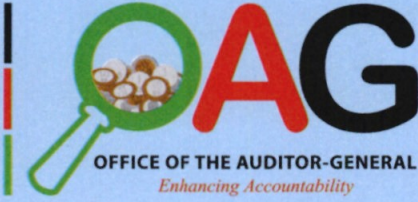


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

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ON

KWALE COUNTY BURSARY AND
SCHOLARSHIP FUND

FOR THE YEAR ENDED
30 JUNE, 2025

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KWALE COUNTY BURSARY AND SCHOLARSHIP FUND

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

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

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

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Kwale County Bursary and Scholarship Fund
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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

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

2. Key Entity Information and Management

a) Background information

The Kwale County Bursary and Scholarship Fund is established by and derives its authority and accountability from The Kwale County Bursary and Scholarship Fund Act, 2024. The Fund is wholly owned by the County Government of Kwale and is domiciled in Kenya.

The fund's objective is to promote and increase enrolment, retention, completion and transition rates in educational institutions

b) Principal Activities

The principal activity / mandate of the Fund is to support high performing needy students in special schools, secondary schools, technical colleges, medium level colleges, vocational training centres and recognized universities within and outside Kenya

Mission: To raise education standards in the County.

Vision: To grow human capital and improve standards of living of Kwale residents

c) Fund Administration Committee

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

Ref	Name	Position
1	Sebastian Mdawida	Chairperson
2	Lydia K.Musyoki	Committee Member
3	Paul K.Rongit	Committee Member
4	Amani H.Mwinyi	Committee Member
5	Hamisi N. Ali	Committee Member
6	Nzadze Benzadze	Committee Member
7	Alex O. Thomas	Committee Member
8	Juma M. Nzao	Committee Member
9	Grace K. Sheti	Fund Administrator

d) Fiduciary Management

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

Ref	Name	Position
1	Juma Nzao	Chief Officer
2	Grace Sheti	Fund Administrator
3	Chiroro Jira	Fund Accountant

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Chairman County Audit Committee	Abdallah Mambo Dalu
2	Member County Audit Committee	Mwanaidi R.Mwang'ombe
3	Member County Audit Committee	Thomas L.Mwadeghu
4	Member County Audit Committee	Mwanamisi A.Libondo
5	Ag. Director Internal Audit	Biasha Gasare

f) Registered Offices

P.O. Box 4-80403
Kwale Head Quarters Building
Kwale

g) Fund Contacts

Telephone: (254) 040-3206000/ 0728 348911
E-mail: bursaryfundkwalecounty@gmail.com
Website: www.kwale.go.ke

h) Fund Bankers

Equity Bank
P.O Box 167 -80403
Kwale

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

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

P.O. Box 40112
City Square 00200
Nairobi, Kenya

k) County Attorney

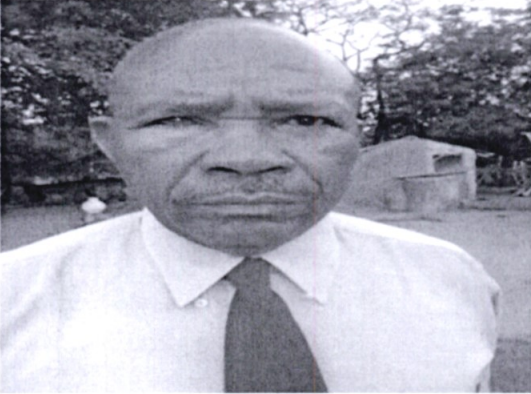


Office of the Governor
P.O. Box 4 – 80403
Kwale

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




3. Fund Administration Committee Profiles

Name	Details of qualifications and experience
<p>1. Alex Onduko Thomas</p> 	<p>Date of Birth: 22/12/ 1969 Qualification: Certified Public Accountant of Kenya. Education: He holds a Masters of Business Administration (finance); He holds a Kenya advance certificate of education and also a Kenya certificate of education. Experience: 2013 to-date chief officer finance and economic planning. Senior Management course KSG Mombasa Strategic Leadership Development Programme KSG Nairobi 2011-2013: Town treasurer Town council of Kajiado. 2010-2011: Town treasurer Municipal council of Migori 2005-2010: Town treasurer Municipal council of Busia. 1990-2005: Accountant County council of Nakuru.</p>
<p>2. Juma Nzao</p> 	<p>Date of Birth:09 /05/ 1978 Chief Officer in the Department of Education in February from 2021. Holds a Masters of Science Degree in Governance and Leadership from Jomo Kenyatta University of Agriculture and Technology,holds a Degree in Education from University of Nairobi Has 3 years' experience in the teaching profession from (2002-2005), 11 years' experience in development administration worked for Action Aid International and Plan International in different capacities i.e. Programme Assistant, Programme Facilitator, Project Officer, Programme Coordinator, and Programme Manager from 2006 to 2015. In 2015, he joined Kwale County Government</p>

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

	<p>as a Project Officer for the Youth Action for Open Governance and Accountability project funded by the European Union in partnership with Plan International until his appointment as Chief Officer for the department of Public Service and Administration in June 2019</p>
<p>3. Sebastian Mdawida</p> 	<p>Date of Birth: 26/12/1954 Appointed as County Bursary Committee Member on 22nd Dec, 2023. Trained P1 Teacher. He worked in the education sector serving in different positions from a class teacher then promoted to SQASO. Sebastian left public service in 2009 having attained retirement age. He is currently working in a Private ECDE college as a Principal.</p>
<p>4.Amani H.Mwinyi</p> 	<p>Date of Birth: 21/01/1968 Appointed as County Bursary Committee Member on 22nd Dec, 2023. He holds a Bachelor degree in Economics and Science and Administration from International University of Africa. He holds a degree in economics from Gretsia University. He has worked in various institutions as an Islamic teacher like Bilal Muslims and Madrassa Weemah.</p>
<p>5.Hamisi Ngedzo Ali</p> 	<p>Appointed as County Bursary Committee Member on 22nd Dec, 2023 He holds a Bachelor of science degree in project planning and management from Moi university He also holds a certificate in IT from Emigok computer college. He is a top performing certified project manager with more than 5 years working experience.</p>

