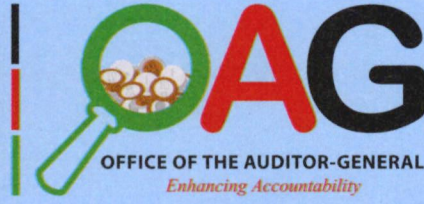


REPUBLIC OF KENYA



PAPERS LAID	
DATE	28/10/25
TABLED BY	SMZ.
COMMITTEE	
CLERK AT THE TABLE	<i>David</i>

## REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

THE AUDITOR-GENERAL

ON

MIGORI COUNTY WARD DEVELOPMENT  
FUND

FOR THE YEAR ENDED  
30 JUNE, 2025





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**MIGORI COUNTY WARD DEVELOPMENT FUND**

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

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

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

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

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

**a) Acronyms**

<i>CT</i>	<i>County Treasury</i>
<i>CIDP</i>	<i>County Integrated Development Plan</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>KSHS</i>	<i>Kenya Shillings</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>VTEC</i>	<i>Vocational Training and Education Center</i>
<i>CECM</i>	<i>County Executive Committee Member</i>
<i>WESC</i>	<i>Ward Education Support Committee</i>
<i>CESC</i>	<i>County Education Support Committee</i>

**b) Definition of Terms**

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

## ***Migori County Ward Development Fund***

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

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

### **a) Background information**

Migori County Ward Development Fund is established by and derives its authority and accountability from The Migori Ward Development Fund Act of 2014. The Fund is wholly owned by the County Government of Migori and is domiciled in Kenya. The fund's objective is to provide bursaries to financially disadvantaged or needy students in the County, including those with disabilities who deserve support to pursue their education at recognised schools and other educational institutions.

### **b) Principal Activities**

The Fund's principal activity is to provide financial support in terms of bursaries to needy and bright students from disadvantaged backgrounds in the County, including those with disabilities to pursue their education at recognised educational institutions.

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

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Hon Rahab Robi	CECM Education. Chairperson, County Education Support Fund Committee
2	Roseline Otieno	Chief Officer, Education
3	Dr John Achuora	Chief Officer, Finance and Economic Planning
4	Erastus Karani	Fund Administrator

### **d) Fiduciary Management**

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Erastus Karani	Fund Administrator
2	Hillary Soro	Fund Accountant

### **Fiduciary Oversight Arrangements**

<b>Ref</b>	<b>Position</b>	<b>Name</b>
1	Directorate of Internal Audit	Mrs. Janet Apiyo
2	County Assembly	County Assembly Committee on Education

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

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**e) Registered Offices**

Migori Municipal Building  
P.O. Box 195-40400  
Migori, KENYA

**f) Fund Contacts**

Telephone:  
(254)0208029160  
Email: education @ Migori.go.ke  
Website: [www.Migori.go.ke](http://www.Migori.go.ke)

**g) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank Limited  
Migori Branch  
Account Number: 1154700062

**h) Independent Auditor**

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

**i) Principal Legal Adviser**

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





**j) County Attorney**

P.O. Box 195  
Postal code 40400  
Migori, Kenya

**Migori County Ward Development 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. Hon. Rahab Robi</p> 	<p>D.O.B 24/12/1975 Education: BA Sociology - University of Nairobi Work Experience: 16 years Position: CECM Education, Chair to the County Education Support Fund Committee</p>
<p>2. Roselyne Otieno</p> 	<p>D.O.B 15/08/1967 Education: - Bachelor of Business Administration, University of South Africa - Diploma in Marketing Management, Chartered Institute of Management, UK - Certified Professional Mediator (MTI) E. Africa Work Experience: 32 Years Position: Chief Officer, Education, Youth Affairs and Sports</p>
<p>3. Dr John Achuora</p> 	<p>Education: PhD-Supply Chain Management – JKUAT : MSc Procurement and Logistics Management, JKUAT : B. Com Accounting – Sukhadia University</p>
<p>4. Erastus Karani</p> 	<p>D.O.B: 02/02/1974 Education: B. Com, Accounting, University of Nairobi Work Experience: 20 Years Position: und Administrator/ Secretary to the Board</p>



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

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**5. Chairperson's Report**

The Fund was established through the Migori County Ward Development Fund Act of 2014 with the sole purpose of providing bursaries to needy and bright students from disadvantaged backgrounds in the County. During the financial year 2024/2025, there were no changes in the composition of the Fund management committee. The fund has positively impacted on the learning process of students by ensuring uninterrupted and equitable access to quality education which in turn has led to overall improvement in the retention and completion rates of the students.

