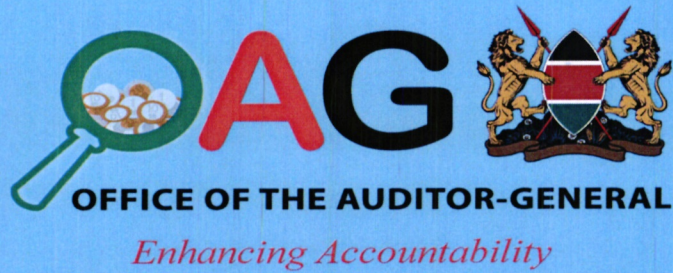


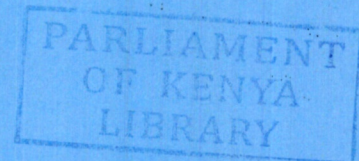
REPUBLIC OF KENYA



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DATE	25/5/2023
TABLED BY	Maj. Leader
COMMITTEE	-
CLERK AT THE TABLE	Charia

REPORT

OF



THE AUDITOR-GENERAL

ON

WAJIR COUNTY BURSARY FUND

**FOR THE YEAR ENDED
30 JUNE, 2022**



Revised 30th June 2022



OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
22 DEC 2022
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P. O. BOX 88-70100 GARISSA

**COUNTY GOVERNMENT OF WAJIR
BURSARY FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

WAJIR COUNTY BURSARY FUND
Annual Reports and Financial Statements
For the year ended June 30, 2022

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WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

1. Key Entity Information and Management

a) Background information

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

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

b) Principal Activities

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

c) Wajir County Bursary Fund Administration Committee

Ref	Position	Name
1	Chairman of the Board	Ali M Abdille
2	Chief Officer	Bishar Adan Eymoy
3	Chief Officer finance	Mohamud Sokor
4	Committee Member	Hassan Omar
5	Committee Member	Ali Abdi Abukar
6	Committee Member	Habiba M Shurie
7	Committee Member	Bare A Kassim
8	Committee Member	Halima M Noor
9	Fund Administrator	Issa Kuresh Abdille

d) Key Management

Ref	Position	Name
1	Fund Administrator	Issa Kuresh Abdille
2	Fund Accountant	Hussein Diriye
3	CCO Finance & Economic Planning	Mohamud Sokor
4	County Chief Officer	Bishar Adan Eymoy
5	Chairman	Ali M Abdille

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

e) Registered Offices

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

f) Fund Contacts

E-mail: info@wajir.go.ke
Twitter @WajirCountyKE
Website: www.Wajir.go.ke

g) Wajir County Bursary Fund's Bankers

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

h) Independent Auditors

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






i) Principal Legal Adviser

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

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

2. The Board of Fund Administration Committee

Name	Details of qualifications and experience
1. Ali Mohamed Abdille 	He was born on 1953, Academic qualification of O level with over 35 years of experience in the teaching profession. Mr Ali has wealth of experience both in the teaching profession as well as management in the education matters. Ali Chairs Wajir county Bursary Committee
2. Bare A Kaasim 	Bare was born on 1953, Academic qualification of O level with 34 years of experience in the teaching profession. He is a committee Member of the Wajir County Bursary Committee.
3. Hassan Omar 	Hassan was Born on 1953, Academic qualification of O level with 36 years of experience in teaching profession. He is a committee member of the Wajir county Bursary committee.
4. Habiba M Shurie 	Habiba was born on 1958 and holds bachelor degree in Education (Arts). She has over 40 years of experience in the teaching profession. She is currently a Committee Member of the Wajir County Bursary administration Committee.
5. Ali Abdi Abukar 	Ali was born 1950 with academic qualification of O level with over 37 years of experience in the teaching profession. He is Currently an active committee Member of the Wajir County Bursary Administration Committee member.

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

6. Halima Nur




She was born in 1958, and academic qualification of certificate in Early Childhood Education with over 40 years of experience in the teaching profession. Halima is a Committee Member of the Wajir County Bursary Committee.

