

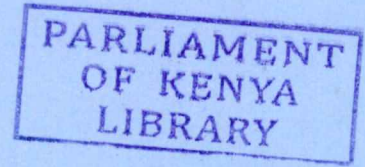
REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**TANA RIVER COUNTY WARD BURSARY  
FUND**

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

PAPERS LAID	
DATE	02/12/2025
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COMMITTEE	-
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**TANA RIVER COUNTY WARD BURSARY 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)

**Tana River County Ward Bursary 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**

CT	County Treasury
CIDP	County Integrated Development Plan
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSHS	Kenya Shillings
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TNT	The National Treasury
TVETs	Technical and Vocational Educational Training Institutions

**b) Definition of Terms**

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

## **2. Key Entity Information and Management**

### **a) Background information**

Tana River county ward bursary Fund is established by and derives its authority and accountability from the Act of 2014 revised in 2018. The Fund is wholly owned by the County Government of Tana River and is domiciled in Kenya.

The Fund's objective is to cushion households from the impact of poverty by increasing access, retention and completion rates of secondary, universities, middle level and tertiary institutions to bonafide students of Tana River County.

The Fund's principal activity is to disburse bursary funds to qualified needy students.

### **b) Principal Activities**

The principal activity includes receiving funds from the County Executive, disbursing the funds to needy students while observing sound financial management practices.

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

The Tana River Ward Bursary Fund day-to-day management is under the following key organs:

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Mr. Dhadho Festus Osaiah	Chairperson
2	Mrs Johora Omar	Board member
3	Mr. Shukri Ibrahim	Board member
4	Mr. Idris Tuna	Board member
5	Mrs Sara Achieng	Board member
6	Mrs Bona Fatuma Gafo	Chief Officer Education
7	Mrs Zena Hashora Mahanga	Fund Administrator

### **d) Fiduciary Management**

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Mrs Bona Fatuma Gafo	Chief officer Education
2	CPA Zena Hashora Mahanga	Fund administrator
3	Mr. Dhadho Festus Osaiah	Bursary board Chairperson
4	Mr. Alex Kiti Pole	Fund Accountant

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

The County has established several fiduciary oversight structures to promote accountability, transparency, and sound financial management:

**1. County Audit Committee** – An independent body providing oversight on governance, risk management, and internal controls. It reviews financial statements, audit reports, and advises on corrective measures to strengthen accountability.

**2. County Internal Audit Unit** – A professional team responsible for continuous evaluation of financial and operational activities. It ensures resources are used efficiently, risks are managed, and compliance with laws and regulations is maintained.

**3. County Assembly Education Committee** – A sectoral committee of the Assembly mandated to scrutinize education sector budgets, policies, and implementation. It provides legislative oversight to ensure funds allocated to education are utilized effectively and aligned with county priorities.

**County Audit committee**

Ref	Name	Position
1	Hadaisa Komora	Chairman
2	Bakari Garise Omara	Member
3	Rev. Kerry Chimea Komora	Member
4	Halima Gano Mahmud	Member
5	Khadija Mohamed Kofa	Member

**Chairman**

- i. Leads the committee in oversight of County financial reporting, risk management, and compliance.
- ii. Chairs meetings, ensures agendas are covered, and reports to the County Assembly/Executive.
- iii. Provides independent assurance on integrity of financial statements.

**Members**

- i. Participate in reviewing audit reports, internal controls, and financial management practices.
- ii. Advise the county on accountability, governance, and transparency.
- iii. Support the chair in making recommendations for corrective action.

**County Internal audit**

Ref	Name	Position
1	Charles Njuguna	Assistant Director
2	Maryleen Doyo	Internal Auditor I
3	Richard Bonaya	Internal Auditor I

**Assistant Director**

- i. Supervises internal audit operations in the county.
- ii. Ensures audit plans are executed, and resources are well managed.
- iii. Advises county leadership on risk management, internal control, and compliance.
- iv. Reviews and approves audit reports before submission.

**Internal Auditors**

- i. Conduct detailed financial, operational, and compliance audits.
- ii. Identify risks, control weaknesses, and irregularities.
- iii. Prepare audit working papers and draft reports.
- iv. Recommend corrective measures to improve accountability.

**County Assembly Education Committee**

Ref	Name	Position
1	Hon. Hamid Babusa	Chairman
2	Hon. Mahmud Abbas	Vice Chair
3	Hon. Abdulhakim Shehe	Member
4	Hon. Rhoda Raha	Member
5	Hon. Mahmud Barrow	Member
6	Hon. Lucy David	Member
7	Hon. Athman Abubakar	Member
8	Hon. Ruziki Ruhu	Member
9	Hon. Yusuf Bille	Member

**Chairman**

- i. Leads the committee in oversight of education sector policies, budgets, and programs.
- ii. Chairs committee sessions and presents reports to the Assembly.
- iii. Coordinates stakeholder engagement on education matters.

**Vice Chairman**

- i. Assists the chair and takes charge in his absence.
- ii. Helps coordinate committee work plans and hearings.

**Members**

- i. Review and deliberate on education-related bills, policies, and budget allocations.
- ii. Monitor implementation of education programs in the county.
- iii. Represent constituents' interests in the education sector.
- iv. Provide checks and balances to ensure accountability in education expenditure.

**f) Registered Offices**

P.O. Box 29 – 70101  
Tana River County Government  
Office of the Governor  
Hola, Kenya

**g) Fund Contacts**

Telephone: (254) 707330393  
E-mail: [bursary@trcg.go.ke](mailto:bursary@trcg.go.ke)  
:Zena.Mahanga@tanariver.go.ke  
Website: <http://www.tanariver.go.ke>

**h) Fund Bankers**

Kenya Commercial Bank  
P.O.BOX 100 - 70101  
Hola, Kenya.

**Key Entity and Management (Continued)**

**i) Independent Auditor**

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


**j) Principal Legal Adviser**

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

**k) County Attorney**

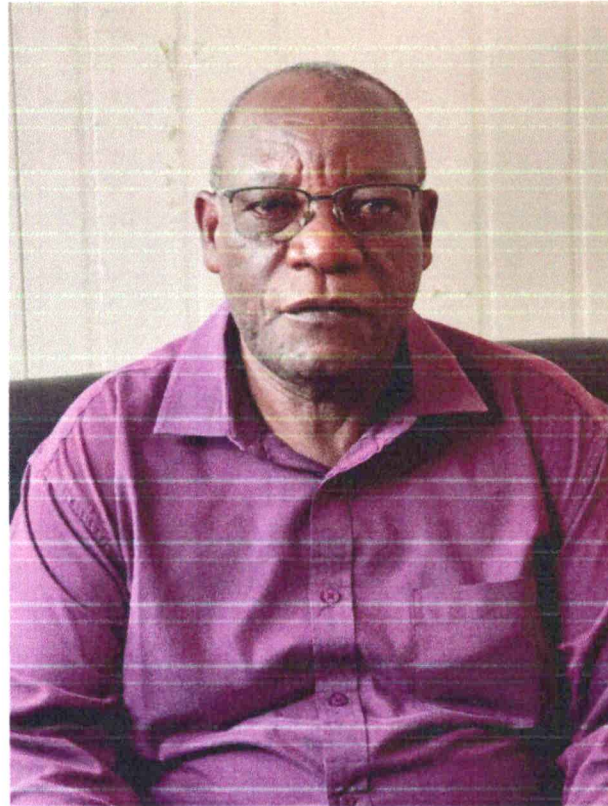
P.O. Box 29  
Postal code 70101  
Hola, Kenya