Further, during the period under review, the management in liaison with the County Department of Education developed the Migori County Education Support Bill which once enacted, will provide clear structures on the management of bursary funds. Through this bill, the management proposes that the most needy and bright students are fully funded throughout their learning cycle to cover all fees through secondary school, college or university education. In the same vein, more consideration shall be given to students in Vocational Education and Training Centres (VETCs) and those pursuing highly competitive courses such as medicine and engineering. This will guarantee a ready pool of human labour which can be utilised by the county in its succession planning.

The Fund management piloted an e-bursary platform in the FY 2024/2025 for efficient management of the bursary application and award process more efficiently and reduce delays in disbursing the bursaries.

In conclusion, the management will continue to actively engage with the County Executive and the County Assembly members to consider allocating more financial resources to the Fund to cater for the ever-increasing number of needy and deserving cases.

Signed: \_\_\_\_\_

  
**HON. RAHAB ROBI**

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

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**6. Report of The Fund Administrator**

The Fund was established in the year 2014 and since then, it has been disbursing approximately Kshs.100 million as bursaries, benefitting an average of 20,000 students per year. The students are identified through a strict shortlisting process by the Ward Education Support Committees (WESCs) established through the Migori County Education Support Policy of 2019. The WESCs then forward the shortlisted names to the County Education Support Committee (CESC) which has the mandate of vetting and awarding bursaries to deserving students.

In the FY 2024/2025, the Fund did not receive funds from the county treasury. The management utilised the accumulated surplus to award a total sum of Ksh 2,868,000 to 439 deserving students. The CESC awarded Ksh15,000 for each deserving University and VETC student and Ksh 5,000 per successful applicant from Secondary Schools, Colleges and other Tertiary institutions

The Fund management has established and maintained adequate financial management arrangements for the bursaries Fund by keeping proper accounting records together with internal controls using appropriate accounting policies in accordance with International Public Sector Accounting Standards. This has ensured that the Fund complies with applicable Government policies and that the funds received are used for the eligible purposes. The management hopes that the subsequent financial years will witness increased allocations towards bursary funds to sustain the overwhelming demand from the increasing numbers of applicants.

It is for this reason that the management intends to pursue enhanced financing arrangements to achieve more allocation to the fund so as to meet some of these demands from very vulnerable students. With the increase in the fund, the bursary allocations will have a more remarkable impact and will scale up access to quality education which in turn will improve retention and completion rates.

Signed: \_\_\_\_\_

**ERASTUS KARANI**

***Migori County Ward Development Fund***

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

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

**Introduction**

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

One of the key development objectives of the 2023-2027 Migori County Integrated Development Plan (CIDP) is to provide bursary for needy students. This is intended to be achieved through fund transfers to the County Ward Development Fund for further transmission to respective schools.

**Progress on attainment of Strategic development objectives**

The key development objective of the Fund as per the Migori County Ward Development Fund Act 2014, is to support the bright but needy students to access quality education through provision of bursaries.

Below we provide the progress on attaining the stated objectives

<b>Program</b>	<b>Objective</b>	<b>Output</b>	<b>Performance Indicator</b>	<b>Performance</b>
Education Support (Bursary)	To support bright and needy students to access quality education	Increased number of students accessing education in the County	No. of students receiving bursary funds	439 beneficiaries

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

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**8. Statement of Corporate Governance**

During the period under review, the Board managed to hold five (5) sittings which were all attended by members of the board of trustees. As a best practice and in line with the law relating to meetings, they were all presided by the chairman. In cases of her absence the members elected one of them to preside over the meeting.

The Fund is a semi-autonomous Fund being managed by the Fund Administrator. Currently, the management of the Fund is composed of officers from the existing workforce of the county government.

