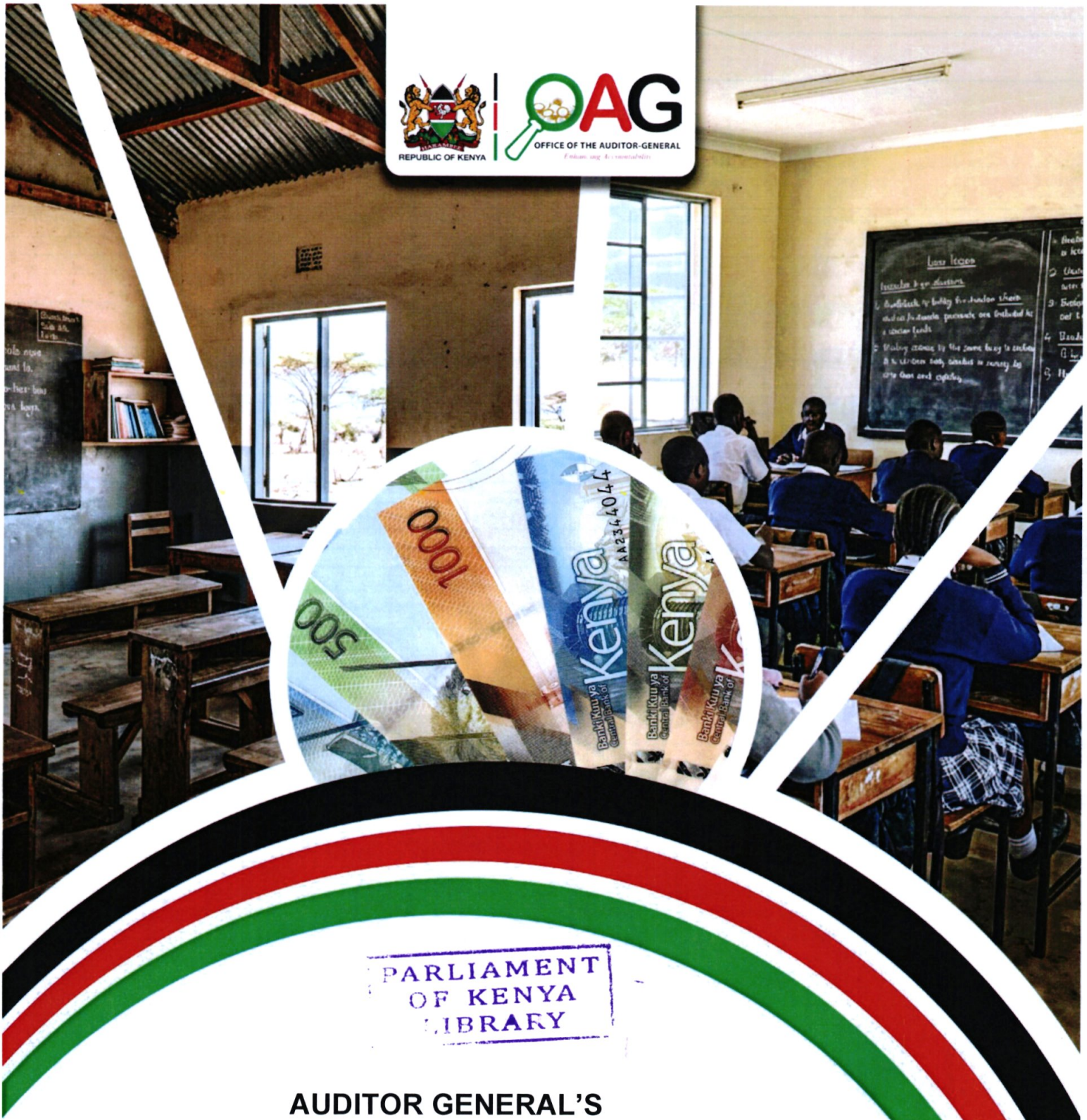


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AUDITOR GENERAL'S
PERFORMANCE AUDIT REPORT ON
PROVISION OF BURSARIES AND SCHOLARSHIPS
BY THE COUNTY GOVERNMENT OF MAKUENI
SEPTEMBER 2026

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FOREWORD

I am pleased to present this performance audit report on the Provision of Bursaries and Scholarships to Needy Learners by the County Government of Makueni. My Office carried out the audit under the mandate conferred to me by Article 229(6) of the Constitution of Kenya, 2010, to confirm whether or not public money has been applied lawfully and in an effective way. In addition, Section 36 of the Public Audit Act, Cap.412B requires the Auditor-General to examine the economy, efficiency and effectiveness with which public money has been expended.

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

The Report is submitted to County Assembly of Makueni in accordance with Article 229(7) of the Constitution of Kenya, 2010 and Section 39(1) of the Public Audit Act, Cap.412B. I have also submitted copies of the Report to the Chief of Staff and Head of Public Service, Principal Secretary, The National Treasury, Principal Secretary, State Department for Devolution, Clerk of the Senate, Governor, County Government of Makueni and the Chairperson, Council of Governors.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

11 September, 2026

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LIST OF ABBREVIATIONS

Abbreviation	Full Term
ISSAI	International Standards of Supreme Audit Institutions
PWDs	Persons with Disabilities

GLOSSARY OF TERMS

Term	Definition
Administrative Expenditure	Costs incurred in the management and operation of the County Government of Makueni Fund, excluding amounts awarded directly to beneficiaries.
Bursary	Non-repayable financial assistance provided to needy learners to support education costs, including tuition and related expenses.
Bursary Beneficiary	A learner who has been approved and awarded bursary support under the County Government of Makueni Fund.
Bursary Fund	A public fund established by the County Government of Makueni to support needy learners through bursaries.
County Bursaries Committee	A Committee responsible for policy formulation, setting eligibility criteria, approval of bursary awards, oversight, and handling appeals.
Disbursement	The process of releasing bursary funds from the County Government to learning institutions or beneficiaries.
Exchequer Release	Transfer of funds from the National Treasury to the County Government to finance approved expenditures.
Fee Balance	Outstanding amount payable by a learner to a learning institution at the time of bursary application.
Monitoring	Activities undertaken to track bursary awards, verify beneficiary status, confirm receipt of funds by learning institutions, and assess academic progress of beneficiaries.
Needy Learner	A learner from a financially disadvantaged background who requires bursary and scholarships support to access or continue education.
Persons with Disabilities (PWD)	A learner with a physical, sensory, mental, or other impairment requiring additional support to access education.
Scholarships	Non-repayable financial assistance awarded to learners based on financial need, academic merit, talent, or other notable achievements.

Ward Bursary Committee	A Committee responsible for receiving, vetting, recommending bursary and scholarships applicants, and monitoring beneficiaries at ward level.

EXECUTIVE SUMMARY

Background to the Audit

1. Bursaries and scholarships are forms of non-repayable financial aid that support students from financially disadvantaged backgrounds to meet the cost of education. The County Government of Makueni provides bursaries and scholarship to students from low-income families, who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses.

2. The County Government of Makueni established a County Bursary Fund to assist learners from needy groups such as: orphans, those from poor families, and those with special needs, to pursue education at recognized institutions. The County cumulatively spent Kshs.402.77 million on bursaries and scholarships and supported approximately 38,083 bursary beneficiaries and 485 scholarship beneficiaries during the period 2021/2022 to 2024/2025.

3. The audit was motivated by the following factors:

   i. Concerns raised by Members of Parliament: In September 2024, the National Assembly deliberated on the need to have the various bursary and scholarship funds consolidated to address gaps in the current education financing framework. The proposed consolidation would enhance efficiency in the administration of bursaries and scholarships, promote a more equitable distribution of resources, and expand access to financial support for deserving and vulnerable learners.

   ii. Inefficiencies in administration of bursaries and scholarship: During the planning phase, the audit team identified performance issues including; late disbursement of bursary and scholarship funds; lack of coordination amongst the various bursary and scholarship providers; inadequacies in verification of applicants; and a lack of regular monitoring and evaluation.

   iii. Linkage to Sustainable Development Goal: Provision of bursaries and scholarships is linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of

education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities by 2030.

Objective and Scope of the Audit

4. The audit assessed the extent to which the County Government of Makueni has ensured access to bursaries and scholarships by needy learners. This included assessing the adequacy in allocation of bursary funds to applicants and the timeliness in disbursement of bursaries and scholarships to needy learners. The audit covered the financial years 2021/2022 to 2024/2025.

5. The audit team randomly sampled five (5) out of thirty (30) ward bursary committees. The wards sampled were Wote/Nziu, Tulimani, Kathonzweni, Kiima Kiu/Kalonzoni and Mbooni wards. Additionally, eleven (11) learning institutions were sampled based on the number of beneficiaries of bursary and scholarships in the learning institutions. Further, two hundred and two (202) sampled bursary and scholarship application forms submitted during the period under review were randomly selected for review.

Summary of Audit Findings

Functional Mechanisms for Identification of Needy and Vulnerable Learners

The audit established that the County Government of Makueni had put in place proper structures for identification of beneficiaries which include;

6. **Enhanced awareness creation and availability of application forms** - that there was collaboration with National Government Administrators, village administrators and religious leaders in creating awareness on availability of application forms, and application requirements. Bursary Committees circulated posters over social media to ensure a wide reach to eligible applicants. In addition, the County ensured availability of application forms through the village administrators, as well as access to online applications for learners in the tertiary level of education.

