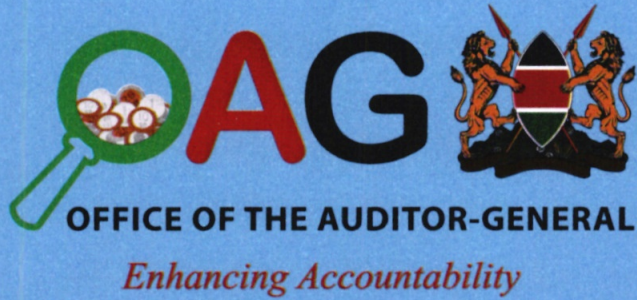
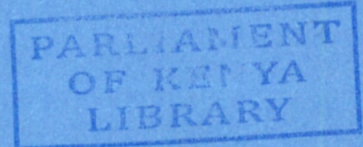


REPUBLIC OF KENYA



REPORT



OF

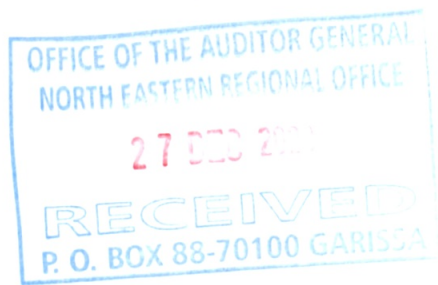
THE AUDITOR-GENERAL

ON

**WAJIR COUNTY BURSARY
FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**

PAPERS LAID	
DATE	29/09/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE & BUDGET
CHECKED BY	POLYCARP



Revised 30th June 2023



WAJIR COUNTY BURSARY FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2023

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

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management -The key management personnel who had financial responsibility

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

2. Key Entity Information and Management

a) Background information

Wajir County Bursary Fund is established by and derives its authority and accountability from Wajir County Bursary Fund Act of 2019. The Fund is wholly owned by the County Government of Wajir and is domiciled in Kenya.

The Bursary fund's objective is to increase access to secondary school, ensure retention of students in secondary school, promote transition and completion rates, and to reduce disparities and inequalities in the provision of secondary school education as well as tertiary education. The Fund's principal activity is issuance of bursaries and scholarships.

b) Principal Activities

The principal activity/mission/ mandate of the Wajir County Bursary Fund is to receive bursary funds as appropriated in the County's Approved budget estimates and disburse the funds as stipulated in the Act to enable children of the Wajir County pursue their education.

c) Wajir County Bursary Fund Administration Committee

Ref	Position	Name
1	Chairman of the Board	Hassan Omar
2	Chief Officer – Education	Abdiker Ali
3	Chief Officer finance	Farah Ahmed
4	Committee Member	Abdi Bedel
5	Committee Member	Ali Abdi Abukar
6	Committee Member	Habiba M Shurie
7	Committee Member	Bare A Kassim
9	Fund Administrator	Issa Kuresh Abdille

d) Key Management team

Ref	Position	Name
1	Fund Administrator	Issa Kuresh Abdille
2	Fund Accountant	Abdikher Sharif Hassan
3	CCO Finance & Economic Planning	Farah Ahmed
4	County Chief Officer- Education	Abdiker Ali

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Abdi G Omar

f) Registered Offices

Department of Education, Social Service and Youth
County Government of Wajir
P.O. Box 11-30500
County Headquarters.
Wajir
KENYA

g) Fund Contacts

E-mail: info@wajir.go.ke
Twitter [@WajirCountyKE](https://twitter.com/WajirCountyKE)
Website: www.Wajir.go.ke

h) Fund Bankers

First Community Bank
Wajir Branch
P.O. Box 426-70200
Wajir, Kenya

Kenya Commercial Bank
Wajir Branch
P.O. Box 201-70200
Wajir, Kenya

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Key Entity and Management (Continued)





i) Independent Auditors

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




j) Principal Legal Adviser

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

**Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

3. Fund Administration Committee Name	Details of qualifications and experience
<p>1. Bare A Kaasim</p> 	<p>Bare was born on 1953, Academic qualification of O level with 34 years of experience in the teaching profession. He is a committee Member of the Wajir County Bursary Committee.</p>
<p>2. Hassan Omar</p> 	<p>Hassan was Born on 1953, Academic qualification of O level with 36 years of experience in teaching profession. He is the chair of the Wajir county Bursary Fund.</p>
<p>3. Habiba M Shurie</p> 	<p>Habiba was born on 1958 and holds bachelor degree in Education (Arts). She has over 40 years of experience in the teaching profession. She is currently a Committee Member of the Wajir County Bursary administration Committee.</p>
<p>4. Ali Abdi Abukar</p> 	<p>Ali was born 1950 with academic qualification of O level with over 37 years of experience in the teaching profession. He is Currently an active committee Member of the Wajir County Bursary Administration Committee member.</p>

**Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

4. Management Team	Details of qualifications and experience
<p>1.</p> 	<p>Abdiker was born 1964 with masters in education. He has over 30 years experience both in public and Private sector.</p> <p>He is the current chief officer for education in Early Childhood and development.</p>
<p>2. Issa Kuresh Abdille</p> 	<p>Born 1988 with master's in Public Policy and Administration and bachelor in Education (Arts) with 12 years of experience both in public sector and Humanitarian world. Issa is the fund administrator of the Wajir County Bursary Fund since 2019.</p>
<p>3. Abdikheir Sharif</p> 	<p>Abdikheir was born 1992 and holds Bachelor of commerce, CPA(K). Abdikheir has over 7 years in public sector. He is the accountant for the Wajir County Bursary Fund.</p>

5. Fund Chairperson's Report

It is with great pleasure that I present to you the annual financial statements for the Wajir County Bursary Fund. As the Chairperson, I would like to extend my gratitude to all the individuals and organizations who have supported our mission of providing educational opportunities to the underprivileged students in Wajir County. This report aims to provide an overview of our activities, achievements, and challenges faced during the past year.

Activities and Achievements:

Bursary Application and Selection Process:

The Wajir County Bursary Fund continued to receive a significant number of bursary applications from deserving students across the county. Our dedicated team worked diligently to review and evaluate each application based on predetermined criteria, ensuring transparency and fairness throughout the selection process. We successfully awarded bursaries to a substantial number of students, enabling them to pursue their educational goals.

Expansion of Outreach Programs:

We recognized the need to reach out to remote areas and marginalized communities within Wajir County. To address this, we launched various outreach programs aimed at identifying talented students who may otherwise not have access to educational opportunities. These programs included school visits, community engagement, and partnerships with local organizations. We are proud to report that these initiatives have enabled us to extend our support to a broader range of students.

Collaboration with Educational Institutions:

We continued to strengthen our partnerships with educational institutions within Wajir County and Beyond. These collaborations have allowed us to streamline the bursary application process, receive recommendations from school administrators, and identify students who demonstrate exceptional potential. By working closely with schools and the community, we have been able to identify deserving students and provide them with the necessary financial support to continue their studies.

Community Engagement:

We recognize the importance of actively involving the community in our efforts. We have strengthened our engagement with parents, local leaders, and other stakeholders to create awareness about the bursary fund and foster a sense of ownership through mainstream and social media. This collaboration will help us identify the most deserving students, promote accountability, and build a sustainable support network.

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Challenges and Future Plans:

Limited Funding:

One of our primary challenges remains the limited funding available for the bursary program. Despite our efforts to secure additional resources through the budgetary allocation of the County, the demand for financial assistance continues to surpass our available funds. We will explore innovative strategies to attract more funding and sustain the growth of the bursary fund.

Monitoring and Evaluation:

As the number of bursary recipients increases, it becomes essential to enhance our monitoring and evaluation mechanisms. We will implement a robust system to track the progress of bursary beneficiaries, gather feedback, and measure the impact of our support on their educational outcomes. This data will help us make informed decisions and improve the effectiveness of our programs.

Mentorship and Skill Development:

Recognizing the importance of holistic development, we plan to implement mentorship programs to support bursary recipients in their personal and academic growth. We will connect students with professionals from various fields who volunteered their time and expertise to guide and inspire them. Additionally, we will organize workshops and training sessions to equip students with essential skills such as career guidance, leadership, and financial literacy.

Conclusion:

In conclusion, the Wajir County Bursary Fund has made significant strides in providing educational opportunities to deserving students. Our commitment to transparency, fairness, and collaboration has enabled us to positively impact the lives of many young individuals in Wajir County. While we acknowledge the challenges ahead, we remain steadfast in our mission to empower students through education.