**3. Trustees/ Fund Administration Committee Profiles**

Name	Photo	Details of qualifications and experience
<p><b>MRS. BONA FATUMA GAFO</b></p> <p>CCO Education &amp; Vocational Training.</p> <p>Bursary Board Member</p>		<ul style="list-style-type: none"> <li>➤ She was born in 1974.</li> <li>➤ She holds a Bachelor Degree in Early Childhood Development Education from Mount Kenya University 2014.</li> <li>➤ She has a Diploma in Early Childhood Development Education ECDE from KNEC.</li> <li>➤ She has trained as a P1 Teacher from Shanzu Teachers Training College 1997.</li> <li>➤ Since 2018 she is the Chief Officer Education and Vocational Training Department.</li> </ul> <p>She has worked as a teacher for over nine (9) years.</p>

**MR. DHADHO  
FESTUS OSAIAH**

**Bursary Board  
Chairperson**

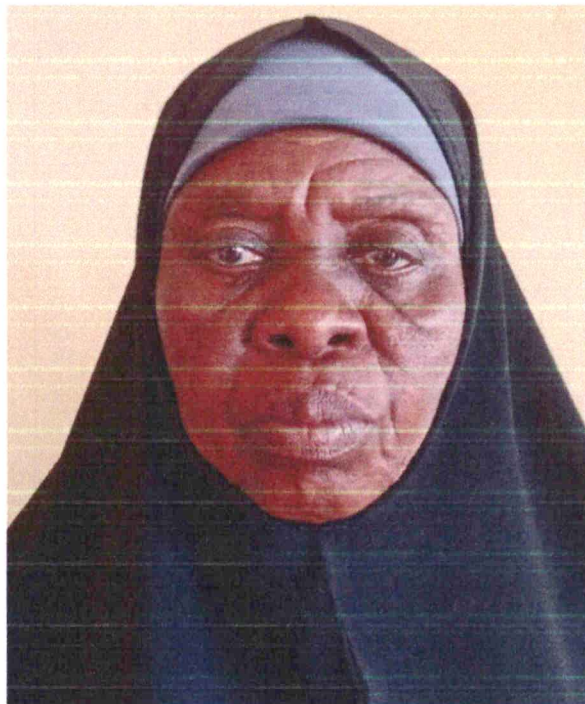


- He was born in 1960.
- He holds a Bachelors of Education (ECE) from Kenyatta University 2007.
- He has a P1 certificate from Eregi teachers college.
- He previously worked as a P1 teacher for 7 years
- He was a TAC Tutor Tana River from 1990 to 1999
- He was also a DICECE Trainer from 1999 to 2015
- He was acting deputy sub county Director in Tana River from 2009 to 2014
- He was also a sub county early childhood coordinator in Tana River from 2015 to 2020.

Currently working as the Chairman of the Tana River County Ward Bursary Fund board.


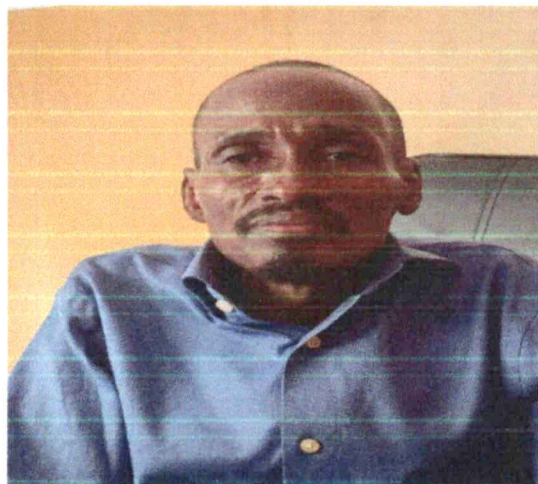
**MRS. JOHORA  
OMAR**

Bursary Board  
Member

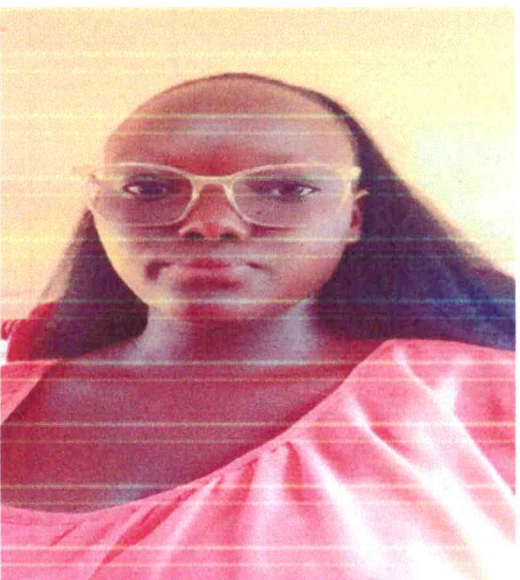


- She was born in 1960.
- She has a Diploma in ECDE from Nyeri Early Childhood College in 2008
- PI teacher training at Egoji TTC Meru
- She has worked as a PI teacher at TSC for 14years
- Deputy teacher at TSC for 2 years
- Head teacher at TSC for 7years
- She worked as an early childhood programme officer at Tana River County Government for 10 years
- She was the Tana River sub county ECDE co-ordinator for 5years from 2015 to 2020

Currently working as board member Tana River County Ward Bursary Fund.

<p><b>MR. SHUKRI IBRAHIM</b></p> <p>Bursary Board Member</p>		<ul style="list-style-type: none"> <li>➤ He was born in 1994.</li> <li>➤ He has a Bachelor of Science in information technology from Garissa University 2024.</li> <li>➤ He holds a Diploma in information technology from Gretsia University 2020.</li> <li>➤ He has Diploma in Agribusiness management from Mir mar international college 2023</li> <li>➤ He was a clerk at the MP Tana River office from 2017 to 2022</li> <li>➤ He worked at Amref Kenya as an enumerator in 2023</li> <li>➤ Since July 2023 he has been working as a data scout at UNDP Kenya to date</li> </ul> <p>Currently working as board member Tana River County Ward Bursary Fund.</p>
<p><b>MR. IDRIS TUNA</b></p> <p>Bursary Board Member</p>		<ul style="list-style-type: none"> <li>➤ He is born in 1982</li> <li>➤ He holds a Diploma in community development from the University of Eldoret.</li> </ul> <p>He previously worked as a teacher in Gururi primary school, chairperson of the NG-CDF Galole constituency, board member Mau Mau girls sec Sch, board member Rafiki sec Sch and board member Galole model sec Sch.</p> <p>Currently working as board member Tana River County Ward Bursary Fund.</p>

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

<p>MRS. SARA ACHIENG</p> <p>Bursary Board Member</p>		<ul style="list-style-type: none"><li>➤ She is born in 1999</li><li>➤ She holds a certificate in Refrigeration and air conditioning &amp; community health relations from Thika School of Medical and Health Sciences 2021.</li><li>➤ Volunteer Garsen Health Centre</li><li>➤ Worked with the CCC department, MCH, Pharmacy and Nutrition department.</li><li>➤ volunteered to counsel the drug abusers and I worked from school to school to counsel the students and to make them know the disadvantage and advantage of using drugs</li></ul> <p>Currently working as board member Tana River County Ward Bursary Fund.</p>
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**CPA ZENA  
HASHORA  
MAHANGA**

Fund Administrator



- She was born in 1992.
- She holds an MBA finance option from JKUAT 2022.
- Holds a Bachelor degree in commerce (B.com) accounting option from Technical University of Mombasa 2015.
- CPA (K).
- A member of ICPAK. M/No. 24941
- CIFA Advanced level.
- A member of the Association of Women Accountants of Kenya. M/No. AWAK/1543.
- Certificate in Computer Packages 2012.

