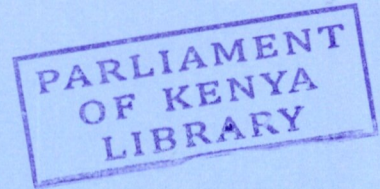
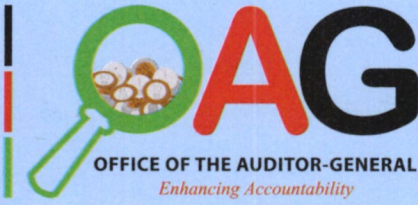


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

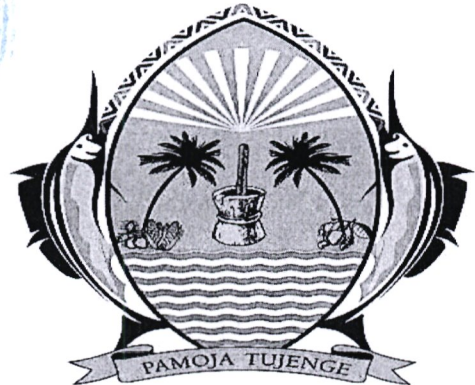
**ON**

**KILIFI COUNTY WARD SCHOLARSHIP FUND**

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

PAPERS LAID	
DATE	26/11/25
TABLED BY	J.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda

Revised 30<sup>th</sup> June 2025



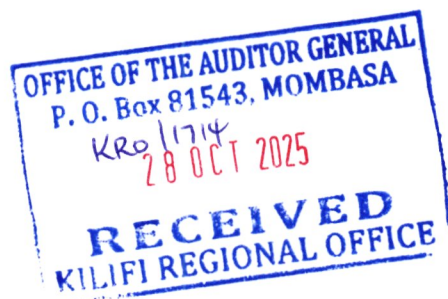
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## KILIFI COUNTY WARD SCHOLARSHIP FUND

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

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



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**Kilifi County Ward Scholarship Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**a) Acronyms**

<i>CT</i>	<i>County Treasury</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>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.

**2. Key Entity Information and Management**

**a) Background information**

- b) The Kilifi County Ward Scholarship Fund is established by and derives its authority and accountability
- c) from the Kilifi County Ward Scholarship Fund Administration Act, 2018.
- d) The Fund is wholly owned by the County Government of Kilifi and is domiciled in Kenya. The fund's objective is to provide funds to be used for granting scholarship to assist needy and deserving students.
- e) The Kilifi County Ward Scholarship Funds Day to day management is under the following key organs:
  - f) • The Ward Scholarship Committees
  - g) • Kilifi Ward Scholarship Fund Board
  - h) • The Kilifi County Assembly Scholarship Committee

**i) Principal Activities**

The principal activity/mission/ mandate of the Fund is to provide funds to be used for granting scholarships to assist needy and deserving students.

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

Ref	Name	Position
1	Lerine Muoti Kitema	Chairperson
2	CPA Neema Sirya	Fund Administrator
3	Eliud Kalama	Member
4	Ezekiel Mwarua	Member

**k) Key Management team**

Ref	Name	Position
1	CPA Neema Sirya	Fund Administrator
2	CPA Paul Karisa	Fund Accountant

**Key Entity and Management (Continued)**

**l) Fiduciary Oversight Arrangements**

- Kilifi County Internal Audit
- Kilifi County Assembly Scholarship Committee
  
- Kilifi County Audit Committee

**m) Registered Offices**

**County Government of Kilifi Treasury Building**

P.O. Box 519-80108,  
Bofa Road  
KENYA

**n) Fund Contacts**

Telephone: (254) 417522227  
E-mail: [scholarshipfund@kilifi.go.ke](mailto:scholarshipfund@kilifi.go.ke)  
Website: [www.kilifi.go.ke](http://www.kilifi.go.ke)

**o) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
  
2. National Bank of Kenya  
P.o Box 1392-80108  
Kilifi, Kenya
  
3. Equity Bank  
P.o Box 381-80108  
Kilifi, Kenya.

**Key Entity and Management (Continued)**

**p) Independent Auditors**

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

**q) Principal Legal Adviser**


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

**r) County Attorney**

P.O. Box 519-80108  
Kilifi, Kenya

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**3. Board of Trustees/ Fund Administration Committee**

Name	Details of qualifications and experience
	<p><b>Lerine Kitema- Board Chairperson</b></p> <p>She was appointed as the Scholarship fund chairperson in 2025</p> <p>She is currently the Chief officer for early childhood education and Vocational training. She holds a masters degree in Strategic management from JKUAT and a degree in marketing from Kenya methodist university</p>
	<p><b>Eliud Kalama- Board Member</b></p> <p>He is currently the chief officer Division of Public Service Management. He was appointed as the Kilifi County Ward Scholarship Fund board member on 14<sup>th</sup> December,2022. He holds a bachelors of commerce degree in Human Resource Management from the University of South Africa and a full member of IHRM.</p>



**Ezekiel Mwarua - Board Member**

He was appointed as a board member in 2024. He is currently the chief officer Finance and Economical Planning. He holds a Masters degree in Business administration (MBA), Management Science Option at Technical University Mombasa,



Bachelors of Technology in Chemical and Process Engineering (Second Class Honours Upper Division), at Moi University Eldoret-Kenya. He is a member of Engineers Board of Kenya-Graduate Engineer Membership No. B 7780.



**CPA Neema Sirya -Board Secretary**

CPA Neema Sirya was appointed as The Fund Administrator and a member of the Kilifi Ward Scholarship Fund Board on 15<sup>th</sup> November 2017. She is also the Deputy Director Corporate Services in charge of managing the general administration functions, human capital, ICT among others in the Finance & Economic planning department in the County Government of Kilifi. CPA Neema Sirya previously worked as the Payroll Manager in the county government of Kilifi. CPA Neema Sirya holds a Bachelors of Business Administration finance option from Kenya Methodist University and is a member of the Institute of Certified Public Accountants of Kenya

**4. Key Management Team**

Name	Details of qualifications and experience
	<p><b>CPA Neema Sirya - Fund Administrator.</b>            CPA Neema Sirya was appointed as The Fund Administrator and a member of the Kilifi Ward Scholarship Fund Board on 15<sup>th</sup> November 2017. She is also the Deputy Director Corporate Services in charge of managing the general administration functions, human capital, ICT among others in the Finance &amp; Economic planning department in the County Government of Kilifi.</p> <p>CPA Neema Sirya previously worked as the Payroll Manager in the county government of Kilifi. CPA Neema Sirya holds a Bachelors degree in Business Administration finance option from Kenya Methodist University and is a member of the Institute of Certified Public Accountants of Kenya</p>
	<p><b>CPA Paul Karisa - Fund Accountant</b></p> <p>CPA Paul Karisa was appointed as the fund accountant on 17th December, 2021. He is a senior accountant in the department of finance &amp; economic planning. He previously worked as head of accounts section at County Public Service Board and department of trade tourism and cooperative development before joining the fund. CPA Paul Menza Karisa holds a Bachelors of Commerce finance option from Pwani University and a member of Institute of Certified Public Accountant of Kenya</p>

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

It is my pleasure to present, on behalf of The Scholarship Fund board, The Kilifi Ward Scholarship Fund financial statements for the year ended June 30, 2025. The financial statements present the financial performance of the fund over the past year. Sustainability.

