

REPUBLIC OF KENYA



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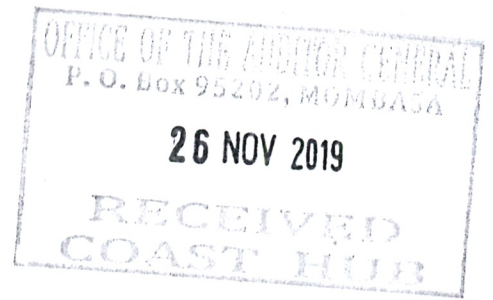
THE AUDITOR-GENERAL

ON

KILIFI COUNTY WARD SCHOLARSHIP FUND

**FOR THE YEAR ENDED
30 JUNE, 2019**





**COUNTY GOVERNMENT OF KILIFI
KILIFI WARD SCHOLARSHIP FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

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KILIFI WARD SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2019

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Kilifi County Ward Scholarship Fund is established by and derives its authority and accountability from the Kilifi County Ward Scholarship Fund Administration Act, 2013.

The Fund is wholly owned by the County Government of Kilifi and is domiciled in Kenya. The fund's objective is to provide funds to be used for granting scholarship to assist needy and deserving students.

The Kilifi County Ward Scholarship Fund day to day management is under the following key organs:

- The Ward Scholarship Committees
- Kilifi Ward Scholarship Fund Board
- The Kilifi County Assembly Scholarship Committee

b) Principal Activities

The principal activity/mission/ mandate of the fund is the provision of funds to be used for granting scholarship to assist needy and deserving students..

c) Scholarship Fund Board

No.	Designation	Name
1.	Fund board chairman & Chief Officer – Education, & ICT	MullewaS.Katana
2.	Board member	Benjamin kai
3.	Board member	Adan Mohamed
4	Board Member	Justin Kitti
5	Secretary to Fund Board & Fund Administrator	NeemaSirya

d) Key Management

No.	Name	Position
1	NeemaSirya	Fund Administrator
2	Anderson Sheban	Fund Accountant

e) Registered Offices

Headquarters.
County Government of Kilifi
Treasury Building
Bofa Road before Kilifi police station
Kilifi, KENYA

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f) Fund Contacts

P.O. Box 519 – 80108, Kilifi
Telephone: (254) 41 752 2227
E-mail: scholarshipfund.klf@gmail.com
Website: www.kilifi.go.ke

g) FundBankers

1.
National Bank of Kenya
P.O. Box 1392-80108
Kilifi

2.
Equity Bank
P.O. Box 381-80108
Kilifi

h) Independent Auditors

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


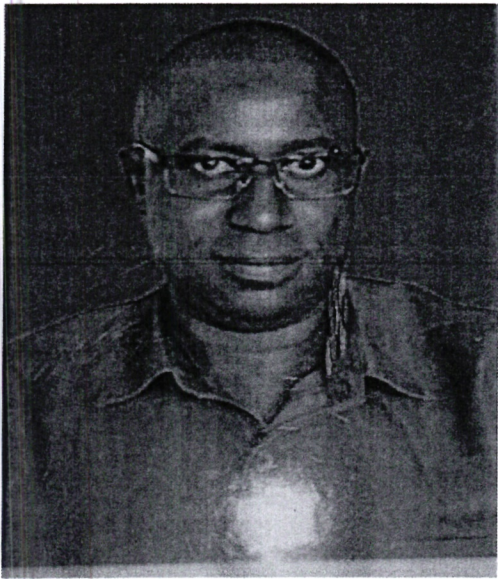
i) Principal Legal Adviser

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

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2. THE KILIFI WARD SCHOLARSHIP FUND BOARD

The Kilifi ward scholarship Fund board during the financial year consisted of:

	<p>Mr. Mullewa S. Katana - Chair – Kilifi Ward Scholarship Fund Board.</p> <p>Mr. Mullewa S. Katana was appointed the Scholarship Board Chair on 11.6.2018. Mr. Mullewa is also the Chief Officer – Education and ICT Department. Mr. Mullewa has previously worked as The Sub-County Administrator – Rabai Sub-county - County Government of Kilifi. Mr. Mullewa holds a Masters Degree in Education from Kenyatta University and is pursuing a Ph.D from Kenyatta University. Mr Mullewa is a Member of The Institute of Directors (I.O.D) Kenya.</p>
	<p>CPA Benjamin Kai – Member – Kilifi Ward Scholarship Fund Board.</p> <p>CPA Benjamin Kai was appointed as a member of the Kilifi Ward Scholarship Fund Board in Dec 2013. He is also the Chief Officer Finance & Economic planning in the County Government of Kilifi. CPA Benjamin Kai previously worked as County Budget Controller with the office of the Controller of Budget. He has also served as the Head of Finance at Mombasa Water & Sewerage Co. CPA Benjamin Kai holds MBA Finance from The University of Nairobi and a Bachelor of Business Management from Moi University. He is also a member of the Institute of Certified Public Accountants of Kenya</p>

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Adan Mohamed – Member –Kilifi WardScholarship Fund Board.