Since 2017 she has been working as a co-operative auditor and later redesignated as an accountant in the department of finance, Tana River County Government.

In 2021 she was redesignated as the fund administrator of the Tana River County Ward Bursary Fund to date.

Previously worked as an accounts clerk with KRA, KPA, NCPWD, Agricultural food Authority.

Currently she is the Tana River County Ward Bursary Fund Administrator.

**4. Key Management Team**

Name	Details of qualifications and experience
<p><b>CPA. ZENA HASHORA MAHANGA</b> Fund Administrator</p> 	<ul style="list-style-type: none"> <li>➤ She was born in 1992</li> <li>➤ She holds an MBA finance option from JKUAT 2022.</li> <li>➤ Holds a Bachelor degree in commerce (B.com) accounting option from Technical University of Mombasa 2015.</li> <li>➤ CPA (K).</li> <li>➤ A member of ICPAK. M/No. 24941</li> <li>➤ CIFA Advanced level.</li> <li>➤ A member of the Association of Women Accountants of Kenya. M/No. AWAK/1543</li> <li>➤ Certificate in Computer Packages 2012.</li> <li>➤ Currently working as the Fund Administrator of the Tana River Ward Bursary Fund.</li> </ul> <p>Since 2017 she has been working as a co-operative auditor and later redesignated as an accountant in finance department, Tana River County Government.</p> <p>In 2021 she was redesignated as the fund administrator of the Tana River Ward Bursary Fund to date.</p> <p>Previously worked as an accounts clerk with KRA, KPA, NCPWD, Agricultural food Authority.</p>
<p><b>MR. ALEX KITI POLE</b> Fund Accountant</p> 	<ul style="list-style-type: none"> <li>➤ He was born in 1996</li> <li>➤ He holds bachelor's degree in business management (Finance) from University of Kabianga 2021.</li> <li>➤ CPA Intermediate level.</li> <li>➤ KCSE 2015 at Malindi High school.</li> <li>➤ Certificate in computer packages</li> </ul> <p>Since 2022, he has been working as a bursary secretariat and later employed to the department of Finance and Economic Planning in the Directorate of Revenue as Revenue Officer. Currently working as the Bursary Fund Accountant, Tana River County Government.</p>

<p><b>MRS. BONA FATUMA GAFO</b> CCO Education &amp; Vocational Training.</p> <p>Bursary Board Member</p> 	<ul style="list-style-type: none"> <li>➤ She was born in 1974.</li> <li>➤ She holds a Bachelor Degree in Early Childhood Development Education from Mount Kenya University 2014.</li> <li>➤ She has a Diploma in Early Childhood Development Education ECDE from KNEC.</li> <li>➤ She has trained as a P1 Teacher from Shanzu Teachers Training College 1997.</li> <li>➤ She has worked as a teacher for over nine (9) years.</li> </ul> <p>Since 2018 she is the Chief Officer Education and Vocational Training Department.</p>
<p><b>MR. DHADHO FESTUS OSAIAH</b> Bursary Board Chairperson</p> 	<ul style="list-style-type: none"> <li>➤ He was born in 1960.</li> <li>➤ He holds a Bachelors of Education (ECE) from Kenyatta University 2007.</li> <li>➤ He has a P1 certificate from Eregi teachers college.</li> <li>➤ He previously worked as a P1 teacher for 7 years</li> <li>➤ He was a TAC Tutor Tana River from 1990 to 1999</li> <li>➤ He was also a DICECE Trainer from 1999 to 2015</li> <li>➤ He was acting deputy sub county Director in Tana River from 2009 to 2014</li> <li>➤ He was also a sub county early childhood coordinator in Tana River from 2015 to 2020.</li> </ul> <p>Currently working as the Chairman of the Tana River County Ward Bursary Fund board.</p>

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

The Tana River Bursary Fund came to existence after enactment of the Tana River Bursary Fund Act of 2014 which was revised in 2018. In the financial year 2024/2025 the bursary fund received a total amount of Kshs.88, 000,000 out of which Kshs 2,640,000 is for Administrative and Kshs 85,360,000 for bursary payments.

The past year has been both challenging and transformative as we continued to fulfil our mandate of ensuring equitable access to education through financial assistance to needy and deserving students across the county.

The Fund underwent notable changes during the year, including the appointment of new board members and restructuring within the secretariat. These changes were aimed at strengthening governance, improving oversight, and ensuring that the Fund adapts to the dynamic needs of our community.

Looking forward, we are optimistic about the future of the Bursary Fund. Plans are underway to increase the allocation through bursary fund scholarship program, partnerships with development agencies and local stakeholders. We are also exploring ways to integrate complementary support services such as mentorship, career guidance, and academic follow-up to enhance the long-term success of beneficiaries.

### **Aim of the Tana River Bursary Fund**

1. Promote Access to Education - To ensure that all bright and needy students in Tana River County have access to quality education regardless of their socio-economic background.
2. Reduce School Dropout Rates - To minimize cases of school dropouts caused by lack of school fees, particularly among vulnerable and marginalized groups.
3. Promote Equity and Inclusion - To support learners from disadvantaged communities including orphans, students with disabilities, and those from pastoralist and remote areas.
4. Enhance Academic Performance - To encourage improved academic outcomes by reducing financial stress on students and families, allowing learners to focus on their studies.
5. Support County Development Goals - To contribute to the County's overall development by investing in human capital through education.
6. Foster Community Empowerment - To empower local communities by promoting education as a tool for poverty eradication and long-term socio-economic transformation.
7. Encourage Accountability and Transparency - To ensure that bursary allocation is guided by fairness, transparency, and community participation in decision-making.

### **Structure of the Board**

The Fund is administered by an executive Board known as the Tana River Ward Bursary Fund Board which is established by the Act and comprised of five (5) members. The board is equally assisted by ward bursary committee established by the Act whose responsibilities include;

receiving, vetting and approving of bursary applications and recommending deserving cases to the board. Refer to part VII section 16(1) of the Act.

**Achievements:**

In the year 2024/2025 financial year the Tana River County Ward Bursary Fund Board has made significant strides in enhancing access to education and promoting equity. Below are some key achievements:

1. Increased Student Coverage – Many students across secondary schools, tertiary colleges, and universities have benefited from the bursary program. Special focus given to orphans, persons with disabilities, and students from marginalized areas.
2. Enhanced Transparency and Fairness - Implementation of ward-based vetting committees has ensured community involvement and fairness in identifying needy students. Introduction of standardized application and evaluation criteria.
3. Improved Retention and Performance - Noticeable improvement in school attendance and retention rates in many schools across the county. Reduced dropout rates due to financial constraints.
4. Strengthened Community Participation - Active participation from community leaders, parents, youth, and religious groups in the bursary process. Improved trust and accountability between the community and the county government.
5. Digitization of Records - Successful digital recording and tracking of beneficiaries and disbursements to improve data integrity and future planning.
6. Capacity Building and Training - Committee members and ward clerks trained on fund management, record keeping, and transparency protocols.
7. Gender and Disability Inclusion - Achieved gender balance in bursary awards, allocated specific slots for learners living with disabilities.