WAJIR COUNTY BURSARY FUND


Annual Report and Financial Statements for the year ended June 30, 2022

3. Management Team

Name	Details of qualifications and experience
1. Bishar Adan Eymoy	Born 1963 with Degree in education with over 30 year of experience in educational management and administration in the public sector. Bishar is currently County Chief Officer in the department
2. Issa Kuresh Abdille	Born 1988 with master's in Public Policy and Administration and bachelor in Education (Arts) with 12 years of experience both in public sector and Humanitarian world. Issa is the fund administrator of the Wajir County Bursary Fund since 2019.
3. Hussein Diriyee Jimale 	Hussein was born 1989 and holds Master's degree in Business Administration MBA (Finance), Bachelor degree in Economics, CPA(K) and CS (K). Hussein has over 10 years of experience both public and private sector. He is the acting accountant of the Wajir County Bursary Fund.

WAJIR COUNTY BURSARY FUND




Annual Report and Financial Statements for the year ended June 30, 2022

<p>6. Halima Nur</p>  <p>A black and white portrait of a woman wearing a dark headscarf. The photo is centered within a white rectangular frame. Above the photo, the text 'Mar 06, 2022' is visible. There are some faint markings and artifacts around the photo, possibly from a scanning process.</p>	<p>She was born in 1958, and academic qualification of certificate in Early Childhood Education with over 40 years of experience in the teaching profession. Halima is a Committee Member of the Wajir County Bursary Committee.</p>
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WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

3. Management Team

Name	Details of qualifications and experience
<p>1. Bishar Adan Eymoy</p> 	<p>Born 1963 with Degree in education with over 30 year of experience in educational management and administration in the public sector. Bishar is currently County Chief Officer in the department</p>
<p>2. Issa Kuresh Abdille</p> 	<p>Born 1988 with master's in Public Policy and Administration and bachelor in Education (Arts) with 12 years of experience both in public sector and Humanitarian world. Issa is the fund administrator of the Wajir County Bursary Fund since 2019.</p>
<p>3. Hussein Diriyee Jimale</p> 	<p>Hussein was born 1989 and holds Master's degree in Business Administration MBA (Finance), Bachelor degree in Economics, CPA(K) and CS (K). Hussein has over 10 years of experience both public and private sector. He is the acting accountant of the Wajir County Bursary Fund.</p>

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

4. The Fund Chairperson's Report

It is my pleasure to present the Wajir County Bursary Fund's financial statements for the period ending 30th June 2022. The financial statements present the financial performance of the County Bursary Fund on the just concluded fiscal year.

The fund came into existence after the enactment of the Wajir County Bursary Fund Act 2014 (amended) in 2019. In the financial year 2021/2022 a total of KES. 100,00,000 was allocated to the Fund. There was also previous bank balance of kshs 78,568 for disbursement brought forward from FY 2020/20201. These disbursements were aimed at supporting parents in the biting drought environment by;

1. Giving children of Wajir an opportunity to pursue education especially the bright and needy within our society at both Secondary and Tertiary levels.
2. Cushion households from the impact of Covid-19 pandemic and existing poverty by increasing access, retention and completion rates of secondary, universities, middle level and tertiary institutions

The fund is administered by an Executive Committee known as the Wajir County Bursary Fund Committee, which is established by the Act. The committee comprises of six members. The Board is equally assisted in its work by a management team established under the said Act in each ward. The committee at ward level has a responsibility of receiving, vetting and approving of bursary applications and recommending deserving cases to the county bursary Committee as stipulated in the bursary fund Act.

Performance

Beneficiaries of the fund include secondary schools, middle level colleges, universities, driving schools, village polytechnics and dressmaking colleges among other learning institutions. During the financial year, Kshs 92,650,900 and 6,074,930 was disbursed as bursary (to support deserving cases within the County) and administration expenses respectively. The Administration board committees are working on how to increase the budgetary allocation to support more cases in coming years.

Way forward

In the financial year 2022/2023 the committee expects to receive an exponential growth in amounts to be disbursed to our learners.