Mr Adan was appointed as a Board member in 2015. He is also the Chief Officer of Devolution, Public Service and Disaster Management department of Kilifi County Government.

Mr Adan previously worked at Kenya Medical Research Institute (KEMRI), from 2007 to 2013. Mr. Adan holds a Bachelors degree in Bio Medical. He is currently pursuing a Masters degree in Business Administration, Strategic Management option at Pwani University.

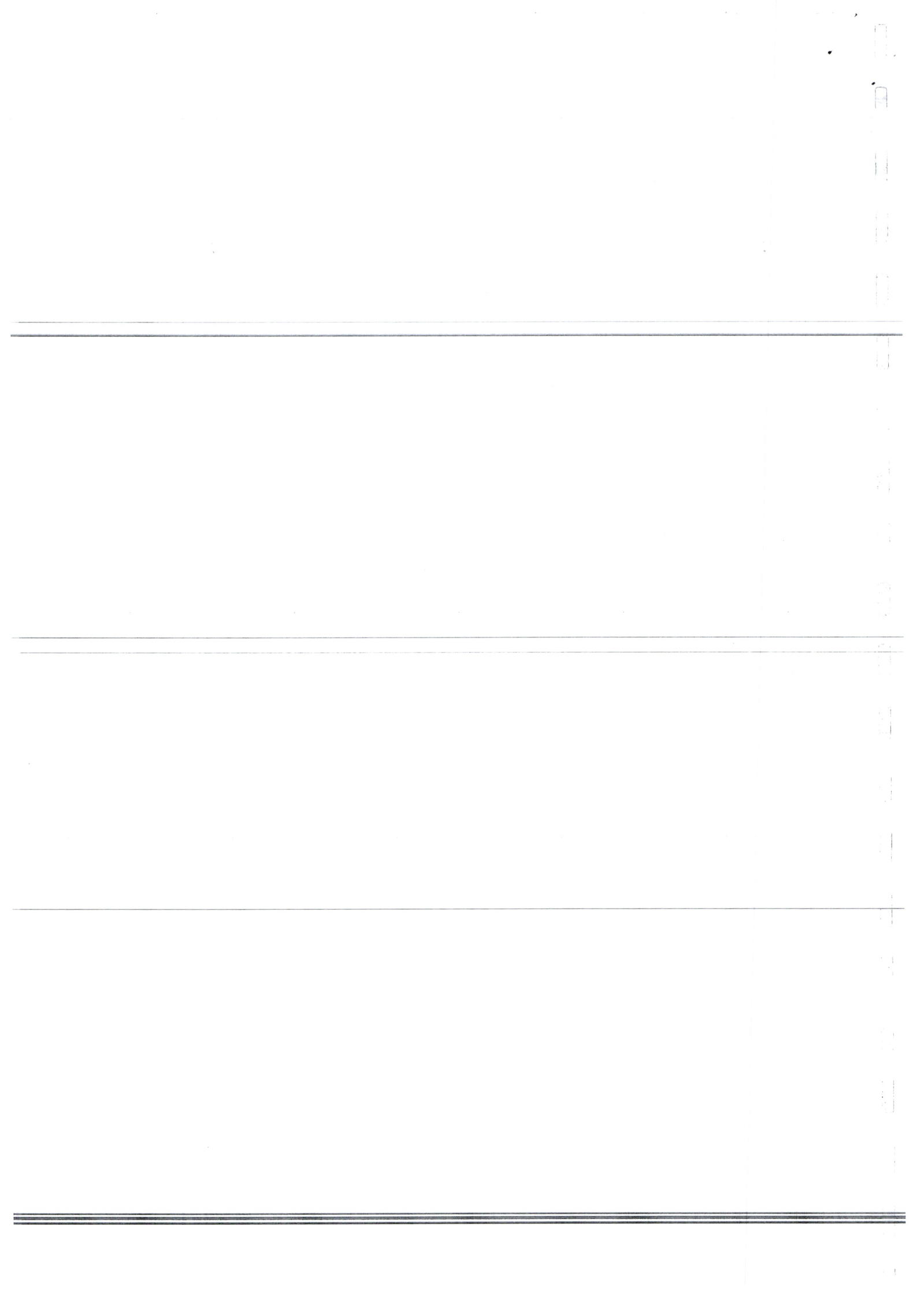


Justin Kitti –Member –Kilifi WardScholarship Fund Board.

Mr. Justin Kitti was appointed as member of The Kilifi Ward Scholarship Fund Board in 2013. Mr Justin Kitti is a representative of the Clerk of the County Assembly of Kilifi in the Scholarship Board.