The process of appointment and removal of trustees, roles and functions of the Board and their remuneration are clearly stated in the Migori County Education Support Policy of 2019. Since its inception, the Fund has held at least one training session in every year. Furthermore, upon the conclusion of every national election cycle, members of the county assembly committee on education are inducted on their roles pertaining the implementation of the Fund's mandate. This has gone a long way in enabling them offer better services to the public and more so for the members of the county assembly to participate more during the budgeting process to ensure the provisions of the Migori County Ward Development Fund Act are fully adhered to.

The remuneration of the board members is strictly as provided for in the Fund's founding Policy. The board rarely experiences instances of conflict of interest and whenever such arise, members have always been advised to openly declare their interests and the eventual exclusion from participating during the discussion of the subject matter they may have interest in. Finally, the Fund has always endeavoured to conduct its activities in a fair, transparent and ethical manner. The books of accounts are prepared annually and subject to the statutory external audit by the Office of the Auditor General.

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

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**9. Management Discussion and Analysis**

The Migori County Ward Development Fund is specifically for financially disadvantaged or needy students including persons with disabilities from Migori County admitted at various recognised educational institutions. The management of the Fund shall be vested in a management Board consisting of

- 1) Chairperson appointed by the Governor
- 2) One officer representing the County department for the time being responsible for Finance.
- 3) One officer representing the County department for the time being responsible for Education
- 4) Two members representing the community and civil society.

The Ward Education Support Committees are charged with the responsibility of vetting applicants and shortlisting beneficiaries using a set out criteria. A student wishing to receive a bursary from the Fund shall make an application to the relevant committee in a prescribed form.

The committee shall consider all applicants submitted in accordance with the criteria set and may accordingly accept or reject any application for the bursary. Where it accepts the application, the committee shall recommend to the County Education Support Committee, the recommended grant of a bursary to the relevant qualified student. The criteria for granting a bursary from the Fund shall be in accordance with the regulations set out in the policy. The secretary of the County Education Support committee who is also the County Chief Officer in charge of Education has the responsibility of disbursing of cheques to the schools where the beneficiaries are schooling. The bursary award mainly covers part of tuition fees.

The Fund has complied with the statutory requirements key among them being the Public Finance Management Act and the Public Audit Act. The fund does not have any arrears as regards statutory or financial obligations at the time of reporting.

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

The Migori County Ward Development Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the following pillars:

### **1. Sustainability strategy and profile**

The fund is firmly established in the county statutes which guide its daily operations. The synergy and pool of experience from the members of the board has always ensured that the Fund's decisions are above board.

The Fund's management has always maintained an open-door policy where consultations with key stakeholders, actors and beneficiaries have ensured minimal conflicts when implementing its mandate.

The greatest achievement during its existence has been enabling bright and needy students to access quality education through provision of bursaries. The prevailing poverty/low-income levels within the county and the country at large makes the continuity of the Fund even more relevant.

### **2. Environmental performance**

The policy envisages the legislation of an Act to give the Fund the mandate to commit funds towards environmental activities. The Fund has sought to engage with the county department of Environment to explore avenues of cooperation to achieve this mandate. It is the management's expectation that in the subsequent year, the Fund shall play a key role towards environmental sustainability.

### **3. Employee welfare**

The staff and members of the Fund are majorly employees of the County Government of Migori and as such, all the welfare aspects are as expected for all other county employees. The Fund however pays some allowances as provided in the Policy, whenever the employees are engaged in matters exclusive to the Fund.

### **4. Market place practices-**

#### **a) Responsible competition practice.**

The Fund is established on the grounds of fair competition. During the vetting of bursary applications, for example, the ward committees invite all interested members of the public to attend and participate. Notices for the same are issued in advance and circulated widely under the supervision of the Fund's management.

#### **b) Responsible supply chain and supplier relations.**

The Fund's procurement is carried out by the County's Supply Chain Directorate.

#### **Responsible marketing and advertisement**

The Fund, being a government Fund does not engage in any marketing or advertisement activities.

#### **c) Product stewardship**

Being a public service provider, the Fund ensures that the citizens' interests are prioritised whenever carrying out its mandate.

### **5. Corporate Social Responsibility/Community Engagements**

The Fund did not carry out any CSR activities during the year under review. It is the management's vision to engage with the county department of sports to carry out this activity as mandated in law.