**Challenges:**

Despite notable progress and achievements, the Tana River County Ward Bursary Fund continues to face several challenges that hinder the full realization of its objectives:

1. High Demand - The number of applicants far exceeds the available resources, leading to insufficient allocations per student, especially for tertiary education.
2. Delays in Disbursement - Occasional delays in the release of funds affect timely processing and payment to institutions, causing disruptions for some learners.
3. Incomplete or Inaccurate Applications - Many applicants submit forms with missing or false information, making the vetting process difficult and time-consuming.

4. Poor Infrastructure and Connectivity - In remote wards, lack of reliable transport and internet hampers data collection, communication, and digital record-keeping.

5. Limited Monitoring and Follow-Up - Inadequate personnel and resources limit regular follow-up and monitoring of beneficiaries to assess long-term impact and performance.

6. Political Interference - In some cases, political interests influence the selection process, which can compromise fairness and objectivity.

#### **Proposed Solutions to Address Bursary Fund Challenges**

To ensure the Tana River County Ward Bursary Fund operates more effectively and equitably, the following solutions are recommended:

1. Increase Bursary Allocation - Advocate for a larger budgetary allocation from the county government to meet the rising number of deserving applicants.

2. Digitize the Application and Vetting Process - Implement an online bursary application portal with automated vetting tools to improve efficiency and transparency. Digitize records to ease tracking and reduce paperwork-related delays.

3. Enhance Community Sensitization - Conduct regular awareness campaigns in villages, schools, and through local media to ensure all eligible residents are informed about the bursary process and deadlines.

4. Strengthen Monitoring and Evaluation - Establish a dedicated M&E team to follow up on beneficiaries, assess impact, and inform future improvements. Develop clear performance indicators and feedback mechanisms.

5. Standardize Application and Vetting Criteria - Enforce uniform criteria and scoring systems across all wards to ensure fairness and objectivity in beneficiary selection.

6. Build Capacity of Committee Members - Train bursary committees on fund management, ethical practices, and conflict resolution to minimize bias and political influence.

7. Improve Infrastructure and ICT Access - Invest in ICT tools and internet connectivity at ward offices, especially in remote areas, to support digital adoption and reduce delays.

8. Timely Disbursement of Funds - Establish a fixed disbursement calendar and improve coordination with the finance department to ensure funds are released on time.

**Conclusion**

The Tana River County Ward Bursary Fund continues to play a vital role in promoting educational access, equity, and empowerment for learners from disadvantaged backgrounds. Despite the numerous challenges encountered, the Fund has made commendable progress in supporting thousands of students across the county.

Through strategic interventions, enhanced community participation, and transparent systems, the Fund has become a critical tool for social transformation. However, sustained success will depend on the continued commitment of all stakeholders from county leadership and bursary committees to schools and parents.

Moving forward, the Fund aims to expand its reach, strengthen oversight mechanisms, and adopt technology-driven solutions to ensure that no deserving student is left behind. Together, we can make education not just a right, but a reality for every child in Tana River County.

Sign \_\_\_\_\_



**Mr. Dhadho Festus Osaiah**  
**Chairman**  
**Tana River County Ward Bursary Fund.**

## **6. Report of The Fund Administrator**

### **Background**

The Tana River County Ward Bursary was established in the year 2014 through the enactment of the Tana River County Ward Bursary Fund act of 2014 amended 2018. The main objective of the board is to receive bursary funds as appropriated in the County approved budget estimates and disburse bursary funds as stipulated in the Act to enable our children to pursue further education especially the bright and needy.

The Fund is administered by an executive board known as the Ward Bursary Fund Board, which is established by the act and inaugurated into office on the 18<sup>th</sup> July 2018.

The fund administrator is in charge of the day to day running of the fund. The board is equally assisted in its work by ward bursary committee established under this act, in each ward whose responsibilities include receiving, vetting and approving of bursary application and recommending deserving cases to the board as per part vii section 16(1) of the Act.

### **Operational Performance**

During the reporting period, the Fund continued to fulfil its mandate of supporting access to education for the needy and deserving students across all wards in Tana River County. The bursary application process was successfully carried out across the county's wards, with enhanced community involvement and transparency mechanisms.

Key operational milestones included:

Disbursement of bursary funds to students in secondary schools, colleges, and universities.

Strengthening of the vetting and allocation committees at the ward level, ensuring that only the most vulnerable and needy students benefited from the Fund.

### **Financial Performance**

In the financial year 2024/2025, the Fund received a total allocation of Kshs. 88,000,000 as the first tranche which is half of the approved total amount in the County budget. In the Y2023/2024, Kshs. 61,718,734 was not utilized due to a court order that restrained the bursary board from conducting any transactions or activities of the ward bursary fund committee and from receiving or disbursing funds or issuing cheques in respect to ward bursary fund pending hearing of the application interpartes. However, this court order was uplifted on 15<sup>th</sup> July 2024 allowing normal operations to resume.

Therefore, the amount of Kshs 61,718,734 was brought forward to the FY 2024/2025 making the total allocation for disbursement for the year under review to be Kshs 149,718,734

The various wards disbursed Kshs. 144,086,500 as at 30<sup>th</sup> June 2025 to needy students in the County. KES 2,962,882 was utilized for administrative and operational costs as provided for under the Tana River County Ward Bursary Fund Act.

The Fund maintained strict adherence to financial management guidelines, with regular internal audits and monitoring.

### **Successes**

- Enhanced access to education for bright and needy students who would otherwise have dropped out due to lack of fees.
- Greater equity in bursary distribution across wards, following strict needs-based assessments.
- Increased Student Beneficiaries
- Support has been extended to students in secondary schools, TVET institutions, colleges, and universities across Kenya.
- Equitable Distribution of Funds - Each ward in the county received a fair and needs-based allocation, ensuring all communities had access to the Fund. Strong vetting committees at the grassroots level have helped ensure that transparency and fairness guide beneficiary selection.
- Improved School Retention Rates - The Fund has significantly contributed to reducing dropout rates due to lack of school fees, particularly among girls and students from marginalized communities.
- Strengthened Institutional Framework - Establishment of clear guidelines, structures, and Ward Bursary Committees as per the Tana River County Ward Bursary Fund Act, 2014.
- Continuous training and capacity-building of committee members for better fund management.
- Enhanced Community Participation - The bursary process involves public participation forums, ensuring that community voices are heard and that the process remains accountable. Community leaders, chiefs, and religious leaders play an active role in mobilizing and sensitizing potential applicants.

### **Challenges**

- Delayed release of funds from the County Treasury affected timely disbursement to institutions.
- Limited budget allocation compared to the rising number of applicants, resulting in smaller award amounts per student.
- Inadequate capacity at the ward level in managing data and tracking beneficiaries.
- Growing public awareness of the Fund has led to increased applications, yet the available funds have not been scaled up proportionately.
- Logistical and Administrative Gaps
- Some wards experience lack of adequate office infrastructure, staff, or resources to effectively manage bursary operations.

### **Way Forward**

- Advocacy for increased budgetary allocation to meet the growing demand.
- Capacity building for Ward Bursary Committees on financial and data management.

**Conclusion**

Despite the challenges, the Fund remains committed to its mission of empowering the youth of Tana River County through education. We acknowledge the support of the County Government, County Assembly, community leaders, and all stakeholders who continue to make the program a success.