7. **Decentralized Vetting of Beneficiaries to the Village Level** - The County had set up Ward and Sub-Ward committees to conduct vetting. Beneficiary identification began at the sub-ward level, where committee members, drawn from the local

villages, used their knowledge of community households to identify needy and vulnerable learners. The Committees maintained records of applicants and beneficiaries with reasons for rejection well indicated on the vetted application forms.

8. **Proper Management of Beneficiary Data** - The County Bursary Committee centrally maintained records of bursary application forms, signed vetting minutes and beneficiary details. The ward administrators submitted required reports on bursary administration at the end of every bursary issuance period. The availability of the records ensured verifiability of the bursary issuance process, enhancing accountability for the funds invested.

9. **Availability of mechanisms to ensure inclusion of learners with disabilities** – The County had set a requirement for all the wards to reserve and award at least 10% of the bursary allocations to learners with disabilities. The audit noted the use of inclusive language during bursary and scholarship advertisement, and use of flyers to encourage persons living with disability to apply. This enhanced their inclusion and ensured that resources reached the vulnerable group that would otherwise have been overlooked, thereby improving their access to education.

10. Despite the above successes, the audit noted administrative weaknesses, as discussed below;

Bursary Awards were not Based on Financial Vulnerability of Applicants

11. The audit noted that bursary awards were largely determined by institutional level rather than individual needs. Ultimately, the awards did not fully address differences in need among applicants. Learners facing greater vulnerability received no additional support, and uniform award amounts did not consider differences in institutional costs. All learners from similar level of learning institutions were awarded uniform amounts despite their varying levels of financial need. As a result, there was inequitable distribution of funds which reduced the effectiveness of bursaries as the available amounts were spread thinly.

High Administrative Expenses

12. The County Bursary Committee ensured that the administrative costs remained within the 3% threshold in financial years 2022/2023 to 2024/2025. However, in the financial year 2021/2022, the Fund incurred administrative expenses of Kshs.5,705,200 representing 9.5% of the approved budget of Kshs.60,036,187. Subsequently, the resources available for bursaries and scholarships was reduced, depriving potential beneficiaries the needed financial support.

Delayed Exchequer Releases

13. The County experienced delays in the disbursement of funds, which in turn led to late release of bursary and scholarship payments to learning institutions. In the Financial Year 2022/2023, exchequer funds were received on 27 February, 2023 and disbursed to learning institutions on 1 March, 2023. In addition, significant delays were noted in Financial Year 2024/2025, where the County requested funds from the Exchequer on 28 January, 2025 but did not receive the funds until 11 July, 2025, after the closure of the Financial Year. Disbursement to learning institutions was subsequently made on 13 July, 2025, representing a delay of approximately six (6) months.

Inefficiencies in the Cheque Mode of Disbursement

14. **Unpresented and stale Cheques** – There were cases of unpresented cheques for Financial Year 2023/2024 valued at Kshs.31,862,234 that had remained unpresented between one (1) and six (6) months, and stale cheques amounting to Kshs.18,000.

15. **Unpaid Cheques** - During the period under review, the County reported unpaid cheques amounting to Kshs.1,705,775 which attracted commission amount of Kshs.256,280. The charges arose when cheques issued to beneficiary institutions were returned unpaid due to cheques errors.

16. The funds that were not remitted to learning institutions as a result of unpresented, stale and unpaid cheques could have otherwise been directed towards supporting additional beneficiaries. Based on the annual tuition fees approved by the State Department for Basic Education, the total value of unpresented, stale and uncleared cheques amounting to Kshs.33,586,009 could have financed education for 627

learners in National schools or 829 learners in County schools, or 1,510 learners in day secondary school for one (1) academic year. Further, until the affected cheques are reissued and successfully cleared, the intended beneficiaries remained at risk of having outstanding school fee balances, disrupting their learning and undermining the objective of the bursary and scholarship programme.

Minimal Acknowledgment of Receipt of Bursary Funds by Learning Institutions

17. The audit noted that in the Financial Years 2022/2023 and 2023/2024, only 0.5% and 4.1% respectively of the total funds disbursed for bursary and scholarship were acknowledged by the learning institutions. As a result, there was limited assurance that the funds reached the intended beneficiaries.

Disbursement of Bursaries and Scholarships to Learners in National Government Institutions

18. The Fourth Schedule of the Constitution of Kenya on distribution of functions between the National Government and the County Governments gives the counties the powers and functions for pre-primary education, village polytechnics, homecraft centres and childcare facilities. The audit noted that the County had not entered into Intergovernmental Partnership Agreement to meet the required procedural and legal standards to provide educational support to learners in secondary schools, which are primarily managed under the National Government function. Despite this gap, the County provided bursary to learners in secondary schools.

19. The highest allocation was to learners in secondary schools and universities between financial years 2021/2022 to 2024/2025, whereas learners in vocational institutions under the County Government were awarded amounts representing 25%, 32%, 24% and 22% respectively of the total disbursements over the same period. As a result, the County did not prioritize the needs of learners in institutions that fell under the devolved functions like pre-primary education, village polytechnics, homecraft centers and childcare facilities.

Conclusion

20. The County Government of Makueni enhanced access to bursaries and scholarships to needy and vulnerable learners by enabling electronic applications, collaboration with village elders, religious leaders and National Government Administrative Officers at village level. The County also maintained complete and disaggregated beneficiary records that facilitated monitoring, and ensured prioritization of learners with disabilities.

21. However, the County Government of Makueni did not ensure adequate allocation of bursaries and scholarships to needy and vulnerable learners as funds were awarded thinly and uniformly across the applicants without consideration to verified financial need or vulnerability status. In addition, weak controls over the administrative expenditure undermined available funds for bursaries and scholarships. Further, the County did not establish information sharing amongst the different wards and collaboration with other public bursary providers to ensure fair and equitable allocations to needy learners.

22. The County Government of Makueni did not ensure timely disbursement of bursary and scholarship funds to the learning institutions due to exchequer delays and inefficiencies associated with the use of cheques as the preferred mode of payments. Also, the County did not put in place mechanisms to ensure that the disbursed funds were acknowledged in a timely manner by learning institutions. In addition, delay in execution of an Intergovernmental Partnership Agreement between the County Government and the National Government undermined accountability and reduced the efficiency of the bursary and scholarship programme.

Recommendations

23. Based on the audit findings and conclusion, the following recommendations are proposed to the County Government of Makueni in order to improve the management of bursary and scholarship Programme:-

    i. To ensure that award of bursaries is based on applicants' socio-economic needs and vulnerability status, the Makueni County Bursaries Committee, should develop

and apply a standardized bursary vetting and assessment tool and/or a checklist to guide Ward Bursary Committees in evaluating applicant's verified fee balances and vulnerability level. The assessment should form the basis for determining bursary awards, ensuring that funds are allocated equitably across wards and prevent limited resources from being spread too thinly across beneficiaries;

ii. To prevent multiple allocation of bursaries and scholarships to single beneficiaries and ensure equitable and sufficient allocation to needy and vulnerable learners, the Makueni County Bursaries Committee should:

   a) Develop and implement a comprehensive database system capable of integrating all beneficiary data through the use of a common unique identifier to enhance transparency and coordination;

   b) Promote collaboration between Ward Bursary Committees through information and data sharing during administration of the bursaries programme; and

   c) Collaborate with the State Department for Basic Education and Parliament, to develop a multi-agency collaboration framework for public bursary providers and consider establishing a centralized bursary issuance and administration system for all bursary providers.

iii. To ensure timely disbursement of funds to the learning institutions, the Makueni County Bursaries Committee in collaboration with the National Treasury, should expedite the budgetary approval process and explore the possibility of aligning the disbursements to the school calendars;

iv. To ensure efficiency in disbursement of bursary funds to learning institutions, the Makueni County Bursaries Committee, in collaboration with the County Treasury should:

   a) Remit Funds directly to learning Institutions rather than issuing cheques to beneficiaries. In addition, the County Government should automate their systems to generate automated notification email to learning institutions;

   b) Explore integration of electronic transfer of beneficiary funds to learning institutions by leveraging existing platforms like Kenya Education

Management Information System and Integrated Financial Management Information System; and

v. To legally undertake the bursary and scholarship programme to learners in institutions under the National Government, the County Government of Makueni should design and complete a formal intergovernmental transfer process and secure approval through gazettement by both the National Assembly and the County Assembly.

CHAPTER 1: BACKGROUND OF THE AUDIT

Introduction

1.1 Bursaries and scholarships are forms of non-repayable financial aid that support learners in meeting the cost of education. Bursaries aim to promote access to quality education by assisting students from financially disadvantaged backgrounds to pursue their academic goals. Scholarships on the other hand are awarded to learners based on financial need, academic merit, talent or other notable achievements.

1.2 Both bursaries and scholarships are awarded to learners from low-income families, or those who have a demonstrated need for financial assistance to cover the cost of tuition and related expenses, such as books and living expenses. Scholarships cover school fees for the entire duration of study while bursaries are awarded on a less consistent basis and are not guaranteed.