***Migori County Ward Development Fund***

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

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

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

**Principal activities**

The principal activity of the Fund is to provide bursary to needy and vulnerable students in Migori County

**Results**

The performance of the Fund for the year ended June 30, 2025, are set out on page 1.

**Trustees**

The members of the Board of Trustee / Administration committee who served during the year are shown on page vi.

**Auditors**

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

By Order of the Board  
Migori County Ward Development Fund

Sign:



Name: **HON. RAHAB ROBI**

Chair of the County Ward Development Fund Committee

Date: 18<sup>th</sup> August, 2025

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

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**12. Statement of Management’s Responsibilities**

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


The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. 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, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund’s financial statements were approved by the Board on 18/08/2025 and signed on its behalf by:

  
.....

**Administrator of the Migori County Ward Development Fund**

# REPUBLIC OF KENYA

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

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

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### PREAMBLE

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Migori County Ward Development Fund set out on pages 1 to 25, which comprise the statement of financial

position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Migori County ward Development 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 Migori County Ward Development Act, 2014 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 Migori County ward Development Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report for the previous year, seven (7) audit issues were raised under Report of the Financial Statements, Report of Lawfulness and Effectiveness in Use of Public Resources and Report of Effectiveness of Internal Controls, Risk Management and Governance. Four (4) of the audit issues remained unresolved as at 30 June, 2025 and have not been included in the Progress on Follow-Up of Prior Year Auditor's Recommendations section of the financial statements. Further, although three (3) prior year audit matter are indicated as having been resolved, evidence of how they were resolved was not provided for audit.

## **Other Information**

The Management is responsible for the other information set out on page iii to xiv which comprises Key Entity Information and Management, Migori County ward Development Fund Committee Profiles, Management Team, Chairperson's Report, Report of the Fund Administrator, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting, Report of the Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Meet the Objectives of the Fund**

As reported in the previous year, a historical review of the Fund's operations revealed that the Funds activities have been restricted to issuance of bursaries since inception, ignoring the eradication of poverty and development at the ward level, contrary to Section 3 of the Migori County Wards Development Act, 2014, which stipulates that the object and purpose of this Act is to ensure that a specific portion of the county annual budget is devoted to the Wards for purposes of development and in particular eradication of poverty at the Ward level.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 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**

#### **Weak Controls Over Cash and Bank Management**

The statement of financial position reflects cash and cash equivalents balance of Kshs.60,881. However, during the year under review, the cash book and bank reconciliation statements were not being reviewed by a senior accountant.

In the circumstances, the effectiveness of internal controls on cash and cash equivalents management 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 so as to obtain assurance as to whether processes and systems of internal control, risk management and overall governance was maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

The 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 the 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, the 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.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

#### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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 also 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

15 October, 2025

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Transfers From the County Government	6	0	120,000,000
Public Contributions and Donations	7	0	0
		<b>0</b>	<b>120,000,000</b>
<b>Revenue From Exchange Transactions</b>			
Finance Income	8	0	3,369
Other income	9	0	0
<b>Total Revenue</b>		<b>0</b>	<b>120,003,369</b>
<b>Expenses</b>			
Bursary transfers	10	2,868,000	108,690,000
Scholarship grants	11	0	0
Use of Goods and Services	12	6,103,332	6,925,038
<b>Total Expenses</b>		<b>8,971,332</b>	<b>115,615,038</b>
<b>Surplus/(Deficit) for the Period</b>		<b>(8,971,332)</b>	<b>4,388,331</b>

The notes set out on pages 7 to 24 form an integral part of these Financial Statements.

.....  
 Name: ERASIMUS KAKANI  
 Administrator/Accounting Officer

.....  
 Name: Hilary  
 Fund Accountant  
 ICPAK Member Number: 22344


*Migori County Ward Development Fund*

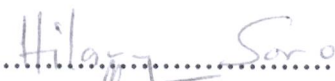
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	13	60,881	9,032,213
Non-exchange receivables	14		0
Exchange Receivables	15		0
<b>Total current assets</b>		<b>60,881</b>	<b>9,032,213</b>
<b>Total Assets (A)</b>		<b>60,881</b>	<b>9,032,213</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	0	0
<b>Total current liabilities</b>		<b>0</b>	<b>0</b>
<b>Total Liabilities (B)</b>		<b>0</b>	<b>0</b>
<b>Net Asset (A-B)</b>		<b>60,881</b>	<b>9,032,213</b>
<b>Represented By:</b>			
Accumulated Surplus		60,881	9,032,213
<b>Net Assets</b>		<b>60,881</b>	<b>9,032,213</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 18<sup>th</sup> August, 2025 and signed by:

  
.....  
Name: ERASTUS KARANI  
Fund Administrator/Accounting Officer

  
.....  
Name: ~~.....~~  
Fund Accountant  
ICPAK Member Number: 22344

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

Description	Accumulated surplus	Total
	Kshs	Kshs
<b>Balance As At 1 July 2023</b>	<b>4,643,882</b>	<b>4,643,882</b>
Surplus/(Deficit) For the Year	4,388,331	4,388,331
<b>Balance As At 30 June 2024</b>	<b>9,032,213</b>	<b>9,032,213</b>
<b>Balance As At 1 July 2025</b>	<b>9,032,213</b>	<b>9,032,213</b>
Surplus/(Deficit) For the Year	8,971,332	8,971,332
<b>Balance As At 30 June 2025</b>	<b>60,881</b>	<b>60,881</b>

*Migori County Ward Development Fund*

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers From the County Government		0	120,000,000
Public Contributions and Donations		0	0
Finance Income		0	3,369
Fines, penalties and levies		0	0
<b>Total receipts</b>		<b>0</b>	<b>120,003,369</b>
<b>Payments</b>			
Bursary Transfers		2,868,000	108,690,000
Scholarship grants		0	0
Use of goods and Services		6,103,332	6,925,038
<b>Net cash flows from operating activities</b>	17	<b>(8,971,332)</b>	<b>4,388,331</b>
<b>Cash flows from investing activities</b>		0	0
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>		0	0
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>(8,971,332)</b>	<b>4,388,331</b>
Cash and cash equivalents at 1 July	13	9,032,213	4,643,882
<b>Cash and cash equivalents at 30 June</b>	<b>13</b>	<b>60,881</b>	<b>9,032,213</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Balance B/f</b>		9,032,213	9,032,213	9,032,213	0	<b>100%</b>
<b>Receipts</b>						
Transfers From the County Government	120,000,000	(120,000,000)	0	0	0	
Public Contributions and Donations	0	0	0	0	0	
Finance Income	0	0	0	0	0	
Other receipts	0	0	0	0	0	
<b>Total Receipts</b>	<b>120,000,000</b>	<b>(110,967,787)</b>	<b>9,032,213</b>	<b>9,032,213</b>	<b>0</b>	<b>100%</b>
<b>Expenses</b>						
Bursary Transfers	114,000,000	(111,100,000)	2,900,000	2,868,000	32,000	98%
Scholarship grants	0	0	0	0	0	
Use of goods & Services	6,000,000	132,213	6,132,213	6,103,332	28,881	99%
<b>Total Expenditure</b>	<b>120,000,000</b>	<b>(110,967,787)</b>	<b>9,032,213</b>	<b>8,971,332</b>	<b>60,881</b>	<b>99%</b>
<b>Surplus For the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,881</b>	<b>(60,881)</b>	

**Budget notes:**

1. The expenditure on Bursary Transfers was financed by the accumulated surplus as at 1<sup>st</sup> July, 2024
2. The expenditure on Use of goods and services was financed by the accumulated surplus as at 1<sup>st</sup> July, 2024. This expenditure was incurred in preparation of the disbursement of the budgeted Kshs. 120 million before the approval was declined by the Controller of Budget. The expenditure was mainly on induction of WESC members, production of bursary application forms and allowances during vetting of bursary applicants.

***Migori County Ward Development Fund***  
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3. The Fund did not receive transfers from the county government during the FY 2024/2025

Budget Reconciliation

	<b>Description of Particulars</b>	<b>Amount in Kshs</b>
	Actual Surplus Amounts as per the statement of Budget	60,881
1	Reason for difference	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	60,881

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

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**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1.General Information**

The Migori County Ward Development Fund is established by and derives its authority and accountability from The Migori County Ward Development Fund Act of 2014 and the Migori County Education Support Policy of 2019. The Fund is wholly owned by the Migori County Government and is domiciled in Kenya. The Fund's principal activity is provision of bursaries to bright and needy students.