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

<p>6.Nzadze Benzadze</p> 	<p>Date of Birth: 02/10/1970 Appointed as County Bursary Committee Member on 22nd Dec, 2023 She holds a master's degree in Education leadership and management from the Aga Khan university She holds a degree in education from the Kampala University. She has worked in the Education sector serving various positions from P1 Teacher, Graduate approved teacher, Senior Teacher 1. Currently she is the Deputy Head Teacher Mtaa Primary School.</p>
<p>7.Lydia K.Musyoki</p> 	<p>Appointed as County Bursary Committee Member on 22nd Dec, 2023. She holds a Bachelor degree from Christian fellowship Vision International University-Australia. She has worked in various positions including Kwale farmers' Co-operative society as a community manager and Leisure Lodge saving and credit society as a Secretary Manager. Currently she is working at Lydia Kanini Disability Foundation as the Director/C.E.O.</p>
<p>8.Paul K Rongit</p> 	<p>Date of Birth: 28/12/1973. Appointed as County Bursary Committee Member on 22nd Dec, 2023. He is P1 trained Teachers Currently working as Head Teacher at Nyango Primary School in Kinango Sub County. He has 20 years of experience in the education sector.</p>

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

9. Grace Sheti





Date of Birth-13/12/1990

A holder of Bachelor of Commerce Accounting Option from Kenyatta University. She worked for Equity Bank as Relationship Officer Cash before joining Kwale County Government as the Fund Administrator

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

4. Key Management Team

Name	Details of qualifications and experience
<p>1. Juma Nzao</p>  <p>Chief Officer-Department of Education</p>	<p>Date of Birth:09/05/1978</p> <p>Appointed as Chief Officer in the Department of Education in February, 2021 Holds a Masters of Science Degree in Governance and Leadership from Jomo Kenyatta University of Agriculture and Technology, He also holds a Degree in Education from University of Nairobi</p> <p>He has 3 years' experience in the teaching profession from (2002-2005), 11 years' experience in development administration worked for Action Aid International and Plan International in different capacities i.e. Programme Assistant, Programme Facilitator, Project Officer, Programme Coordinator, and Programme Manager from 2006 to 2015.</p> <p>In 2015, he joined Kwale County Government as a Project Officer for the Youth Action for Open Governance and Accountability project funded by the European Union in partnership with Plan International until his appointment as Chief Officer for the department of Public Service and Administration in June 2019</p>
	<p>Chiroro Jira</p> <p>Date of Birth: 01/01/ 1986.</p> <p>A Certified Public Accountant from Vision Institute of Professionals-Nairobi.</p> <p>Worked with Kwale Teachers Sacco from 2011 to 2014 as an Accounts Assistant, Bosa Accountant and finally Internal Auditor.</p> <p>Appointed as a senior Accountant in Kwale County Government -Health Department on 2nd March 2015. Thereafter he was promoted to the position of Chief Accountant in the same</p>

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

<p>2. Fund Accountant</p>	<p>Department on 9th May 2019. Currently He is the Ag.Principal Accountant Department of Education Kwale County Government . He is also in charge of KwaleCounty Bursary Fund Financial matters. Member of Institutes of Certified Public Accountants Kenya (ICPAK).</p>
<p>3. Fund Administrator</p>	<p>Grace Sheti Date of Birth-13/12/1990 A holder of Bachelor of Commerce Accounting Option from Kenyatta University. She worked for Equity Bank as Relationship Officer Cash before joining Kwale County Government as the Fund Administrator.</p>



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

5. Chairman's Report

The Kwale County Bursary Fund was established in 2014 with the objective of uplifting the standards of education in the County through offering bursaries to bright and needy students at all levels of education. This was meant to address the key issues affecting education standards amongst them being low access, transition, retention and completion rates.

During the year under review The Kwale County Bursary Fund 2014 lapsed in its operations as per the PFM Act 2012 and a new law was enacted 'The Kwale County Bursary and Scholarship Fund 2024' that still implements the same functions.

The Kwale County Bursary and Scholarship Fund by law is expected to operate under the direction and management of the County Bursary Fund Committee. The fund did not achieve the anticipated target during the reporting period due to the challenges experienced nationwide on the halt of the bursary program by the Controller of Budget due to the legal restrictions on exercise of functions between the County and National Government. The Fund only received Ksh. 138M out of the budgeted 500M and previous year balances of 56,210,000.00. This was disbursed to sponsored University and secondary school students only. Specifically; 3,730 students in tertiary learning institutions and institutions of higher learning received a total of Ksh.48,066,714.70. A total of 9,169 who are pursuing secondary school education received ksh141,334,946.00.

It is expected that the number of students who qualify for the national schools and university scholarships will increase because this fund has motivated students to work harder and perform better in recent years. The fund's management will progressively find innovative solutions for education financing in Kwale by working with private sector players and other donor agencies to bridge the anticipated gap.