Mr. Kitti works with the County Assembly of Kilifi as the First Clerk Assistant supervising the clerks of the various committees of the Assembly. Mr. Kitti previously worked as an Administrative Officer and committee clerk with the defunct Municipal Council of Malindi.

Mr. Kitti is a holder of a Diploma in Business Administration from the then Mombasa Polytechnic, now The Technical University of Mombasa.



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CPA Neema Sirya – Secretary –Kilifi Ward Scholarship Fund Board & Fund Administrator.

CPA Neema Sirya was appointed as The Fund Administrator and a member of the Kilifi Ward Scholarship Fund Board on 1st November 2017. She is also the Deputy Director Corporate Services in charge of managing the general administration functions, human capital, ICT among others in the Finance & Economic planning department in the County Government of Kilifi. CPA Neema Sirya previously worked as the Payroll Manager in the county government of Kilifi.

CPA Neema Sirya holds a Bachelors of Business Administration from Kenya Methodist University and is a member of the Institute of Certified Public Accountants of Kenya.

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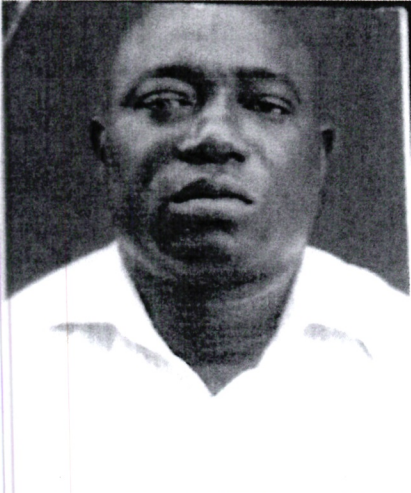
KILIFI WARD SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2019

3. MANAGEMENT TEAM

The management during the financial year consisted of:

	<p>CPA Neema Sirya – Secretary –Kilifi Ward Scholarship Fund Board & Fund Administrator.</p> <p>CPA Neema Sirya was appointed as The Fund Administrator and a member of the Kilifi Ward Scholarship Fund Board on 1st November 2017. She is also the Deputy Director Corporate Services in charge of managing the general administration functions, human capital, ICT among others in the Finance & Economic planning department in the County Government of Kilifi. CPA Neema Sirya previously worked as the Payroll Manager in the county government of Kilifi.</p> <p>CPA Neema Sirya holds a Bachelors of Business Administration from Kenya Methodist University and is a member of the Institute of Certified Public Accountants of Kenya.</p>
	<p>CPA Anderson Sheban – Fund Accountant</p> <p>CPA Anderson Sheban was appointed as the Fund Accountant on 12TH February 2015.</p> <p>He previously served as an accountant with the County government of Kilifi and the defunct Municipal council of Malindi.</p> <p>CPA Anderson Sheban holds a Bachelors of Business Management from Mt. Kenya University and is a member of the Institute of Certified Public Accountants of Kenya.</p>

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4. THE SCHOLARSHIP FUND BOARD CHAIRPERSON'S REPORT

It is my pleasure to present, on behalf of The Scholarship Fund board, The Kilifi Ward Scholarship Fund financial statements for the year ended 30th June 2019. The financial statements present the financial performance of the fund over the past year.

Sustainability

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

Board and Management Changes

The Scholarship Fund Board Chair was appointed on 11.6.2018 upon expiry of the term in office of the previous chair. The Fund Administrator was appointed on 1.11.2017 following the transfer of the previous Administrator to other services of the County.

Review of performance

Income

In the financial year 2018/19 the budgeted amount of Kshs 350,000,000.00 was received from the treasury for disbursement as bursaries for the 35 Wards of the County at kshs 10M for each Ward.

Expenditures

The Fund total expenditure in the year was kshs 449,483,247 where kshs 449,386,347 was paid to various learning institutions being bursaries as per Ward beneficiaries' allocation schedules, and kshs 96,900 was expended as bank charges. The other funds administrative costs amounting to kshs 7,982,237 were paid for directly by the mother department i.e Education and ICT department.

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KILIFI WARD SCHOLARSHIP FUND
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Future outlook

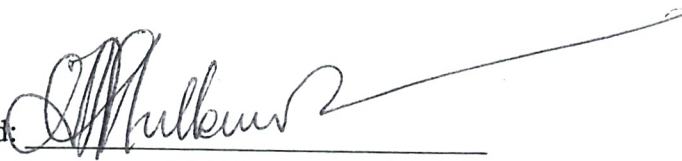
The outlook of the Fund for 2018/2019 looks brighter. The fund hopes to focus more on enhancing efficiency and effectiveness in the service delivery by improving service delivery processes. The fund looks forward to continued support from the county government and development partners to the realization of its mandate.

Appreciation

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

I look forward to your continued support in the year 2019/2020.