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

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on accrual basis. The cash flow statement is prepared using the direct method.

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43 Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Fund. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

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Standard	Effective date and impact:
Discontinued Operations	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.
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a Fund shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard</p>

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Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li data-bbox="443 903 1335 976">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="443 984 1335 1098">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="443 1105 1335 1276">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 any exploration and evaluation assets recognized.</li> </ul>

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

The Fund did not early-adopt any new or amended standards in the financial year 2024/2025.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Revenue transfers**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**b) Budget information**

The original budget for FY 2024-2025 was approved by the County Assembly on 30<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. Any additional appropriations are added to the original budget by the Fund upon receiving the respective approvals to conclude the final budget. However, during the year under review, the Fund did not record additional appropriations, and its original appropriations remained unchanged.

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

In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification 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.

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

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**c) Financial instruments**

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

**(i) Financial assets**

**Classification of financial assets**

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

**(ii) Subsequent measurement**

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

**(iii) Amortized cost**

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

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

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

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

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

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

**(vi) Trade and other receivables**

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

**(vii) Impairment**

The Fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Fund recognizes a loss allowance for such losses at each reporting date. There were no critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

**Financial liabilities**

**Classification**

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

**d) Provisions**

Provisions are recognized when the Migori County Ward Development 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 Migori County Ward Development Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

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

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**e) Contingent liabilities**

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

**f) Contingent assets**

The Migori County Ward Development 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 Migori County Ward Development 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 Migori County Ward Development Fund does not create and maintain reserves in terms of specific requirements.

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

The 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 Migori County Ward Development Fund regards a related party as a person or a Fund with the ability to exert control individually or jointly, or to exercise significant influence over the Migori County Ward Development 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 Migori County Ward Development Fund financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**a) Estimates and assumptions**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

No provisions were raised, and management did not determine an estimate based on the information available. There were no additional disclosures of these estimates of provisions.

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

**Migori County Ward Development Fund**  
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**6. Transfers from the County Government**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Treasury	0	120,000,000
Others	0	0
<b>Total</b>	<b>0</b>	<b>120,000,000</b>

**7. Public Contributions and Donations**

Description	2024/2025	2023/2024
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From the Public	0	0
Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**8. Finance income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income on Bank Deposits	0	3,369
Others	0	0
<b>Total finance Income</b>	<b>0</b>	<b>3,369</b>

**9. Other income**

Description	2024/2025	2023/2024
	Kshs	Kshs
Cheque write backs	0	0
Others	0	0
<b>Total Other Income</b>	<b>0</b>	<b>0</b>

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

**10. Bursary Transfers**

Description	2024/2025	2023/2024
	Kshs	Kshs
Universities	720,000	4,650,000
TVETs and Colleges	382,000	23,550,000
Secondary schools	1,766,000	80,490,000
<b>Total</b>	<b>2,868,000</b>	<b>108,690,000</b>

**11. Scholarship grants**

Description	2024/2025	2023/2024
	Kshs	Kshs
Universities	0	0
TVETs and Colleges	0	0
Secondary schools	0	0
Other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**12. Use of Goods and Services**

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Daily Subsistence Allowance	2,935,275	2,198,800
Bank Services Commissions and Charges	58,882	26,631
Sanitary and Cleaning Materials, Supplies and Services	70,000	0
Field Operational Allowance	1,104,000	364,000
Accommodation - Domestic Travel	1,128,400	1,829,700
Field Allowance	353,125	834,800
Publishing and Printing Services	65,700	95,000
General Office Supplies (papers, pencils, forms, small office equipment etc)	111,250	230,207
Telephone, Telex, Facsimile and Mobile Phone Services	126,000	58,400
Advertising, Awareness and Publicity Campaigns	0	661,500
Travel Costs (Airline, bus, railway, etc.)	150,700	626,000
<b>Total</b>	<b>6,103,332</b>	<b>6,925,038</b>

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**13. Cash and cash equivalents**

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Account	60,881	9,032,213
Others	0	0
<b>Total Cash and Cash Equivalents</b>	<b>60,881</b>	<b>9,032,213</b>