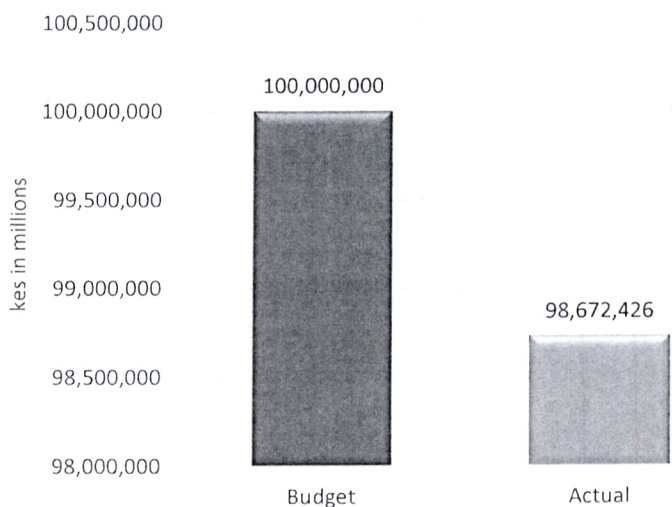


Ali M Abdille

5. Report of The Fund Administrator

Wajir County Bursary Fund had an opening fund balance of KES 78,568 which was the closing fund balance of FY 2020/ 2021 when the Bursary Fund had no new budgetary allocation. In FY 2020/2021 there was no disbursement to the Bursary Fund as the amounts from the previous year had not been disbursed to students following a rigorous vetting process of the needy students. In the financial year 2021/2022 a total of KES 92,650,900 was disbursed to benefitting students as scholarship and other educational benefits. This leaves a bank balance of KES 1,352,738 which forms the accumulated surplus for the year to be carried forward in FY 2022/2023. This was a 99% absorption of the allocated budget for the year and being the third year of implementation, this was considered an impressive success despite the meagre allocation in the financial year.

Budget vs Actual FY 2021/2022



Performance

During the year KES 92,650,900 was disbursed to support deserving cases within the County. These were allocated to students covering both full and partial year school fees. The management is working on how to increase the budgetary allocation to support more cases in coming years. We increased number of bursary beneficiaries for Tertiary institution from 4000 to 4431 in Financial year 2021/2022.

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

6. Statement of Performance Against the Fund's Predetermined Objectives

Introduction

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

Wajir County Bursary Fund

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

The County Government prepared the CIDP 2018-2022 which is the county development blue print for the five years plan period from 2018-2019 to 2022-2023. In this Education plays a critical role and that's why there is the Bursary Fund. Tracking of Bursary implementation status is done through a number of activities including: field inspection reports, quarterly M&E reports and annual M&E reports. Annual reports are carried out as per Section 164 (2) (f) of the Public Finance Management Act, 2012.

Education as a Strategic development objective

The County's 2018-2022 CIDP has identified Twenty-three key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, Vision 2030 & the National Government's "Big Four" Agenda, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks and plans, and are summarised here-in-under;

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

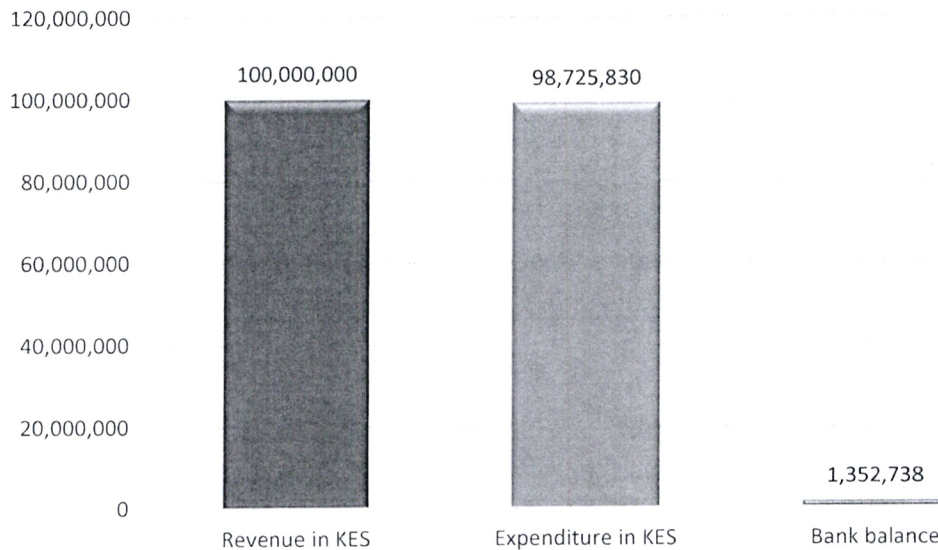
Below we provide the progress on attaining the stated objectives, particularly on matters Education in which the Bursary fund has played a catalytic role.