Signed: _____



Mullewa S. Katana

Scholarship Fund Board Chairman

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KILIFI WARD SCHOLARSHIP FUND
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5. REPORT OF THE FUND ADMINISTRATOR

It is my pleasure to present The Kilifi Ward Scholarship Fund financial statements for the year ended 30th June 2019. The financial statements present the financial performance of the fund over the past year.

The Scholarship fund came into existence after the enactment of Ward Scholarship Fund Act 2013.

The Fund started the financial year 2018/2019 with Kshs 12,383,189 being balance brought forward from the year 2017/2018. During the financial year the fund received a total of kshs 437,500,000 being the 2018/2019 budgeted amount of Kshs 350,000,000, and 2017/2018 fourth disbursement of Kshs 87,500,000 remitted to the fund account in early July 2018.

Financial Performance

a) Revenue

In the year ended 30th June 2019, the fund budgeted for and received the whole of the Kshs 350,000,000 representing 100% performance as per table below.

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Revenue	Kshs	Kshs	
Transfers from County Govt.	350,000,000	350,000,000	100%
Transfer from County Govt (2017/2018 funds)	-	87,500,000	-%
Total income	350,000,000	437,500,000	-%

b) Expenditure

The Fund started the financial year 2018/2019 with Kshs 12,383,189 being balance brought forward from the year 2017/2018. Kshs 437,500,000 was received during the year making the total spendable amount kshs 449,883,189. The Fund disbursed kshs 449,386,347 to institutions as per Ward beneficiaries' allocation schedules, and administrative cost (Bank charges) of Kshs 96,900 leaving a balance of Kshs 399,942 as at 30th June 2019. The other funds administrative costs of kshs 7,982,237 were paid directly by the Department of Education and ICT.

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c) Cash flows

In the FY 2018/2019, funds were received in quarters of the budgeted amount i.e kshs 87,500,000 on 31.10.2018, 09.01.2019, 07.2.2019 and 1.04.2019. Further, an amount of Kshs 87,500,000 being fourth quarter of F/y 2017/2018 was received on 06.07.2018. The cash and cash equivalents were kshs 399,942 at the close of the year.

d) Conclusion

We hope to fast-track the implementation of Scholarship Policy and Regulation document and, review of the Scholarship Act. In a bid to improve in the subsequent years.


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Neema Sirya
Fund Administrator

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6. CORPORATE GOVERNANCE STATEMENT

THE BOARD

The Kilifi Ward Scholarship Fund established by The Kilifi county Ward scholarship fund administration Act 2013. Its mandate is to cushion households from impacts of poverty, and table economy and the effects of HIV/AIDS by increasing access, retention and completion rates in primary, secondary and tertiary learning institutions and to provide for the procedure applicable to and requirements for scholarship allocation.

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

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

BOARD MEETINGS

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

The Scholarship board also plays an oversight role over all other financial and operational issues.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The Scholarship board is responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve the Fund objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

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Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities.

Internal Control Framework

The fund continues to review its internal control framework to ensure it maintains a strong and effective internal control environment.

