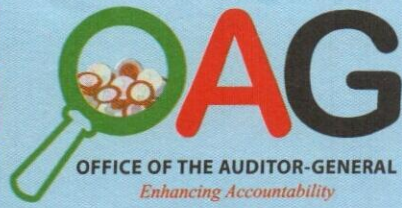


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

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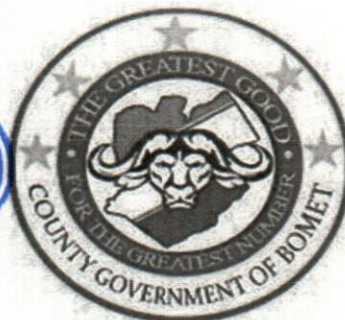
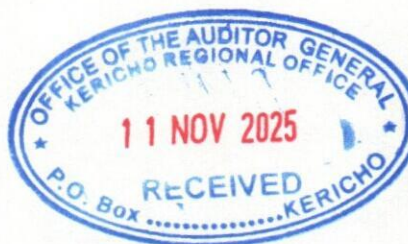
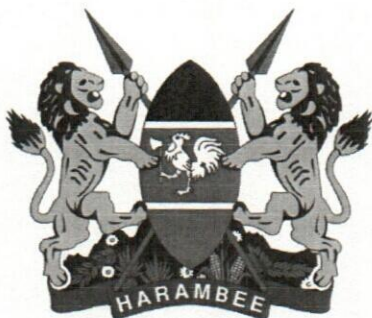
BOMET COUNTY BURSARY FUND

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

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Bomet County Bursary Fund

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

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

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025



Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30th, 2025

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Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

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>KSHS</i>	<i>Kenya Shillings</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>TVETs</i>	<i>Technical and Vocational Educational Training Institutions</i>

b) Definition of Terms

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

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30th, 2025

2. Key Entity Information and Management

a) Background information

Bomet County Bursary Fund is established by and derives its authority and accountability from The Bomet County Ward Bursary Fund Act, 2021. The Fund is wholly owned by the County Government of Bomet and is domiciled in Kenya.

b) The fund's objective is to assist poor but bright students' access quality education.

c) The County Bursary Fund's principal activity is to meet tuition expenses for the beneficiaries of the bursary by equitably sharing the funds among the twenty-five wards existing in the county.

d) Fund Administration Committee

The *entity's* day-to-day management is under the following key organs:

Ref	Name	Position
1	Mr. Andrew Kitur	Chairperson
2	Dr. John Keter	Committee Member
3	Mr. Langat Phylimon	Fund Administrator
4	Ms. Eunice Bett	Committee Member

e) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

Ref	Name	Position
1	Ms. Agnes Ngeno	County Executive Committee Member
2	Dr. John Keter	Chief Officer
3	Mr. Langat Phylimon	Fund Administrator
4	CPA Jacob Koech	Fund Accountant

f) Fiduciary Oversight Arrangements

SN	Position	Name
1	Internal Audit	County Audit Committee
2	County Assembly	Public Investments Committee

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

Key Entity and Management (Continued)

g) Registered Offices

P.O. Box 19 - 20400
Department of Education and vocational Training Building
Huduma Centre Avenue
Bomet, KENYA

h) Fund Contacts

Telephone: (254) 717 289 000
E-mail : ecd.vti@bomet.go.ke
Website: www.bomet.go.ke

i) Fund Bankers

Equity Bank-Bomet Branch
AC/NO: 1220275961647

j) Independent Auditor

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

k) Principal Legal Adviser

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

l) County Attorney

P.O. Box 19 – 20400
Huduma Centre Avenue
Bomet, KENYA

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30th, 2025****3. Trustees/ Fund Administration Committee Profiles**

Name	Details of qualifications and experience	Position
1. Andrew Kitur 	Key Academic Qualification: Degree Work Experience: 26 Years	Accountant Children's Department
2. John Keter 	Key Academic Qualification: PhD Work Experience: 17 Years	Chief officer Education and vocational training
3. Eunice Bett 	Key Academic Qualification: Degree Work Experience: 24 Years	Private Business
4. Langat Phylimon (Fund Administrator) 	Key Academic Qualification: Degree Work Experience: 21 Years	Assistant Director Administration

4. Key Management Team

Name	Details of qualifications and experience	Position
1. John Keter 	Key Academic Qualification: PhD Work Experience: 18 Years	Chief officer Education and vocational training
2. Langat Phylimon (Fund Administrator) 	Key Academic Qualification: Masters Work Experience: 22 Years	Assistant Director Administration
3. CPA Jacob Koech	Key Academic Qualification: Degree, CPA K and CIFA K Work Experience: 12 years	Fund Accountant

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

5. Chairman's Report

The Fund is being administered as per Article 9 (1) and Article 12 of The Bomet County Ward Bursary Fund Act, 2021.