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
<b>a) Current Account</b>			
KCB Bank	1154700062	60,881	9,032,213
<b>Sub- Total</b>		<b>60,881</b>	<b>9,032,213</b>
<b>b) Others</b>			
Cash In Transit		0	0
Cash In Hand		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>60,881</b>	<b>9,032,213</b>

**14. Non-Exchange Receivables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Revenue receivable	0	0
Others	0	0
<b>Total non-exchange receivables</b>	<b>0</b>	<b>0</b>

**15. Exchange Receivables**

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest receivable	0	0
Others	0	0
<b>Total exchange receivables</b>	<b>0</b>	<b>0</b>

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**16. Trade and other payables**

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

**17. Cash generated from operations.**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
<b>Surplus/ (Deficit) For the Year</b>	<b>(8,971,332)</b>		<b>4,388,331</b>	
<b>Adjusted For:</b>				
<b>Working Capital Adjustments</b>				
Increase In Receivables	0		0	
Increase In Payables	0		0	
<b>Net Cash Flow from Operating Activities</b>	<b>(8,971,332)</b>		<b>4,388,331</b>	

**18. 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.

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**b) Related party transactions**

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers from related parties	0	120,000,000
Transfers to related parties	0	0

**c) Key management remuneration**

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

**d) Due from related parties**

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

**e) Due to related parties**

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

**19. Contingent assets and contingent liabilities**

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

**20. Financial risk management**

The Fund'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

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potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Fund's financial risk management objectives and policies are detailed below:

**a) Credit risk**

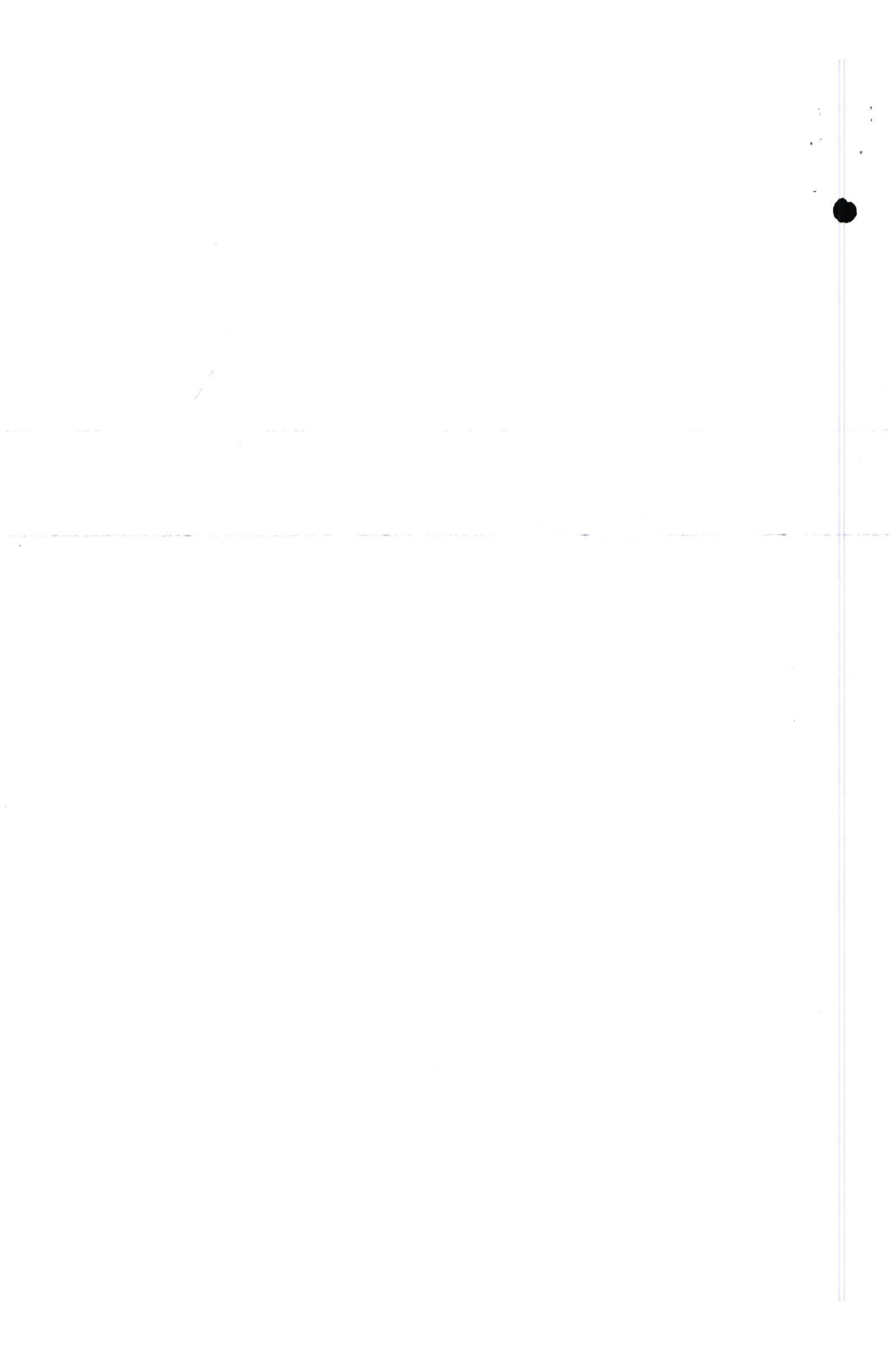
The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2025</b>				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	60,881	60,881	0	0
<b>Total</b>	<b>60,881</b>	<b>60,881</b>	<b>0</b>	<b>0</b>
<b>As at 30<sup>th</sup> June 2024</b>				
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions	0	0	0	0
Bank Balances	9,032,213	9,032,213	0	0
<b>Total</b>	<b>9,032,213</b>	<b>9,032,213</b>	<b>0</b>	<b>0</b>