I extend my sincere gratitude to the bursary committees, the County Executive, the County Assembly, volunteers, and staff who have dedicated their time and resources to support the Wajir County Bursary Fund. Together, we can continue to make a difference in the lives of our students and contribute to the growth and development of our county.

Thank you.

Name: HASSAN JUMWA Signature: [Handwritten Signature] Date: 22/12/2023

Chairperson of Wajir County Bursary Fund

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of The Fund Administrator

I am pleased to present the financial statements of the Wajir County Bursary Fund for the financial year 2022/2023.

Financial Results:

Revenue:

During the reporting period, the Wajir County Bursary Fund received Kshs.150,000,000 from County Government of Wajir as per the budgetary allocation.

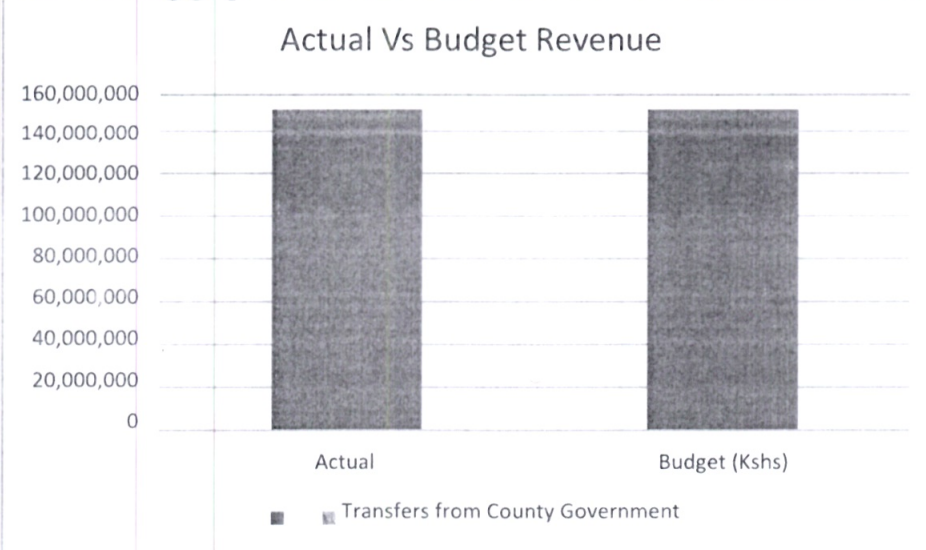
Expenses:

The funds allocated for bursaries and related programs constituted the majority of our expenses. These expenses covered the Scholarships and other Educational Benefits of Kshs.143,950,000 provided to students and Fund administration expenses of Kshs. 3,213,400. The total expenses for the fiscal year were Kshs. 147,163,400, demonstrating our commitment to utilizing the funds for their intended purpose. This was a 98% absorption of the allocated budget.

Graphs:

Revenue Breakdown:

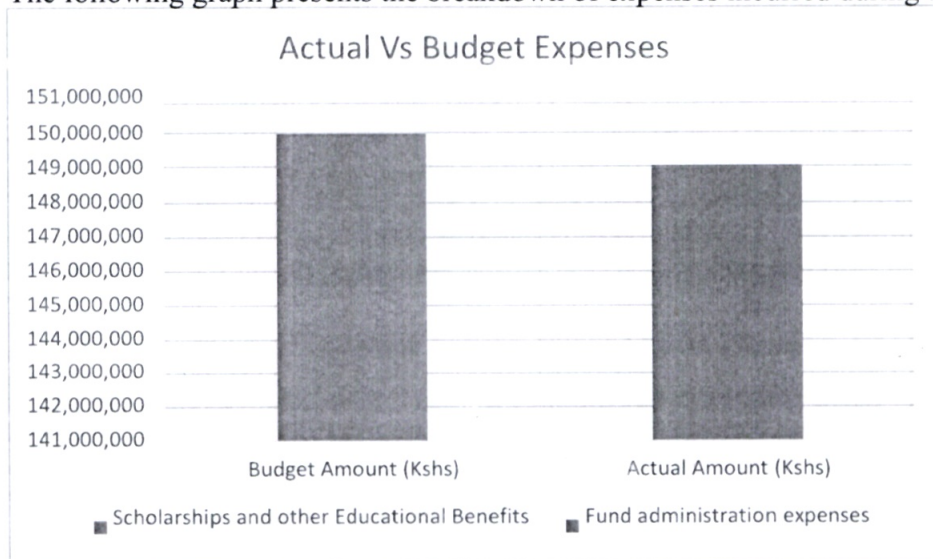
The following graph illustrates the breakdown of revenue sources for the reporting period:



**Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Expense Breakdown:

The following graph presents the breakdown of expenses incurred during the fiscal year:



Key Risk Management Strategies

For Wajir County Bursary Fund or any similar public funds, effective risk management is crucial to ensure transparency, accountability, and proper utilization of resources. Here are some key risk management strategies specific to Wajir County Bursary Fund:

Clearly Defined Objectives: Established clear and specific objectives for the bursary fund, outlining the intended beneficiaries, eligibility criteria, and the overall purpose of the fund. This helps in minimizing potential misallocation of resources.

Robust Governance and Oversight: Ensured there is a well-structured governance framework with clear roles and responsibilities for all stakeholders involved in managing and overseeing the bursary fund. This may include a Bursary Committee, Ward committees, or other relevant bodies to monitor fund activities.

Transparent Application Process: Implementation of a transparent and fair application process, ensuring that all eligible students have equal opportunities to apply for the bursary. Established clear guidelines for the application, evaluation, and selection process, along with a mechanism for handling appeals or complaints.

Performance Monitoring and Reporting: Set up a system to monitor the performance of the bursary fund regularly. This involves tracking the number of beneficiaries, funds disbursed, and

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

overall impact on the beneficiaries' education. Publish regular reports to keep the public informed and maintain transparency.

Compliance and Legal Considerations: Ensure that all activities related to the bursary fund comply with relevant laws, regulations, and financial management procedures. This may include adhering to government guidelines for bursary funds and any specific requirements for Wajir County.

Stakeholder Engagement: Involve relevant stakeholders, including local communities, educational institutions, and civil society organizations, in the decision-making process and seek their input to improve the fund's effectiveness and avoid potential conflicts.

By adopting these key risk management strategies, Wajir County Bursary Fund has enhanced its efficiency, accountability, and impact on the educational outcomes of the beneficiaries.

Conclusion:

The financial statements and accompanying graphs provide a comprehensive overview of the Wajir County Bursary Fund's financial performance. We have strived to spend within the budget while fulfilling our mission of providing educational opportunities to deserving students. The support received from County and stakeholders has been instrumental in achieving our goals.

We remain committed to ensuring the effective and efficient use of funds, improving our financial position, and expanding the impact of the Wajir County Bursary Fund. Through prudent financial management and continued support, we can make a lasting difference in the lives of underprivileged students in Wajir County.

Thank you.

Wajir County Bursary Fund



Issa Kuresh Abdille

Fund Administrator

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

7. Statement of Performance Against the County Fund’s Predetermined Objectives

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 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.

Wajir County Bursary Fund

The principal mission mandate of the Fund is to increase access to secondary school, ensure retention of students in secondary school, promote transition and completion rates, and to reduce disparities and inequalities in the provision of secondary school education as well as tertiary education.

The County Government prepared the CIDP which is the county development blue print for the five years plan period. In this Education plays a critical role and that’s why there is the Bursary Fund. Tracking of Bursary implementation status is done through a number of activities including: field inspection reports, quarterly M&E reports and annual M&E reports. Annual reports are carried out as per Section 164 (2) (f) of the Public Finance Management Act, 2012.

Education as a Strategic development objective

The County’s CIDP has identified Twenty-three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor’s Manifesto, Vision 2030 & the National Government’s “Big Four” Agenda, SDGs and the MTP III.

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 and plans, and are summarised here-in-under;

- a) Provide bursary for needy students.
- b) Increase access to secondary school
- c) Reduce disparities and inequalities in provision of both secondary and tertiary education.
- d) Promote transition and completion rates.

Below we provide the progress on attaining the stated objectives, particularly on matters Education in which the Bursary fund has played a catalytic role.

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Department	Objective	Outcome	Indicator	Performance
Education	To support bright and needy students to access quality education	Increased number of students accessing education in the County	% of students retained in school / transitioned to next level institutions	In FY 2022/23 we increased bursary access for tertiary level. Increased number of bursary beneficiaries and amount from Kshs.92,734,700 to Kshs.143,680,000 being an increase of Kshs.50,945,220 of 55%.