During the 2024/2025 FY the membership of the county committee of the bursary fund did not change and it carried out the mandate of the Bursary Fund as per the Act.

The aim of this Bursary programme is to benefit needy students within all the twenty-five wards across the county. The Fund was able to allocate bursaries to all beneficiaries through full bursary and partial bursary programme.

During the 2024/2025 financial year the fund served it was able to achieve the intended objective of assisting bright and needy students in secondary school across all the forms as at the end of the financial year.

The fund's future plan is to increase and expand the kitty to include more bright needy trainees in our vocational training centres, other tertiary institutions and also increased number of beneficiaries in secondary schools. The vocational trainees' bursary has been budgeted for in the current financial year.

In conclusion, the fund has been very useful and has assisted bright students and helped them not only to access basic education but also to be retained in their learning institutions.

Name Andrew Ketun Signature Andrew Ketun Date 29 AUG 2025

Chairperson of the Fund



Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30th, 2025

6. Report of The Fund Administrator

The 2024/2025 FY bursary application and disbursement was based on our budgetary allocation of **Ksh. 130,000,000**. This benefited a total number of 1,235 of full bursary beneficiaries and 1,460 Partial bursary beneficiaries.

The bursary is categorized as follows:

1. Full Tuition Support Bursary for secondary school students and Vocational Training Centres trainees
2. Partial scholarship which is a one-off payment of students in secondary and tertiary institutions.

Mode of application

The available form for application is uploaded in the Bomet County Website and is available online for public to access it freely.

Hard copies are availed at all the ward offices in the twenty-five wards across the county.

Bursary Fund Account

The bursary fund operates an account for the bursary at Equity Bank – Bomet branch and is used to facilitate the disbursement of monies for the scholarship via cheques.

Affirmative action

Chepchabas Ward is given special consideration by being awarded the partial scholarship funds above the rest. This is because the location under which the ward in the tea estates does not allow the county government to construct any infrastructure. The only project the county government may work on is to pay bursaries. The indigenous community living within the area are relatively indigents with small pieces of land living in squalid conditions hence eligible for bursaries.

Total amount received in Bomet County Bursary Fund as at 30th June 2025 was **Ksh. 65,000,000** for 2024/2025 FY; being half payment of the allocated approved budget of 2024/2025 FY.

Collaborative operation

The County Bursary Committee will have more joint meetings with ward committee members to train other members on the need to be fair, just and honest during the exercise of awarding bursary to students.

There are also other collaborative efforts with Principals of Schools where county fully sponsors their students in which mentorship programmes are jointly facilitated through a monitoring and tracking system.

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

Parents and guardians would also be involved in co-parenting and cost sharing in the education of the sponsored students.

GENERAL OBSERVATIONS

1. The fund has made an intent to acquire a software for data management for the bursary fund
2. The bursary committte should be facilitated to organize a mentorship programme for the bursary beneficiaries to ensure that they give value for money and understand obligations of parents and students respectively.
3. The bursary committee should be facilitated to organize a mentorship programme for the bursary beneficiaries to ensure that they give value for money and understand obligations of parents and students respectively.

Signed: _____



Langat K Phylimon

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

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.

Strategic development objectives

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Bomet County bursary fund are:

- i. To increase equitable access to basic and tertiary education.
- ii. To support needy and highly qualified Students who may not afford basic and tertiary education education.
- iii. To enhance retention of needy student basic and tertiary education education

Since the start of this program the county has been able to support many needy students through the education bursary fund. The fund has ensured that disbursements are made promptly to ensure that the students are not inconvenienced. Though the fund has not been adequate to cover all needy students it is envisaged that with time an increase in the fund allocation will go a long way in supporting all deserving cases.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above objectives to specific sectors, all the objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