In the coming years, support to tertiary education specifically in Kenya Medical Training College needs to be targeted so that money is invested where it is needed most and where scholarships will help to fill the human resource gap in specific sectors where Kwale has knowledge and skills gap



.....
Sebastian Mdawida

Chairman

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

6. Report of the Fund Administrator

Education financing has for a long time been a big challenge in Kwale given the high poverty level. Many students from poor families have been striving to change their standard of living through academic excellence; however their dreams have been shattered since their families are not able to support them.

The retention rate for students from Kwale County in secondary schools was very low as students would be sent away from school for failure to pay school fees. The low transition rates of students translated to very poor performance for Kwale County in the Education sector.

It is against this background that the Bursary Fund was established in financial year 2014-2015 through enactment of the Kwale County Bursary Fund Act, 2014. After being implemented over a period of one year, the Kwale County Bursary Fund Act, 2014 was amended in 2015 mainly to promote separation of powers between the county executive and the county legislature in the process of implementing the bursary program.

The Fund lapsed in 2024 as per the PFM Act (having been in operation for 10 years) and due to the need still experienced in the County, the County Executive saw it fit to continue supporting its students in matters Education. It is on this background that a new law was enacted 'The Kwale County Bursary and Scholarship Fund Act 2024' that still implements the same functions as the previous law.

The fund seeks to improve access to education, retention as well as transition rates for Kwale County students so as to improve education standards through education financing for students in secondary school, universities, colleges and other institutions of higher learning. The support is targeted at needy but high performing students in special schools, secondary schools, technical colleges, medium level colleges, vocational training centres and recognized universities within and outside the country.

The fund raises its funds through exchequer allocations after approval by the controller of budget. The act also allows the fund to raise funds through donors and other well-wishers. In the financial year 2024-2025 the budgetary allocation to the fund was Ksh 500 million. This was then distributed equally among the twenty wards translating to an allocation of Ksh. 25 million per ward.

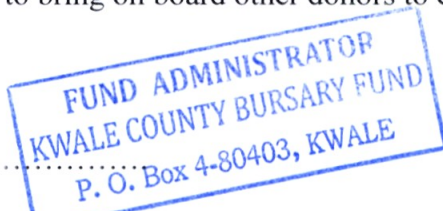
Kwale County Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 2025

During the year under review the fund experienced countrywide halt of the programme due to legal restrictions on exercise of functions between the County and National Governments. This halt came when the fund had only received 138 M and out of the budget of 500M, and previous year balances of ksh 56,210,000.00 making a total fund basket of Ksh 194,210,000.00 for the year. The Fund spent a total of Kshs190, 153,361.00 on bursaries. The broad student categories are students in tertiary institutions (universities and few colleges) and secondary schools. During the reporting period, students pursuing tertiary education received support amounting to Ksh. 48,066,714.70 while secondary school students received Ksh. 141,334,946.00.

The fund has achieved tremendous progress over the years. A total of 9,765 students have so far received scholarships for their secondary school education under scholarship since the beginning of the fund; and 6,001 received scholarships to support them to pursue different degree courses in universities; since the beginning of this program.

This program has restored hope among students in Kwale. More students from poor family backgrounds are working harder, performing better and qualifying for bursary or scholarship. Consequently, the annual allocation of the fund was increased to Ksh 500 million to cater for the escalated education financing needs. The demand for scholarships and bursary is therefore increasing every day and in order to increase funding the management and County leadership will strive to bring on board other donors to complement the fund.


Grace Sheti
Fund Administrator



03/10/2025

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

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 includes a statement of performance against predetermined objectives when preparing financial statements.

The key development objectives of the Fund as per the County Integrated Development Plan (CIDP) for 2023 to 2027 are to:

- a) Increase the bursary allocation from 400M to 500M
- b) Strengthen community sensitization programs on higher education
- c) Strengthen the bursary program and streamline it in order to reach more deserving students
- d) Mobilize more resources from other development partners to grow the bursary fund in order to reach more students
- e) Introduction of mentorship and coaching programmes

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Output	Performance Indicator	Performance
Bursary and Scholarship fund	To promote students' enrolment, attendance, retention, performance and transition rates in schools, colleges, Vocational Training Centres and Universities.	Improved county human capital development	Number of needy performing students transitioning from primary to secondary and to tertiary levels of education	In FY 24/25 the fund spent Ksh.190,153,361 on various categories (Universities, TVETs ,Secondary schools and Special schools)

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

8. Statement of Corporate Governance

The Bursary Fund was established with one major objective of improving the education standards of Kwale County which is a recipe for improving the socio-economic standards of the people.

The “ELIMU NI SASA” Initiative which is the main driving force of the fund has seen increased enrolment in learning institutions, increased retention rates, high transition rates, and increased access to education opportunities in the County.

During the year under review, the Kwale County Bursary Fund Act 2014 lapsed and a new law was enacted ‘The Kwale County Bursary and Scholarship Fund Act 2024’ which still implements the same functions.

Kwale County Bursary and Scholarship fund is managed by two Committees; The County Bursary Committee and Ward Bursary Committees as envisaged in the Kwale County Bursary and Scholarship Fund Act 2024.

The County Bursary committee is mandated to -:

Equally share funds amongst the 20 wards existing in the county

- Approve disbursement of bursaries to awarded students
- Monitor allocations of bursaries to ensure performing needy and deserving students benefit
- Maintain and update a database of all applicants and beneficiaries of the fund
- Produce and share disbursement reports with the Governor and County Assembly after every three months.