The Tana River County Ward Bursary Fund continues to play a vital role in advancing educational access and equity across the county. Through consistent support to needy and deserving students, the Fund has not only reduced school dropout rates but also contributed to the empowerment of countless households.

While notable achievements have been realized, persistent challenges hinder the Fund's full impact. However, with clear strategic direction, increased government support, and implementation of recommended reforms, the Fund has the potential to become even more effective and impactful.

As we look ahead, we reaffirm our commitment to ensuring that no bright and needy child in Tana River County is denied the opportunity to pursue their education due to financial limitations. Together as government and community we can build a brighter, more educated future for our county.

Thank you



**CPA Zena Hashora Mahanga  
Fund Administrator  
Tana River County Ward Bursary Fund**

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

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

The key development objectives of the Fund as per the strategic plan for the financial year 2024-2025 are to:

- a) To Increase access, retention and completion rate of students pursuing basic education.
- b) To Provide opportunity for students pursuing further education and training of bright and needy students at various levels

**Progress on the attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
<b>Ward Bursary Fund</b>	a) To increase access to quality Education.	Increased transition rate to secondary, college & Tvets and university institutions	Number of beneficiaries who applied and those awarded per category.	University: Applied - 2,778 Awarded - 1,806 Rate – 65%  Colleges: Applied - 6,553 Awarded - 4,587 Rate - 70%  Secondary: Applied – 20,760 Awarded - 10,215 Rate – 80%  Overall Applied - 30,091 Overall Awarded – 16,608 Total rate – 76% (overall)

## **8. Statement of Corporate Governance**

### **• Roles And Functions Of The Committee**

The Bursary Fund is governed by a Board of Trustees/Committee constituted to oversee the administration and disbursement of funds in accordance with the Tana River County Ward Bursary Fund Act (2014). The Committee's key roles include:

The roles and functions of the board are:

- i. ensure timely and efficient disbursement of funds to the schools of beneficiaries as approved by the ward bursary committee
- ii. ensure efficient management of the fund
- iii. perform such other duties assigned by the CEC for finance and planning with the approval of the county assembly

### **• Existence of a committee/trustee charter**

The Committee operates under a formal Trustee Charter which defines the scope of responsibilities, code of conduct, meeting procedures, and fiduciary duties. The Charter is reviewed periodically to align with emerging governance practices and legal amendments.

### **• Process of appointment and removal the board**

A member of the board may be removed from office on any of the following grounds:

- ✓ lack of integrity
- ✓ gross misconduct
- ✓ gross violation of the constitution or any statute
- ✓ physical incapacitation or mental infirmity
- ✓ pecuniary embarrassment
- ✓ failure to attend three consecutive meetings without apology

### **• the number of Committee/Trustee meetings held and the attendance to those meetings by members**

During the financial year under review, the management held twelve (12) Board meetings and the attendance to those meetings was generally good where no board member missed even a single meeting.

The table below shows the number of meetings attended by each member of the board during the year.

<b>NO</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>NO. OF MEETINGS</b>
1	Dhadho Festus Osaiah	Chairman	12
2	Johora Omar	Member	12
3	Idris Tuna	Member	12
4	Shukri Ibrahim	Member	12
5	Sara Achieng	Member	12
6	Fatuma Bona	CCO Education	12
7	Zena Mahanga	Fund Administrator	12

- **succession plan**

The board members are appointed by the governor, vetted and approved by the county assembly. The members are appointed in contracts of 3 years. Whenever a vacancy occurs in the Ward Bursary Fund Board by reason of resignation, incapacitation or demise of a member then the vacancy shall be filled from the same category of persons where the vacancy has occurred.

The Board has in place a succession plan to ensure continuity in leadership and institutional memory. This includes:

- ✓ Mentorship and exposure of potential future leaders.
- ✓ Documentation of board procedures and decisions.

- **induction and training**

The newly appointed board members have undergone a structured induction program, which familiarizes them with:

The Fund's operations, policies, and legal framework.

Key financial and operational reports.

Governance responsibilities.

Additionally, on-going capacity-building workshops and training will be provided to all board members and ward committees on topics such as public finance management, risk oversight, and ethics

- **board and member performance**

Annual performance evaluations are conducted for the Board as whole and individual members.

This process assesses:

Contribution to meetings.

Compliance with governance obligations.

Effectiveness in policy direction and oversight.

Recommendations from evaluations are used to inform training and improve effectiveness.

- **conflict of interest**

Trustees are required to declare any conflict of interest at the start of each meeting and abstain from decision-making where such conflict exists. A Conflict of Interest Policy is in place, and declarations are recorded in meeting minutes for accountability.

- **board remuneration**

An allowance for each meeting was paid to the board members.

- **Ethics and conduct as well as governance audit**

The Board remains committed to the principles of transparency, accountability, fairness, and responsibility. All stakeholders are assured of the Board's focus on achieving its mandate ethically and in alignment with national governance standards.

## 9. Management Discussion and Analysis

The Tana River County Ward Bursary Fund was established in 2014 to enhance access to education for bright and needy students. This Management Discussion and Analysis (MD&A) provides a comprehensive overview of the Fund's operational and financial performance, compliance with statutory requirements, beneficiary distribution, and key risks, covering the last five financial years.

The bursary operations were run smoothly under the supervision of the fund administrator who was assisted by secretariat clerks for the fund activities so that proper records kept and to make work easier for efficient and effective operations.

There was accessibility and effectiveness of fee disbursement in enhancing equity in its allocation to the poor and vulnerable groups in the county.

The objectives were to: establish the structures put in place to ensure equitable distribution of the bursary fund according to laid down criteria and procedures by the bursary board, establishment of the number of students who have benefited and the number of deserving cases who have not benefited from the bursary allocation across socio-economic groupings, find out how long it takes to distribute the allocated funds to the needy and if they are sufficient and to recommend ways in which the bursary allocation could be improved to enhance equitable bursary allocation to the students secondary schools

### Financial Performance (FY 2021/2022 – FY 2024/2025)

#### Annual Bursary Payments

Financial Year	2024/2025	2023/2024	performance rate
Disbursement	147,049,382	93,245,365	158%

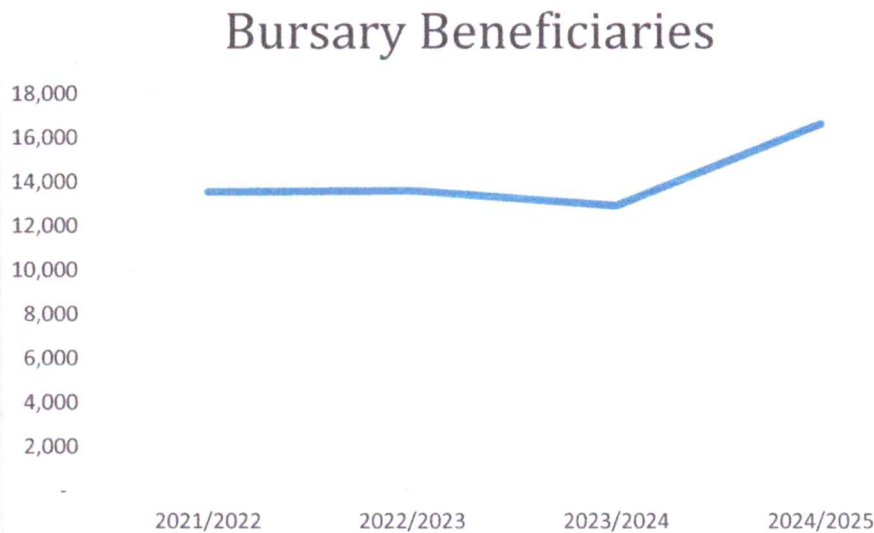
Financial Year	2023/2024	2022/2023	performance rate
Disbursement	93,245,365	154,035,901	61%

Financial Year	2022/2023	2021/2022	performance rate
Disbursement	154,035,901	230,930,746	67%

The table below shows the number of beneficiaries for the last four years

Financial Year	Bursary Beneficiaries
2021/2022	13,531
2022/2023	13,590
2023/2024	12,904
2024/2025	16,608

The Graph below shows the trend of Bursary beneficiaries for the last four Financial Years



Although there was a slight dip in 2023/2024, the overall trend across the four years shows growth in the number of students benefiting from bursaries in the County, with 2024/2025 recording the highest figures of 16,608.