The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its finance base with an objective of ensuring that the fund's going concern is secured.

### **a) Board and Management Changes**

The Scholarship Fund Board Chair was appointed in 2023 upon completion of the contract of his predecessor. The Fund Administrator was appointed on 15<sup>th</sup> November, 2017 following the transfer of the previous Administrator to other services of the County.

### **b) Review of performance**

#### **Income**

The Fund had a balance brought down of **Kshs. 26,629,763** and a budget of **Kshs. 500,000,000** hence expandable amount was **Kshs.526,629,763**. During the year, the fund received **Kshs. 450,000,000** out of the **Kshs.500,000,000**. The **Kshs.50,000,000** was treated as transfer receivable.

#### **c) Expenditures**

The Fund total actual expenditure was **Kshs 373,310,704** where **Kshs 358,734,584** was paid to various learning institutions while **Kshs 15,295,001** was spent on administration costs.

Out of the **Kshs. 358,734,584** spent on bursaries, **Kshs. 245,874,917** was used to pay ordinary bursaries and **Kshs. 112,863,667** went to scholarships. The administration cost expenditure of **Kshs. 15,295,001**, **Kshs 13,747,391** went to recurrent expenditure and **Kshs. 1,547,610** was used on non-recurrent items.

#### **d) Future outlook**

The outlook of the Fund for the next quarter looks promising. The fund hopes to focus more on enhancing efficiency and effectiveness in the service delivery by improving service delivery processes. The fund looks forward for continued support from the county government and development partners to the realization of its mandate. To this end, the Fund expects an increase in allocation.

#### **Appreciation**

**Kilifi County Ward Scholarship Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

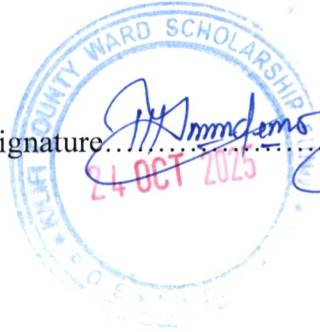
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I take this opportunity to express my sincere gratitude and appreciation to the county government, development partners, stakeholders, management, staff and fellow board members for their support which made us achieve these results.

I look forward to your continued support in the remaining quarters.

Name Lerine Kitema ..... Signature  ..... Date 24/10/2025 .....

**Chairperson of the Board**



**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**6. Report of The Fund Administrator**

It is my pleasure to present The Kilifi Ward Scholarship Fund financial statements for the year ended June 30, 2025. The financial statements present the financial performance of the fund over the whole year.

The Scholarship fund came into existence after the enactment of Ward Scholarship Fund Act 2013 which was later repealed under section 37 of the Kilifi County Ward Scholarship Fund Act 2013. The Kilifi County Ward Scholarship Fund Act 2018 has also has been amended in 2020 and 2024 paving way for increment of bursary fund

**Financial Performance**

**a) Revenue**

The fund budgeted for **Kshs 500,000,000** out of which **Kshs. 485,000,000** was for bursary disbursements and **Kshs. 15,000,000** for administration costs. **Kshs. 450,000,000** was received during the year and **Kshs. 50,000,000** was received after year end.as shown in the table below;

<b>Revenue classification</b>	<b>budget (Kshs)</b>	<b>Actual (Kshs)</b>	<b>Realization (%)</b>
Transfers from County Govt.	500,000,000.00	450,000,000.00	90%
<b>Total income</b>	<b>500,000,000.00</b>	<b>450,000,000.00</b>	<b>90%</b>

**b) Expenditure;**

The fund total expenditure was **Kshs 373,310,704** which comprised of **Kshs 358,738,564** bursaries and the remaining **Kshs 15,295,001** administration expenses.

**c) Cash flows**

The fund had a balance brought down of **Kshs. 26,629,763**, and received **Kshs. 500,000,000** as budgeted. **Kshs. 450,000,000** received during the year and **Kshs. 50,000,000** later.

**d) Successes**

The Kilifi County Ward Scholarship has, this financial year, successfully changed the it Act to pave way for increase of its allocation from **Kshs. 350,000,000** to **Kshs. 500,000,000** to 1billion. This increase br an upward effect on the number of students who will get bursary hence more people will access education and other disciplines. The fund also introduced the full scholarship program where over 2,000 national going students were brought on board and their fees fully paid by the fund.

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**e) Challenges**

The fund had experienced a hand of political interference where the political class has been demanding for more funds be allocated to their own. Due to this, the fund has enforced the adherence to provisions of the Act.

Lack of a robust system to manage student's data and curbing multiple applications by applicants. The fund management has requested the main department to budget and procurement an end to end system which will also bring in the idea of online application.

**f) Conclusion**

The fund finalized the amendment of the Kilifi County Ward Scholarship Act, 2018 and is in process of coming with the Scholarship fund Policy and Regulations in a bid to improve the management of the Fund in the subsequent years.

Name Neema Sirja ..... Signature [Signature] ..... Date 24/10/2025

**Fund Administrator**



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

**a) Programs of the Fund**

**i) Bursary allocation program**

Under this program we have two sub programs, the scholarship grants and the ordinary bursary transfers.

On the scholarship grants, the fund recruited over 2000 national schools students who fees are fully paid by the fund. It is the county government hope that these will continue with scholarship grant passed secondary school level.

The second sub program is the ordinary bursary transfers where students undergo a vetting process before awarded the bursary. The key output activities include Sorting of applications, vetting of application forms, qualification assessment, allocation of bursary and listing of qualified beneficiaries. These activities are primarily done by the ward scholarship committee as powered by the scholarship act.

**Below we provide the progress on attaining the stated objectives**

Sub Program	Objective	Output	Performance Indicator	Performance
Bursary transfers	To support bright and needy students to access quality education	number of over 43,168 students accessed education in the County in this year under review.	80 % of students retained in school / transitioned to next level institutions	The bursary access was 100%

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

Scholarship transfers	To support bright and needy students to access quality education	Over 2000 put under this program	100% getting enrolment to university	90% results show good progress
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**ii) General Office Administration**

The program covers the daily activities undertaken the fund secretariat headed by Fund administrator under scholarship board. The main key output activities include Staff training, Conference facilities, general office administration

**b) Performance indicators**

The main performance indicator is the percentage of students assessing education transitioning from one level to the other. The number of students receiving bursaries and scholarship has shown an upward trend from below 40,000 students to above 40,000 students as a result of increased funding

**e) Actual Performance**

As at the end of quarter four, the had fund received an allocation of **Kshs 450,000,000** and had a balance brought forward of **Kshs 26,629,763** which represented **90%** of its expected revenue and spent **Kshs 358,738,584** on bursaries and **Kshs 15,295,001** on Administration. The plan of the fund was to spend **Kshs. 485,000,000** on bursaries and **Kshs. 15,000,000** on administration

**8. Statement of Corporate Governance**

**The Board**

The board comprises of 6 members. These members include the chief officer in charge of Education, ICT and Innovation, Chief officer in charge of Public Service Management, Chief officer in charge of Finance and Economic Planning, the Fund administrator and two other members of either gender.

The Kilifi Ward Scholarship Fund established by The Kilifi County Ward scholarship fund Act 2018.

Its mandate is to cushion households from impacts of poverty, and table economy and the effects of HIV / AIDS by increasing access, retention and completion rates in primary, secondary and tertiary learning institutions and to provide for the procedure applicable to and requirements for scholarship allocation.