1.3 The County Government of Makueni has established a County Bursary Fund to assist learners from needy groups such as: orphans, those from poor families, and those with special needs, to pursue education at recognized institutions. This promotes access to secondary and tertiary education, for needy learners in the County.

1.4 The mandate for the provision of bursaries and scholarships at the County is vested in the County Bursary Committee. The Committee is responsible for: raising monies for the Fund; determining, approving and reviewing the policies for administering the Fund; monitoring the application of the Fund by the Ward Bursary Committees; receiving and considering appeals from the Ward Bursary Committees; and preparing and forwarding reports on the Fund to the Executive Committee Member in charge of Education.

Motivation for the Audit

1.5 The Auditor-General authorized the audit after considering the following factors:

i. According to the Hansard Report dated 30 April, 2024, the Senate discussed the oversight of County Governments in the management of bursary funds, highlighting issues of mismanagement and corruption across several counties. The members also underscored the need for regular monitoring and evaluation

to gauge the impact of bursary programme, thereby improving educational access and retention for learners.

ii. In September 2024, Members of the National Assembly discussed the need to have the various bursary and scholarship funds consolidated to address gaps in the current education funding model. This consolidation would create a more efficient system for providing bursaries and scholarships, ensuring resources are more equitably distributed and increasing access to funds for more needy learners[1].

iii. The County Government of Makueni cumulatively spent Kshs.402 million during the period 2021/2022 to 2024/2025 on provision of bursaries and scholarships to needy learners .

iv. Even though Article 53(1)(b) of the Constitution makes provision for every child's access to free and compulsory basic education, various obstacles still hinder the efficient delivery of these initiatives in Makueni County. The results of the pre-study indicated that the provision of bursaries and scholarships by the County had faced various set-backs that hindered the full achievement of the intended objectives. These included: late disbursement of bursary and scholarship funds; lack of coordination amongst the various bursary and scholarship providers; inadequacies in verification of applicants; and a lack of regular monitoring and evaluation, which prevented the County from effectively measuring the Programmes' impact and informing necessary adjustment.

v. The provision of bursaries and scholarships is linked to the Sustainable Development Goal 4 on Quality Education. Target 4.5 focuses on ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, and eliminating gender disparities, by 2030.

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[1] The National Assembly Hansard Report dated Wednesday 25 September, 2024, Page 21.

1.6 Given the above factors, an audit on the provision of bursaries and scholarships was necessary to assess the progress made by the County Government of Makueni in eliminating barriers to access to education by needy learners. It was essential to assess the efficiency and transparency with which the County had utilized and disbursed bursary and scholarship funds to beneficiaries.

CHAPTER 2: DESIGN OF THE AUDIT

Objective of the Audit

2.1 The main objective of the audit was **"To assess the extent to which the County Government of Makueni has ensured access to bursaries and scholarships by needy learners."**

The specific sub-objectives were to;

i) Assess the extent to which the County Government of Makueni ensured adequate allocation of bursaries and scholarship funds; and

ii) Determine the extent to which the County Government of Makueni ensured timely disbursement of bursaries and scholarships to needy learners.

Audit Questions

2.2 The main audit question that guided the team in carrying out the audit was "Has the County Government of Makueni ensured access to bursaries and scholarships by needy learners?"

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

i) Has the County Government of Makueni ensured adequate allocation of bursaries and scholarships?

ii) Has the County Government of Makueni disbursed bursaries and scholarships on time?

Scope of the Audit

2.3 The audit focused on the activities of the County Government of Makueni in ensuring access to bursaries and scholarships for needy learners within Makueni County. These included identification of needy learners, allocation of bursaries and scholarships and disbursements of funds to learning institutions. The audit covered the Financial Years 2021/2022 to 2024/2025 which was deemed sufficient to establish trends and provide a comprehensive assessment. The audit was conducted between September 2024 and January 2026.

Methodology of the Audit

2.4 The audit was conducted in accordance with the Performance Audit Standard, ISSAI 3000, issued by the International Organization of Supreme Audit Institutions. The Standard requires that the audit is planned and performed to obtain sufficient and appropriate audit evidence. The Standard also requires that the audit should provide a reasonable basis for the findings, conclusions, and recommendations, based on the audit objectives.

Methods of Gathering Audit Evidence

2.5 The audit team used document review, interviews and physical verification to collect audit evidence as detailed below:-

a) Document Review

2.6 To confirm the activities carried out in provision of bursaries and scholarships in the County, the audit team reviewed the documents indicated in **Table 1**.

Table 1: List of Documents Reviewed

Document	Purpose of Review
Approved County Budgets	• To obtain evidence on annual strategies, deliverables and budget allocations on bursaries and scholarships.
County financial reports, expenditure schedules and bank statements, uncollected, stale and unpresented cheques	• To ascertain the extent of resource allocation and expenditure towards bursaries and scholarships; and • To ascertain the efficiency in the mode of bursaries and scholarships disbursement.
Disbursement reports and schedules	• To gather evidence on disbursement amounts and timelines; • To obtain evidence on receipt of funds by institutions; • To ascertain the extent of acknowledgement of bursaries and scholarships; and • To ascertain the extent of monitoring and coordination of bursaries and scholarships by the County government.
Beneficiary fee structure and statements	
Acknowledgement reports by schools	
Monitoring reports	
Correspondences between bursary and scholarships providers	
Application forms and supporting documents	• To obtain evidence on the number of applicants and beneficiaries; • To obtain evidence on adequacy of awarded bursary and identification; and • To obtain evidence on criteria and process for awarding bursaries and scholarships.
Beneficiary lists	
Vetting committee minutes	
Complaints/Grievance registers and grievance resolution reports	• To obtain evidence on existence and effectiveness of redress mechanisms for aggrieved applicants.

Source: OAG Compilation of Documents Reviewed

b) Interviews

2.7 To gather evidence on access to bursaries and scholarships, interviews were held with various key personnel including; County Bursary Committee, Wards Bursary Committee representatives, heads of learning institutions, and other key role players, as detailed in **Table 2.**

Table 2: List of Persons Interviewed

Interviewee	Purpose of the Interview
County Executive Committee Member, Education and Chief Officer	• To obtain evidence on bursary application process, eligibility criteria, number of applicants and challenges in disbursement.
County Bursary Committees	• To obtain evidence on legal framework and structure, budgeting and expenditure, application and vetting process, monitoring and evaluation, and programme successes and challenges.
Ward Bursary Committees	• To obtain evidence on composition and tenure, application and eligibility criteria, number of applicants, monitoring and evaluation, programme successes, challenges and recommendations.
National Government Administrative Officers	• To obtain evidence on role of chiefs and assistant chiefs in identification of needy learners, eligibility criteria, and challenges faced.
Principals and Heads of Finance (Sampled Institutions)	• To gather evidence on the role of learning institutions in bursary administration, accountability for received funds, sufficiency of allocations and disbursement challenges.
Controller of Budget	• To gather evidence on timeliness of funds disbursement.

Source: OAG Compilation of Persons Interviewed

Sampling and Sample Size

2.8 Five (5) out of thirty (30) ward bursary committees in the County were sampled for the audit. The basis for their selection was Sub-County representation and absorption of funds into bursaries and scholarships. In addition, eleven (11) learning institutions were sampled based on number of beneficiaries of County Government of Makueni Bursary and Scholarships in the learning institutions. Further, the audit

team randomly slected and reviewed two hundred and two (202) bursaries and scholarships application forms submitted during the period under review.

Assessment Criteria

2.9 The audit assessed provision of bursaries and scholarships by the County Government of Makueni using the criteria indicated in **Table 3.**

Table 3: Audit Criteria

Audit Sub-Objective	Audit Criteria	Source of Criteria
To assess the extent to which the County Government of Makueni has ensured adequate allocation of bursaries and scholarships funds	The Makueni County Bursary Fund is dedicated to providing bursary funds to assist needy learners.	Part II Section 4 (b) of the Public Finance (Makueni County Bursary Fund) Regulations, 2018.
To determine the extent to which the County Government of Makueni has ensured timely disbursement of bursaries and scholarships to needy learners.	To ensure smooth uninterrupted learning of learner under the bursary and scholarship programme, it is expected that bursary and scholarship funds should be disbursed on or before school opening dates.	Best Practice

Source: OAG Compilation

CHAPTER 3: DESCRIPTION OF THE AUDIT AREA

Legal and Institutional Framework for Provision of Bursaries and Scholarships

3.1 The Constitution of Kenya, 2010 provides the framework for the State to ensure that education is accessible to all citizens. Articles 43(1)(f) and 53(1)(b) recognize that every child in Kenya, regardless of their background, has the right to access quality education and that they should attend school until they complete their basic education. Schedule 4 Part 2(9) of the Constitution specifically lists village polytechnics as one of the functions that have been devolved to County Governments.

3.2 The Basic Education Act, Cap.211, in its guiding principles under Section 4(a) and (b), establishes that every child has the right to free and compulsory basic education. The Act also provides that youth have equitable access to basic education and equal access to educational institutions.

3.3 Section 116 of the Public Finance Management Act, Cap.412A, gives power to counties to establish other public funds. It is on this basis that the County Government of Makueni established a Bursary Fund. The Section also provides that allocations to the Fund should be within the established legal structures and also clarifies the roles and responsibilities of different government entities involved in the management of bursary funds. This aims to ensure that the County Government adheres to financial regulations and accountability principles in the management of Bursary Fund.