The County bursary committee is appointed by the Governor and the membership includes:-

- Chief Officer in charge of Education
- Chief Officer in charge of Finance and economic planning or his representative
- Fund Administrator
- Members of the public, that is,
 - 1 representative of learning institutions
 - 1 representative from women
 - 1 representative from youth
 - 1 representative from persons with disabilities
 - 1 representative from marginalized groups
 - 2 representatives from religious bodies
 - 1 representative from a civil society dealing with education matters

The Chairperson of the County bursary committee is appointed by the Governor and approved by the County Assembly

There are 20 Ward Bursary committees in the County whose main roles are;

- Invite applications for fees support.
- Receive applications.

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

- Scrutinize and verify all applicants supporting documents submitted by the applicants.
- Identify beneficiaries of the Bursary Fund.

Verify all allocated bursaries to beneficiaries

- Prepare a data bank of all the beneficiaries;
- Sensitizing the community on procedures for application, time for application, deadlines and qualifications for funding.
- Prepare and display separate list of applicants and beneficiaries indicating the amount awarded per beneficiary for public viewing.
- Forward to the County Bursary Committee minutes and records of successful bursary beneficiaries; and
- Look for other sources of funds and donors.

Ward bursary Committees are democratically elected by citizens in their respective wards. Ward Administrators are secretaries of the ward bursary committees. The members of the ward bursary committee are -:

- The ward administrator who is the Secretary
- A representative from the department of education who shall serve as assistant secretary.
- Five representatives elected by residents from the village units within the ward
- Three members elected by residents from village units within the ward to represent marginalized groups (Youth, Women and Persons with disabilities)

The chairperson of the committee is elected by representatives to the ward bursary committee. For deliberations, the County Bursary Committee and ward committee are to have not more than nine sittings in a year. Members of both committees are entitled to sitting allowances and not wages.

The committees serve are for a period of five years renewable once. Immediately the committee assumes office, the fund management has an elaborate programme for training members on their roles so as to enable them execute their mandates effectively.

Members are expected to uphold high levels of integrity and act in accordance with the law so as to serve the citizens fairly.

The fund is audited annually by the Office of the Auditor General.

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

9. Management Discussion and Analysis

The Fund receives its revenue from County Treasury through exchequer. Its main expenditure is bursary and 3% is used to finance the funds administrative cost.

The Fund has been sponsoring bright but needy students joining secondary schools and University through KUCCPS and issuing normal bursaries to the other categories.

In the Financial year 2024-2025 a total of Ksh.190,153,361.00 was disbursed to students in universities and secondary schools. A total of 3,419 students were supported under scholarship programme in secondary schools and 2,715 received scholarships to support them to pursue different degree courses in universities. The fund therefore provided bursary to a total of 9,263 students in secondary and special schools, 3,730 students in tertiary learning institutions including universities.

The Funds operations follow strictly the Kwale County Bursary and Scholarship Fund Act 2024 and financial matters use guidelines of the PFM Act and Procurement procedures as required by the Law.

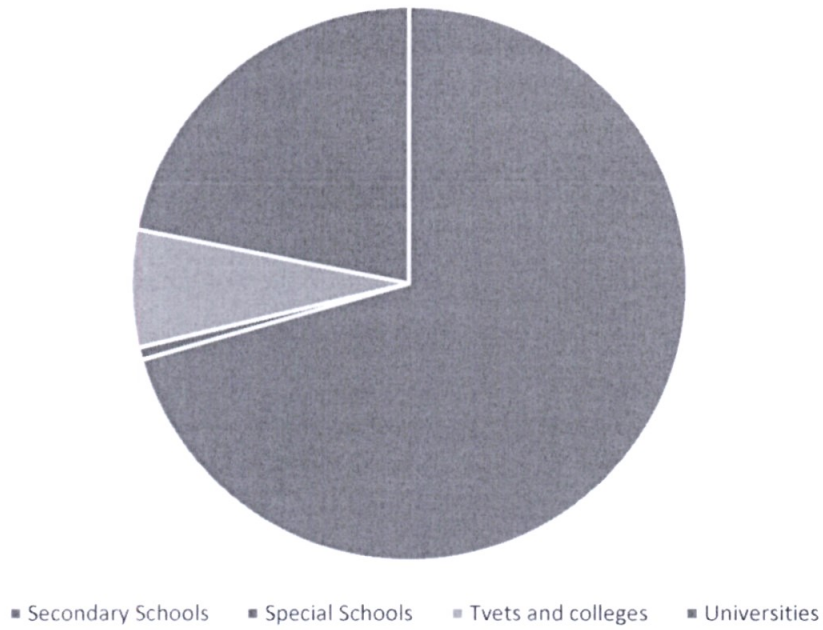
The Fund distribution performance for the financial year 2024/2025 is depicted in the graph and pie charts below.

The Pie Chart below shows the amount spent on students at different levels during the year under review.

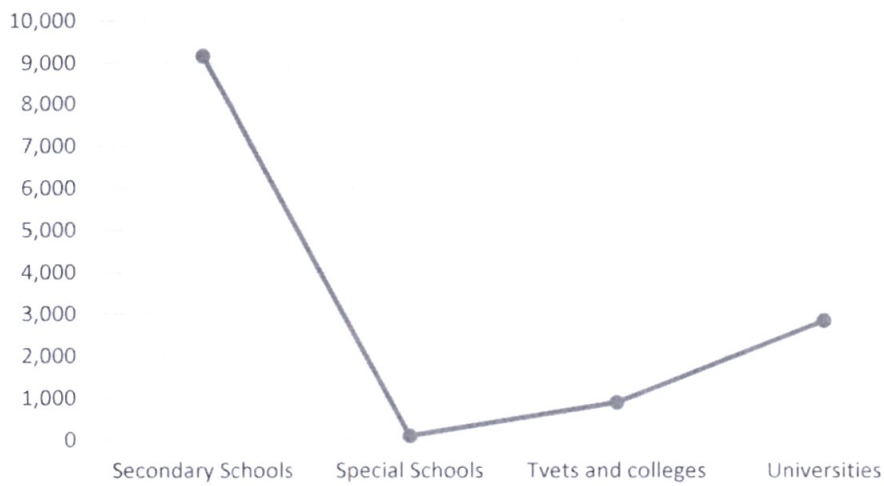
CATEGORY	NO OF. BENEFICIARIES
Secondary Schools	9,169
Special Schools	94
Tvets and colleges	891
Universities	2,839
TOTAL	12,993