The Fund main purpose is therefore to provide funds to be used for granting scholarships to assist needy and deserving students.

The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the scholarship Fund board at its apex.

**Board Meetings**

The Scholarship board meets quarterly or as required in order to monitor the implementation of the fund's strategic plan and achievement of the set targets.

The Scholarship board also plays an oversight role over all other financial and operational issues. In the year under review the board held five meetings of which is tabulated below:

**Attendance table 1**

<b>Name</b>	<b>Designation</b>	<b>19/08/2024</b>	<b>04/10/2024</b>	<b>19/09/2024</b>
Fredrick Kalama	Board chair	Attended	Attended	Attended
Neema Sirya	Board Sec	Attended	Attended	Attended
Winnie Wakati	Member	Attended	Attended	Attended
Ezekiel Mwarua	Member	Attended	Attended	Attended

**Kilifi County Ward Scholarship Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Attendance table2**

<b>Name</b>	<b>Designation</b>	<b>27/12/2024</b>
Lerine Kitema	Board chair	Attended
Neema Sirya	Board Sec	Attended
Eliud Kalama	Member	Attended
Ezekiel Mwarua	Member	Attended

**Existence of Board Members**

The board is a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of -

- a) Suing and being sued
- b) Purchasing, acquiring, holding, charging or disposing of movable and immovable property.
- c) Borrowing money or making investments, and
- d) Doing or performing all other acts or things for the proper performance of its functions under the act which may lawfully be done or performed by a body corporate

**Process of Appointment and Removal of Board Members**

The Executive Committee Members is responsible for appointment of the board members. A member of the board may be removed from office on any one or more of the following grounds-

- a) Gross violation of the constitution or any other law;
- b) Gross misconduct whether in the performance of the member's or office holder's function or otherwise;
- c) Physical or mental incapacity to perform the functions of office;
- d) Incompetence; or
- e) Bankruptcy

**Roles and Functions of the Board**

The board shall-

- a) Ensure timely and efficient disbursement of funds to the qualifying beneficiaries' institution;
- b) Ensure efficient management of the fund;
- c) Receive and address complaints that may arise from the implementation of the Act;

**Kilifi County Ward Scholarship Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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- d) Administer the funds and assets of the board in such manner and for such purpose as shall promote the best interest of the board in accordance with the Act to ensure efficient management of the Fund;
- e) Perform such other duties as the board may deem necessary from time to time for the proper management of the fund.

**Succession Plan**

The board consists of the chief officers who serve as per the contract given by the County Government. Once the contract expires the chief officers cease to be the board member and new board members are appointed to serve for the specified during of the contract.

The directives of the board are carried out by the scholarship secretariat which consists of permanent and contracted employees of the County Government who are deployed to the secretariat from different departments. Once staff is redeployed another staff is sent to the scholarship.

**Induction and Trainings**

Both the board members and secretariat staff attend various trainings and inductions as per the department's training plan.

**Remuneration**

The board and secretariat staff do not get direct remuneration from the fund. They are paid salaries and wages from the County Government budget. No allowance is payable since it amounts to double payment.

**Ethics and conduct**

The behaviour and conduct of both the board and secretariat staff is guided by the chapter six of the laws of Kenya.

**Conflict of interest**

During the year under review, members avoided such conflicts, agreed to disclose any potential conflicts to the board members and abstained from decisions where a conflict exists to maintain objective and ethical decision making.

**Board and member performance**

The board members had sufficient independence and ensured objectivity in their performance. They aligned their actions with the fund long term goals. They made informed decisions based on timely, relevant and adequate information provided by the key management. The board members ensured that the Act is adhered to. There was an active engagement in discussions and decision making through out the year.

They demonstrated strong leadership skills, analytical skills and willingness to contribute their specific expertise.

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**9. Management Discussion and Analysis**

**a) Operational and Financial Performance for the last 3 year**

The fund has been receiving **Kshs, 350,000,000** for the last 3years, In the current financial year the allocation increased to **Kshs 500,000,000** up from **Kshs. 350,000,000**. This was possible after amending the Kilifi county scholarship fund act 2018 which increased the allocation.

The bursary disbursements experienced a downward trend attributed by wards apportioning the disbursement crossing over to the next financial year.

On the administration costs, the fund had an up and down trend where expenditure on hand was affected by late disbursements of money to the fund affecting the procurement plan.

The following table shows the results for the last three years;

**Table 1: Results for the last three years**

<b>FY</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>
Transfers From county Government	350,000,000	350,000,000	350,000,000
Fund Bal b/f	22,618,538	12,624,853	5,440,272
<b>Total Income</b>	<b>372,618,538</b>	<b>362,624,853</b>	<b>355,440,272</b>
<b>Expenses</b>			
General Expenses(bursary)	351,464,490	343,515,045	316,670,047
Administration cost	10,659,070	13,669,536	12,140,462
<b>Total expenses</b>	<b>362,123,560</b>	<b>357,184,581</b>	<b>328,810,509</b>
<b>Surplus/(Deficit)</b>	<b>10,494,978</b>	<b>5,440,272</b>	<b>26,629,763</b>

**b) Compliance with statutory requirements**

The fund complied with all the statutory requirements which included withholding 2% VAT and submit it to the commissioner of VAT. The other statutory deductions like NSSF, PAYE etc are managed by the executive so the fund had no requirements to comply with,

**c) Analysis of bursary transfers/Scholarships to various institutions.**

During the year, the fund received a total of **Kshs, 450,000,000** Out this, **Kshs. 358,743,578** was paid to various learning institutions across the country. Looking at the disbursements for the last 3 years, this year the fund recorded the highest disbursement to various learning institution. This high record was made possible due to the increase of allocation from **Kshs. 350,000,000** to **Kshs. 500,000,000**.

The table below shows the breakdown of various categories of learnings and the amount each category received;

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

<b>Category</b>	<b>Amount (Kshs,)</b>
Secondary schools	162,545,291
TVET and Colleges	58,215,613
Universities	25,114,007
National secondary schools	112,868,667
<b>Total</b>	<b>358,743,578</b>

**d) Summary of breakdown of beneficiaries from each ward**

The table below shows the breakdown of number of beneficiaries in each ward;

<b>S/no</b>	<b>No of Beneficiaries per Ward</b>				
	<b>Wards</b>	<b>University</b>	<b>TVTS &amp; Colleges</b>	<b>Secondary</b>	<b>National schools</b>
1	Adu	81	439	756	47
2	Bamba	63	314	738	55
3	Chasimba	181	416	457	66
4	Dabaso	64	334	816	42
5	Ganda	90	74	964	72
6	Ganze	78	193	987	61
7	Garashi	73	145	861	63
8	Gongoni	90	155	683	102
9	Jaribuni	96	389	677	18
10	Jilore	70	265	1102	25
11	Junju	82	233	774	41
12	Kakuyuni	68	180	910	18
13	Kaloleni	181	304	1020	86
14	Kambe Ribe	115	391	1224	56
15	Kayafungo	35	375	673	42
16	Kibarani	108	137	784	87
17	Magarini	178	206	1007	81
18	Malindi Town	106	155	943	28
19	Marafa	100	278	674	36
20	Mariakani	92	48	1138	106
21	Matsangoni	89	200	501	34
22	Mnarani	84	362	1059	40
23	Mtepeni	44	22	1454	76
24	Mwanamwinga	65	201	709	47
25	Mwarakaya	160	245	1104	36
26	Mwawesa	94	137	940	33
27	Rabai Kisutini	94	190	824	54
28	Ruruma	111	265	1045	71