The Fund has consistently complied with:

- The Public Finance Management Act, 2012
- The Tana River County Ward Bursary Fund Act, 2014
- Annual audit reporting and public disclosure requirements

The Fund has undergone regular internal and external audits in the past years.

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

### **Sustainability Strategy and Profile**

The global shift towards sustainability, spurred by climate change, rapid urbanization, and resource depletion, continues to shape development strategies at all levels of governance. In alignment with global frameworks such as the county Sustainable Development Goals (SDGs) and Kenya Vision 2030, our Fund is committed to fostering sustainable, inclusive growth through equitable education financing and responsible service delivery.

During the reporting period, the Fund advanced its sustainability agenda through targeted interventions that promote inclusivity, climate-conscious operations, and community empowerment. However, challenges persist, especially in reaching remote areas with limited digital access. As a mitigation strategy, mobile village to village awareness and sensitization exercises were conducted across wards to ensure inclusivity and broad participation.

The bursary fund continues to guide timely, transparent, and accountable service provision, with publicly displayed timelines, appeal processes, and feedback mechanisms in all ward offices.

### **Environmental Performance**

The Fund has adopted an Environmental Policy anchored on four key pillars: waste reduction, energy efficiency, climate-smart operations, and biodiversity awareness. Implementation of this policy has seen the following outcomes:

- Transition to paperless meetings and communications, through digital platforms
- Introduction of segregated waste disposal bins in all administrative offices, encouraging recycling and reducing landfill waste.
- Phased elimination of single-use plastics, replaced with reusable alternatives in office supplies and staff events.
- Regular maintenance of Fund computers to ensure improved efficiency.

In partnership with local institutions and community groups, the Fund in collaboration with the department of education, supported tree planting initiatives in schools receiving bursaries, promoting environmental awareness among students and contributing to local biodiversity. The Fund also advocates for climate-smart education investments such as bursaries supporting students in environmental science and sustainable agriculture, promoting long-term climate resilience in local communities.

### **Employee Welfare**

The Fund upholds an inclusive hiring policy that embraces gender balance, youth employment, and opportunities for persons with disabilities. As of the end of the reporting period, 50% of secretariat clerks are women, and 50% are under the age of 35, aligning with national employment inclusion targets.

To support staff development, the Fund has implemented:

Annual training needs assessments followed by sponsored professional development courses.

A performance appraisal system tied to individual development plans and performance-based recognition. A safety policy in compliance with the Occupational Safety and Health Act (OSHA) 2007, ensuring workspaces are ergonomically safe and hazards are mitigated.

There were no reported work-related injuries during the year, attributed to the proactive safety trainings, clear emergency procedures and regular safety audits conducted in all fund offices.

### **Marketplace Practices**

Public sensitization on bursary access and fund accountability is conducted through:

- ✓ Local FM radio talk shows, community barazas, and
- ✓ Ward-level forums to gather public input on bursary criteria and feedback.

These platforms emphasize accurate and respectful communication, avoiding exaggerated promises, and ensuring communities receive comprehensive information about their rights and services.

The Fund safeguards citizen rights by:

- ✓ Ensuring transparency in bursary allocation via public vetting lists.
- ✓ Providing grievance redress mechanisms at both the ward and county levels.
- ✓ Maintaining confidentiality and data privacy in handling beneficiary information.

The Fund's CSR strategy is anchored on its core mandate—enhancing access to education. Key initiatives during the period included:

- ✓ Awarding 16,608 bursaries and scholarships to students from vulnerable backgrounds across all wards.
- ✓ Supporting tree planting campaigns in schools as part of an environmental awareness initiative.
- ✓ Conducting public participation forums in all sub-counties to inform policy on bursary allocation, aligned with the Public Finance Management Act and the Constitution of Kenya, 2010.

These activities underscore the Fund's commitment to inclusive development, sustainability, and social impact.

## **11. Report of The Trustees/Committee**

The Trustees/Committee submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund's affairs.

### **Principal activities**

The Principal Activities of the Tana River Ward Bursary Fund

The Tana River Ward Bursary Fund is a community-based financial assistance program established to support access to education for students from disadvantaged and vulnerable backgrounds across the Tana River Ward. Its core objective is to promote equitable education opportunities and foster academic excellence among needy students.

The principal activities of the Fund include:

- 1 Promote Access to Education - To ensure that all bright and needy students in Tana River County have access to quality education regardless of their socio-economic background.
2. Reduce School Dropout Rates - To minimize cases of school dropouts caused by lack of school fees, particularly among vulnerable and marginalized groups.
3. Promote Equity and Inclusion - To support learners from disadvantaged communities including orphans, students with disabilities, and those from pastoralist and remote areas.
4. Enhance Academic Performance - To encourage improved academic outcomes by reducing financial stress on students and families, allowing learners to focus on their studies.
5. Support County Development Goals - To contribute to the County's overall development by investing in human capital through education.
6. Foster Community Empowerment - To empower local communities by promoting education as a tool for poverty eradication and long-term socio-economic transformation.
7. Encourage Accountability and Transparency - To ensure that bursary allocation is guided by fairness, transparency, and community participation in decision-making.

### **Results**

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 6

### **Trustees**

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

**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.

Sign .....  .....

**Mr. Dhadho Festus Osaiah**  
**Chairman of the Bursary Board**

Date:     7/11/2025

## **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 Tana River Ward Bursary Fund is responsible for the preparation and presentation of the Fund financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 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 Tana River Ward Bursary 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 Tana River Ward Bursary Fund Act 2014. 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's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Tana River Ward Bursary Fund has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

The Fund's financial statements were approved by the Committee on July 2025 and signed on its behalf by:

Sign 

**CPA Zena Hashora Mahanga**  
**Fund Administrator**

## REPORT OF THE AUDITOR-GENERAL ON TANA RIVER COUNTY WARD BURSARY 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Tana River County Ward Bursary Fund set out on pages 1 to 23, which comprise 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, the financial statements present fairly, in all material respects, the financial position of Tana River County Ward Bursary Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Tana River County Ward Bursary Fund Administration (Amendment) Act, 2018 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Fund in 2024/2025 revealed that the following matters remained unresolved.