DEPARTMENT OF EDUCATION AND VOCATIONAL TRAINING

Department	Objectives	Outcome	Indicator	Performance
EDUCATION AND VOCATIONAL TRAINING	• To increase equitable access to secondary school. • To support needy and highly qualified Students who may not afford secondary education. • To enhance retention of needy student in secondary school		1,235 needy children on full scholarship supported	During the FY 1460 needy children were supported

8. Environmental and Sustainability Reporting

Bomet County bursary fund exists to transform lives. This is our purpose; the driving force behind everything we do. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

Accountability is one of the processes whereby a leader or government seeks to ensure integrity. In a global stakeholder society, accountability is among the key challenges of organizations. Responsible leaders are concerned with reconciling and aligning the demands, needs, interests, and communities, shareholders, nongovernmental organizations (NGOs), the environment, and society at large. The government's track record in terms of CSR accounting will be effective when appropriate CSR measures are included in its internal activities.

Economic sustainability implies that macroeconomic and financial stability, as well as the prevention of balance-of-payments crises are a basic requirement for sustained economic and social development. It also implies that human and financial resources must be used in a way that ensures continuous and lasting improvements in standards of living. Inappropriate consumption and production patterns, and waste of human, natural and financial resources compromise the quality of the natural environment and jeopardize peace.

The bursary fund intends to achieve its goals by:

- Ensuring equity distribution of the available resources and with emphasis on programmes that promotes quality education;
- Proper planning and allocation of resources, promote policies that encourage entrepreneurship and job creation to stimulate sustainable economic growth;
- Strengthening partnership and resource mobilization strategies to address resource limitation.

2. Environmental performance

Environmental sustainability implies that the quality and protection of the natural environment, as well as successful adaptation to climate change, influence the scope for long-term social progress and economic development. Environmental degradation, waste of non-renewable natural resources and the various impacts of climate change have a direct effect on living conditions. They also raise the risk of social friction and reduce the scope for economic growth and the allocation of public finances.

In ensuring a sustainable consumption and production patterns, the county shall leverage on this goal in ensuring that cleaner production mechanisms are adopted and promote the principle of 3Rs (Reduction, Reuse and Recycle) to reduce production of wastes; and Goal 13: Take urgent action to combat climate change and its impacts. To achieve this goal, the county fund will strive to;

- Strengthen resilience and adaptive capacity to climate related hazards and natural disasters;
- Integrate climate change measures into funds policies, strategies and planning; and □ Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss. A large percentage of the county is terrestrial with the biodiversity thereon facing threats due to land degradation as a result of increasing population. The county is committed to conserving and restoring the use of ecosystems such as forests, dry land and mountains.

On Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development. The fund is committed to developing multi-stakeholder partnerships to share knowledge, expertise, technology and financial support to achieve the SDGs. The county will also pursue the Public-Private Partnerships (PPPs) to foster these achievements.

3. Employee welfare

County Public Service Board is establish and abolish offices in the County public service; appoint persons to hold or act in offices of the county public service considering gender ratio including in the Boards of cities and urban areas within the county and to confirm appointments; exercise disciplinary control over, and remove, persons holding or acting in those offices as provided in the law; prepare regular reports for submission to the County Assembly on the execution of the functions of the Board; promote the values and principles referred to in Articles 10 and 232; evaluate and report to the County Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the County Public Service; facilitate the development of coherent integrated human resource planning and budgeting for personnel emoluments in counties; advise the county government on human resource management and development; advise county government on the implementation and monitoring of the national performance management system in counties; and make recommendations to the Salaries and Remuneration Commission (SRC), on behalf of the county government, on the remuneration, pensions and gratuities for County Public Service employees.

County has complied with the Occupational Safety and Health Act, 2007 in revising a written statement of general policy with respect to the safety and health at work of his employees and other arrangements for the time being in force for carrying out the policy

4. Market place practices-

The County government make its effort to:

Responsible competition practice: This has been well articulated in the County Vision, where distribution of resource is done based on the number of Wards in the County. **Responsible Supply chain**

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

and supplier relations: The County maintains good business practices, treats its own suppliers responsibly by honoring contracts and respecting payment practices on time. This is done with no discrimination when it comes to payment Responsible marketing and advertisement- The County comply with ethical marketing practices. This has been done when new varieties of product are introducing to the market for the resident to subscribe

Product stewardship. County has a mechanism in place to ensures that it safeguard consumer rights and interests. Public participation platform enables citizens' endorsement of any product as well as evaluating the taste and preference of the product and thus provide feedback on the product's relevancy

Community Engagements-The county government has been bringing on board all stakeholders in policy development, budgeting and implementation through public participation. This has solved governance challenges such as uncoordinated public participation and stakeholder engagement, inequitable distribution of public resources, unfairness in recruitment and promotions and misappropriation of public funds

9. Statement of Corporate Governance

1. Introduction:

The bursary board's purpose is to oversee fair and transparent provision of bursary to bright students from underprivileged families in order to access education and further good corporate governance.