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

29	Sabaki	50	287	1148	26
30	Shella	39	132	780	70
31	Shimo la Tewa	9	106	1042	102
32	Sokoke	131	180	497	28
33	Sokoni	129	151	760	113
34	Tezo	105	114	662	79
35	Watamu	94	175	427	40
	<b>TOTAL</b>	<b>3249</b>	<b>7798</b>	<b>30140</b>	<b>1981</b>

CATEGORIES	NO. OF STUDENTS FOR 35 WARDS
NATIONAL SECONDARY	
1 SCHOOLS	1981
OTHER SECONDARY	
2 SCHOOLS	30140
3 UNIVERSITIES	3249
4 COLLEGES & VTCS	7798
<b>TOTAL</b>	<b>43168</b>

**e) Major risks facing the fund**

The scholarship fund had its share of risks/challenges as follows:

- **Political interference**

The county political class has in several occasions tried to interfere with the bursary awarding process in order to favour their political subjects. To counter this the fund has been steady in ensuring that the Act is followed.

- **Lack of a robust system to run the daily operations of the fund.**

The fund has been experiencing the risk of multiple allocations and a challenge in monitoring students' performance. The board resolved that a system should be procured which will assist in identification of multiple allocations and through student's data, which is available, will help in giving analysis which will assist in monitoring students' performance. Currently, the system is in the procurement stage and hope to be ready soon for implementation

## **10. Environmental and Sustainability Reporting**

### **a) Sustainability strategy and profile –**

The County Government of Kilifi through this ward scholarship fund has been providing scholarship since 2013 and many students have gone through their education ladders through scholarships offered by this fund. The total amount of money channelled to this fund has been Kshs. 500 million and it is the spirit and willingness of the County Government of Kilifi to expand it to Kshs. 1 billion in the future. This effort will ensure more students benefit in the future from the fund .

### **b) Environmental performance**

In order to reduce the use paper materials which have direct effect on trees which conserve our environment, the fund has adopted the use of lists of beneficiaries in soft and in the process of acquiring an application which will enable the application of bursary online so as do away with hard application papers.

The fund also devised a way of disposing its rubbish in a approved dumping sites using rubbish dust bin to avoid littering the environment leading to death of living organism which helps in enriching the soils.

The fund secretariat staff joined other groups and organization and planted trees in various parts of the county.

### **c) Employee welfare**

The staff of the fund are normal seconded from the main department who most of the are members Kilifi County Welfare association where many of their social needs are catered for. The fund management is gender sensitive because we have 10 staff 5 women and 5 men.

### **d) Marketplace practices-**

The fund is not in selling services or goods to the community so it has no market share or segment to safeguard or maintain.

### **e). Corporate Social Responsibility / Community Engagements**

The fund is not in selling services or goods to the community so it has nothing to give back to the community.

**Kilifi County Ward Scholarship Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**11. Report of The Trustees**

The board submit their report together with financial statements for the period ended June 30, 2025, which show the state of the Fund's affairs.

**Principal activities**

The principal activities of the Fund are to provide funds to be used for granting scholarships to assist needy and deserving students.

**Results**

The results of the Fund for the period ended June 30, 2025 are set out on page 1-26

**Trustees**

The Trustees who served during the year are shown on page vi.

**Auditors**

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



Chair of the Board

Date: 24/10/2025



**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 the Kilifi County Ward Scholarship Fund is responsible for the preparation and presentation of the Fund/Scheme’s financial statements, which give a true and fair view of the state of affairs of the Fund/Scheme for and as at the end of the financial year ended on June 30, 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 Kilifi County Ward Scholarship Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Kilifi County ward Scholarship Fund Act 2018. 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, 2025, and of the Fund/Scheme’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund/Scheme, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Kilifi County Ward Scholarship Fund has assessed the Fund/Scheme’s ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund 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 financial statements were approved by the Trustee/Committee on **27<sup>th</sup> July, 2025** and signed on its behalf by:

.....  


**Fund Administrator**

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON KILIFI COUNTY WARD SCHOLARSHIP FUND FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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 Kilifi County Ward Scholarship Fund set out on pages 1 to 30, which comprise of the statement of financial position as at 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kilifi County Ward Scholarship 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) comply with the Kilifi County Ward Scholarship Fund Act, 2018 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Expenditure on Scholarship Grants**

The statement of financial performance reflects expenditure on scholarship grants totalling to Kshs.112,863,667 while Note 11 to the financial statements reflects expenditure totalling to Kshs.112,868,667 resulting to unexplained variance of Kshs.5,000 which resulted to overstatement of the surplus by Kshs.5,000.

In the circumstances, the accuracy and completeness of expenditure on scholarship grants could not be confirmed.

#### **2. Inaccurate Trade and Other Payables Balance**

The statement of financial position reflects a balance of Kshs.9,918,285 in respect of trade and other payables balance as disclosed in Note 16 to the financial statements. Included in this balance is Kshs.7,153,385 in respect of returned to drawer and stale cheques which ideally should be cash and cash equivalents reconciling items.

In the circumstances, the accuracy of trade and other payables balance of Kshs.9,918,285 could not be confirmed.

#### **3. Inaccurate Statement of Cash Flows**

The statement of cash flows reflects net increase in cash and cash equivalents totalling to Kshs.67,598,930 while the recalculated amount is Kshs.67,568,930 resulting to unexplained variance of Kshs.30,000. In addition, the statement reflects comparative amounts that when recalculated results to unexplained variances as indicated in the table below:

<b>Item</b>	<b>Comparative Amount (Kshs)</b>	<b>Recalculated Amount (Kshs)</b>	<b>Variance (Kshs)</b>
Total payments	351,419,222	361,419,222	10,000,000

Item	Comparative Amount (Kshs)	Recalculated Amount (Kshs)	Variance (Kshs)
Net cash flows outflow from operating activities	1,419,222	11,419,222	10,000,000
Net increase in cash and cash equivalents	21,189,491	7,166,504	14,022,987
Cash and cash equivalents as at 30, June	26,620,763	12,606,776	14,013,987

The statement reflects a comparative amount of Kshs.19,038,651 in respect of receipt from stale and RD cheques which was not disclosed in the prior year audited statement.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.526,629,763 and Kshs.476,629,763 respectively resulting in under funding of Kshs.50,000,000 or 9.5%. Similarly, the Fund spent an amount of Kshs.374,033,585 against actual receipts of Kshs.476,629,763 resulting to an under-utilization of Kshs.102,596,178 or 22%.

The under-utilization affected the planned activities and may have impacted negatively 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 effect of the matters described in the Basis for Qualified Opinion/Material Uncertainty Related to Going Concern 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 prior year audit report, one (1) issue was raised under the Other Matter relating to 2022/2023 financial year. The issue was on failure to appoint two (2) other members of the Board who are not public officers. Review of the status during audit of the Fund in 2024/2025 revealed that this issue remained unresolved. In addition, in the prior year audit, an issue on unauthorized bank overdraft was raised under Report on Lawfulness and Effectiveness in the Use of Public Resources. The issue remained unresolved in the year under audit.