Risk Management

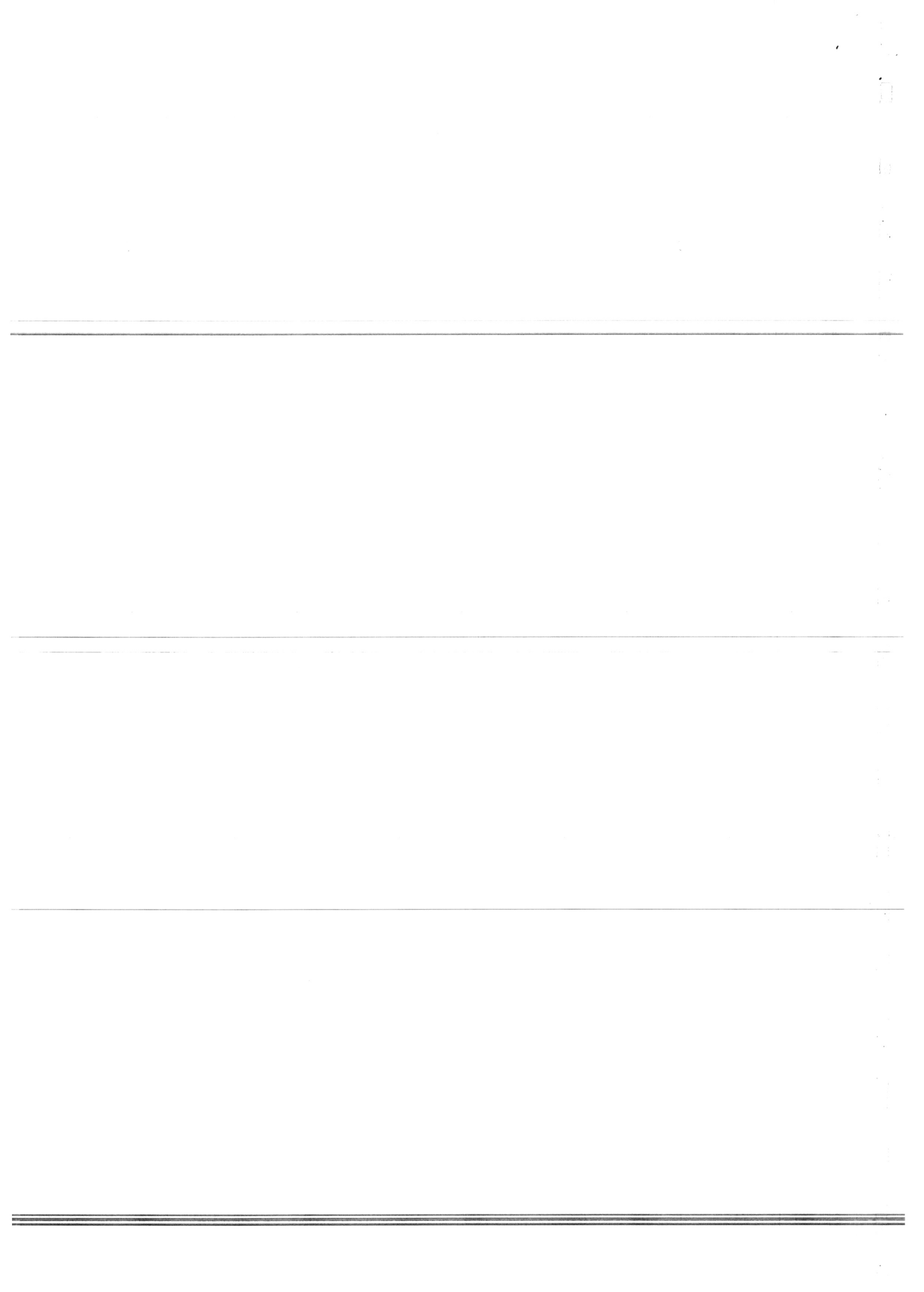
The risk management is coordinated by the head of internal audit, who reviews all the risks in the fund and updates the risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. The identified risks are reported to the scholarship board to assist the board in the management of risks.

Management Team

The management team headed by the Fund Administrator implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board's objectives are achieved effectively and efficiently.

Auditor

The fund is audited by the Auditor-General.



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7. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

The Fund started the financial year 2018/2019 with Kshs 12,383,189 being balance brought forward from the year 2017/2018. Kshs 437,500,000 was received during the year while kshs 7,982,237 was spent for the Fund administration costs directly by the department of Education and ICT making the total spendable amount kshs 449,883,189 as shown in the table below.

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)
Revenue	Kshs	Kshs
Fund balance b/f	-	12,383,189
Transfers from County Govt.	350,000,000	350,000,000
Transfer from County Govt for F/y 2017/2018	-	87,500.000
Direct payments by County Government of Kilifi	-	7,982,237
Total income	350,000,000	457,865,426