The board is also committed to ethical principles and responsible stewardship of bursary funds.

2. Board Composition and Structure:

The committee includes the Chief Officer of the Department responsible for Education or their designated alternate (but not below the level of Director), two other members who have served in the education sector and are not public officers, and the Fund Administrator. The term of office for these members is two years. The Executive Committee Member appoints the Chairperson from among the members mentioned.

3. Responsibilities and functions of the Board:

The key responsibilities of the County Bursary Committee are as follows

- Setting strategic direction for the bursary program.
- Overseeing the financial management and reporting of the fund.
- Ensuring compliance with relevant laws and regulations.
- Establishing and maintaining effective internal controls.
- Monitoring and evaluating the bursary program's performance.
- Promoting transparency and accountability in all operations.
- Oversight of the bursary application and awarding process.
- Receiving and addressing complaints that arise from the implementation process
- Receive and discuss annual reports and returns from the wards.
- Enter into association with other organizations or individuals within or outside Kenya.

The committee's functions are as follows:

- a. Equitably share the funds among the twenty-five wards in the county
- b. Review allocations to ensure support offered is adequate and sufficient
- c. Approve disbursement of fee support to awarded students
- d. Monitor allocations of support to ensure needy and deserving students benefit
- e. Conduct periodic county skills survey to identify critical skills for the purpose of refocusing support and encouraging students to pursue necessary disciplines
- f. Maintain an updated database of all the applicants and beneficiaries of the fund
- g. Periodically produce and share annual disbursement reports with the governor and the county assembly

4. Decision-Making Processes:

The rules and procedures for meetings of a committee are:

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

- Frequency of meetings: The committee must meet at least once every three months.
- Special meetings: The chairperson can call a special meeting at any time.
- Notice: For every meeting other than a special meeting, a 14-day written notice must be given to every member by the Funds Administrator.
- Quorum: The quorum is half of the members or a greater number as determined by the committee.
- Presiding officer: The chairperson or, in their absence, the vice-chairperson or an elected member will preside over meetings.
- Decision-making: Decisions are made by a majority vote, and the person presiding has a casting vote in the event of a tie.
- Validity of proceedings: The proceedings are not invalidated by a vacancy or a defect in the appointment of a member.
- Election of vice-chairperson: At the first meeting, the members will elect a vice-chairperson from among themselves, who is not an ex-officio member.
- Board Remuneration: The committee has a provision to utilize a maximum of three per cent of the of the total monies consisting of the Fund for administrative costs (The Bomet County Ward Bursary Fund Act, 2021) through a work plan for the year. The remuneration is paid as per SRC guidelines. The work plan includes local travel costs, meetings, workshops, bench-marking visits, monitoring and evaluation and committee allowances.
- The committee can determine its own procedure and make "standing orders" regarding the attendance of other persons at meetings

5. Stakeholder Engagement:

The board engages with stakeholders, including students, educational institutions, and the community through quarterly ward meetings and mentor-ship program at the county level.

Feedback from stakeholders is collected through public participation meeting through the department of economic planning and is used to improve the bursary program in terms of budgeting and vetting process.

6. Transparency and Accountability:

The board ensures transparency in its operations, through regular reporting and public disclosure through posting the lists of beneficiaries in the County Website and ward offices.

10. Management Discussion and Analysis

During the 2024/2025 FY the membership of the county committee of the bursary fund was not changed and it carried out its key mandate for the smooth administration of the Bursary Fund as per the Act.

The management committees held their meetings at the two levels to plan, vet bursary applications and approve lists of applicants for both full bursary and partial bursaries.

The committee made recommendations including that Finance department should consider other means of disbursing funds to the bursary account in quotas based on the budget for bursary rather than relying entirely on the list of beneficiaries.

The department should be allocated a vehicle for monitoring the implementation of the bursary programme in general.