3.4 The County Government of Makueni has not established a Bursary Fund Act. Instead, the County relies on the County Regulation while providing bursaries and scholarships. The Regulations outlines key aspects in the establishment and management of the Funds, sources of funding, outlines the criteria for determining who is eligible to receive bursary funds, and establishes the procedures for application and disbursement of bursary funds.

Composition of Bursary Committees and their Respective Roles

3.5 The composition of the County Bursary Committee, Ward Bursary Committees for the County Government of Makueni with their respective roles and guiding legislation are indicated in **Table 4.**

Table 4: Bursary Committees and their Respective Roles

Committee	Roles
County Bursary Committee- composed of 9 members.	• To raise monies for the Fund; • To determine, approve and review the policies for administering the Fund; • To monitor the application of the Fund by the Ward Bursary Committee and assess if the Fund is being administered in accordance with the Funds objective and purpose; • To receive and consider appeals from the Ward Bursary Committees; • To prepare and forward reports on the Fund to the Executive Committee Member in charge of Education for onward submission to the County Assembly as it may be appropriate; and • To undertake such other activities as are necessary for the effective application of the Fund.
Ward Bursary Committees- composed of seven members.	• Apply the Fund in accordance with its objective and purpose; • Receive and consider applications for bursaries; • Distribute cheques to successful applicants; and • Undertake such other activities as are necessary for the effective application of the Fund.

Source: Public Finance (Makueni County Bursary Fund) Regulations, 2018

Other Key Actors in the Provision of Bursaries and Scholarships

3.6 Apart from the County Government of Makueni, there are several other key actors involved in provision of bursaries and scholarships, as summarised in **Table 5.**

Table 5: Key Actors in the Provision of Bursaries and Scholarships

Institution	Role
Ministry of Education	Through educational institutions, the Ministry of Education facilitates the verification of bursary beneficiaries, including confirming admission status and providing official admission letters and fee structures. The institutions also acknowledge receipt of bursary funds disbursed by county governments on behalf of the beneficiaries.
National Governments Administrative Officers	The Officers are responsible for the coordination of national government functions in their respective jurisdictions. Therefore, the chiefs and assistant chiefs help in identification of potential beneficiaries by vetting the applicants and recommending the applications for onward processing by the County Bursary Committee/Board.
Other Bursary Providers (National Government Affirmative Action Fund, National Government-Constituency Development Fund, Presidential Secondary School Bursary and Elimu Scholarship)	Providing bursaries and scholarships to needy learners.

Source: OAG Review of Institutional Frameworks on Key Actors

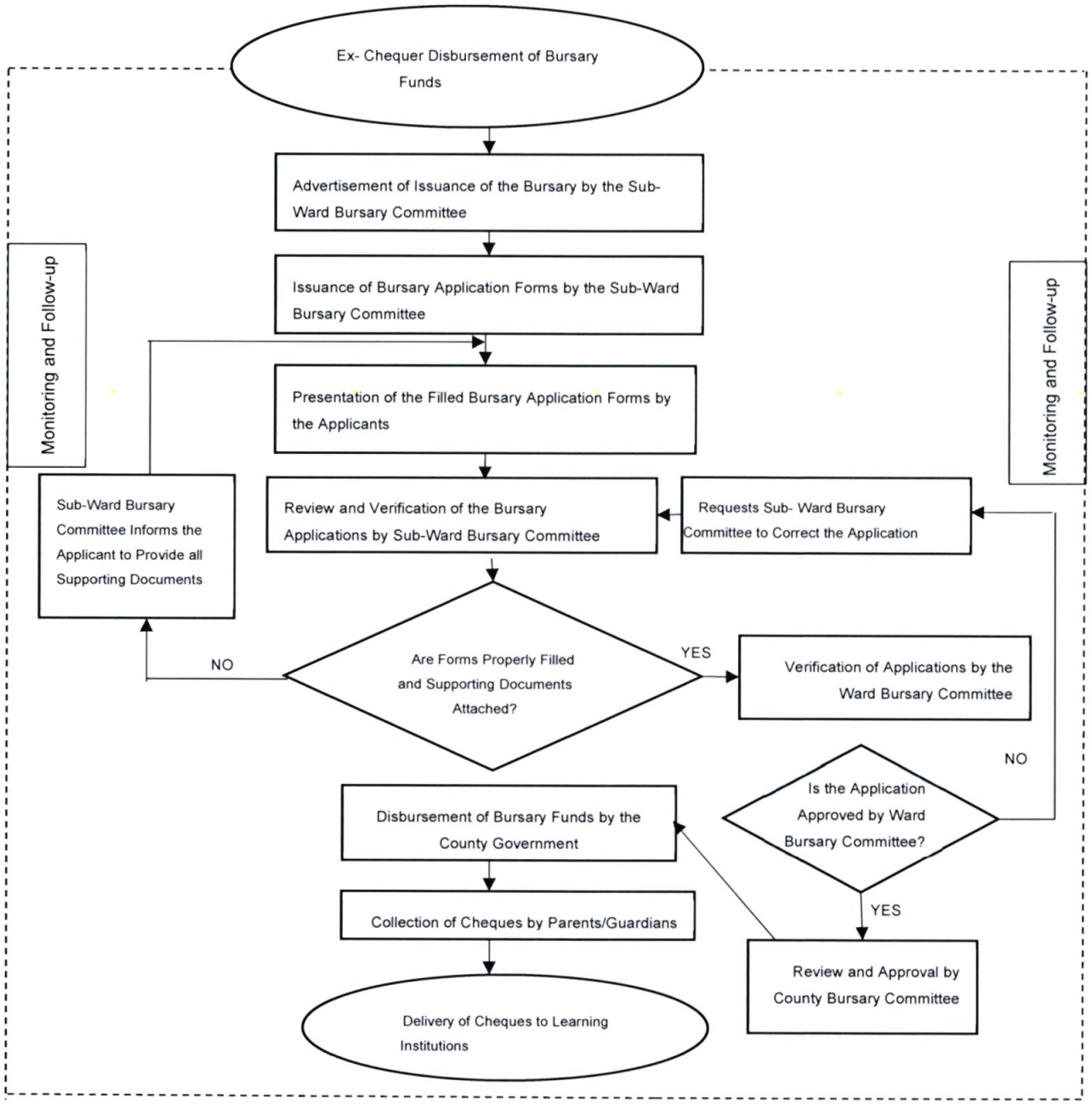
Process Description for Issuance of Bursaries

3.7 The process begins with the County Bursary Committee announcing the availability of funds through online media and public gatherings. Sub-Ward Committees are briefed to guide interested applicants on the bursary issuance procedures. Physical application forms are distributed by village administrators, while post-secondary learners can also apply online. The forms are serialized to prevent duplication, and applicants must attach supporting documents.

3.8 The vetting process involves initial review of the applications by Sub-Ward Committees and verification and allocation of funds by Ward Bursary Committees. In evaluating applicants' eligibility, Ward Bursary Committees consider whether an applicant is a child of a single parent, an orphan; who has lost all or one of the parents or a person with disability or marginalized persons. The bursary amounts awarded vary based on the learner's level of education. The forms are thereafter submitted to the County Bursary Committee who do the final approval. The County

publicly announce cheque issuance dates and invite heads of learning institutions and parents to collect cheques. In some cases, Committee members deliver cheques directly to the learning institutions. In addition, Ward administrators monitor cheque collection through registers and conduct follow-ups with beneficiaries or guardians via calls and messages. **Figure 1** depicts the process involved in the provision of bursaries by the County Government of Makueni.

Figure 1: Process Description for Issuance of Bursaries



Source: OAG Review of County Government of Makueni Bursary and Scholarship Guidelines