8. Corporate Governance Statement

The Wajir County Bursary Fund is made up of 6 Administration Committee members. Members meet to deliberate on the performance of the management team by evaluating and considering bursary awards to the students. Based on the Budget allocation, the committee members are not remunerated from the fund but paid sitting allowances as the act. In the coming years we will be able to report on the governance structure based on:

- a. Number of Fund Administration Committee meetings held and the attendance to those meetings by members,
- b. Succession plan,
- c. Existence of a service charter,
- d. Process of appointment and removal of trustees/ Administration Committee members,
- e. Roles and functions of the Administration Committee members,
- f. Induction and training, Administration Committee members and member's performance,
- g. Conflict of interest,
- h. Board remuneration,
- i. Ethics and conduct as well as governance audit undertaken if any

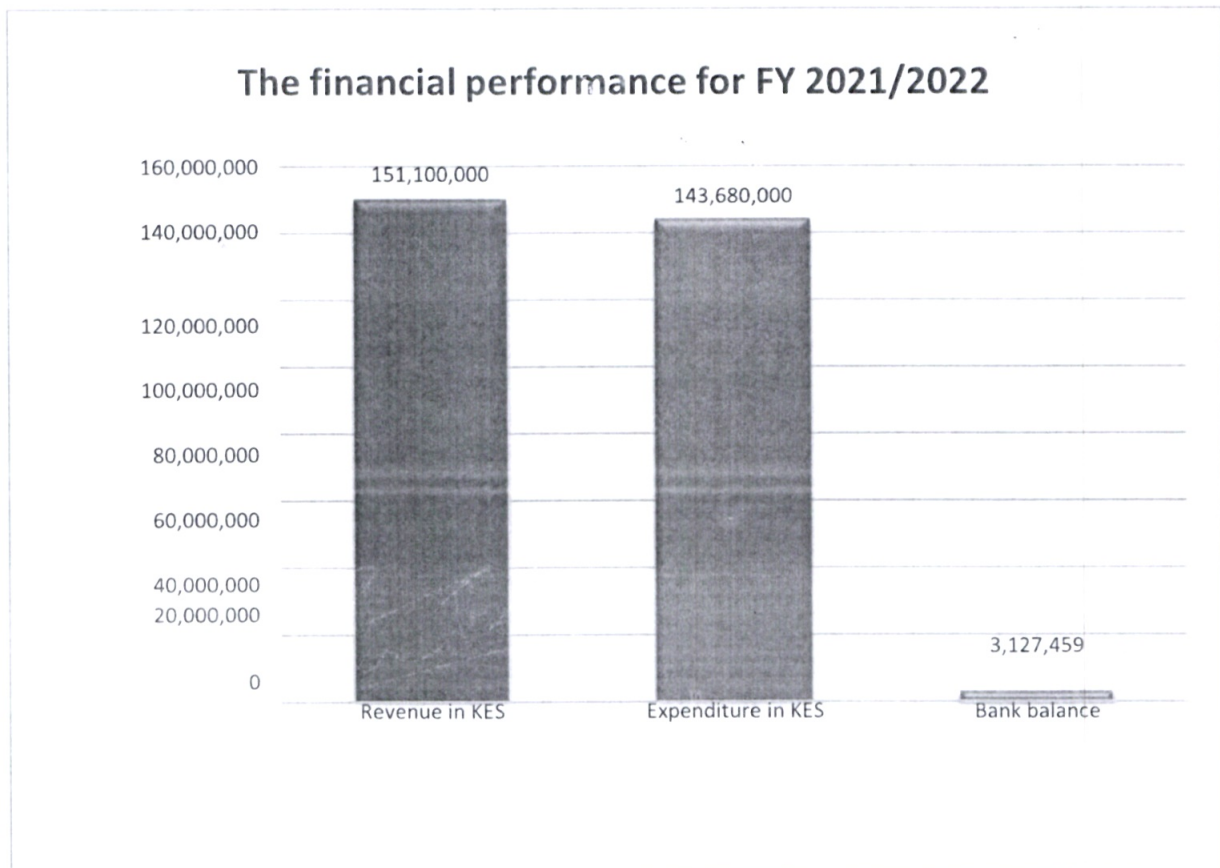
Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

9. Management Discussion and Analysis

During the year, Kshs.143,950,000 was disbursed to support deserving cases within the County. This was allocated to students covering both full and partial year school fees. We are working on how to increase the budgetary allocation to support more cases in coming years.