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

Analysis per category



Analysis per category



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

Over the past three years FY 2021/2022, FY 2022/2023 and FY 2023/2024 the fund has received exchequer releases of Ksh. 1,370,000,000.00 and supported students in various categories i.e

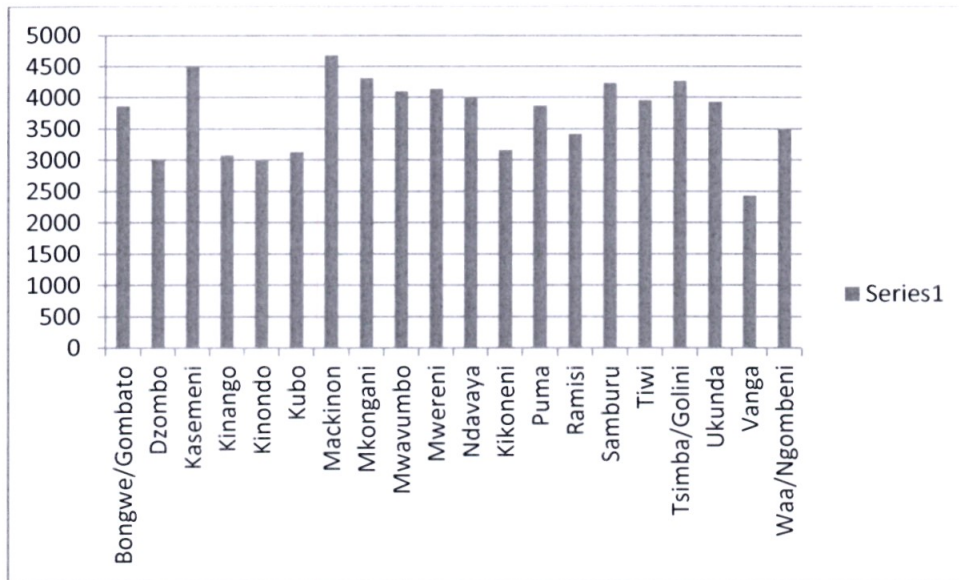
Category	No. of Students
Universities	3,956
TVETs and Colleges	11,091
Secondary schools	59,088
TOTAL	74,135

Ward analysis

No	Ward	No. of Students Supported	Amount disbursed
1.	Bongwe/Gombato	3864	65,794,809.00
2.	Dzombo	3023	69,095,381.00
3.	Kasemeni	4505	69,527,349.00
4.	Kinango	3079	70,714,210.00
5.	Kinondo	2989	60,380,319.00
6.	Kubo	3135	70,989,173.00
7.	Mackinon	4678	71,457,002.00
8.	Mkongani	4315	66,579,659.00
9.	Mwavumbo	4106	71,576,005.00
10.	Mwereni	4142	69,298,963.00
11.	Ndavaya	3990	68,096,415.00
12.	Kikoneni	3163	72,315,838.00
13.	Puma	3872	63,511,141.00
14.	Ramisi	3419	70,430,897.00
15.	Samburu	4237	68,458,015.00
16.	Tiwi	3956	65,939,180.00
17.	Tsimba/Golini	4267	69,931,252.00

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

18.	Ukunda	3937	70,330,226.00
19.	Vanga	2431	68,062,865.00
20.	Waa/Ngombeni	3488	67,511,312.00



10. Environmental and Sustainability Reporting

Provision of support to bright needy students is a sole responsibility of governments both County and National to ensure that education is accessible and inclusive for all its citizens. Supporting education to bright needy students through issuance of bursaries is a sure way of improving the socio-economic status of a society.

Inadequate funds remain to be the major challenge to provision of the support to the needy students.

1. Market place practices

Responsible Supply chain and supplier relations-

The fund contracts to suppliers are done openly and fairly and payments are made in good time once the invoice is raised by the supplier and subject to availability of funds.

Corruption prevention

The fund is committed to prevent corruption, unethical practices and promote standards and best practices in governance in all its activities

2. Community Engagements-

Through public participation the residents have played a role in decision making processes, participate in program monitoring and evaluation, and demand for accountability from leaders and duty bearers.

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

11. Report of the Trustees/ Committee

The Committee submit 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 Fund are to support high performing needy students in special schools, secondary schools, technical colleges, medium level colleges, vocational training centres and recognized universities within and outside Kenya

Results


The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 5

Trustees


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

Auditors

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

..... 

Chair of the Fund Administration Committee

Date: 

Kwale County Bursary and Scholarship Fund
Annual Report and Financial Statements for the year ended June 30, 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.


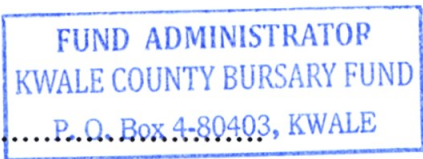
The Administrator of Kwale County Bursary and Scholarship Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility 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 Kwale County Bursary and Scholarship Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kwale County Bursary and Scholarship Fund Act 2024. 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 Funds 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 Kwale County Bursary and Scholarship Fund has assessed the Funds 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 Funds financial statements were approved by the Committee on 03/07 2025 and signed on its behalf by:

.....  