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30th, 2025

The bursary committee should be facilitated to organize a mentorship programme for the bursary beneficiaries to ensure that they give value for money and understand obligations of parents and students respectively.

The committee also proposes for increased allocation to take care of the ever-increasing demand for education support from the needy members of the community.

11. Report of The Trustees/Committee

The committee submit their report together with the audited financial statements for the year ended June 30, 2025 through the fund administrator which show the state of the Fund affairs.

Principal activities

The principal activity/mission/ mandate of the Fund is to equitably share the funds among the twenty-five wards existing in the county

Results

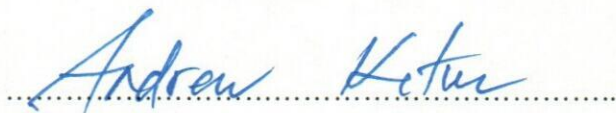
The results of the Fund for the year ended June 30 2025 are set out Fund Administrator's report. **Trustees**

The members of the Board of committees who served during the year are shown on page 6 under a two-year tenure ending in July 2025.

Auditors

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

By Order of the committee


.....

Chair of the Fund Administration Committee Date:

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2025

12. Statement of Management's Responsibilities

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

The Administrator of Bomet Bursary Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Bomet Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 4 (1) of Bomet County Ward Bursary Fund Act, 2021. The Administrator of the Fund/Scheme is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund'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 *Bomet* Fund has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund/Scheme will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Trustee/Committee on 29 AUG 2025 and signed on its behalf by: *Lansat K. Phyllimon*



.....
Administrator of the Bomet County Bursary Fund

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 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 Bomet County Bursary Fund set out on pages 1 to 24, which comprise of the statement of financial position as at

Report of the Auditor-General on Bomet County Bursary Fund for the year ended 30 June, 2025

30 June, 2025 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 effects 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 Bomet County Bursary Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Bomet County Ward Bursary Fund Act, 2021 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Transfers from the County Government

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects transfers from the County Government amounting to Kshs.65,000,000. However, the amount does not include an additional revenue amounting to Kshs.65,000,000 which was budgeted for but not received as reflected in the statement of comparison of budget and actual amounts.

In the circumstance, the accuracy and completeness of transfers from the County Government amounting to Kshs.65,000,000 could not be confirmed.

2. Inaccuracy of Non- Exchange Receivables

The statement of financial position and as disclosed in Note 10 to the financial statements reflects Nil for non-exchange receivables. However, the component does not include transfers from the County Government amounting to Kshs.65,000,000 which was budgeted for but not received from the County Government as reflected in the statement of comparison of budget and actual amounts.

In the circumstance, the accuracy and completeness of Nil for non-exchange receivables could not be confirmed.

3. Unsupported Accumulated Surplus

The statement of financial position reflects accumulated surplus totalling Kshs.4,789,720. The amount is net of prior year adjustment amounting to Kshs.2,123,424. However, the adjustment was not supported by journal entries as required by Regulation 103 of the Public Finance Management (County Governments) Regulations, 2015 which states that Journal entries prepared for all adjustments shall be authorized by the accounting officer or an officer designated by him or her before posting them in a financial record.

In the circumstance, the accuracy and completeness of accumulated surplus totalling Kshs.4,789,720 could not be confirmed.

4. Inaccuracy of Net Cash Flows from Operating Activities

The statement of cash flows reflects net cash flows from operating activities amounting to Kshs.2,665,495. The amount is net of increase in payables totalling Kshs.2,123,424 as disclosed in Note 12 to the financial statements. However, the statement of financial position does not reflect any payables resulting in unexplained variance of Kshs.2,124,224.

In the circumstance, the accuracy and completeness of net cash flows from operating activities amounting to Kshs.2,665,495 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounting to Kshs.130,000,000 and Kshs.65,000,000, respectively, resulting to an under-funding of Kshs.65,000,000 or fifty percent (50%) of the budget. Similarly, the Fund spent Kshs.60,210,281 against actual receipts amounting to Kshs.65,000,000 resulting to an under-expenditure of Kshs.4,789,719.