We increased amount of bursaries disbursed to beneficiaries from Kshs. 92,734,700 in financial 2020/2021 to Kshs. 143,950,000 in the financial year 2022/2023.

Below is graphical representation of financial performance of the Bursary Fund for FY 2022/2023.



10. Environmental and Sustainability Reporting

Below is a brief highlight of our achievements in areas of environmental sustainability

1. Sustainability strategy and profile -

The Fund administrator have put in place sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities.

2. Environmental performance

The Board ensures conserving of environment use of environmentally friendly products.

3. Employee welfare

The Board managed to offer an induction to the members of staff and some board members on the process of auditing and review of financial statements. It has also taken the staff and board members for a team building session to enhance cohesion and team work among the members.

4. Market place practices-

Due to the shortage of funds allocated to the board, the board uses much of it's administration funds to pay for sitting and travelling allowance to the board members as well as the ward committee members. The few items that require procurement include pens, printing papers as well as office stationaries. These ones are directly procured from some specific suppliers. Similarly, all the contracts signed by the respective suppliers are always honored.

5. Community Engagements-

On matters of community engagement is that members of the board especially the chairman and the CEO have always been invited in school's annual general meetings as well as schools prize giving functions. In all those functions the members who attend generously contribute in terms of finances and words of counsel. We also have some Ward bursary committees who are also members of community-based organization and rotary groups.

By Order of the Board

Hassan Omar,



Chair of the Fund Administration Committee

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The Fund's principal activity is to receive bursary funds as appropriated in the County's Approved budget estimates and disburse the funds as stipulated in the Act to enable children of the Wajir County pursue their education.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1.

Fund Administration Committee

The members of the Fund Administration Committee Board of Trustees who served during the year are shown on page Vii. There were no changes in the administration Committee during the financial year.

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 Board



.....
Chair of the Board/Fund Administration Committee

Date:

22/12/2023

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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 established by Wajir County Bursary Fund Act, 2019 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 the County Public 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 for and as at the end of the financial year ended on June 30, 2023. 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 County Public 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 Wajir County Bursary Fund Act, 2019. The Administrator of the Fund 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, 2023, 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, 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.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

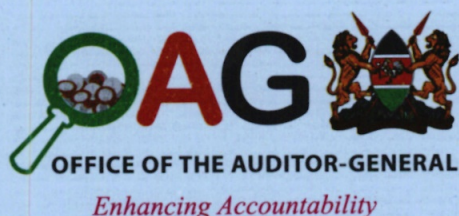
Approval of the financial statements

The Fund's financial statements were approved by the Board on 22/12 2023 and signed on its behalf by:

.....


Administrator of the County Bursary Fund

REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
E-mail: 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 WAJIR COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

Opinion

I have audited the accompanying financial statements of Wajir County Bursary Fund set out on pages 1 to 29, which comprise of the statement of financial position as at

30 June, 2023, and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 the financial statements present fairly, in all material respects, the financial position of Wajir County Bursary Fund as at 30 June, 2023 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 Public Finance Management Act, 2012 and the Wajir County Bursary Fund Act, 2019.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wajir 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Adherence to the Bursary Allocation Formula

During the year under review, a total of Kshs.4,649,000 representing 3.1% of the Bursary Fund allocation was allocated as Special Fund Scholarship. This was below the 5%

threshold required under Regulation 12(d) of the Wajir County Bursary Fund Regulations, 2023.

In the circumstances, Management was in breach of law.

2. Failure to Maintain an Asset Register

Note 7 to the financial statements reflects property, plant and equipment balance of Kshs.237,603. However, Management did not maintain an asset register contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 control, 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 the Fund Administration Committee

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 control 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Fund or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Fund Administration Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

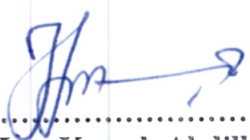
12 January, 2024


Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	FY2022/2023	FY2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	1	150,000,000	100,000,000
Other Income	2	100,000	-
Total Revenue		150,100,000	100,000,000
Expenses			
Scholarships and other Educational Benefits	3	143,950,000	92,734,700
Fund administration expenses	4	3,993,400	5,867,130
Depreciation and Amortization Expense	5	142,333	70,596
Total Expenses		148,062,201	98,672,426
Surplus/(Deficit) for the Period		2,014,267	1,327,574