Administrator of the Kwale County Bursary and Scholarship Fund

REPUBLIC OF KENYA



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

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

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

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 Kwale County Bursary and Scholarship Fund set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kwale County Bursary and Scholarship Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kwale County Bursary and Scholarship Fund Act, 2024 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 Kwale County Bursary and Scholarship Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparative basis of Kshs.238,000,000 and Kshs.196,493,767 respectively resulting in receipts shortfall of Kshs.43,790,000 or 18% of the budget.

The income shortfall affected planned activities and impacted negatively on service delivery to the citizens.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iii to xxiv which comprise of Key Entity Information, Fund Administration Committee, Key Management Team, Chairman's Report, Report of the Fund Administrator, Statement of Performance Against the Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management's Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON THE 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 effect of the matters described in the Basis for Conclusion on the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Utilization of Bursary Management System

Review of documents provided for audit revealed that the County Executive procured and installed Bursary Management System (elimu ni sasa portal) at a cost of Kshs.4,128,500 for use by the Fund in the financial year 2022/2023. However, the portal was not utilized for application, approval and management of bursaries. Bursary application forms were filled, verified and approved manually/outside the system contrary to Section 149 (2) of the Public Finance Management Act, 2012 which states that in carrying out a responsibility imposed by subsection (1) an accounting officer shall, in respect of the entity concerned manage the assets of the entity to ensure that it receives value for money when acquiring, using or disposing of its assets.

In the circumstances, value for money on the procurement of bursary management system could not be confirmed.

2. Irregular Provision of Bursaries

The statement of financial performance reflects transfers from the County Executive of Kshs.198,000,000 as disclosed in Note 10 to the financial statements. Further, the statement reflects bursary transfers expenditure of Kshs.246,583,700 as disclosed in Note 10 to the financial statements. Bursary transfers of Kshs.41,816,300, Kshs.7,750,000, Kshs.194,477,400 and Kshs.2,540,000 were made to universities, TVETs and colleges, secondary schools and special schools, respectively during the year. This was contrary to the Fourth Schedule (Article 185 (2), 186 (1) and 187 (2))

of the Constitution on distribution of functions between the National Government and the County Governments. The schedule provides that County Governments are responsible for pre-primary education, village polytechnics, homecraft centres and childcare facilities. The activities funded by the County Executive including provision of bursaries to needy students in secondary schools, colleges and universities fall under the mandate of the National Government.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Incomplete Bursary Application Forms

The statement of financial performance reflects bursary transfers amounting to Kshs.246,583,700 as disclosed in Note 10 to the financial statements. Review of the sampled bursary forms for successful applicants revealed that the forms were not dully completed by the applicants as information on outstanding fee balance, details of the training institutions, disability status, family status and declaration by the applicant were left blank. The forms were also not stamped by both the bursary committee secretary and the chairperson as required.

In the circumstances, effectiveness of internal controls on administration of bursaries could not be confirmed.

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 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 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.

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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an

effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 November, 2025

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	198,000,000	506,210,000
Public Contributions and Donations	7	-	-
Revenue From Exchange Transactions			
Finance Income	8	-	-
Other income	9	-	-
Total Revenue		198,000,000	506,210,000
Expenses			
Bursary transfers	10	246,583,700	441,000,000
Scholarship grants	11		-
Use of Goods and Services	12	6,052,012	11,107,478
Depreciation and amortization expenses	13	333,075	397,580
Total Expenses		252,968,788	452,505,058
Surplus/(Deficit) for the Period		(54,968,788)	53,704,942

(The notes set out on pages 7 to 29 form an integral part of these Financial Statements)

FUND ADMINISTRATOR
KWALE COUNTY BURSARY FUND
P.O. Box 4-80403, KWALE

Name: Grace Sheti
Administrator/Accounting Officer

03/10/2025

Chiroro Jira

Name: CPA Chiroro Jira
Fund Accountant

ICPAK Member Number: 13182

03/10/2025

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	15	288,394	2,283,767
Non-exchange receivables	16	60,000,000	56,210,000
Exchange Receivables	17	-	-
Total current assets		60,288,394	58,493,767
Non-Current Assets			
Property, plant and equipment	14	401,584	734,659
Total Non -Current Assets		401,584	734,659
Total Assets (A)		60,689,978	59,228,426
Liabilities			
Current Liabilities			
Trade and Other Payables	20 F	58,488,360	2,058,021
Total current liabilities		58,488,360	2,058,021
Total Liabilities (B)		58,488,360	2,058,021
Net Asset (A-B)		2,201,618	57,170,406
Represented By:			
Accumulated Surplus		2,201,618	57,170,406
Net Assets		2,201,618	57,170,406

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 03/10/2025 and signed by:

.....
Name: Grace Sheti
Administrator/Accounting Officer

08/10/2025

.....
Name: CPA Chiroro Jira
Fund Accountant
ICPAK Member Number: 13182

08/10/2025

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

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

Description	Accumulated surplus
	Kshs
Balance as at 1 July 2023	3,465,465
Surplus/(Deficit) For the Year	53,704,941
Balance As At 30 June 2024	57,170,406
Balance As At 1 July 2024	57,170,406
Surplus/(Deficit) For the Year	(54,968,788)
Balance As At 30 June 2025	2,201,618