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

Below is graphical representation of financial performance of the Bursary Fund for FY 2021/2022

The financial performance for FY 2021/2022



Emerging issues:

Emerging issues include the growing need of bursary which is likely to result to overdependence and high demand for bursary due to high poverty index. High Poverty index is a key risk in implementation of the Bursary Fund and we therefore urge our MCAs to advocate, lobby and approve a higher budgetary allocation with respect to the County Bursary Fund.

ISSA KURESH ABDILLE

FUND ADMINISTRATOR

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

Department	Objective	Outcome	Indicator	Performance
Education	To support bright and needy students to access quality education	Increased number of students accessing education in the County	% of students retained in school / transitioned to next level institutions	In FY 2021/22 we increased bursary access by 100% for secondary school level. Increased number of bursary beneficiaries for Tertiary institution from 4000 to 4431 in FY 2021/2022
	Attain universal preprimary education	Increased enrolment in ECDE	Net enrolment rate % Gross enrolment rate %	61% 66%
		Increased transition rates	Transition rates to Class one Girls (%)	96%
	Enhance vocational skills to reduce unemployment	Increased enrolment in VTCs	Gross enrolment (NO)	672

7. Corporate Governance Statement

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

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

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

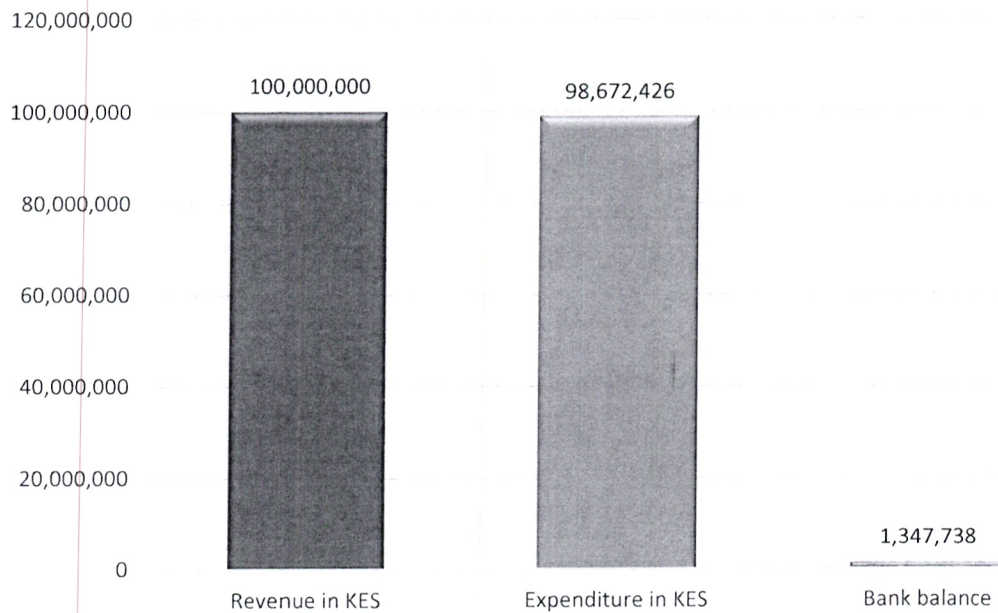
8. Management Discussion and Analysis

During the year, KES 92,650,900 was disbursed to support deserving cases within the County. This was allocated to students covering both full and partial year school fees. We are working on how to increase the budgetary allocation to support more cases in coming years.

We increased number of bursary beneficiaries for Tertiary institution from 4000 to 4431 in the financial year 2021/2022.