### **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Submit Separate Accounts for the Wards and the Board**

The statement of financial performance reflects expenditure totalling to Kshs.371,763,094. Included in this expenditure is Kshs.358,738,584 in respect of

bursary transfers and scholarship grants as disclosed in Notes 10 and 11 to the financial statements. The total amount of funds is available from the Fund annually for disbursements as scholarships amongst the wards in the County. However, the Board did not submit separate accounts for the wards and the Board. This is contrary to the provisions of Section 10 (2) of the Kilifi County Ward Scholarship Fund Act, 2018 which require the Board at the end of every financial year to submit separate accounts for the wards and the Board.

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

## 2. Irregular Bursary Disbursements

The statement of financial performance reflects expenditure on bursary transfers and scholarship grants totalling to Kshs.358,738,584 Review of records revealed that the bursary and scholarship was disbursed to beneficiaries during the period under review as indicated below:

Description	Amount (Kshs)
Universities	25,114,007
TVETs and Colleges	58,215,613
Secondary Schools	162,545,291
Secondary Schools (grants)	112,863,667
<b>Total</b>	<b>358,738,584</b>

Review of records on bursary applications, vetting process and disbursement schedules revealed the following:

- i. The ward bursary committees did not submit a list of all applications received and rejected, and the reasons why the applications were unsuccessful contrary to Section 25 (6) of the Kilifi County Ward Scholarship Fund Act, 2018 which provides that if the ward scholarship committee rejects the application, it shall notify the applicant through a notice published at the relevant ward representative office.
- ii. The list of successful applicants submitted to the Board by the Ward Bursary Committees did not disclose the criteria applied to select the beneficiary's contrary to the provisions of Section 26 the Kilifi County Ward Scholarship Fund Act, 2018. The bursaries were distributed to beneficiaries ranging from as low as Kshs.1,000 per student to as high as Kshs.145,000 per student. The discrepancy in bursary allocation has not been explained to confirm equity in allocation.
- iii. The recipients did not submit to the county department of education their academic transcripts and the beneficiary schools did not provide official receipts.

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

## 3. Irregular Payment of Bursaries to Unaccredited Technical Institutions

The statement of financial performance reflects expenditure on Bursary transfers and scholarship grants totalling to Kshs.358,738,584 as disclosed in Notes 10 and 11 to

the financial statements. Included in this expenditure is Kshs.58,215,613 in respect of bursaries issued to beneficiaries in colleges and Technical and Vocational Training institutions. However, review of records revealed that expenditure totalling to Kshs.9,585,951 was paid in respect to beneficiaries attending one hundred and forty-three (143) colleges and institutions that are not registered with the Technical and Vocational Education and Training Authority (TVETA).

This was contrary to Part IV of the Technical and Vocational Education and Training Act, 2013 on licensing, registration and accreditation of institutions and trainers which require that no person or institution shall offer training in Kenya unless the person or institution has been accredited, licensed and registered under this Act to offer such training and that any person or institution already offering training in Kenya by any mode of delivery or is a trainer at the commencement of this Act, shall, within six months from the date of such commencement submit an application to the Board for accreditation, registration and licensing under this Act. No programme or course of training shall be mounted in an institution without prior approval by the Board and no academic award or qualification issued by any institution not yet accredited, registered and licensed in accordance with this Act shall be recognized in Kenya. Any person who contravenes the provision of this section commits an offence and is liable on conviction to a fine of a sum not exceeding one million shillings or to imprisonment for a term not exceeding three years or to both.

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

#### **4. Expenditure Outside the Mandate of County Government**

The statement of financial performance reflects expenditure on Bursary transfers and scholarship grants totalling to Kshs.358,738,584 as disclosed in Notes 10 and 11 to the financial statements. However, even though Management provided a Memorandum of Understanding between the County Government and Ministry of Education, the expenditure was in respect to functions that are under the mandate of National Government as provided in the fourth schedule Article 185 (2), 186 (1) and 187 (2)) on distribution of functions between the National Government and the County Governments. Part 2 under paragraph 9 indicates that the County Governments are responsible for Pre-primary education, village polytechnics, homecraft centres and childcare facilities. In addition, included in the bursary disbursement are two hundred and ninety-three (293) beneficiaries who received bursary allocations from more than one ward. This was contrary to Amendment of Section 6 of No.3 of 2018 Section 4 which requires that recipients shall only receive from one ward at a particular time.

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

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

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

## **Conclusion**

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

## **Basis for Conclusion**

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

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

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

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

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

**17 November, 2025**

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

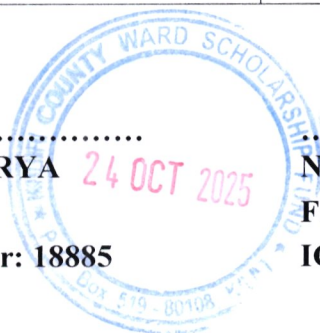
**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

1. Description	Note	FY 2024-2025		FY 2023-2024	
		Kshs		Kshs	
<b>Revenue From Non-Exchange Transactions</b>					
Transfers From the County Government	6	500,000,000		350,000,000	
Public Contributions and Donations	7	0		0	
		<b>500,000,000</b>		<b>350,000,000</b>	
<b>Revenue From Exchange Transactions</b>					
Finance Income	8	0		0	
Other income	9	0		0	
<b>Total Revenue</b>		<b>500,000,000</b>		<b>350,000,000</b>	
<b>Expenses</b>					
Bursary transfers	10	245,874,917		230,259,440	
Scholarship grants	11	112,863,667		119,472,245	
Use of Goods and Services	12	13,747,391		11,687,537	
<b>Total Expenses</b>		<b>372,485,975</b>		<b>351,419,222</b>	
<b>Surplus/(Deficit) for the Period</b>		<b>127,514,025</b>		<b>(1,419,222)</b>	

.....  
Name: CPA NEEMA SIRYA

Fund Administrator

ICPAK Member Number: 18885



.....  
Name: CPA PAUL KARISA

Fund Accountant

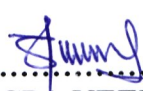
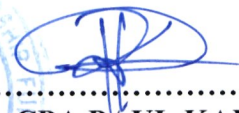
ICPAK Member Number: 28318

**Kilifi County Ward Scholarship Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**15. Statement of Financial Position as at 30 June 2025**

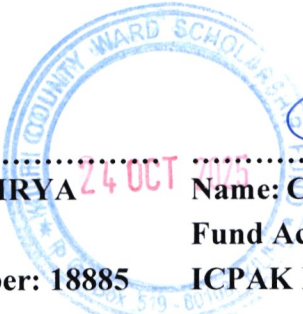
Description	No.	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	94,198,693	26,629,226
Non-exchange receivables	14	50,000,000	0
Exchange Receivables	15	0	0
<b>Total current assets</b>		<b>144,198,693</b>	<b>26,629,226</b>
<b>Fixed Assets</b>			
Property, Plant and Equipment	23	3,242,094	2,417,365
<b>Total Assets (A)</b>		<b>147,440,787</b>	<b>29,047,128</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	9,918,285	19,038,651
<b>Total current liabilities</b>		<b>9,918,285</b>	<b>19,038,651</b>
<b>Total Liabilities (B)</b>		<b>9,918,285</b>	<b>19,038,651</b>
<b>Net Asset (A-B)</b>		<b>137,522,502</b>	<b>10,008,477</b>
<b>Represented By:</b>			
Accumulated Surplus		<b>137,522,502</b>	<b>10,008,477</b>
<b>Net Assets</b>		<b>137,522,502</b>	<b>10,008,477</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27<sup>TH</sup> July, 2025 and signed by:



  
 Name: CPA NEEMA SIRYA      Name: CPA PAUL KARISA

Fund Administrator                      Fund Accountant

ICPAK Member Number: 18885      ICPAK Member Number: 28318



**Kilifi County Ward Scholarship Fund**

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

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**16. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

<b>Description</b>	<b>Accumulated surplus Kshs</b>
<b>Balance as at 1 July ,2024</b>	11,427,699
Surplus/(Deficit) For the Year	(1,419,222)
<b>Balance As At 30 June ,2024</b>	<b>10,008,477</b>
<b>Balance As At 1 July ,2025</b>	<b>10,008,477</b>
Surplus/(Deficit) For the Year	<b>127,514,025</b>
<b>Balance As At 30 June ,2025</b>	<b>137,522,502</b>

**Kilifi County Ward Scholarship 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	FY 2024-2025 Kshs	FY 2023-2024 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government	6	450,000,000	350,000,000
Public Contributions and Donations	7	0	0
Finance Income	8	0	0
Other receipts	9	0	0
<b>Total receipts</b>		<b>450,000,000</b>	<b>350,000,000</b>
<b>Payments</b>			
Bursary Transfers	10	257,760,283	230,259,440
Scholarship grants	11	112,863,667	119,472,245
Use of goods and Services	12	10,259,510	11,687,537
<b>Total Payments</b>		<b>380,883,460</b>	<b>351,419,222</b>
<b>Net cash flows from operating activities</b>	<b>17</b>	<b>69,116,540</b>	<b>(1,419,222)</b>
<b>Cash flows from investing activities</b>			
Acquisition of assets	23	(1,547,610)	(452,925)
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Receipt from stale and RD cheques		0	19,038,651
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>19,038,651</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>67,598,930</b>	<b>21,189,491</b>
Cash and cash equivalents at 1 July		26,629,763	5,440,272
<b>Cash and cash equivalents at 30 June</b>		<b>94,198,693</b>	<b>26,629,763</b>

18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30<sup>th</sup> 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
<b>Opening budget Carry Overs</b>	26,629,763	0	26,629,763	26,629,763	0	100%
<b>Receipts</b>						
Transfers From the County Government	0	0	0	0	0	0%
Public Contributions and Donations	500,000,000	0	500,000,000	450,000,000	50,000,000	100%
Finance Income	0	0	0	0	0	0%
Other receipts	0	0	0	0	0	0%
<b>Total Receipts</b>	<b>526,629,763</b>	<b>0</b>	<b>526,629,763</b>	<b>476,629,763</b>	<b>50,000,000</b>	
<b>Payments</b>						
Bursary Transfers	368,013,555	0	368,013,555	245,874,917	122,138,638	67%
Scholarship grants	135,000,000	0	135,000,000	112,863,667	22,136,333	84%
Use of goods & Services	23,616,208	0	23,616,208	15,295,001	8,321,207	65%
<b>Total Payments</b>	<b>526,629,763</b>	<b>0</b>	<b>526,629,763</b>	<b>374,033,585</b>	<b>152,596,178</b>	
<b>Surplus For the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102,596,178</b>	<b>(102,596,178)</b>	

**Budget notes**

*34% of the transfer was done towards the end of financial year so this delayed disbursements of bursary and expenditure on administration cost.*

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**Budget Reconciliation**

	Description of Particulars	Amount in KES
	Actual Surplus Amounts as per the statement of Budget	<b>102,596,178</b>
1	Decrease in payables-Returned to drawer and stale cheques	(11,885,366)
2	Increase in allowance payables	2,765,000
3	Depreciation charges	722,881
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>94,198,693</b>

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**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

The Kilifi County Ward Scholarship Fund is established by and derives its authority from The Kilifi County Ward Scholarship Fund Act 2018. The entity is wholly owned by the Kilifi County Government and is domiciled in Kenya. The Kilifi County Ward Scholarship Fund principal activity is to provide funds to be used for granting scholarships to assist needy and deserving students.

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

The Kilifi County Ward Scholarship 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.

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

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

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

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

Standard	Effective date and impact
IPSAS 43 Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.

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Standard	Effective Date and Impact
	<b>Not relevant</b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b>Not relevant</b></p>
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>Not relevant</b></p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>Not relevant</b></p>

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Standard	IPSAS, date and impact
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>Not relevant</b></p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>Not relevant</b></p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>Not relevant</b></p>

***(iii) Early adoption of standards***

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

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**1. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Revenue transfers**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on April. 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 Kilifi County Ward Scholarship Fund upon receiving the respective approvals in order to conclude the final budget. The Kilifi County Ward Scholarship Fund did record additional appropriations on the FY 2024/2025 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Note 18 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.

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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**

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.

**(v) Impairment**

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

**Financial liabilities**

**Classification**

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

**d) Provisions**

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

**e) Contingent liabilities**

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

**f) Contingent assets**

Kilifi ward scholarship fund 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 in the notes to the Kilifi County Ward Scholarship Fund 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

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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 Kilifi ward scholarship Fund creates and maintains reserves in terms of specific requirements.

**h) Changes in accounting policies and estimates**

Kilifi ward scholarship fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**i) Foreign currency transactions**

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

**j) Related parties**

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

**k) Cash and cash equivalents**

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

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**l) Comparative figures**

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

**5. Significant judgments and sources of estimation uncertainty**

The preparation of The Kilifi County Ward Scholarship 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 assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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

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**6. Transfers from the County Government**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Transfers From Finance Department	500,000,000	350,000,000
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>500,000,000</b>	<b>350,000,000</b>

**7. Public Contributions and Donations**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Others ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**8. Finance income**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Interest Income on Bank Deposits	0	0
Others ( <i>Specify</i> )	0	0
<b>Total finance Income</b>	<b>0</b>	<b>0</b>

**9. Other income**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Cheque write backs	0	0
Others ( <i>Specify</i> )	0	0
<b>Total Other Income</b>	<b>0</b>	<b>0</b>

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**10. Bursary Transfers**

	FY 2025/2024	FY 2024/2023
	Kshs.	Kshs.
Universities	25,114,007	69,077,832
TVETs and Colleges	58,215,613	46,051,888
Secondary schools	162,545,291	115,129,728
Other ( <i>Specify</i> )	0	0
<b>Total</b>	<b>245,874,917</b>	<b>230,259,440</b>

**11. Scholarship grants**

Description	FY 2025/2024	FY 2024/2023
	Kshs.	Kshs.
Universities	0	0
TVETs and Colleges	0	0
Secondary schools	112,868,667	109,472,246
Other ( <i>Specify</i> )	0	0
<b>Total</b>	<b>112,868,667</b>	<b>109,472,246</b>

**12. Use of Goods and Services**

Description	FY 2025/2024	FY 2024/2023
	Kshs.	Kshs.
Bank Charges	755,194	1,539,927
Fuel and Oil Costs	27,572	76,131
Telephone and Communication Expenses	23,500	20,100
Domestic Subsistence Allowances	2,244,430	4,014,405
Routine maintenance	46,500	89,000
Water	28,000	0
General Office Supplies	2,462,114	1,817,820
Training	320,000	280,774
Membership & Subscription	22,400	22,400
Boards, Committees, Conferences and Seminars	6,849,800	3,481,882
Maintenance of software	245,000	0
Depreciation	722,881	0
<b>Total</b>	<b>13,747,391</b>	<b>11,687,537</b>