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

17. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2024-2025
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		194,210,000	450,000,000
Public Contributions and Donations			
Finance Income			
Other receipts			
Total receipts		194,210,000	450,000,000
Payments			
Bursary Transfers		190,153,361	456,767,389
Scholarship grants			
Use of goods and Services		6,052,012	11,107,479
Total Payments		196,205,373	467,874,868
Net cash flows from operating activities	19	(1,995,373)	(17,874,869)
Cash flows from investing activities			
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(1,995,373)	(17,874,869)
Cash and cash equivalents at 1 July 2024	15	2,283,767	20,158,636
Cash and cash equivalents at 30 June 2025	15	288,394	2,283,767

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

18. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	c=(a+b)	d	e=(c-d)	f=d/c*100
Opening budget Carry Overs		-	-	2,283,767		
Receipts						
Transfers From the County Government	500,000,000	(262,000,000)	238,000,000	194,210,000	43,790,000	82%
Public Contributions and Donations	-	-	-	-	-	0%
Finance Income	-	-	-	-	-	0%
Other receipts	-					
Total Receipts	500,000,000	(262,000,000)	238,000,000	196,493,767	43,790,000	82%
Payments						
Bursary Transfers	485,000,000	(254,140,000)	230,860,000	190,153,361	40,706,639	82%
Scholarship grants	-	-	-	-	-	0%
Use of goods & Services	15,000,000	(7,860,000)	7,140,000	6,052,012	1,087,988	85%
Total Payments	500,000,000	(262,000,000)	238,000,000	196,205,373	41,794,627	82%
Surplus For the Period				288,394		

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

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	288,394
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	288,394

Budget Notes

Reconciliations	Original approved Budget amount	Final Budget amount	Difference	Comments
Budget FY 24-25	500,000,000	238,000,000	262,000,000	The reduction was necessitated by the nationwide halt of the bursary programme by the controller of budget
Budget absorption	238,000,000	194,210,000	43,790,000	The under absorption was as a result of anticipated funds that were affected by the nationwide halt of the bursary programme by COB.

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Kwale County Bursary and Scholarship Fund is established by and derives its authority from Kwale County Bursary and Scholarship Fund Act 2024. The entity is wholly owned by the Kwale County Government and is domiciled in Kenya. Kwale County Bursary and Scholarship Fund principal activity is to support high performing needy students in special schools, secondary schools, technical colleges, vocational training centres and recognized universities within and outside Kenya

2. Statement of compliance and basis of preparation

Kwale County Bursary and Scholarship 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 1st January 2025, it is applicable in Kenya from 1st 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	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 lessees and lessors provide relevant information in a manner that faithfully represents

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

Standard	Effective date and impact:
	<p>those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases</p>

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

Standard	Effective date and impact:
	<p>called the current operational value.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. iii. Disclosures that identify and explain the amounts in the entity'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

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

Standard	Effective date and impact:
	any exploration and evaluation assets recognized. State the expected impact of the standard to the Entity if relevant

(iii) Early adoption of standards

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

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 24.06.2024. 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 Kwale County Bursary and Scholarship Fund upon receiving the respective approvals in order to conclude the final budget. The Kwale County Bursary and Scholarship Fund recorded supplementary cuts of Kshs. 262 M on the FY 2024/2025 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

e) Financial instruments

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

(i) Financial assets

Classification of financial assets

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

(ii) Subsequent measurement

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

(iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is

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

(iv) Fair value through net assets/ equity

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

(v) Fair value through surplus or deficit

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

(vi) Trade and other receivables

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

(vii) Impairment

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

Financial liabilities

Classification

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

d) Provisions

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

e) Contingent liabilities

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

f) Contingent assets

Kwale County Bursary and Scholarship Fund does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Kwale County Bursary and Scholarship 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 Kwale County Bursary and Scholarship Fund creates and maintains reserves in terms of specific requirements.

h) Changes in accounting policies and estimates

The Kwale County Bursary and Scholarship Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Foreign currency transactions

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

j) Related parties

The Kwale County Bursary and Scholarship 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 Kwale County Bursary and Scholarship 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 Kwale County Bursary and Scholarship 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.

State all judgments, estimates, and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

Kwale County Bursary and Scholarship Fund
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6. Transfers from the County Government

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From Treasury Department	198,000,000	506,210,000
Others	-	-
Total	198,000,000	506,210,000

7. Public Contributions and Donations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Others	-	-
Total	-	-

8. Finance income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income on Bank Deposits	-	-
Others	-	-
Total finance Income	-	-

9. Other income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Cheque write backs	-	-
Others	-	-
Total Other Income	-	-

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10. Bursary Transfers

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Universities	41,816,300	87,500,000
TVETs and Colleges	7,750,000	52,000,000
Secondary schools	194,477,400	299,800,000
Special schools	2,540,000	1,700,000
Total	246,583,700	441,000,000

11. Scholarship grants

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Universities	-	-
TVETs and Colleges	-	-
Secondary schools	-	-
Others	-	-
Total	-	-

12. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs.	Kshs.
Committee Allowances	1,204,200	2,135,600
Bank charges	687,833	1,139,248
Audit fees	-	-
Hospitality	751,500	-
Printing and Stationery	1,640,290	3,999,557
General Office Expenses	1,733,395	3,564,098
Telephone and communication Expenses	34,794	11,356
Machine maintenance	-	116,099
Fuel and Oil Costs	-	14,1520
Others	-	-
Total	6,052,012	11,107,478

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13. Depreciation and amortization expenses

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Property, plant and equipment	333,075	397,580
Intangible assets		-
Total	333,075	397,580

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14. Property, Plant and equipment