(The notes set out on pages 7 to 28 form an integral part of these Financial Statements)


 Name: Issa Kuresh Abdille
 Administrator of the Fund


 Name: Abdikher Sharif Hassan
 Fund Accountant
 ICPAK Member Number: 25686

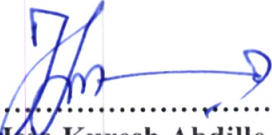
Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023


15. Statement of Financial Position As at 30 June 2023

Description	Note	FY2022/2023	FY2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	6	3,206,338	1,264,738
Total current assets		3,206,338	1,264,738
Non-Current Assets			
Property, Plant and Equipment	7	214,071	141,404
Total non- current assets		214,071	141,404
Total Assets		3,420,409	1,406,142
Liabilities			
Current Liabilities			
Trade and Other Payables		-	-
Total current liabilities		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings		-	-
Total Liabilities		-	-
Net Assets			
Capital Fund		427,000	78,568
Accumulated surplus		2,993,409	1,327,774
Total Net Assets and Liabilities		3,420,409	1,406,142

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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 24/12 2023 and signed by:


.....
Name: Issa Kuresh Abdille
Administrator of the Fund


.....
Name: Abdikher Sharif Hassan
Fund Accountant
ICPAK Member Number: 25686

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Accumulated surplus	Capital Fund	Total
	Kshs		Kshs
Balance As At 1 July 2021	78,568	-	78,568
Surplus/(Deficit) For the Period	1,327,774	-	1,327,774
Balance As At 30 June 2022	1,406,142	-	1,406,142
Balance As At 1 July 2022	1,406,142	-	1,406,142
Surplus/(Deficit) For the Period	2,014,267		2,014,267
Funds Received During the Year for capital expenditure	(215,000)	215,000	
Prior Year Adjust*	(212,000)	212,000	
Balance As At 30 June 2023	2,993,409	427,000	3,420,409

*The adjustment is to recognize capitalized funds used to purchase Computers.

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY2022/2023	FY2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	150,000,000	100,000,000
Other Income	2	100,000	
Total receipts		150,100,000	100,000,000
Payments			
Bursary and Scholarship		143,950,000	92,734,700
Fund administration expenses		3,993,400	5,867,130
		147,943,400	98,601,830
Net cash flows from operating activities		2,156,600	1,298,170
Cash flows from investing activities			
Purchase of property, plant, equipment		215,000	212,000
Net cash flows used in investing activities		-	212,000
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		1,941,600	1,186,170
Cash and cash equivalents at 1 July		1,264,738	78,568
Cash and cash equivalents at 30 June		3,206,338	1,264,738

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison Of Budget And Actual Amounts For The Period

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
Revenue						
Transfers From County Govt.	150,000,000	-	150,000,000	150,000,000	-	100%
Other Income	-	100,000	100,000	100,000	-	100%
Total Income	150,000,000	100,000	150,100,000	150,100,000	-	100%
Expenses						
Scholarships and other Educational Benefits	145,500,000	100,000	145,600,000	143,950,000	1,550,000	99%
Fund administration expenses	4,500,000		4,500,000	4,112,201	387,799	100%
Total Expenditure	150,000,000	100,000	150,100,000	148,062,201	2,037,799	99%
Surplus For the Period	-	-	-	2,037,799		

19. Notes to the Financial Statements

1. General Information

The Wajir County Bursary Fund is established by and derives its authority and accountability from Wajir Bursary Fund Act, 2019. The entity is wholly owned by the Wajir County Government and is domiciled in Kenya. The principal activity of the Wajir County Bursary Fund is to receive bursary funds as appropriated in the County's Approved budget estimates and disburse the funds as stipulated in the Act to enable students of the Wajir County pursue their education.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. 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 cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>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.</p>

Standard	Effective date and impact:
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

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

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on Wajir. No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The entity'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.

Summary of Significant Accounting Policies (Continued)

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes 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 8 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is calculated on straight line basis and written off as per rates below:

Computers and office equipment	33 1/3%
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d) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

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

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 irrevocable election at initial recognition for particular investments in equity instruments.

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.

Summary of Significant Accounting Policies (Continued)

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.

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.

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.

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.

Impairment

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

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Entity 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 Entity 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.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

The Entity 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 remote.