Below is graphical representation of financial performance of the Bursary Fund for FY 2021/2022.

The financial performance for FY 2021/2022



1. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

2. Environmental performance

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

3. Employee welfare

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

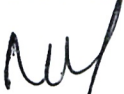
4. Market place practices-

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

5. Community Engagements-

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

By Order of the Board



ALI M. ABDILLE

Chair of the Fund Administration Committee

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

9. Report of The Fund Administration Committee

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

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

Results

The performance of the Fund for the year ended June 30, 2022, are set out from page 1

Trustees

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

Auditors

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

By Order of the Board



Ali M Abdille

Chairman

Wajir County Bursary Fund

10. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Wajir County Bursary Fund Act, 2019 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. 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 Wajir County 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 County Bursary Fund Act 2019. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2021, 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 County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 5th August 2022 and signed on its behalf by:

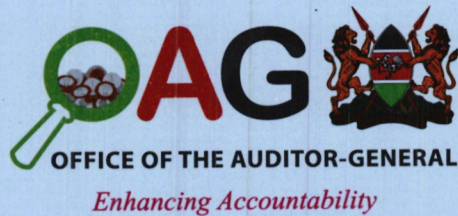


Issa Kuresh Abdille

Administrator of the Wajir County Bursary Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON WAJIR COUNTY BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Wajir County Bursary Fund set out on pages 1 to 22, which comprise of the statement of financial position as at

30 June, 2022, and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Wajir County Bursary Fund as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Wajir County Bursary Fund Act, 2019.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Exceeded Expenditure Limit on Administration Expenses

During the year under review the Management spent an amount of Kshs.6,074,930 on Fund administration expenses which was 6% of the approved income budget of Kshs.100,000,000. This was contrary to Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015 which states that the

administration costs of the Fund shall be a maximum of three (3%) percent of the approved budgets of the Fund.

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

2. Failure to Enact Bursary Fund Regulations

The Wajir County Bursary Fund Act, 2019 which established the Fund was assented to on 11 April, 2019. As at 30 November, 2022 when the audit was concluded, the Fund's Regulations which are provided for under Section 32(3) of the Act had not been prepared and approved by the County Assembly.

In the circumstances the Management was in breach of Law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Fund Administration Committee

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue sustain its services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way.

The Fund Administration Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

04 May, 2023

WAJIR COUNTY BURSARY FUND
Annual Reports and Financial Statements
For the year ended June 30, 2022

12. Statement of Financial Performance for the Year Ended 30th June 2022

	Note	FY2021/2022	FY2020/2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	1	100,000,000	-
Total revenue		100,000,000	-
Expenses			
Scholarships and other Educational Benefits	2	92,734,700	10,020
Fund administration expenses	3	5,867,130	1,330,500
Depreciation and Amortization Expense	4	70,596	-
Total expenses		98,672,426	1,340,520
Surplus/(deficit) for the period		1,327,574	(1,340,520)



.....
Name: Issa Kuresh Abdille

Administrator of the Fund



.....
Name: Hussein Diriyee Jimale

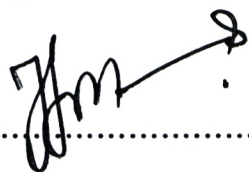
Fund Accountant

ICPAK Member Number: 15013

WAJIR COUNTY BURSARY FUND**Annual Report and Financial Statements for the year ended June 30, 2022****13. Statement of Financial Position for the Financial year ended 30th June 2022**

	Note	FY2021/2022	FY2020/2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	5	1,264,738	78,568
Non-current assets			
Property, Plant and Equipment	6	141,404	-
Total assets		1,406,142	78,568
Liabilities			
Current liabilities			
Trade and Other Payables		-	-
Non-current liabilities			
Long Term Portion of Borrowings			
Total liabilities		-	-
Net assets			
Accumulated surplus		1,406,142	78,568
Total net assets and liabilities		1,406,142	78,568

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 16th December 2022 and signed by:



.....
Name: Issa Kuresh Abdille

Administrator of the Fund



.....
Name: CPA Hussein Diriye

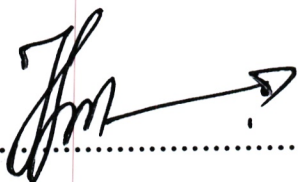
Fund Accountant

ICPAK Member Number:15013

WAJIR COUNTY BURSARY FUND
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For the year ended June 30, 2022

14. Statement of Changes in Net Assets for the year ended 30th June 2022

	Accumulated surplus	Total
	Kshs	Kshs
Balance as at 1 July 2020	1,419,088	1,419,088
Surplus/(deficit) for the period	(1,340,520)	(1,340,520)
Funds received during the year	-	-
Revaluation gain	-	-
Balance as at 30 June 2021	78,568	78,568
Balance as at 1 July 2021	78,568	78,568
Surplus/(deficit) for the period	1,327,774	1,274,170
Balance as at 30 June 2022	1,406,142	1,406,142



.....
Name: Issa Kuresh Abdille

Administrator of the Fund



.....
Name: Hussein Diriye

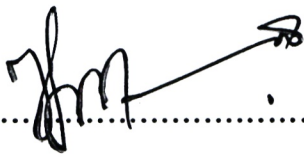
Fund Accountant

ICPAK Member Number: 15013

WAJIR COUNTY BURSARY FUND
Annual Reports and Financial Statements
For the year ended June 30, 2022

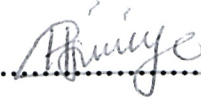
15. Statement of Cash Flows for The Year Ended 30 June 2022

	Note	2021-2022	FY 2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	1	100,000,000	-
Total Receipts		100,000,000	-
Payments			
Bursary and Scholarship	2	92,734,700	1,330,500
Fund administration expenses	3	5,867,130	10,020
Total Payments		98,601,830	1,340,520
Net cash flows from operating activities		1,298,170	(1,340,520)
Cash flows from investing activities			
Purchase of property, plant, equipment		212,000	-
Net cash flows used in investing activities		212,000	-
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,186,170	(1,340,520)
Cash and cash equivalents at 1 JULY	11	78,568	78,555,218
Cash and cash equivalents at 30 JUNE	11	1,264,738	77,214,698



Name: Issa Kuresh Abdille

Administrator of the Fund



Name: Hussein Diriye

Fund Accountant

ICPAK Member Number: 15013

WAJIR COUNTY BURSARY FUND
Annual Reports and Financial Statements
For the year ended June 30, 2022

16. Statement of Comparison of Budget and Actual Amounts for The Period

	Original budget	Adjustm ents	Final budget	Actual on comparable basis	Performance difference	% utilisati on
	2021	2021	2021	2021	2021	2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from County Executive	100,000,000		100,000,000	100,000,000	1,274,170	1
Total income	100,000,000		100,000,000	100,000,000	-	1
Expenses						
Fund administration expenses	3,000,000		3,000,000	6,074,930	(3,074,930)	202%
Scholarships and other Educational Benefits	97,000,000		97,000,000	92,650,900	4,349,100	96%
Total expenditure	100,000,000		100,000,000	98,725,830	1,274,170	99%
Surplus for the period	-		-	1,274,170	1,274,170	1%

17. Notes to the Financial Statements

1. General Information

The Wajir Bursary Fund is established by and derives its authority and accountability from Wajir Bursary Fund Act. The entity is wholly owned by the Wajir County Government and is domiciled in Kenya. The entity's principal activity is enable learners of the Wajir County pursue their education.

2. Statement of compliance and basis of preparation

The Wajir Bursary Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid-19 pandemic. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

Standard	Effective date and impact:
	<p>develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that</p>

WAJIR COUNTY BURSARY FUND**Annual Report and Financial Statements for the year ended June 30, 2022**

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

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

WAJIR COUNTY BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2022

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on 30 August 2022. 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 entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded no additional appropriations on the FY 2021-2022 budget following the governing body's approval.