<b>No</b>	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Failure to Develop Enabling Regulation Act
2	2023/2024	Irregular Establishment of Ward Bursary Fund Committee
3	2023/2024	Bursary Payments
4	2023/2024	Inequitable Payments to Wards
5	2023/2024	Irregular Expenditure on Bursary
6	2023/2024	Irregular Payment of Bursaries to Unaccredited Technical Institutions

## **Other Information**

The Management is responsible for the Other Information set out on pages iii to xxxii which comprise of Key Entity Information and Management, The Trustees/Fund Administration, The Key Management Team, The 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/Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Tana River County Ward Bursary 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 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 Develop Enabling Regulations to the Act**

As reported previously, records provided for audit revealed that the County Executive Committee Member in charge of Education, Vocational Training and Sports formulated the Tana River County Ward Bursary Regulations and submitted them to the County Assembly on 14 December, 2019 in line with Section 9(1) of Tana River County Ward Bursary Fund Act, 2014. However, the County Assembly has not passed the Regulations for onward transmission to the Governor for assent contrary to Section 21 of the County Government Act, 2012 which states that a County Assembly shall exercise its legislative power through Bills passed by the County Assembly and assented to by the Governor.

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

## **2. Unexplained Inequalities in the Distribution of Bursaries**

The statement of financial performance reflects bursary payments amounting to Kshs.144,086,500 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.63,104,300 paid to Colleges out of which Kshs.8,467,500 was paid to two(2) Aviation Colleges in respect of students studying aviation courses without policy guidelines on the minimum or maximum bursary pay outs and in the absence of the enactment of a sharing formula. This is contrary to Section 11(1) of the Tana River County Ward Bursary Fund Act, 2014 Amended 2018 which provides that subject to enactment of a sharing formula to be approved by the County Assembly, the Board shall disburse funds equitably to the wards.

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

## **3. Lack of Proper Constitution and Gazettement of Ward Bursary Committee**

Section 5 of the Tana River County Ward Bursary Fund Administration Act, 2014 which is not part of the amended Sections of 2018 requires the Fund Administration Board to be composed of ten (10) members. Reveal of the financial statements revealed that the Fund Administration Committee is composed of seven (7) members and it did not indicate which category of people they represent a part from the Chief Officer and the Fund Administrator. Further, the Fund Administration Committee was not gazetted contrary to Section 25 (1) of the County Government Act, 2012 which states that a legislation passed by the County Assembly and assented to by the Governor shall be published in the County Gazette and Kenya Gazette within seven (7) days after assent.

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

## **4. Bursary Payments to Unaccredited Institutions**

The statement of financial performance reflects bursary payments amounting to Kshs.144,086,500 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.63,104,300 paid to colleges out of which Kshs.2,294,000 was paid to unaccredited colleges.

In the circumstances, Management is 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 THE 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 requires 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**

**21 November, 2025**

**Tana River County Ward Bursary 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**

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	1	88,000,000	154,500,000
<b>Total revenue</b>		<b>88,000,000</b>	<b>154,500,000</b>
<b>Expenses</b>			
Bursary transfers	2	144,086,500	89,409,110
Use of Goods and Services	3	2,962,882	3,836,255
<b>Total expenses</b>		<b>147,049,382</b>	<b>93,245,365</b>
<b>Surplus/( deficit) for the period</b>		<b>(59,049,382)</b>	<b>61,254,635</b>

(The notes set out on pages 7 to 21 form an integral part of these Financial Statements)



.....  
**Name: Zena Hashora Mahanga**  
**Fund Administrator**  
**ICPAK Member Number: 24941**



.....  
**Name: Alex Kiti Pole**  
**Fund Accountant**

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

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

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,669,352	61,718,734
<b>Total current assets</b>		2,669,352	61,718,734
<b>Total assets (A)</b>		<b>2,669,352</b>	<b>61,718,734</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		-	-
<b>Total current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Asset (A-B)</b>		<b>2,669,352</b>	<b>61,718,734</b>
<b>Represented By:</b>			
Accumulated Surplus		2,669,352	61,718,734
<b>Net Assets</b>		<b>2,669,352</b>	<b>61,718,734</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund's financial statements were approved on July 2025 and signed by:



.....  
**Name: Zena Hashora Mahanga**  
**Fund Administrator**  
**ICPAK Member Number: 24941**



.....  
**Name: Alex Kiti Pole**  
**Fund Accountant**

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

	<b>Accumulated surplus</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2023</b>	464,099	464,099
Surplus/(Deficit) For the Year	61,254,635	61,254,635
<b>Balance as at 30th June 2024</b>	<b>61,718,734</b>	<b>61,718,734</b>
<b>Balance as at 1 July 2024</b>	61,718,734	61,718,734
Surplus/(Deficit) For the Year	(59,049,382)	(59,049,382)
<b>Balance as at 30th June 2025</b>	<b>2,669,352</b>	<b>2,669,352</b>

**17. Statement of Cash Flows for The Year Ended 30 June 2025**

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	1	88,000,000	154,500,000
<b>Total Receipts</b>		<b>88,000,000</b>	<b>154,500,000</b>
<b>Payments</b>			
Bursary Transfers	2	144,086,500	89,409,110
Use of Goods and Services	3	2,962,882	3,836,255
<b>Cash flows from operating activities</b>		<b>147,049,382</b>	<b>93,245,365</b>
<b>Net cash flows from operating activities</b>		<b>(59,049,382)</b>	<b>61,254,635</b>
<b>Cash flows from investing activities</b>		-	-
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(59,049,382)</b>	<b>61,254,635</b>
Cash and cash equivalents at 1 July 2024	4	61,718,734	464,099
<b>Cash and cash equivalents at 30 June 2025</b>	<b>4</b>	<b>2,669,352</b>	<b>61,718,734</b>

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

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**18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30<sup>th</sup> June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2,025	2,025	2,025	2,025	2,025	2025
<b>Opening budget Carry Overs</b>	-	61,718,734	61,718,734	61,718,734	-	100%
<b>Receipts</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	
Transfers from County Government	88,000,000	61,718,734	149,718,734	149,718,734	-	100%
<b>Total Receipts</b>	<b>88,000,000</b>	<b>61,718,734</b>	<b>149,718,734</b>	<b>149,718,734</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>					-	
Bursary Transfers	85,360,000	61,395,852	146,755,852	144,086,500	2,669,352	98%
Use of goods & Services	2,640,000	322,882	2,962,882	2,962,882	-	100%
<b>Total expenditure</b>	<b>88,000,000</b>	<b>61,718,734</b>	<b>149,718,734</b>	<b>147,049,382</b>	<b>2,669,352</b>	<b>98%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,669,352</b>	<b>(2,669,352)</b>	

**Budget notes**

A balance of Kshs. 2,669,352 was brought forward to the subsequent year. This was due to late submission of beneficiary list by Garsen West ward.

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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	2,669,352
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	2,669,352

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Tana River county ward bursary Fund is established by and derives its authority from Tana River Ward Bursary Fund Act of 2014 revised in 2018 Act. The fund is wholly owned by the Tana River County Government and is domiciled in Kenya. The Tana River Ward Bursary Fund principal activity is to disburse bursary funds to qualified needy students.

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

The Tana River Ward Bursary fund 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. 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**

When an IPSAS becomes effective on 1<sup>st</sup> January 2025, it is applicable in Kenya from 1<sup>st</sup> July 2025

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

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

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

Standard	Effective date and impact:
IPSAS 43 Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of a fund.</p> <p>The new standard requires entities to recognise, measure and present</p>

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Standard	Effective date and impact:
	information on right of use assets and lease liabilities.
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b> 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 additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b> 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>IPSAS 47- Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b> 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 fund 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. The upcoming standard consolidates and replaces IPSAS 9, IPSAS 11, and IPSAS 23 into a single framework for revenue recognition.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b> 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</p>

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Standard	Effective date and impact:
	cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<b>Applicable 1<sup>st</sup> January 2027</b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the fund's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

**(iii) Early adoption of standards**

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

All applicable standards were adopted in accordance with their prescribed effective dates as issued by the Public Sector Accounting Standards Board (PSA

**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 fund 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 by the County Assembly on 17<sup>th</sup> October 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Tana River County Ward Bursary Fund upon receiving the respective approvals in order to conclude the final budget. The Tana River County Ward Bursary Fund recorded additional appropriations on the FY 2024-2025 budget following the governing body's approval.