The underfunding and underutilization of fund's may have negatively impacted on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, six (6) issues were raised under the Report on Financial Statements, Emphasis of matter, and Report on Lawfulness and Effectiveness

Report of the Auditor-General on Bomet County Bursary Fund for the year ended 30 June, 2025

in Use of Public Resources as shown in **Annexure I**. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 November, 2025

Annexure I

Unresolved Prior Year Audit Matters

REPORT ON THE FINANCIAL STATEMENTS

1. Inaccuracy of Bursary Transfers

The statement of financial performance reflects bursary transfers amounting to Kshs.144,714,280 as further disclosed in Note 7 to the financial statements. However, the amount differs with the ledger amount of Kshs.144,339,534 resulting to unexplained variance of Kshs.374,746.

Further, the amount differs with bursary transfers amounting of Kshs.123,556,251 reflected in the statement of comparison of budget and actual amounts resulting in unexplained variance of Kshs.21,158,029. Management has not provided documentary evidence in support of the variance.

In the circumstance, the accuracy and completeness of the bursary transfers of Kshs.144,714,280 could not be confirmed.

2. Inaccuracy in Non- Exchange Receivables

The statement of financial position reflects Nil balance in respect of receivables from non-exchange transactions. However, the Nil balance does not include transfers from the County Government amounting to Kshs.12,500,000 which had not been received but were included in the transfers from the County Government amounting to Kshs.141,000,000 reflected in the statement of financial performance and disclosed in the budget Notes of the statement of comparison of budget and actual amounts. No explanation was provided for the anomaly.

In the circumstance, the accuracy and completeness of the Nil balance of Non-exchange receivables could not be confirmed.

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis of Kshs.141,000,000 and Kshs.128,500,000, respectively, resulting to under-funding of Kshs.12,500,000 or nine percent (9%) of budget. Further, the statement reflects total expenditure actual on comparable basis of Kshs.127,786,251 resulting to under expenditure of Kshs.13,213,749 or approximately nine percent (9%) of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on the delivery of services to the residents of Bomet County.

Other Matter

Unresolved Prior Year Matters

In the audit reports of previous year, ten (10) issues were raised under the Report on Financial Statements, Other Matter, and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to do so.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

1. Irregular Appointment of Ward Bursary Committee Members

Records available indicated that the Fund had one hundred and seventy-five (175) Ward Bursary Committee Members. However, the appointment of the members was not approved by the County Assembly and gazetted contrary to Section 18(4) of the Bomet County Ward Bursary Fund Act, 2021 which states that the names of persons selected as Ward Bursary Committee members must be submitted by the Executive Committee Member to the County Assembly for approval before being appointed and gazetted by the County Executive Committee Member (CECM).

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

2. Unequal distribution of Bursary to Wards

The statement of financial performance reflects bursary transfers amounting to Kshs.144,714,280 as further disclosed in Note 10 to the financial statements. Review of records revealed that bursaries were disbursed to twenty-five (25) Wards in the County. However, the disbursements were not equal. This was contrary to Section 5(3) of Bomet County Ward Bursary Fund Act, 2021 which requires the total amount of funds available from the Fund annually for disbursements as bursaries to be divided equally amongst the wards in the County.

Further, the schedule provided in support of the bursary transfers did not indicate the cheque numbers and payment dates, approved list and minutes of the Bursary Ward Committee's meetings, cheque dispatch register and complete database of all applications and students within the County. This was contrary to Section 8(1)(a) of the Bomet County Ward Bursary Fund Act, 2021 which states that the committee shall compile and maintain and accurate records showing all receipts, disbursements and actual expenditures on a yearly basis in respect to every bursary awarded.

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

3. Failure to Establish Regulations

The County Executive Committee Member responsible for Education did not produce or publish regulations for the Fund contrary to Section 27(1) of the Bomet County Ward Bursary Fund Act, 2021 which requires the Executive Committee Member responsible for Education to make regulations for the better carrying out of the purposes and provisions of this Act.

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

Bomet County Bursary Fund
for the year ended June 30, 2024

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

Description	Note	FY2024/25	FY2023/24
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	65,000,000	141,000,000
Total Revenue		65,000,000	141,000,000
Expenses			
Bursary transfers	7	56,867,541	144,714,280
Use of Goods and Services	8	3,343,540	4,230,000
Total Expenses		60,211,081	148,944,280
Surplus/(Deficit) for the Period		4,788,919	(7,944,280)

(The notes set out on pages 6 to 23 form an integral part of these Financial Statements)

Name: *Largat K. Phyllis*
Administrator/Accounting Officer

Name: *Jacob Koech*
Fund Accountant
ICPAK Member Number: *19141*

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****15. Statement of Financial Position as at 30 June 2025**