Executive Scholarship Application Process

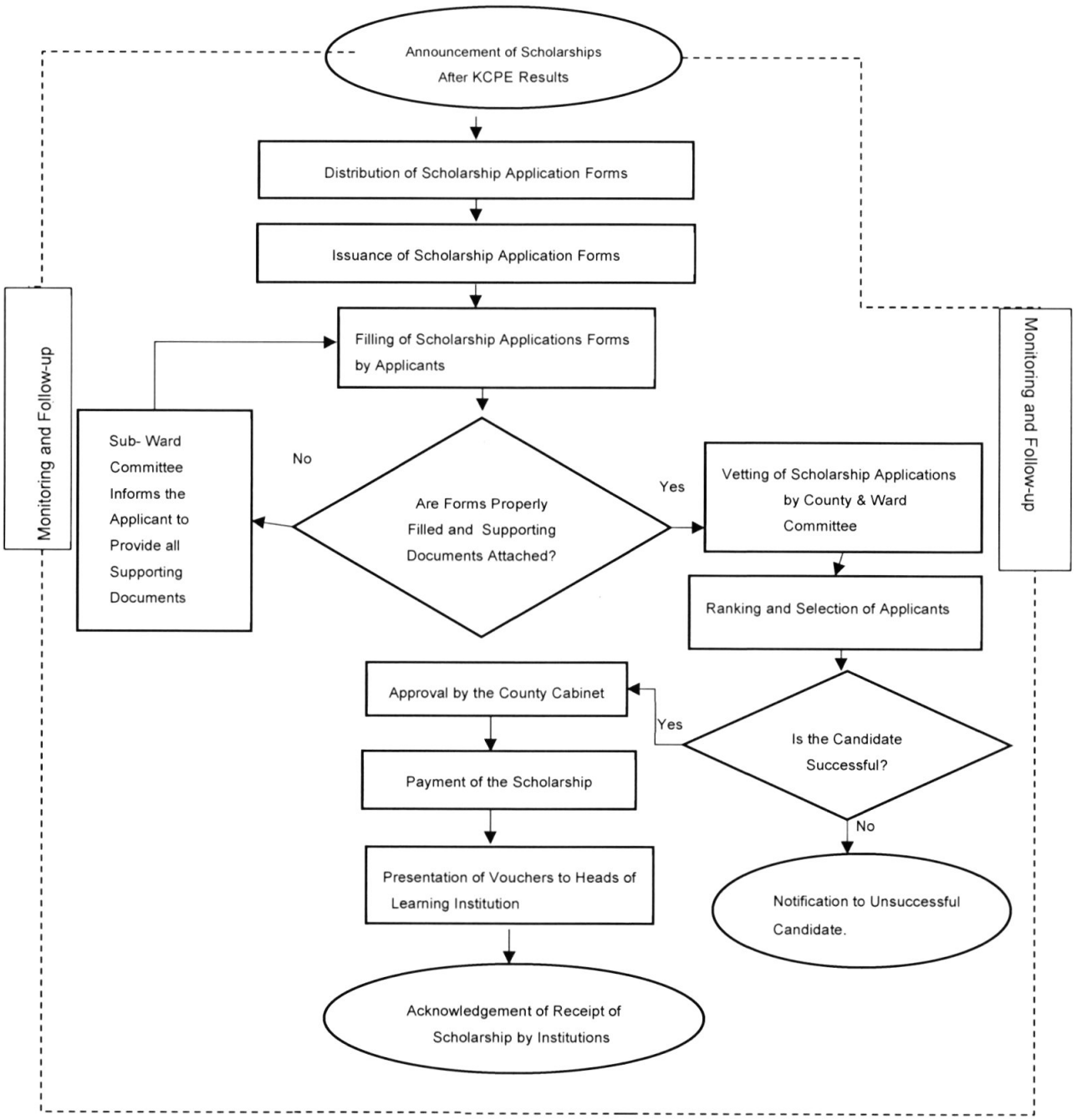
3.9 The Makueni County's Education Department funds scholarships of up to Kshs.70,000 annually per beneficiary, for tuition and uniforms. These scholarships target high-achieving, financially needy Kenya Certificate of Primary Education

candidates. The County Executive Member responsible for education announces the scholarship availability after Kenya Certificate of Primary Education results are released. Application forms are distributed by village administrators, and applicants must submit all required documents.

3.10 The County and Ward Bursary Committees physically verify applicants' needs by conducting home visits to assess their financial need. Three (3) top-ranked candidates from each Ward are selected and their list is submitted to the County Cabinet for final approval.

3.11 To maintain the scholarship, recipients must submit their academic reports each year. Learners who achieve a C+ or higher in the Kenya Certificate of Secondary Education and are admitted to a university can continue receiving the scholarship. They are also encouraged to apply for a supplementary loan from the Higher Education Loans Board. **Figure 2** depicts the process involved in the provision of scholarships.

Figure 2: Makueni County Scholarship Issuance Process



Source: OAG Review of County Government of Makueni Bursary and Scholarship Guidelines

Funding for County Bursaries and Scholarships

3.12 Bursary activities at the County Government of Makueni are mainly funded through the Exchequer. Review of financial records indicated that the County Government of Makueni Bursary Fund allocation during the audit period was between 35-52% of the total education budget as indicated in **Table** 6.

Table 6: Bursary and scholarship Allocations Versus other allocations from 2021/2022 to 2024/2025

Financial Years	Category	Amount (Kshs.)	Percentage
2021/2022	Bursaries and Scholarship	113,243,011	36%
	Other Allocations	204,524,279	64%
	Total	**317,767,290**	
2022/2023	Bursaries and Scholarship	72,593,903	35%
	Other Allocations	137,810,298	65%
	Total	**210,404,201**	
2023/2024	Bursaries and Scholarship	131,000,000	52%
	Other Allocations	118,913,827	48%
	Total	**249,913,827**	
2024/2025	Bursaries and Scholarship	141,400,000	57%
	Other Allocations	105,771,550	43%
	Total	**247,171,550**	

Source: OAG Analysis of the County Government of Makueni Financial Documents

CHAPTER 4: AUDIT FINDINGS

4.1 During the period under review, the County spent Kshs. 402.77 million on bursaries and scholarships and supported approximately 38,083 and 485 learners with bursaries and scholarships respectively, as detailed in **Table 7.**

Table 7: Bursary and Scholarship Beneficiaries

Financial Year	Bursary Beneficiaries	Academic Year	Scholarship Beneficiaries
2021/2022	4,586	**2021**	95
2022/2023	2,862	**2022**	93
2023/2024	12,613	**2023**	100
2024/2025	18,022	**2024**	102
		2025	95
Total	**38,083**		**485**

Source: Analysis of Beneficiary Reports

Identification of Needy and Vulnerable Learners

4.2 The Makueni County Bursary Fund Regulations, 2018 requires the Ward Bursary Committees, in evaluating applicants' eligibility, to consider whether the applicant is a child of a single parent, an orphan; who has lost all or one of the parents , or a person with disability or marginalized persons. Applicants are required to submit filled out application forms supported by mandatory documentation, including fee statements, fee structures, evidence of disability or orphanhood, and academic report forms.

4.3 In addition, application forms must be duly filled out for consideration by the Ward Bursary Committees.The Ward Bursary Guidelines (2022/2023) further provide that beneficiaries should be identified with support from Sub-Ward officers and cluster members. If necessary, the Ward Committees may visit the homestead to evaluate the level of vulnerability of applicants. The audit established that the County had established a functional mechanism for identification of needy and vulnerable learners as detailed below;

a. Enhanced Awareness Creation and Availability of Application Forms

4.4 Review of ward committee minutes and interviews with five (5) sampled Ward committees established that there was collaboration with National Government Administrators, village administrators and religious leaders in creating awareness on availability of application forms, and application requirements. Committees circulated posters over social media to ensure a wide reach to eligible applicants. In addition, the County ensured availability of application forms through the village administrators, as well as access to online applications for learners in tertiary education level.

b. Decentralized Vetting of Beneficiaries to the Village Level

4.5 Review of bursary records and interview with the County Bursary Committee established that the County had set up Ward and Sub-Ward committees to conduct vetting. In addition, review of Sub-Ward Bursary Committee vetting minutes revealed that beneficiary identification began at the sub-ward level, where committee members, drawn from the local villages, used their knowledge of community households to identify needy and vulnerable learners. The Sub-Ward Committees maintained records of applicants, and particulars of awarded beneficiaries. The reasons for rejection of applications were also indicated on the application forms.

c. Sufficient Training and Facilitation of Ward and Sub-ward Committees

4.6 Review of three (3) Ward and twenty-two (22) Sub-Ward committee records and minutes revealed that committee members were trained and sensitized on aspects of bursary allocation, vetting criteria and documentation requirements. The committees were also trained on data management and reporting, integrity, fairness and public trust, before commencement of the bursary application and award process. This training enhanced transparency in the bursary allocation process. In addition, committee members were facilitated with transport and lunch allowances of Kshs. 1,000 on the vetting days.

d. Identification of Scholarship Beneficiaries through Home Visits

4.7 Review of Sub-Ward committee minutes revealed that they conducted home visits to verify the applicants' background and vulnerability status and utilised a scoring tool to evaluate applicants' eligibility.

e. Proper Management of Beneficiary Data

4.8 Makueni County Bursary Fund Ward Bursary Guideline 2022/2023, requires ward administrators to compile and submit to the Chief Officer, Education and Internship a report of the bursary administration in the ward. Review of records and interviews with County and Ward Bursary committee members revealed that the County Bursary Committee centrally maintained records of bursary application forms, signed vetting minutes, and beneficiary details. The ward administrators submitted required reports on bursary administration at the end of every bursary issuance period. In addition, a manual cheque disbursement register capturing key details such as beneficiary name, school, date of collection, name of person collecting the cheque, cheque number and amount written in cheque was maintained.

4.9 The County generated a quick response code on the bursary forwarding letter containing the beneficiary names, amount awarded and designated learning institutions, as a security measure to deter alteration of the beneficiary list. Further, the final list of beneficiaries disaggregated per ward was publicized on the County Government of Makueni website.

4.10 The proper record maintenance system allowed for accessibility, retrieval and follow-up. The online bursary system also supported quick extraction of applicant data, improving efficiency in responding to enquiries and complaints. Ultimately, the availability of the records ensured verifiability of the bursary issuance process enhancing accountability for the funds invested.

f. Functional Monitoring and Evaluation Framework for the Bursary and Scholarship Programme

4.11 The Makueni County Bursary Fund Regulations, 2018 stipulates that, the County Bursary Committee should monitor the application of the Fund by the Ward Bursary Committee and assess if it is being administered in accordance with the Fund's

object and purpose.