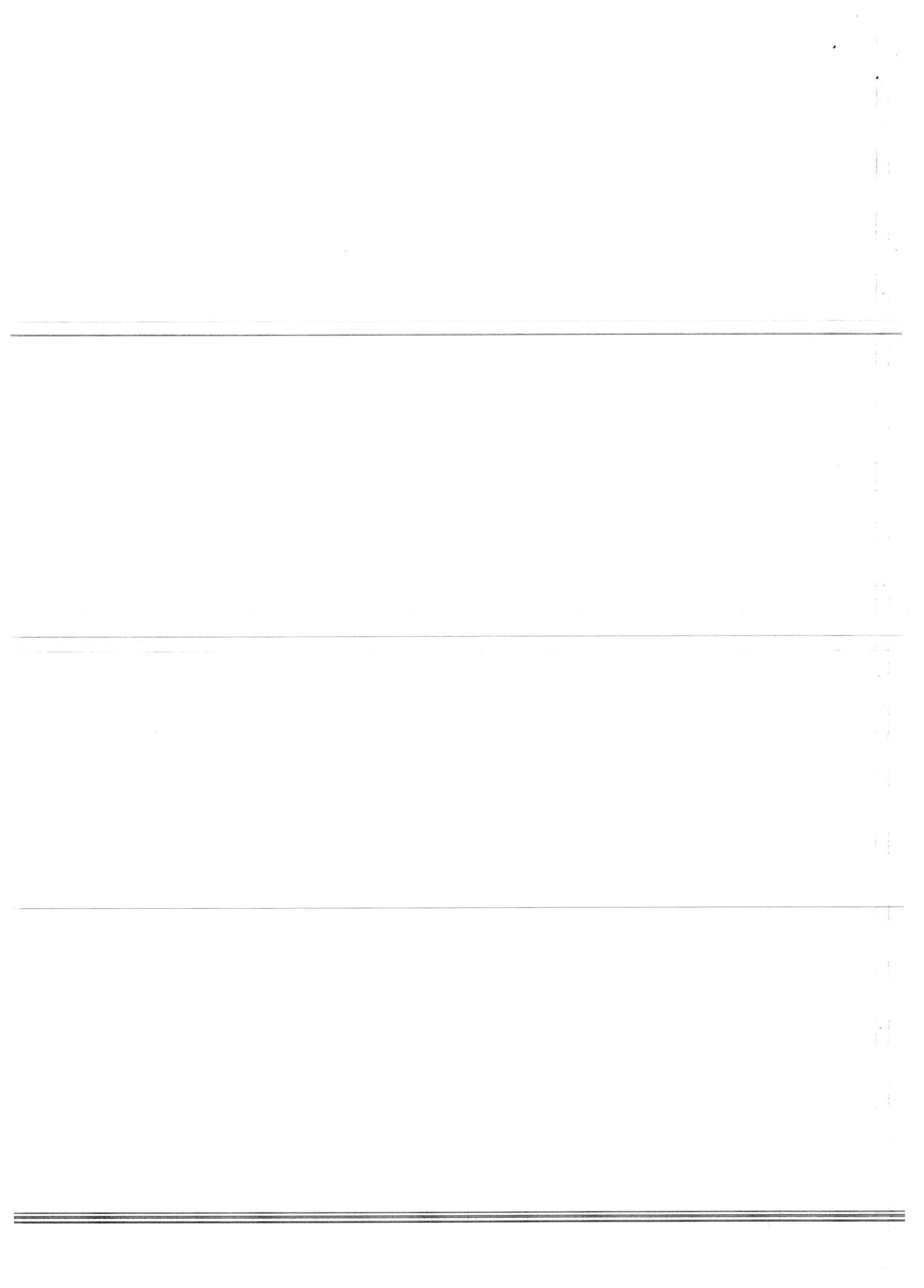
The Fund was able to disburse a total of kshs 449,386,347 to various learning institutions as per Ward beneficiaries' allocation schedules, and administration charges of Kshs 8,079,137 leaving a balance of Kshs 399,942 as at 30th June 2019 as below

- Universities	56,323,834
- Colleges	46,698,632
- Secondary schools	289,720,437
- Polytechnics	38,695,736
- Driving schools and others	17,947,708
- Administrative costs and Bank charges	8,079,137
Total	457,465,484

Key projects or investment .The Fund did not have any key projects in the financial year.

Compliance and/or arrears with statutory obligations. The Fund operations are supported by the Kilifi County Government as to personnel and other operational materials thus it does not incur costs that may result in statutory obligations arrears.

Major risks facing the Fund. The major risk that may be facing the Fund is political and other social group's interferences to its operations. This is because the core activity of the Fund is the distribution of bursaries to needy students within the society. This activity attracts a lot of interest from several social groups including the political class.



8. 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, 2019. 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, 2019, 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.

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KILIFI WARD SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2019

Approval of the financial statements

The Fund's financial statements were approved by the Board on 24th September 2019 and signed on its behalf by:



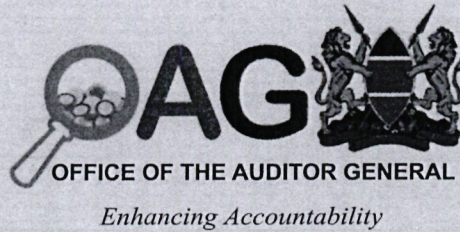
Neema Sirya

The Kilifi Ward scholarship Fund Administrator

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REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KILIFI COUNTY WARD SCHOLARSHIP FUND FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kilifi County Ward Scholarship Fund set out on pages 17 to 32 which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kilifi County Ward Scholarship Fund as at 30 June, 2019, 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 Kilifi County Ward Scholarship Fund Administration (Amendment) Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

General Expenses (Bursary Payments)

The statement of financial performance for the year ended 30 June, 2019 reflects general expenses (bursary payments) of Kshs.449,386,347. However, this balance includes an amount of Kshs.67,897,405 in respect to bursary payments to 5,074 students without registration or admission numbers as summarized below:

No.	Institution Category	Number of Institutions	Number Students	Amount (Kshs.)
1	Colleges	48	197	1,733,000
2	Universities	16	26	379,000
3	Secondary Schools	766	4798	65,397,855
4	Polytechnics	14	53	387,550
	Total		5,074	67,897,405

Consequently, the validity and propriety of general expenses (bursary payments) of Kshs.449,386,347 for the year ended 30 June, 2019 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Failure to Appropriate 10% of the Development Budget

As previously reported, information and records availed for audit review indicated that Kilifi County Government had a development budget of Kshs.5,702,323,722. However, the Fund received Kshs.357,982,237 for the year under review, instead of Kshs.570,232,372 or 10% of the development budget as required under Section 10 (1a) of the Kilifi County Ward Scholarship Fund Administration (Amendment) Act, 2015 which states that the amount appropriated to the fund every year shall be ten percent of the development budget, resulting in underfunding by Kshs.212,250,135 or 37%.