Details	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and Office Equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1 st July 2023	-	-	480,000	1,905,030	2,385,030
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 3 ^{0th} June 2024	-	-	480,000	1,905,030	2,385,030
At 1 st July 2024	-	-	480,000	1,905,030	2,385,030
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 3 ^{0th} June 2025	-	-	480,000	1,905,030	2,385,030
Depreciation and Amortization					
At 1 st July 2023	-	-	(220,000)	(1,032,791)	(1,252,791)

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Depreciation	-	-	(48,000)	(349,580)	(397,580)
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 3⁰h June 2024	-	-	(268,000)	(1,382,372)	(1,650,372)
At 1st July 2024				-	
Depreciation	-	-	(48,000)	(285,075)	(333,075)
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30th June 2025	-	-	(316,000)	(1,667,447)	(1,983,447)
Net book values					
At 30th June 2024	-	-	212,000	522,658	734,658
At 30th June 2025	-	-	164,000	237,584	401,584

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15. Cash and cash equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Account	288,379	2,283,722
Cash In Hand	15	45
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	288,394	2,283,767

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) Current Account			
Equity Bank	1580263149560	288,379	2,283,722
Sub- Total		288,379	2,283,722
b) Others (Specify)			
Cash In Transit			
Cash In Hand		15	45.00
Sub- Total		15	45.00
Grand Total		288,394	2,283,767

16. Non-Exchange Receivables

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revenue receivable	-	-
Others (Kwale County Treasury)	60,000,000	56,210,000
Total non-exchange receivables	60,000,000	56,210,000

17. Exchange Receivables

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

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18. Trade and other payables

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

19. Cash generated from operations.

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Surplus/ (Deficit) For the Period	(54,968,788)		53,704,942	
Adjusted For:				
Depreciation	333,075		397,580	
Working Capital Adjustments				
Increase In Receivables	(3,790,000)		(56,210,000)	
Increase In Payables	56,430,340		(15,767,390)	
Net Cash Flow from Operating Activities	(1,995,373)		(17,874,868)	

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20. 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	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers from related parties	-	-
Transfers to related parties	-	-

c) Key management remuneration

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

d) Due from related parties

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

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Other Disclosures Continued

e) Due to related parties

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

f) Ward balances

No.	Ward	FY 2023-2024	FY 2022-2023
1.	Bongwe Gombato	2,910,000	
2.	Dzombo	2,910,000	
3.	Kasemeni	2,952,300	
4.	Kinango	2,910,000	
5.	Kinondo	2,910,000	234,000
6.	Kubo South	2,910,000	-
7.	Macknon	2,939,000	-
8.	Mkongani	2,910,000	326,000
9.	Mwavumbo	2,950,333	-
10.	Mwereni	2,910,000	68,020
11.	Ndavaya	2,944,000	270,000
12.	Pongwe Kikoneni	2,910,000	-
13.	Puma	2,962,127	440,000
14.	Ramisi	2,910,000	-
15.	Samburu Chengoni	2,910,000	-
16.	Tiwi	2,910,000	320,000
17.	Tsimba Golini	2,927,500	
18.	Ukunda	2,910,000	-
19.	Vanga	2,983,100	230,000
20.	Waa Ng'ombeni	2,910,000	170,000
	Totals	58,488,360	2,058,020

21. Contingent assets and contingent liabilities

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

22. Financial risk management

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

a) Credit risk

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

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

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.

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The board of trustees sets the Fund/Scheme'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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-
As at 30 June 2024				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
		Kshs	Kshs
FY 2024-2025			
Euro	-%	-	-
USD	-%	-	-
Other	-%	-	-
FY 2023-2024			

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Euro	-%	-	-
USD	-%	-	-
Other	%	-	-

ii. Interest rate risk

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

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. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2025: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2025: Kshs).

d) Capital risk management.

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

Description		
	Kshs	Kshs
Accumulated surplus	-	-
Total funds	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

23. Events after the reporting period

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

24. Currency

The financial statements are presented in Kenya Shillings (Kshs)

**Kwale County Bursary and Scholarship Fund
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20. Annexes

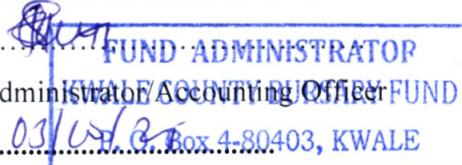
Annex I: Progress on Follow-up of Prior Year Auditor’s Recommendations

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)
OAG/MRO/KWALE CBF/2023/2024/(17)	Budgetary control and performance	The under-funding of the total budget by 11% was as a result of delays of funds transfer from the exchequer where fund balances of Kshs 56,210,000.00 for FY 23/24 were received in FY 2024/2025.	Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the time-frame with the appointed Focal Point persons within your Fund responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report.

.....
 Fund Administrator/Accounting Officer
 Date.....


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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: Kwale County Executive.

Name of beneficiary entity: Kwale County Bursary and Scholarship Fund.

Confirmation of amounts received by [Kwale County Bursary and Scholarship Fund/] as at 30 th June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by [County Department] (Kshs) as at 30 th June 2025			Amount Received by Kwale County Bursary Fund (Kshs) as at 30 th June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
FT24192NWK8	10/07/2024	56,210,000		56,210,000	56,210,000	-
FT242991SWFL	25/10/2024	38,000,000	-	38,000,000	38,000,000	-
FT243405GTXR	04/12/2024	100,000,000	-	100,000,000	100,000,000	-
Total		<u>194,210,000</u>	=	<u>194,210,000</u>	<u>194,210,000</u>	=

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

Head of Accounts - Disbursing Entity:
 Name Honness A. Kamso Sign [Signature] Date 3/10/25

Head of Accounts - Beneficiary Entity:
 Name CHIRWA JIRA Sign [Signature] Date 03/10/2025