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

The Fund has no significant concentration of credit risk on amounts due.

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





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**b) Liquidity risk management**

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

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

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

**c) Market risk**

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

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

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

**i. Foreign currency risk**

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>			
Cash	60,881	0	60,881
Debtors/ Receivables	0	0	0
<b>Liabilities</b>			
Trade And Other Payables	0	0	0
<b>Net Foreign Currency Asset/(Liability)</b>	<b>60,881</b>		<b>60,881</b>

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
		Kshs	Kshs
<b>2024/2025</b>			
Euro	10%	60,881	0
USD	10%	60,881	0
Other	0%	0	0
<b>2023/2024</b>			
Euro	10%	9,032,213	

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USD	10%	9,032,213	0
Other	0%	0	0

**ii. Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**d) Capital risk management.**

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Accumulated surplus	60,881	9,032,213
<b>Total funds</b>	<b>60,881</b>	<b>9,032,213</b>
Less: cash and bank balances	60,881	9,032,213
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**Events after the reporting period**

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

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**Currency**

The financial statements are presented in Kenya Shillings (Kshs)


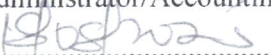
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**20. Annexes**

**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe:</b>
1.	Budgetary Control and Performance	<i>The unspent funds have been disbursed as bursaries and reported in the 1<sup>st</sup> quarter report of FY 2023/2024</i>	Resolved	N/A
2.	Underfunding of the Ward Fund	<i>The management has amended the Act to ensure that bursary funds are separated from the community funds that has always resulted to underfunding</i>	Resolved	N/A
3.	Failure to Adhere to Fiscal Responsibility Principle	<i>The expenditure was incurred upon approval through the cabinet memo of 4<sup>th</sup> January 2023</i>	Resolved	N/A

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


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

Name of transferring Fund: Migori County Government

Confirmation of amounts received by Migori County Ward Development Fund as at 30 <sup>th</sup> June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by Migori County Treasury (Kshs) as at 30 <sup>th</sup> June 2025			Amount Received by Migori County Ward Development Fund (Kshs) as at 30 <sup>th</sup> June 2025 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
N/A	N/A	-	-	-	-	-
Total		-	-	-	-	-

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

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

Name ..... *Eric O. Jeloy* ..... Sign ..... *[Signature]* ..... Date ..... *18/08/2025* .....

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

Name ..... *Hilary Soro* ..... Sign ..... *[Signature]* ..... Date ..... *18/08/2025* .....

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