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**13. Cash and cash equivalents**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Current Account	94,198,693	26,629,763
Others ( <i>Specify</i> )	0	0
<b>Total Cash and Cash Equivalents</b>	<b>94,198,693</b>	<b>26,629,763</b>

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

Financial Institution	Account number	FY 2025/2024	FY 2024/2023
		Kshs	Kshs
<b>a) Current Account</b>			
National Bank	0261812680	326,499.00	<b>10,148,325</b>
Equity Bank of Kenya	0100106827490 0	5,540,016.00	16,480,538
Kenya Commercial Bank	1333444117	88,332,178.00	0
<b>Sub- Total</b>		<b>94,198,693</b>	<b>26,629,763</b>
<b>b) Others (Specify)</b>			
Cash In Transit		0	0
Cash In Hand		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>94,198,693</b>	<b>26,629,763</b>

**14. Non-Exchange Receivables**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Revenue receivable	50,000,000	0
Others ( <i>Specify</i> )	0	0
<b>Total non-exchange receivables</b>	<b>50,000,000</b>	<b>0</b>

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**15. Exchange Receivables**

Description	FY 2025/2024	FY 2024/2023
	KSh	KSh
Interest receivable	0	0
Others ( <i>Specify</i> )	0	0
<b>Total exchange receivables</b>	<b>0</b>	<b>0</b>

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**16. Trade and other payables**

Description	FY 2025/2024		FY 2024/2023	
	KShs		KShs	
Trade Payables	0		0	
Returned to drawer and stale cheques	7,153,385		19,038,651	
Committee allowances	2,7650,000		0	
<b>Total Trade and Other Payables</b>	<b>9,918,285</b>		<b>19,038,651</b>	
<b>Ageing analysis (Trade and other payables)</b>		<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
	<b>Current FY</b>			
Under one year	<b>9.918,285</b>	%	19,038,651	%
1-2 years	0	0	0	0
2-3 years	0	0	0	0
Over 3 years	0	0	0	0
<b>Total (tie to above total)</b>	<b>9.918,285</b>		<b>19,038,651</b>	

**17. Cash generated from operations.**

Description	FY 2025/2024		FY 2024/2023	
	KShs		KShs	
<b>Surplus/ (Deficit) For the Year</b>	<b>128,236,906</b>		<b>(1,419,222)</b>	
<b>Adjusted For:</b>				
<b>Working Capital Adjustments</b>				
Increase In Receivables	(50.000.000)		0	
Increase In Payables-Committee allowances	2,765,000		0	
<b>Net Cash Flow from Operating Activities</b>	<b>81,001,906</b>		<b>(1,419,222)</b>	

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**18. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Transfers from related parties	0	0
Transfers to related parties	0	0

**c) Key management remuneration**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Board of Trustees	0	0
<b>Total</b>	0	0

**d) Due from related parties**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Due From County Government	0	0
<b>Total</b>	0	0

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**Other Disclosures Continued**

**e) Due to related parties**

Description	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Due to County Government	0	0
Due to Key Management Personnel	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**19. Contingent assets and contingent liabilities**

Contingent Liabilities	FY 2025/2024	FY 2024/2023
	Kshs	Kshs
Court Case xx Against the Fund/Scheme	0	0
Bank Guarantees	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**20. Financial risk management**

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

**a) Credit risk**

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2025</b>				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 the Kilifi County ward Scholarship Fund has no credit policies and objectives and which lays down parameters within which the various aspects of credit risk management are operated.

**a) Liquidity risk management**

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

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Trade Payables	0	0	9,918,285	9,918,285
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>9,918,285</b>	<b>9,918,285</b>
<b>As at 30 June 2024</b>				
Trade Payables	0	0	19,038,651	19,038,651
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>19,038,651</b>	<b>19,038,651</b>

**b) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

Description	Other currencies		Total
	Kshs	Kshs	
<b>At 30 June 2025</b>			
Cash	0	0	0
Debtors/ Receivables	0	0	0
<b>Liabilities</b>	0	0	0
Trade And Other Payables	0	0	0
<b>Net Foreign Currency Asset/(Liability)</b>	0	0	0

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/deficit	Effect on equity
		Kshs	Kshs
<b>2025</b>			
Euro	0%	0	0
USD	0%	0	0
Other ( <i>Specify</i> )	0%	0	0
<b>(Comparative FY)</b>			
Euro	0%	0	0
USD	0%	0	0
Other ( <i>Specify</i> )	0%	0	0

**ii. Interest rate risk**

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

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*Management of interest rate risk*

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

*Sensitivity analysis*

The Fund/Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 00 (2025: Kshs 00 ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs x24(2025-1 – Kshs 0).

**e) Capital risk management.**

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

Accumulated surplus	0	0
<b>Total funds</b>	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	0%	0%

**21. Events after the reporting period**

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

**22. Currency**

The financial statements are presented in Kenya Shillings (Kshs

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**23. Property, Plant and Equipment**

	Land	Buildings	Printers & Other office Equipment	Furniture and fittings	Computers and office equipment	Total
Depreciation Rate		%	33.3%	12.5%	33.3%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1<sup>st</sup> July 2023</b>	0	0	196,700	1,090,200	677,540	1,964,440
Additions	0	0	452,925	0	0	452,925
Disposals	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/Adjustments	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2024</b>	0	0	649,625	1,090,200	677,540	2,417,365
<b>At 1<sup>st</sup> July 2024</b>	0	0	649,625	1,090,200	677,540	2,417,365
Additions	0	0	0	1,086,700	460,910	1,547,610
Disposals	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/Adjustments	(0)	(0)	(0)	(0)	(0)	(0)
Revaluation Adjustments	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2025</b>	0	0	649,625	2,176,900	1,138,450	3,964,975
<b>Depreciation And Impairment</b>	0	0	0	0	0	0
<b>At 1<sup>st</sup> July 2023</b>	(0)	(0)	(0)	(0)	(0)	(0)
Depreciation	(0)	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	(0)	(0)	(0)	(0)	(0)
<b>At 30<sup>th</sup> June 2024</b>	0	0	0	0	0	0
<b>At 1<sup>st</sup> July 2024</b>	0	0	0	0	0	0
Depreciation	(0)	(0)	(216,325)	(204,194)	(302,362)	(722,881)
Disposals	0	0	-	-	-	0
Impairment	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/Adjustment	0	0	(0)	(0)	0	0
<b>At 30<sup>th</sup> June 2025</b>	0	0	(216,325)	(204,194)	(302,362)	(722,881)
<b>Net Book Values</b>	0	0	433,300	1,972,706	836,088	3,242,094
<b>At 30<sup>th</sup> June 2024</b>	0	0	433,300	1,972,706	836,088	3,242,094