4.12 Interviews with the Bursary Committee and review of documents revealed that the Ward Bursary Committees monitored the scholarship programme through maintenance of individual learner files, review of beneficiaries' academic report forms, school visits and acknowledgment letters from learning institutions. The County also organized for mentorship sessions and follow-ups with school heads to track academic progress and welfare of beneficiaries.

4.13 Bursary beneficiaries were monitored through conducting spot checks in selected learning institutions during cheque issuance by County Bursary Committee members, verification of acknowledgment letters from the learning institutions, school visits, and feedback from heads of learning institutions. Ward administrators addressed issues such as errors in beneficiary names or transfers.

4.14 This proper monitoring was attributed to prudent utilization of the administrative expenditure allocation. As a result, monitoring of learners on scholarship provided oversight of academic progress and welfare of the learners, hence providing assurance that the funds invested in learners did not go to waste. In addition, proper monitoring enabled follow-up on challenges experienced with cheques issues, and enabled timely rectifications.

g. Effective Mechanisms to Ensure Inclusion of Learners with Disabilities

4.15 Target 4.5 of the Sustainable Development Goal 4 requires the Government to ensure equal access to all levels of education and vocational training for persons with disabilities by 2030. Review of the Makueni County Bursary Guidelines established that to ensure inclusion, a target had been set for all the wards to reserve and award at least 10% of their allocations to learners with disabilities.

4.16 In addition, the County Bursary Committee ensured representation of persons with disabilities (PWDs) in the sub-ward committees, use of inclusive language during bursary and scholarship advertisement, and use of flyers to encourage PWDs to apply. Analysis of the beneficiary data revealed that during the period under review, the County Bursary Committee awarded approximately thirty-eight thousand and eighty beneficiaries (38,080) out of which three thousand and seventy-eight learners

(3,078) were learners with special needs.

4.17 Though the percentage of learners with disabilities against the total beneficiaries reduced over the audit period, the absolute number of learners with disabilities benefitting from the programme increased over the audit period as detailed in **Table 8.**

Table 8: Analysis of Beneficiaries with Special Needs

Financial Year	Total Beneficiaries	Number of PWDs Awarded	Percentage of PWDs
2021/2022	4,586	517	11.3%
2022/2023	2,862	299	10.5%
2023/2024	12,613	839	6.7%
2024/2025	18,022	1,423	7.9%
Total	**38,083**	**3,078**	**8.1%**

Source: Analysis of County Government of Makueni Bursary Data

4.18 The consideration of persons with disabilities enhanced their inclusion and ensured that resources reached the vulnerable group that would otherwise have been overlooked, thereby improving their access to education. In addition, maintenance of records improved the ability to monitor and evaluate the County's progress towards ensuring equal access to all levels of education and vocational training for persons with disabilities.

4.19 Despite the above successes, the audit noted administrative weaknesses, as discussed below;

I. Bursary Awards were not Based on Financial Vulnerability of Applicants

4.20 The County Bursary Fund Regulations, 2018 required that bursaries be awarded considering the available funds and the number of applicants. The Ward Bursary Guidelines (2022/2023) further specify the amounts to be allocated to successful applicants as follows: Day scholars, Kshs.4,000; Boarders, Kshs.7,000; County Technical Training Institutes learners, Kshs.7,000; College learners, Kshs.8,000; and University learners, Kshs.10,000.

4.21 Review of three (3) Ward and twenty-two (22) Sub-Ward Committee minutes revealed that allocations prioritized learners who were total orphans, partial orphans, persons with disabilities and children of single parents. However, review of the sampled two hundred and two (202) application forms and beneficiary data revealed that beneficiaries from similar level of learning institutions were awarded uniform amounts despite their varying levels of school fees needs as detailed in **Table 9.**

Table 9: Bursary Awards

Level of Study	Fee Balance Range (Kshs.)	Awarded Bursary (Kshs.)
Day Schools	13,500-19,500	4,000
University	9,851-184,000	10,000

Source: Analysis of Information from Application Forms and Beneficiary Data

4.22 While the committee minutes showed that priority was given to total and partial orphans, persons with disabilities, children of single parents, and the neediest families, the actual allocation did not consistently reflect these priorities, as awards were largely determined by institutional level rather than individual needs. Ultimately, the awards did not fully address differences in need among applicants. Learners facing greater vulnerability received no additional support, and uniform award amounts did not consider differences in institutional costs.

4.23 Award of uniform amounts to applicants was attributed to disregard of the results of established bursary vetting and assessment tool and/or a checklist to evaluate applicant's socio-economic status. This led to uniform allocation to applicants despite the varying individual financial needs or vulnerability. Consequently, needy learners with large fee arrears still faced the risk of school discontinuation, while learners with limited financial needs based on their school fee balances benefited.

4.24 In addition, there were cases of multiple awards of bursaries within the same ward and across different sub-wards. Analysis of beneficiary data revealed that in the financial years 2021/2022 to 2024/2025, learners received multiple bursaries from either the same ward, different sub-wards and wards as detailed in **Table 10.**

Table 10: Multiple Allocation of Bursaries

Financial Year	Number of Multiple Beneficiaries
2021 - 2022	45
2022 - 2023	6
2023 - 2024	19
2024 - 2025	13

Source: OAG Analysis of Beneficiary Data

4.25 Further, review of the sampled two hundred and two (202) application forms for the audit period revealed that thirteen (13) learners had disclosed that they received bursaries from other public bursary providers including National Government-Constituency Development Fund, other County Governments and Higher Education Loans Board, but the learners still benefited from the Makueni County bursary.

4.26 Multiple allocations of bursaries and scholarships to same beneficiaries from different wards and across public bursary providers were attributed to inadequate coordination among providers. This was compounded by the absence of a defined collaboration framework to guide information sharing and joint planning, as well as the lack of a centralized bursary management system to support data sharing, coordination, and effective oversight across all public bursary providers.

II. High Administrative Expenses

4.27 Regulation 197 (1) (d) of the Public Finance Management (County Governments) Regulations, 2015 stipulates that administration costs of a Fund shall be a maximum of 3% of the approved budgets. Review of audited financial statements revealed that the County Bursary Committee ensured that the administrative costs remained within the 3% threshold in financial years 2022/2023 to 2024/2025. However, in the financial year 2021/2022, the Fund incurred administrative expense of Kshs.5,705,200 representing 9.5% of the approved budget of Kshs. 60,036,187 as shown in **Table 11.**

Table 11: Analysis of Administrative Expenses

Financial Year	Approved Budget (Kshs.)	3% Threshold (Kshs)	Actual Administrative Expenses (Kshs.)	Expenditure Above 3% Threshold (Kshs.)	% Administrative Cost to Approved Budget
2021/2022	60,036,187	1,801,086	5,705,200	3,904,114	9.50%
2022/2023	67,765,785	2,032,974	147,706.40	-1,885,268	0.22%
2023/2024	124,588,579	3,737,657	3,715,854	-21,803	2.98%
2024/2025	136,991,287	4,109,739	3,656,942	-452,797	2.67%

Source: OAG Analysis of County Government of Makueni Administrative Expenditure

4.28 Subsequently, in financial year 2021/2022, the resources available for bursaries and scholarships was reduced, depriving potential beneficiaries the needed financial support. Based on the annual tuition fees approved by the State Department for Basic Education, the excess of expenditure in the Financial Year 2021/2022 of Kshs.3,904,114 could have paid school fees for different categories of learners for one academic year as shown in **Table 12.**

Table 12: Opportunity Cost of the Extra Administrative Expenses

Category of School	Standard Fee approved Ministry of Education	Total Extra Administrative Expenses from 2021/2022	Number of Learners Who Would Have Benefited from the Extra Administrative Amount
National	53,554	3,904,114	73
County	40,535	3,904,114	96
Day Secondary	22,244	3,904,114	176

Source: OAG Analysis of the Extra Administrative Expenses Based on Approved Fee Structure

III. Delayed Exchequer Releases

4.29 To ensure smooth uninterrupted learning under the bursary and scholarship programme, it is expected that bursary and scholarship funds are disbursed on/before school opening dates. However, interviews with the County Bursary Committee and Ward Bursary Committees revealed that the County experienced delays in the disbursement of funds, which in turn led to late release of bursary and scholarship payments to learning institutions.

4.30 Review of disbursement schedules established that in the Financial Year 2022/2023, exchequer funds were received on 27 February, 2023 and disbursed to learning institutions on 1 March, 2023. In addition, significant delays were noted in the Financial Year 2024/2025, where the County requested funds from the Exchequer on 28 January, 2025 and received the funds on 11 July, 2025, after the closure of the financial year. Disbursement to learning institutions was subsequently made on 13 July, 2025, representing a delay of approximately six (6) months.

4.31 The delays in disbursement of funds were occasioned by delays in budget approvals by the Controller of Budgets which led to delayed exchequer release of funds by the National Treasury to the County Government. The delays had adverse effect on operations of the learning institutions, especially day schools which highly depended on bursary funds to run the meals programme. Learners would also be sent home for school fees, thereby limiting their retention at school.

IV. Inefficiencies in Disbursement of Funds to Learning Institutions

4.32 Regulation 85 of the Public Finance Management (County Governments) Regulations, 2015 permits the use of both cheques and electronic funds transfer mechanisms for the disbursement of public funds to entities, including learning institutions. Accordingly, counties are expected to adopt disbursement methods that are efficient, secure, and facilitate timely access to allocated resources by beneficiaries.