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

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

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

c) Property, plant and equipment

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

Depreciation on assets is calculated on a reducing balance basis and written off the cost as per rates below:

Computers and office equipment	33.3%
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d) Intangible Assets

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

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

a) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

b) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

c) Provisions

Provisions are recognized when the 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 Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

WAJIR COUNTY BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2022

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

d) Nature and purpose of reserves

The Wajir County Bursary Fund does not create and maintains reserves in terms of specific requirements.

e) Changes in accounting policies and estimates

The Wajir County 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.

f) Employee benefits – Retirement benefit plans

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

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

g) 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.

h) Related parties

The Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Fund manager, the CCO and senior managers.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

j) Comparative figures

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

k) Events after the reporting period

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

l) Ultimate and Holding Entity

The Wajir County Bursary Fund is a County Public Fund established by the Wajir County Bursary Fund Act 2019 under Department of Education, Youth and social services. Its ultimate parent is the County Government of Wajir.

m) Currency

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

6. Significant judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could

result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods e.g.

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

b) Useful lives and residual values

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

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

c) Provisions

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

7. Notes to The Financial Statements

1. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt. –Operations	100,000,000	-
Total	100,000,000	-

2. Scholarships and Other Educational Benefits

Description	FY2021/2022	FY2020/2021
	Kshs	Kshs
Secondary Schools	47,986,500	10,020
Tertiary Institutions	44,748,200	-
Total	92,734,700	10,020

3. Fund Administration

Description	FY2021/2022	FY2020/2021
	Kshs	Kshs
Administrative Expenses	5,082,950	-
Printing and Stationery Expense	541,000	-
Travel Coast	120,500	-
Hospitality	80,000	-
Bank Charges	42,680	10,020
Total	5,867,130	10,020

4. Depreciation and Amortization Expense

Description	2021/22	2020/21
	Kshs.	Kshs.
Property Plant and Equipment	70,596	-
Total	70,596	-

WAJIR COUNTY BURSARY FUND
Annual Report and Financial Statements for the year ended June 30, 2022

5. Cash and cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	1,264,738	78,568
Total Cash And Cash Equivalents	1,264,738	78,568

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

Financial institution	Account number	2020/2021 KES	2019/2020 KES
First Community Bank	80004120	1,264,738	78,568
Sub- total		1,264,738	78,568

WAJIR COUNTY BURSARY FUND

Annual Report and Financial Statements for the year ended June 30, 2022

Notes To The Financial Statements (Continued)**6. Property, plant and equipment**

	Computers and office equipment	Total
Cost	Kshs	Kshs
	33.3%	
At 1st July 2021	-	-
Additions	212,000	212,000
Disposals	-	-
At 30th June 2022	212,000	212,000
Depreciation And Impairment		
At 1st July 2021	-	-
Depreciation	70,596	-
Disposals	-	-
At 30th June 2022	70,596	-
Net Book Values		
At 30th June 2021	-	-
At 30th June 2022	141,404	141,404

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7. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

Related party transactions

	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Government of Wajir	100,000,000	-
Total	100,000,000	-

8. Financial risk management

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

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

a) Credit risk

The Bursary Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

b) Liquidity risk management

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

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

c) Market risk

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

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

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit Committee) and for the day-to-day implementation of those policies.

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

i. Foreign currency risk

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

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Foreign currency sensitivity analysis

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

Management of interest rate risk

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

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 entity capital structure comprises of the following funds:

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The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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	Non-submission of Prior Years Financial Statements	The financial statements will be prepared and submitted	Not Resolved	30 June 2023
2	Inconsistencies in Format and Presentation of Financial Statements	Financial statements will be prepared accurately	Not Resolved	30 June 2023
3	Discrepancies in the Financial Statements	Financial statements will be prepared accurately	Not Resolved	30 June 2023
4	Late Submission of Financial Statements	Financial statements will be prepared accurately	Not Resolved	30 June 2023
5	Failure to Follow Due Process in Preparing Budget	Budgeting process will be followed	Not Resolved	30 June 2023
6	Failure to Enact Bursary Fund Regulations	The fund will follow up with the assembly to enact the regulations	Not Resolved	30 June 2023
7	Failure to Secure Financial Data	A manual cashbook has been opened	Resolved	30 June 2022
8	Failure to Establish Audit Committee	The fund will follow up with the executive to establish the audit committee	Not Resolved	30 June 2023