Description	Note	FY2024/25	FY2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	9	4,789,720	2,124,225
Non-exchange receivables	10	-	-
Total current assets		4,789,720	2,124,225
		-	
Total Assets (A)		4,789,720	2,124,225
Liabilities			
Current Liabilities			
Trade and Other Payables	11	-	-
Total current liabilities			-
Total Liabilities (B)		-	-
Net Asset (A-B)		4,789,720	2,124,225
Represented By:			
Accumulated Surplus		4,789,720	2,124,225
Net Assets		4,789,720	2,124,225

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 29 AUG 2025 and signed by:

.....
Name: Langat K. Phyllim
Fund Administrator/Accounting Officer

.....
Name: Jacob K. Koech
Fund Accountant
ICPAK Member Number: 19141

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Kshs
Balance as at 1 July 23	10,068,505
Surplus/(Deficit) For the Year	(7,944,280)
Balance As At 30 June 2024	2,124,225
Balance As At 1 July 2024	2,124,225
Prior year adjustment	(2,123,424)
Surplus/(Deficit) For the Year	4,788,919
Balance As At 30 June 2025	4,789,720

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	FY2024/25	FY2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		65,000,000	141,000,000
Total receipts		65,000,000	141,000,000
Payments			
Bursary Transfers		(58,990,965)	(144,714,280)
Use of goods and Services		(3,343,540)	(4,230,000)
Total payments		(62,334,505)	-148,944,280
Net cash flows from operating activities	12	2,665,495	(7,944,280)
Cash flows from investing activities			
			-
Net cash flows used in investing activities			-
Cash flows from financing activities			
Net cash flows used in financing activities			-
Net increase/(decrease) in cash & cash Equivalents		2,665,495	(7,944,280)
Cash and cash equivalents at 1 st July 2024	9	2,124,225	10,068,505
Cash and cash equivalents at 30th June 2025	9	4,789,720	2,124,225

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

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening budget Carry Overs		2,124,225	2,124,225	2,124,225	-	100%
Receipts						
Transfers From the County Government	130,000,000	-	130,000,000	65,000,000	65,000,000	50%
Public Contributions and Donations	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total Receipts	130,000,000	-	132,124,225	67,124,225	65,000,000	51%
Expenses						
Bursary Transfers	126,100,000	2,124,225	128,224,225	58,990,965	69,233,260	46%
Use of goods & Services	3,900,000	0	3,900,000	3,343,540	556,460	88%
Total Expenditure	130,000,000		132,124,225	62,334,505	69,789,720	46%
Surplus For the Period	-	-	-	4,789,720	-4,789,720	-

Budget notes

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Bomet County Bursary Fund is established by and derives its authority from The Bomet County Ward Bursary Fund Act, 2021. The entity is wholly owned by the Bomet County Government and is domiciled in Kenya. Bomet County Bursary Fund's principal activity is to equitably share the funds among the twenty-five wards existing in the county.

2. Statement of compliance and basis of preparation

Bursary Fund's financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Bursary Fund/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.

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2025

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current	<i>Applicable 1st January 2025</i> The Standard requires,

Standard	Effective date and impact:
Assets Held for Sale and Discontinued Operations	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.

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2025

IPSAS 45- Property Plant and Equipment	<i>Applicable 1st 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.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st 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 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.
Standard	Effective date and impact:

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2025

IPSAS 48- Transfer Expenses	<i>Applicable 1st 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 1st 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.)

3. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2025

b) Budget information

The original budget for FY 2024/25 was approved by the County Assembly on 28th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the - Bursary Fund/Scheme upon receiving the respective approvals in order to conclude the final budget. The Bomet Bursary Fund recorded additional appropriations of Kshs.nil on the FY 2024/25 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section - 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. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(i) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial

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

(ii) Subsequent measurement

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

(iii) Amortized cost

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

Bomet County Bursary Fund

Annual Report and Financial Statements for the year ended June 30, 2025

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*.

(viii) Financial liabilities Classification

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

(ix) Provisions

Provisions are recognized when the - 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 - 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.

(x) Contingent liabilities

- 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

- 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 - 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 - 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 - Bursary Fund/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.

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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 - 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 - 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.

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 - Bursary Fund'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

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

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 -.