4.33 Review of bank statements and interviews with the County Bursary Committee revealed that bursary and scholarship funds were disbursed to learning institutions via cheques. The County publicly announced cheque issuance dates and invited heads of learning institutions and parents to collect them. In some cases, Committee members delivered the cheques directly to the learning institutions. In addition, Ward administrators monitored cheque collection through registers and conducted follow-ups with beneficiaries or guardians via calls and messages. However, the audit team noted some challenges with disbursement of funds using cheques, as discussed below:

a) Unpresented Cheques

4.34 Review and analysis of bank reconciliation statements for the Financial Year 2023/2024 revealed unpresented cheques totaling Kshs.31,880,234, out of which cheques of Kshs.18,000 had become stale as summarized in **Table 13**.

Table 13: Aging Analysis of Unpresented Cheques During Financial Year 2023/2024[2]

Number of Months	Number of Cheques	Total (Kshs.)
One Month	1,513	21,991,992
Two Months	396	5,627,297
Three Months	164	1,655,611
Four Months	76	1,474,616
Five Months	58	721,902
Six Months	45	390,816
Above Six Months (Stale Cheques)	2	18,000
Total		**31, 880,234**

Source: OAG Analysis of Bank Reconciliation Reports for County Government of Makueni

b) Unpaid Cheques

4.35 Analysis of bank records for the Financial Years 2021/2022 to 2024/2025 revealed unpaid cheques totalling to Kshs.1,705,775, as summarised in **Table 14** and detailed in **Appendix 1.**

Table 14: Summary of Unpaid Cheques

Financial Year	Unpaid Cheques (Kshs.)
2022/2023	630,450
2023/2024	627,492
2024/2025	447,833
Total	**1,705,775**

Source: OAG analysis of County Government of Makueni Bank Records

4.36 Incidences of unpresented cheques were attributed to inadequate awareness among beneficiaries regarding the validity period of cheques and the implications of

[2] The detailed list is bulky and can be availed in soft copy upon request.

delayed presentation to the bank while unpaid cheques resulted from lapses in cheque preparation, particularly errors in the payee names, which led to the cheques being returned unpaid.

4.37 Further, until the affected cheques are reissued and successfully cleared, the intended beneficiaries remain at risk of having outstanding school fee balances, which may disrupt their learning and undermine the objective of the bursary and scholarship programme.

4.38 Based on the annual tuition fees approved by the State Department for Basic Education, the total amount of Kshs. 33,586,009 comprising of unpresented cheques of Kshs.31,880,234, and unpaid cheques of Kshs.1,705,775 affected learners for one (1) academic year as shown in **Table 15.**

Table 15: Estimated Number of Students that Would Have been Affected by the Unpresented and Unpaid Cheques

Category of School	Standard Fee Charged as Per State Department for Basic Education	Total Unpresented and Unpaid Cheques	Number of Learners Who Would Have Been Affected by the Unprsented and Unpaid Charges
National	53,554	33,586,009	627
County	40,535	33,586,009	829
Day	22,244	33,586,009	1,510

Source: OAG Analysis of Total Unpaid and Unpaid Cheques Charges Based on Approved Fee Structure

V. Inadequate Acknowledgment of Receipt of Bursary Funds by Learning institutions

4.39 Section 7 of Makueni County Bursary Regulations, 2018 required the Chief Officer in Charge of Education to ensure proper maintenance of books of accounts and all related records for the Bursary and scholarship Fund. This would promote accountability in the management of the Fund. Further, Ward committees were expected to monitor bursary and scholarship funds through acknowledgment letters from learning institutions.

4.40 Review of disbursement records and acknowledgement receipts established that in

the Financial Years 2022/2023 and 2023/2024, only 0.5% and 4.1% respectively of the total funds disbursed for bursary and scholarship were acknowledged by the learning institutions as shown in **Table 16.**

Table 16: Percentage of Acknowledged Bursary and Scholarship Funds

Financial Year	Amount Disbursed	Amount Acknowledged	Percentage of Funds Acknowledged
2022/2023	67,765,787	363,000	0.54%
2023/2024	124,588,579	5,054,160	4.06%

Source: OAG Analysis of Acknowledgment Letters and Receipts

4.41 Failure to receive acknowledgment of receipt of funds was attributed to issuance of bursary cheques directly to learners or their parents/guardians rather than remitting the funds directly to learning institutions. Consequently, parents and guardians either did not obtain official acknowledgement receipts from the institutions or failed to return them to the County offices. In addition, there was failure by the County to follow up with learning institutions to ensure all official acknowledgement receipts were returned and properly filed. Further, the County did not embrace the use of technology for the submission and tracking of acknowledgement receipts, making it difficult to monitor receipt and maintain complete records.

4.42 As a result, there was limited assurance that the funds reached the intended beneficiaries. This undermined accountability and transparency in the bursary and scholarship programme.

VI. Other Finding: Disbursement of Bursaries and Scholarships to Learners in National Government Institutions

4.43 The Fourth Schedule of the Constitution of Kenya on distribution of functions between the National Government and the County Governments gives the counties the powers and functions for pre-primary education, village polytechnics, homecraft centres and childcare facilities. Further, Section 26 of the Intergovernmental Relations Act, Cap.265F requires that transfers or delegation of powers, functions, or competencies between National and County Governments to be by a written agreement.

4.44 Analysis of the list of beneficiaries revealed that the highest allocation was to secondary schools and universities during the financial years 2021/2022 to 2024/2025, whereas learners in vocational institutions under the County Government were awarded amounts representing 25%, 32%, 24% and 22% of the total disbursements over the same period, as shown in **Table 17.**

Table 17: Disbursement to Beneficiaries Learning in National Government Institutions

Financial Year	Item	Type of Institutions			
		Secondary Schools	Universities	Vocational Institutions	Total
2021/2022	No.of learners	2,973	440	943	**4,356**
	Amount	15,267,041	4,295,303	6,503,742	**26,066,086**
	%	**59%**	**16%**	**25%**	
2022/2023	No.of learners	1,526	254	715	**2,495**
	Amount	7,923,178	2,472,621	4,884,498	**15,280,297**
	%	**52%**	**16%**	**32%**	
2023/2024	No.of learners	9,781	1,194	2,625	**13,600**
	Amount	50,792,231	11,859,029	20,259,108	**82,910,368**
	%	**61%**	**14%**	**24%**	
2024/2025	No.of learners	11,511	1,667	2,891	**16,069**
	Amount	60,173,300	16,587,000	22,154,700	**98,915,000**
	%	**61%**	**17%**	**22%**	

Source: Analysis of Beneficiary Data 2021/2022 – 2024/2025

4.45 The provision of bursaries and scholarships to learners in institutions under the National Government was undermined by failure by the County Government of Makueni to enter into an Intergovernmental Partnership Agreement that met the required procedural and legal standards. In addition, the County did not prioritise the needs of learners in institutions that fell under the devolved functions like pre-primary education, village polytechnics, homecraft centres and childcare facilities.

CHAPTER 5: CONCLUSION

5.1 The County Government of Makueni enhanced access to bursaries and scholarships to needy and vulnerable learners by enabling electronic applications, collaboration with village elders, religious leaders and National Government Administrative Officers at village level. The County also maintained complete and disaggregated beneficiary records that facilitated monitoring, and ensured prioritization of learners with disabilities.

5.2 However, the County Government of Makueni did not ensure adequate allocation of bursaries and scholarships to needy and vulnerable learners as funds were awarded thinly and uniformly across the applicants without consideration to verified financial need or vulnerability status. In addition, weak controls over the administrative expenditure undermined available funds for bursaries and scholarships. Further, the County did not establish information sharing amongst the different wards and collaboration with other public bursary providers to ensure fair and equitable allocations to needy learners.

5.3 The County Government of Makueni did not ensure timely disbursement of bursary and scholarship funds to the learning institutions due to exchequer delays and inefficiencies associated with the use of cheques as the preferred mode of payments. Also, the County did not put in place mechanisms to ensure that the disbursed funds were acknowledged in a timely manner by learning institutions. In addition, delay in execution of Intergovernmental Partnership Agreement between the County Government and the National Government undermined accountability and reduced the efficiency of the bursary and scholarship programme.

CHAPTER 6: RECOMMENDATIONS

6.1 Based on the audit findings and conclusion, the following recommendations are proposed to the County Government of Makueni, to improve the management of bursary and scholarship Programme: -

6.2 To ensure that award of bursaries is based on applicants' socio-economic needs and vulnerability status, the County Government of Makueni, should develop and apply a standardized bursary vetting and assessment tool and/or a checklist to guide Ward Bursary Committees in evaluating applicant's verified fee balances and vulnerability level. The assessment should form the basis for determining bursary awards, ensuring that funds are allocated equitably across wards and prevent limited resources from being spread too thinly across beneficiaries;

6.3 To prevent multiple allocation of bursaries and scholarships to single beneficiaries and ensure equitable and sufficient allocation to needy and vulnerable learners, the Makueni County Bursaries Committee should:

i. Develop and implement a comprehensive database system capable of integrating all beneficiary data through the use of a common unique identifier to enhance transparency and coordination;

ii. Promote collaboration between Ward Bursary Committees through information and data sharing during administration of the bursaries programme; and

iii. collaborate with the State Department for Basic Education and Parliament, to develop a multi-agency collaboration framework for public bursary providers and consider establishing a centralized bursary issuance and administration system for all bursary providers.