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**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 to the external audit Report	Issues/ Observations from Auditor	Management comments	Status:	Timeframe:
<p><b>1.Presentation and Disclosures in the Financial Statements.</b></p>	<ul style="list-style-type: none"> <li>• Page iii reflect financial year as June 20xx instead of 2024.</li> <li>• Chairman's Report on Page ix reflects administration cost as Kshs.10,500,000 and Kshs.12,140,462 instead of Kshs.11,687,222.</li> <li>• The Fund administrator report reflect administration of Kshs.12,140,462 instead of Kshs.11,687,537.</li> <li>• Statement of performance against predetermined objectives reflects administration cost of Kshs.12,140,642 instead of Kshs. 11,687,537.</li> </ul> <p>Management discussion and analysis reflect administration cost of Kshs.12,140,462</p>	<ul style="list-style-type: none"> <li>• Management agrees with the observations</li> </ul> <p>Report and financial statements amended to reflect the changes</p>	<ul style="list-style-type: none"> <li>• Amendments done</li> <li>• Issue addressed</li> </ul>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframes
	instead of Kshs.11,687,537.			
<b>2. Inaccurate Comparative Amounts</b>	Unreconciled balance of Kshs. (4,022,987) on receivables, Kshs.(45,500) on furniture and fittings, Kshs.677,540 on computers and ICT and (632,040) on office Equipment.	<ul style="list-style-type: none"> <li>Management agrees with the observations</li> <li>Report and financial statements have now been corrected</li> </ul>	<ul style="list-style-type: none"> <li>Amendments done</li> <li>Issue addressed.</li> </ul>	
<b>3.Unsupported Award of Bursary Payments.</b>	Schedules provided for audit did not comply with Scholarship Fund act provisions.	<ul style="list-style-type: none"> <li>Management concurs with the observations</li> <li>Categories normally considered at the vetting level by ward scholarship committees which have been omitting this information</li> <li>Instructions issued to the committees to provide this information in subsequent submissions</li> </ul>	<ul style="list-style-type: none"> <li>Documents provided, Issue addressed</li> </ul>	
<b>4. Unsupported Expenditure</b>	<ul style="list-style-type: none"> <li>Documents not provided to support committee allowances incurred.</li> <li>Non compliance with Scholarship Fund Act Provisions.</li> </ul>	<ul style="list-style-type: none"> <li>Management agrees with the observations</li> <li>Committees hold more than 10 meetings and since Act allows for 9 meetings, committee members submit minutes of the final stage</li> </ul>	<ul style="list-style-type: none"> <li>Documents provided.</li> <li>Issue addressed</li> </ul>	
<b>5.Inaccurate Bank Balance</b>	<ul style="list-style-type: none"> <li>One (1) Bank account Balance of Kshs.16,480,538 differed with its cashbook</li> </ul>	<ul style="list-style-type: none"> <li>Correct bank balance is Kshs.16,480,538 as indicated in the updated cash book</li> </ul>	<ul style="list-style-type: none"> <li>The cash book and bank reconciliation</li> </ul>	

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Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
	<p>balance of Kshs.15,857,246.</p> <ul style="list-style-type: none"> <li>• Clearance dates and subsequent bank statements were not provided for audit on unrepresented cheque.</li> </ul>		<p>provided for verification</p> <ul style="list-style-type: none"> <li>• Issue is resolved</li> </ul>	
<b>6.Unsupported Non-Current Assets.</b>	<ul style="list-style-type: none"> <li>• List of assets, their descriptions and values were not provided.</li> </ul>	<ul style="list-style-type: none"> <li>• Lists, value and descriptions of assets is hereby provided in the asset register</li> </ul>	<ul style="list-style-type: none"> <li>• Asset register verified</li> <li>• Issue resolved</li> </ul>	
<b>7.Unsupported Trade and Other Payables</b>	<ul style="list-style-type: none"> <li>• Documents in respect of each student were not provided for audit in respect of stale and cancelled cheques.</li> </ul>	<ul style="list-style-type: none"> <li>• Kshs.19,038,651 reflected under trade and other payables not trade payables but bursary payables</li> <li>• Money debited back to the cash book</li> <li>• 90% of stale cheques replaced to the same students</li> </ul>	<ul style="list-style-type: none"> <li>• Reasons provided</li> <li>• Issue is resolved</li> </ul>	
<b>8.Budgetary Control and Performance</b>	<ul style="list-style-type: none"> <li>• Under performance of Kshs.351,872,147 and Underutilization of Kshs.3,580,125.</li> </ul>	<ul style="list-style-type: none"> <li>• Management agrees with the observations</li> <li>• Balance utilized in the subsequent financial year</li> </ul>	<ul style="list-style-type: none"> <li>• Issue resolved</li> </ul>	
<b>9.Unresolved Prior Year Matters</b>	<ul style="list-style-type: none"> <li>• An issue raised remained unresolved</li> </ul>	<ul style="list-style-type: none"> <li>• The two board members have since been appointed awaiting forwarding to County assembly</li> </ul>	<ul style="list-style-type: none"> <li>• Issue not resolved</li> </ul>	60 days
<b>10.Irregular Bank Account Opening</b>	<ul style="list-style-type: none"> <li>• One (1) local bank operated without any justification or approval of the county Treasury.</li> <li>• Two (2) local banks are maintained in</li> </ul>	<ul style="list-style-type: none"> <li>• Management concurs with the observations</li> </ul>	<ul style="list-style-type: none"> <li>• Issue resolved</li> </ul>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
	commercial bank accounts instead of Central Bank of Kenya.			
<b>11.Unauthorized Bank Overdraft</b>	<ul style="list-style-type: none"> <li>Bank Account No:1060261812680 was overdrawn by Kshs.23,841,103 without any approval of county treasury or county assembly.</li> </ul>	<ul style="list-style-type: none"> <li>Management concurs with the observations</li> </ul>	<ul style="list-style-type: none"> <li>Issue not addressed</li> </ul>	
<b>12.Unaccounted for Cheque Counter Foils</b>	<ul style="list-style-type: none"> <li>Cheque serial numbers in respect of all stale or cancelled cheques in respect of the two (2) bank accounts were not provided for audit.</li> </ul>	<ul style="list-style-type: none"> <li>Stale cheques serial numbers for the two accounts provided</li> </ul>	<ul style="list-style-type: none"> <li>Information verified</li> <li>Resolved</li> </ul>	

*[Handwritten Signature]*

Fund Administrator/Accounting

Date.....



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**Annex II: Inter-Entity Confirmation Letter**

Name of transferring entity: **COUNTY TREASURY**

1						
Reference Number	Date Disbursed	Amounts Disbursed by [ County Treasury ] (Kshs) as at 31 <sup>st</sup> March 2025			Amount Received by Kilifi County Ward Bursary Fund] (Kshs) as at 31 <sup>st</sup> March, 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
1	13 <sup>th</sup> Sept,2024	150,000,0000		150,000,0000	150,000,0000	0
2	13 <sup>th</sup> Dec,2024	50,000,000		50,000,000	50,000,000	0
3	8 <sup>th</sup> Jan,2025	80,000,000		80,000,000	80,000,000	0
4	13 <sup>th</sup> Feb.2025	50,000,000		50,000,000	50,000,000	0
5	30 <sup>th</sup> June,2025	70,000,000		70,000,000	70,000,000	0
6	30 <sup>th</sup> June,2025	50,000,000		50,000,000	50,000,000	0

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

**Head of Accounts Department - Disbursing Entity:**

**Name:** Ezekiel Mwarua **Sign** .....  ..... **Date** 30<sup>st</sup> June, 2025

**Head of Accounts Department - Beneficiary Entity:**

**Name :** Paul Karisa **Sign** .....  ..... **Date** 30<sup>th</sup> June,2025

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