Tana River County Ward Bursary 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 cash flows.

**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 fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the fund's financial statements. A financial instrument is any contract that gives rise to a financial asset of one fund and a financial liability or equity instrument of another fund. At initial recognition, the fund 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 fund 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 fund'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 a fund 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 fund 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

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

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

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

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

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

**(vi) Trade and other receivables**

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

**(vii) Impairment**

The fund 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 fund 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).

**Financial liabilities**

**Classification**

The fund 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 Tana River County Ward Bursary Fund Bursary 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 Tana River County Ward Bursary 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.

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**e) Contingent liabilities**

The Tana River County Ward Bursary 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**

The Tana River County Ward Bursary 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 the Tana River County Ward Bursary Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**g) Nature and purpose of reserves**

The Tana River County Ward Bursary Fund creates and maintains reserves in terms of specific requirements to state the reserves maintained and appropriate policies adopted.

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

The Tana River County Ward Bursary 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 Tana River County Ward Bursary Fund regards a related party as a person or a fund with the ability to exert control individually or jointly, or to exercise significant influence over The Tana River County Ward Bursary Fund, or vice versa. 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.

**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 Tana River County Ward Bursary Fund 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.

**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 fund 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 fund. 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 fund
- 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

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**c) Provisions**

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

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.

(Include provisions applicable for your organization e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

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**1. Transfers from the County Government**

Description	2024/2025	2023/2024
	KShs	KShs
Transfers from County Government	88,000,000	154,500,000
<b>Total</b>	<b>88,000,000</b>	<b>154,500,000</b>

**2. Bursary Transfers**

Description	2024/2025	2023/2024
	KShs	KShs
Universities	26,569,000	-
TVETs and Colleges	63,104,300	-
Secondary schools	54,413,200	-
Ward Bursary disbursements	-	89,409,110
<b>Total</b>	<b>144,086,500</b>	<b>89,409,110</b>

**3. Use of Goods and Services**

Description	2024/2025	2023/2024
	KShs	KShs
Committee and secretariat Allowances	2,721,000	2,678,000
Bank charges	212,382	40,155
Computer maintenance	17,500	16,000
Training expenses	12,000	547,100
Printing and stationery	-	555,000
<b>Total</b>	<b>2,962,882</b>	<b>3,836,255</b>

**4. Cash and cash equivalents**

Description	2024/2025	2023/2024
	KShs	KShs
KCB Current account	2,669,352	61,718,734
Others( Cash in hand)	-	-
<b>Total cash and cash equivalents</b>	<b>2,669,352</b>	<b>61,718,734</b>

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

Financial institution	Account number	2024/2025	2023/2024
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1287061095	2,669,352	61,718,734
<b>Sub- total</b>		<b>2,669,352</b>	<b>61,718,734</b>
<b>b) Others(specify)</b>			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>2,669,352</b>	<b>61,718,734</b>

	Note	2024/2025	2023/2024
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,669,352	61,718,734
<b>Total assets</b>		<b>2,669,352</b>	<b>61,718,734</b>
<b>Liabilities</b>			
Trade and other payables			
<b>Net assets</b>			
Revolving Fund			
Reserves			
Accumulated surplus			
<b>Total net assets and liabilities</b>		<b>2,669,352</b>	<b>61,718,734</b>

**5. Cash generated from operations.**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
<b>Surplus/ (Deficit) For the Year</b>	<b>59,049,382</b>	<b>61,254,635</b>
<b>Adjusted For:</b>		
<b>Working Capital Adjustments</b>		
Increase In Receivables	-	-
Increase In Payables	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>59,049,382</b>	<b>61,254,635</b>

**6. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from related parties	88,000,000	88,000,000
Transfers to related parties	-	-

**c) Key management remuneration**

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

**d) Due from related parties**

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

**Other Disclosures Continued**

**e) Due to related parties**

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

**7. Contingent assets and contingent liabilities**

Contingent Liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

**8. Financial risk management**

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

**a) Credit risk**

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

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 fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The fund has significant concentration of credit risk on amounts.

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

**b) Liquidity risk management**

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

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

**c) Market risk**

The Fund has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an on-going 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 fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's finance department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the fund's exposure to market risks or the manner in which it manages and measures the risk.

**i. Foreign currency risk**

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

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

**Foreign currency sensitivity analysis**

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

**ii. Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

The Fund 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.

**d) Capital risk management.**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Accumulated surplus	-	-
<b>Total funds</b>	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

**9. Events after the reporting period**

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

**10. Currency**

The financial statements are presented in Kenya Shillings (Kshs)

The Tana River County Ward Bursary Fund  
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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 No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Failure to Develop Enabling Regulations to the Act	The County Executive Committee Member in charge of Education, Vocational Training and Sports resubmitted the Tana River County Bursary Fund Administration Regulations 2025 to the County assembly for approval. It is upon the County Assembly to approve the Regulations.	Not Resolved	30/06/2026
2	Irregular Establishment of Ward Bursary Fund Committee	The Bursary Fund Act 2014 amended 2018 reduced the number of members to 7 and gave clear modalities on the ward bursary membership.	Not Resolved	30/06/2025
3. (i)	Inequitable Payments to Wards	The proposed amendments in the new regulations 2025 seek to address allocations based on equity	Not Resolved	30/06/2026
3. (ii)	Irregular Expenditure on Bursary	Intergovernmental Partnership Agreement between National Government through the Ministry of	Resolved	15/07/2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Education and the County Government of Tana River		
3. (iii)	Irregular Payment of Bursaries to Unaccredited Technical Institutions	Tana River county bursary management information systems which will improve services. The bursary board will follow-up and make sure that only accredited institutions will be cleared for cheque processing	Not Resolved	30/06/2026



.....  
**CPA Zena Hashora Mahanga**

**Fund Administrator**

Date..... 7/11/2025 .....

The Tana River County Ward Bursary Fund  
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**Annex II: Inter-Entity Confirmation Letter**

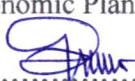
Name of transferring entity: County Treasury

Name of beneficiary entity: Tana River County Ward Bursary Fund

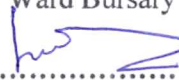
Confirmation of amounts received by Tana River County Ward Bursary Fund as at 30 <sup>th</sup> June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by Finance and Economic Planning Department (Kshs) as at 30 <sup>th</sup> June 2025			Amount Received Tana River County Ward Bursary Fund (Kshs) as at 30 <sup>th</sup> June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
COB/TNR/001/82 (4)	29/10/2024	-	88,000,000	88,000,000	88,000,000	-
Total		=	88,000,000	88,000,000	88,000,000	-

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

**Head of Accounts - Disbursing Entity:** Finance and Economic Planning

Name CORNELIUS O. WAMUKOTA Sign  Date 29/11/25

**Head of Accounts - Beneficiary Entity:** Tana River County Ward Bursary Fund

Name Zena Mahang Sign  Date 7/11/2025