Contingent assets

The Entity 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 Entity 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.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Summary of Significant Accounting Policies (Continued)

n) 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.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

The Entity 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

q) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity'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 judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. There were no additional disclosure of these estimates of provisions.

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. Notes To The Financial Statements

1. Transfers from County Government

Description	2022-2023 FY	2021-2022FY
	Kshs	Kshs
Transfers From County Govt. –Operations	150,000,000	100,000,000
Total	150,000,000	100,000,000

2. Other Incomes

Description	2022-2023 FY	2021-2022FY
	Kshs	Kshs
Other Incomes	100,000	-
Total	100,000	-

Refund from Tertiary institution for Students who had left the institutions.

3. Scholarships and Other Educational Benefits

Description	2022-2023 FY	2021-2022FY
	Kshs	Kshs
Secondary Schools	67,814,000	47,986,500
Tertiary Institutions	76,136,000	44,748,200
Total	143,950,000	92,734,700

4. Fund Administration

Description	2022-2023 FY	2021-2022FY
	Kshs.	Kshs.
Administrative Expenses	-	5,082,950
Printing and Stationery Expense	431,120	541,000
Travel Cost	1,432,600	120,500
Hospitality	145,600	80,000
Training expenses	1,234,000	-
Bursary Committee Allowances	670,000	-
Bank Charges	80,079	42,680
Total	3,993,400	5,867,130

Notes to the Financial Statements Continued

5. Depreciation and Amortization Expense

Description	2022-2023 FY	2021-2022FY
	Kshs.	Kshs.
Property Plant and Equipment	142,333	70,596
Total	142,333	70,596

6. Cash and cash equivalents

Description	2022-2023 FY	2021-2022FY
	Kshs	Kshs
Current Accounts	3,206,338	1,264,738
Total Cash And Cash Equivalents	3,206,338	1,264,738

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

Financial Institution	Account number	2022-2023 FY	2021-2022FY
		Kshs	Kshs
a) Current Account			
First Community Bank	80004120	1,339,438	1,264,738
Kenya Commercial Bank	13015175964	1,866,900	-
Grand Total		3,206,338	1,264,738

Notes To The Financial Statements (Continued)

7. Property, plant and equipment

	Computers and office equipment 33 1/3%	Total
Cost	Kshs	Kshs
At 1 st July 2021	-	-
Additions	212,000	212,000
At 30 th June 2022	212,000	212,000
At 1 st July 2022	212,000	212,000
Additions	215,000	215,000
At 30 th June 2023	427,000	427,000
Depreciation And Impairment		
At 1 st July 2021	-70,596	-70,596
Depreciation	70,596	70,596
At 30 th June 2022	70,596	70,596
At 1 st July 2022	142,333	142,333
Depreciation Charge for the Year	212,929	212,929
At 30 th June 2023		
Net Book Values	214,071	214,071
At 30 th June 2023	141,404	141,404
At 30 th June 2022		

Notes To The Financial Statements (Continued)

8. Cash generated from operations

Description	2021-2022 FY	2121-2022 FY
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	2,014,267	1,327,574
Adjusted For:		
Depreciation	142,333	70,596
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	2,178,998	1,298,170

Notes To The Financial Statements (Continued)

9. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund 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) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	2022-2023 FY	2021-2022FY
	Kshs	Kshs
Transfers From Related Parties'	150,000,000	100,000,000
Transfers To Related Parties	150,000,000	100,000,000

Notes To The Financial Statements (Continued)

10. 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 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:

a) Credit risk

The Fund 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 Nil.

Notes To The Financial Statements (Continued)

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 no significant concentration of credit risk on amounts due.

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.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund 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 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.

Notes To The Financial Statements (Continued)

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising 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 entity 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.

Notes To The Financial Statements (Continued)

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 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 favourable interest rates.

Notes To The Financial Statements (Continued)

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:

11. Events after the reporting period

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

12. Ultimate and Holding Entity

The entity is a County Public Fund established by Wajir County Bursary Fund Act, 2019. Its ultimate parent is the County Government of Wajir.

13. Currency

The financial statements are presented in Kenya Shillings (Kshs).

**Wajir County Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Exceeded Expenditure Limit on Administration Expenses	The Management has complied with the limit during financial year 2022-2023	Not Resolved	
2	Failure to Enact Bursary Fund Regulations	The Bursary has enacted Bursary Funds Regulations	Not resolved	

Administrator of the Fund

Date..... 22/12/2023