The Management was therefore, in breach of the Law.

2.0 Failure to Develop Regulations to the Act

As previously reported, the audit of the Scholarship Fund revealed that the Fund was established in accordance with the Kilifi County Ward Scholarship Fund Administration Act, 2013. However, enquiries from the Management and perusal of records revealed that the Fund had not yet developed regulations, policies and procedures that would have enabled proper implementation of this Act. This is contrary to Section 26 of the Kilifi

County Ward Scholarship Fund Administration (Amendment) Act, 2015 which requires the County Executive Member for Education to make regulations for the better carrying out of the provisions of this Act.

The Management was therefore in breach of the law.

3.0 Scholarship Beneficiaries

3.1 Students Awarded Scholarships by More Than One Ward

As previously reported, review of the scholarship beneficiaries schedule availed for audit indicated that 747 students applied for and were granted scholarships totaling Kshs.449,386,347. Included in this amount was award of Kshs.15,835,329 which was obtained by students from two (2) or more wards within the financial year under review as detailed below:

No of Wards	No. of Students	No. of Wards	Amount (Kshs.)
Secondary Schools	477	2-7	9,041,150
Universities	115	2-4	3,367,000
Colleges	132	2-4	2,991,679
Polytechnics	18	2	326,000
Driving School	5	2	109,500
Total	747		15,835,329

These beneficiaries who received bursaries from more than one (1) ward therefore benefited at the expense of other needy students as they received more than one award and this is an indication of lack of equity and fairness in the distribution of the resources, contrary to Section 149 of the Public Finance Management Act, 2012 which states that an 'accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is - lawful and authorized; and effective, efficient, economical and transparent'.

The Management was therefore in breach of the law.

3.2 Students Awarded Bursary Twice

The statement of financial performance for the year ended 30 June, 2019 reflects Kshs.449,386,347 in respect of general expenses as disclosed in note 5 to the financial statements. However, records availed for audit review indicated that some students were awarded bursary twice in the same year totaling to Kshs.1,539,306 as summarized below:

No	Institution Category	No.	No. of Students	Amount (Kshs.)
1	Colleges	3	3	50,000
2	Universities	5	9	227,000
3	Secondary Schools	61	80	1,262,306
	Total	69	92	1,539,306

Consequently, the validity, propriety and completeness of bursary totaling Kshs.1,539,306 for the year ended 30 June, 2019 could not be confirmed. Further, the double bursary awards may have denied qualified, bright and deserving students the opportunity to pursue academic studies.

4.0 Presentation of Financial Statements

The financial statements for the year ended 30 June, 2019 contained the following presentation anomalies:

4.1 The Statement of Changes in Net Assets

The statement of changes in net assets reflects "as at 30 June, 2019" instead of "for the year ended 30 June, 2019" in accordance with International Public Sector Accounting Standards No.1 Paragraph 63(c) which requires the reporting date or the period covered by the financial statements, whichever is appropriate to that component of the financial statements to be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented.

4.2 The Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects "for the period ended 30 June, 2019" instead of "for the year ended 30 June, 2019" in accordance with International Public Sector Accounting Standards No.1 Paragraph 63 (c) which requires the reporting date or the period covered by the financial statements, whichever is appropriate to that component of the financial statements to be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented.

4.3 Lack of Note to the Financial Statements

The statement of receipts and payments for the year ended 30 June, 2019 reflects direct payments by Kilifi County Government of Kshs.7,982,237 whereby the same was not supported by a note contrary to the template issued by the Public Sector Accounting Standards Board.

Consequently, the financial statements for the year ended 30 June, 2019 are not prepared in accordance with requirements of International Public Sector Accounting Standard 1 as prescribed and published by the Public Sector Accounting Standards Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