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	2024-2025	2023-2024
	Kshs	Kshs
Transfers From Education Department County Government of Bomet	65,000,000	141,000,000
Others (<i>Specify</i>)	-	-
Total	65,000,000	141,000,000

7. Bursary Transfers

Description	2024-2025	2023-2024
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	24,354,322	25,000,000
Secondary schools	32,513,219	119,714,280
Total	56,867,541	144,714,280

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****8. Use of Goods and Services**

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Committee Allowances	3,236,550	4,034,110
Bank charges	106,990	195,890
Audit fees	-	-
Other (Specify)	-	-
Total	3,343,540	4,230,000

9. Cash and cash equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	4,789,720	2,124,225
Others (Specify)	-	-
Total Cash and Cash Equivalents	4,789,720	2,124,225

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Equity Bank	1220275961647	4,789,720	2,124,225
Sub- Total			2,124,225
b) Others (Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		4,789,720	2,124,225
Grand Total		4,789,720	2,124,225

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10. Non-Exchange Receivables

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

11. Trade and other payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Payables	-		-	
Other Payables (<i>specify</i>)	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	0%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-	0%	-	

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****12. Cash generated from operations.**

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year	4,788,919	(7,944,280)
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	(-)
Increase In Payables	(2,123,424)	-
Net Cash Flow from Operating Activities	2,665,495	(7,944,280)

13. Related party balances**a) Nature of related party relationships**

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

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

b) Related party transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers from related parties	56,867,541	128,500,000
Transfers to related parties	-	-

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****d) Due from related parties**

Description	2024-2025	2023-2024
	Kshs	Kshs
Due From County Government	-	-
Total	-	-

e) Due to related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

14. Contingent assets and contingent liabilities

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

*(Give details)***15. Financial risk management**

The Fund'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's financial risk management objectives and policies are detailed below:

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****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
At 30 June 2025				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	4,789,720	4,789,720	-	-
Total	4,789,720	4,789,720	-	-
As at 30th June 2024				
Receivables From Non-Exchange Transactions	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Bank Balances	2,124,225	2,124,225	-	-
Total	2,124,225	2,124,225	-	-

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 county Government of Bomet.

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

Bomet County Bursary Fund**Annual Report and Financial Statements for the year ended June 30, 2025****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
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-
As at 30 June 2024				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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'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.

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 curren- cies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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.

Bomet County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund'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
2024/25			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-
2023/24			
Euro	x%	-	-
USD	x%	-	-
Other (<i>Specify</i>)	x%	-	-

ii. Interest rate risk

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

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

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 - (20xx: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (20xx-1 – Kshs -).

d) Capital risk management.

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

Description	2024/25	2023/24
	Kshs	Kshs
Accumulated surplus	4,789,719	2,124,225
Total funds	-	-
Less: cash and bank balances	(4,789,719)	(2,124,225)
Net debt/(excess cash and cash equivalents)	-	
Gearing	0%	0%

16. Events after the reporting period

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

17. Currency

The financial statements are presented in Kenya Shillings (Kshs

20. Annexes

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

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

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe
4.1	Inaccuracies in the financial statement	The unreconciled variance has been corrected and a copy has been shared to auditor	Key management	Resolved	

Reference No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe
4.2	Lack of Risk Management Policy	However, the fund is using County Risk Management Policy currently.	Key management	Unresolved	Policy framework has been initiated in the current financial year

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Fund Administrator/Accounting Officer



Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: Bomet County Government

Name of beneficiary entity: Bomet County Bursary Fund

Confirmation of amounts received by Bomet County Bursary Fund as at 30th June 2025					
Reference Number	Date Disbursed	Amounts Disbursed by [- County Department] (Kshs) as at 30th June 2025		Amount Received by - County Bursary Fund/Scheme] (Kshs) as at 30th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)		
RTGS	1/10/24	6,250,000		6,250,000	-
RTGS	23/12/24	33,750,000		33,750,000	-
RTGS	23/12/24	18,750,000		18,750,000	-
RTGS	23/12/24	6,250,000		6,250,000	
Total		65,000,000		65,000,000	-

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

Head of Accounts Department - Disbursing Entity:

Name Ronald Kosgei..... Sign [Signature] Date 29 AUG 2025

Head of Accounts Department - Beneficiary Entity:

Name Langat K. Phyllimon..... Sign [Signature] Date 29 AUG 2025