6.4 To ensure timely disbursement of funds to learning institutions, the County Governor should continuously collaborate with the National Treasury to speed up the budget approval process and, where possible, align fund disbursements with school calendars.To ensure efficiency in disbursement of bursary funds to learning institutions, the County Government of Makueni in collaboration with the County Treasury should:

i. Remit Funds directly to learning Institutions rather than issuing cheques to beneficiaries. In addition, the County Government should automate their systems to generate automated notification email to learning institutions;

ii. Explore integration of electronic transfer of beneficiary funds to learning institutions by leveraging existing platforms like Kenya Education Management Information System and Integrated Financial Management Information System; and

6.5 To lawfully implement a bursary and scholarship programme for learners in institutions under the National Government, the County Government of Makueni should establish and complete a formal intergovernmental transfer arrangement and obtain the necessary approvals through gazettement by both the National Assembly and the County Assembly.

APPENDICES

Appendix 1: Unpaid Cheques

Transaction Date	Description	Money In
10-Sep-22	Unpaid CHQ002570 FT22253B3QC5 BANK FT22	49,000
14-Sep-22	Unpaid CHQ002968 FT222570TZ1F BANK FT22	16,000
29-Sep-22	Unpaid Cheque CHQ002771 CHQ No. 002771 BANK FT2	30,000
10-Feb-23	Unpaid Cheque CHQ004110 CHQ No. 004110 BANK FT2	49,277
9-Mar-23	Unpaid CHQ004229 FT23068SFCZK BANK FT23	40,535
22-Mar-23	Unpaid CHQ004041 FT23081KK3FP BANK FT23	60,530
27-Mar-23	Unpaid CHQ004393 FT2308610RV3 BANK FT23	60,000
4-May-23	Unpaid Cheque CHQ004052 004052-FT23124D7HFJ BAN	107,108
6-May-23	Unpaid 4559 FT23125J73PL BANK FT231263Z	70,000
8-May-23	Unpaid 4289 FT23128DH9C4 BANK FT2312807	4,000
9-May-23	Unpaid Cheque CHQ004248 004248-FT231297JRFV BAN	8,000
9-May-23	Unpaid 4540 FT23129ZZTYY BANK FT23129DD	30,000
9-May-23	Unpaid 4486 FT23129RGZ0R BANK FT23129PP	7,000
10-May-23	Unpaid 4342 FT23130NCJQP BANK FT23130SR	7,000
10-May-23	Unpaid 4298 FT2313001X7K BANK FT23130KL	7,000
11-May-23	Unpaid Cheque CHQ004312 004312-FT23131S6YBK BAN	10,000
11-May-23	Unpaid Cheque CHQ004440 004440-FT23131B9BKB BAN	7,000
11-May-23	Unpaid 4464 FT23131KWDSS BANK FT23131V2	4,000
12-May-23	Unpaid 4310 FT23131Y3TMM BANK FT23132WN	7,000
12-May-23	Unpaid 4235 FT23131YRGKM BANK FT231324N	7,000
12-May-23	Unpaid 4433 FT23132D82M8 BANK FT23132FS	7,000
12-May-23	Unpaid 4263 FT23132H5CNH BANK FT23132TN	7,000
12-May-23	Unpaid 4543 FT231320HHBJ BANK FT23132GM	7,000
13-May-23	Unpaid 4385 FT231331XP8V BANK FT231338M	7,000
14-May-23	Unpaid 4304 FT2313076L86 BANK FT23134T9	7,000

Transaction Date	Description	Money In
14-May-23	Unpaid 4292 FT23132Y2D69 BANK FT23134BL	15,000
Total Unpaid Cheques FY 2022/2023		**630,450**
15-Aug-23	Unpaid Cheque CHQ005066 005066-FT23227H0T1F BAN	49,750
23-Aug-23	Unpaid Cheque CHQ004990 004990-FT23235M2KKW BAN	50,000
24-Aug-23	Unpaid Cheque CHQ005088 005088-FT23236T20GH BAN	52,600
31-Aug-23	Unpaid Cheque CHQ005026 005026-FT232435HMMQ BAN	7,000
31-Aug-23	Unpaid Cheque CHQ005008 005008-FT23243NV3YP BAN	7,000
31-Aug-23	Unpaid Cheque CHQ005095 005095-FT23243M4080 BAN	7,000
1-Sep-23	Unpaid 4335 FT23244Q0K01 BANK FT23244K1	10,000
2-Sep-23	Unpaid 4933 FT23245V7D3T BANK FT23245GZ	7,000
4-Sep-23	Unpaid Cheque CHQ005040 005040-FT23247Z55S1 BAN	7,000
4-Sep-23	Unpaid Cheque CHQ004673 004673-FT232479TCLC BAN	7,000
4-Sep-23	Unpaid 5018 FT23247ZQL84 BANK FT232471Z	7,000
5-Sep-23	Unpaid Cheque CHQ004671 004671-FT23248RCRH6 BAN	7,000
5-Sep-23	Unpaid Cheque CHQ004987 004987-FT23248V4X02 BAN	7,000
6-Sep-23	Unpaid 5101 FT23249YGY5X BANK FT232492T	98,480
6-Sep-23	Unpaid 4467 FT232490WSR1 BANK FT23249GY	10,000
6-Sep-23	Unpaid 5025 FT23249WJRH6 BANK FT23249MT	7,000
7-Sep-23	Unpaid Cheque CHQ005079 005079-FT232502831Q BAN	5,600
8-Sep-23	Unpaid 4640 FT232514G52C BANK FT232511D	15,000
19-Oct-23	Unpaid CHQ004843 FT23292Q01TK BANK FT23	7,000
19-Jan-24	Unpaid Cheque CHQ008033 CHQ No. 008033 BANK FT2	20,000
2-Feb-24	Unpaid Cheque CHQ008212 CHQ No. 008212 BANK FT2	15,000
15-Feb-24	Unpaid CHQ005504 FT240466NQLK BANK FT24	109,062
21-Feb-24	Unpaid CHQ009788 FT24052CR2P9 BANK FT24	4,000
12-Mar-24	Unpaid CHQ007828 FT24072CT6YQ BANK FT24	12,000

Transaction Date	Description	Money In
14-Mar-24	Unpaid CHQ006983 FT2407318DFG BANK FT24	8,000
14-Mar-24	Unpaid CHQ009588 FT24073YWJDS BANK FT24	7,000
14-Mar-24	Unpaid CHQ006885 FT24073D9F5S BANK FT24	7,000
14-Mar-24	Unpaid CHQ007649 FT240737B336 BANK FT24	7,000
14-Mar-24	Unpaid CHQ006889 FT24073JCH1R BANK FT24	7,000
21-Mar-24	Unpaid Cheque CHQ006486 CHQ No. 006486 BANK FT2	63,000
Total Unpaid Cheques FY 2023/2024		**627,492**
11-Jan-25	Unpaid CHQ011284 FT250100HDKX BANK FT25	128,639
11-Jan-25	Unpaid CHQ011196 FT2501052ND6 BANK FT25	319,194
Total Unpaid Cheques FY 2024/2025		**447,833**
Total Unpaid Cheques		**1,705,775**

Appendix 2: County Government of Makueni Response to Audit Findings

<table>
<tr><th>Section in the Report</th><th>County Government of Makueni Response</th><th>Auditor's Comments</th></tr>
<tr>
<td>Review of records revealed that the County cumulatively allocated Kshs.31,226,016 towards bursaries to be administered by the Office of the Governor between financial years 2021/2022 to 2024/2025. The County Bursary Committee did not provide for review: documentation of bursary application forms, committee evaluation minutes, bank account statements, or beneficiaries details for disbursed bursaries totalling Kshs.27,776,016 as summarized in the table below.
<table>
<tr><th>FinancialYear</th><th>Amount Allocated</th><th>Amount Spent</th></tr>
<tr><td>2021/2022</td><td>19,501,016</td><td>19,276,016</td></tr>
<tr><td>2022/2023</td><td>225,000</td><td>-</td></tr>
<tr><td>2023/2024</td><td>10,000,000</td><td>8,500,000</td></tr>
<tr><td>2024/2025</td><td>1,500,000</td><td>-</td></tr>
<tr><td>Total</td><td>31,226,016</td><td>27,776,016</td></tr>
</table>
(Paragraph 4.28)</td>
<td>The County Bursary Committee has provided for review: committee evaluation minutes and beneficiaries details for disbursed bursaries totalling Kshs.27,776,016

The bursary allocation of Kshs 19,501,016 of FY 2021/2022, amount was a budget accrued for two years, 2020/2021 and 2021/2022 as a result of covid -19 and delayed release of funds from the exchequer. This amount was later disbursed to 30 wards as per the attached schedules.

In addition, the county has provided supporting evidence for the Kshs. 8,500,000 expenditures for FY 2023/2024 for audit review.</td>
<td>The County has provided substantial additional evidence to support the expenditure of Kshs 27,776,016. The audit team has reviewed the additional documents provided, and finds the documentation convincing and sufficient. Consequently, this finding has been dropped and removed from the report.</td>
</tr>
</table>

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