The Board is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

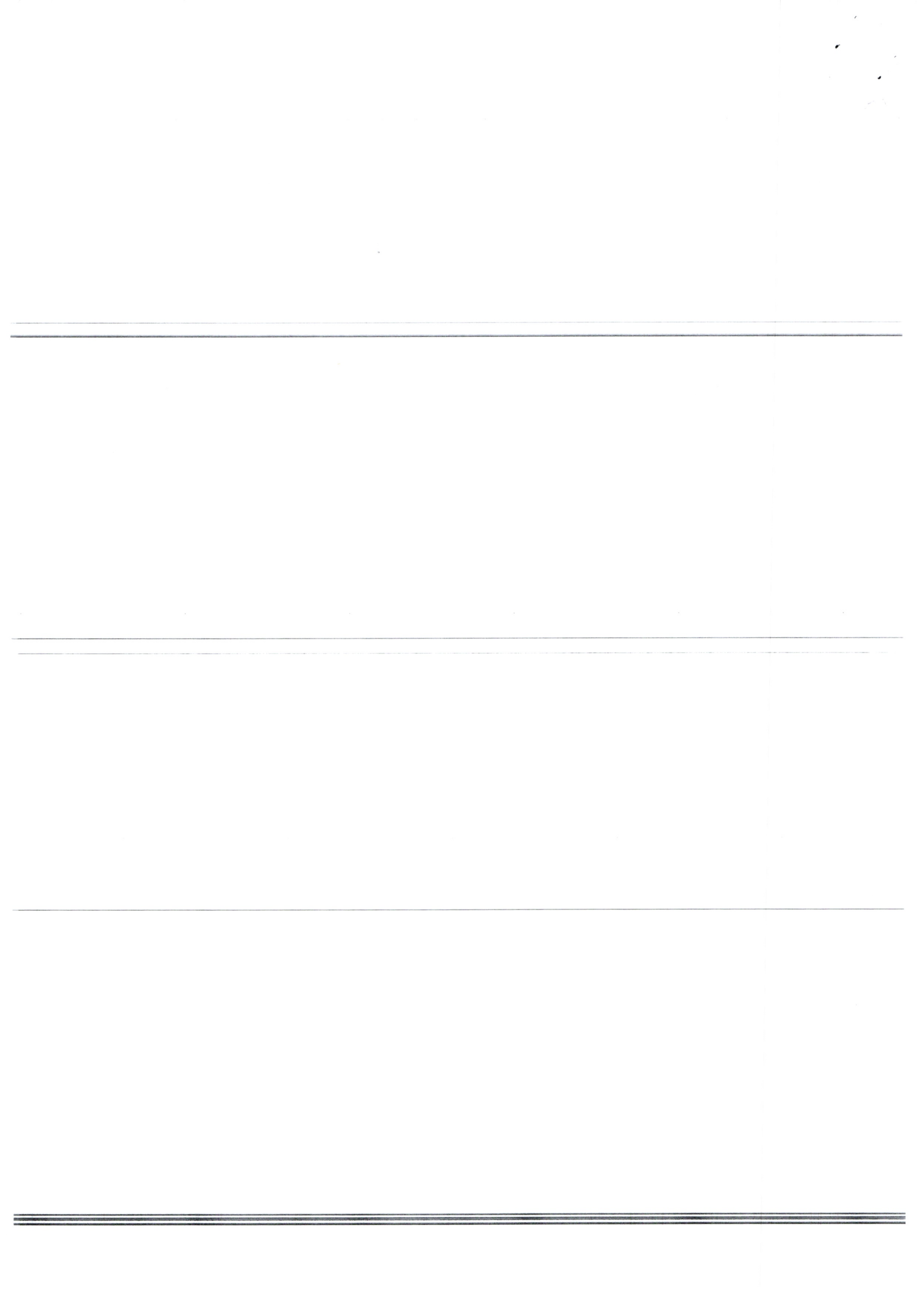
I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2021



KILIFI WARD SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2019

10. FINANCIAL STATEMENTS

**10.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30th JUNE 2019**

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the Kilifi County Government	1	350,000,000	350,000,000
Donations	2	-	44,500
Direct payments by Kilifi County Government (Administration costs)		7,982,237	-
		357,982,237	350,044,500
Revenue from exchange transactions			
Interest income	3	-	5,206
		-	5,206
Total revenue		357,982,237	350,049,706
Expenses			
Fund administration expenses	4	8,079,137	5,944,426
General expenses (Bursary payments)	5	449,386,347	256,776,739
Total expenses		457,465,484	262,721,165
Surplus/(deficit) for the period		(99,483,247)	87,328,541

The notes set out on pages 30 to 32 form an integral part of these Financial Statements

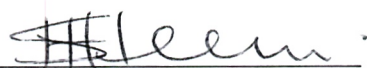
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KILIFI WARD SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2019

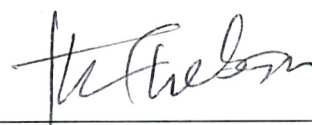
10.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	6	399,942	12,383,189
Receivables from non-exchange transactions	7	-	87,500,000
		399,942	99,883,189
Non-current assets	8		
Property, plant and equipment		-	-
Intangible assets		-	-
		-	-
Total assets		399,942	99,883,189
Total liabilities		-	-
Net assets		339,942	99,883,189
Revolving Fund		-	-
Reserves		-	-
Accumulated surplus		339,942	99,883,189
Total equity		339,942	99,883,189

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 24th September 2019 and signed by:



Administrator of the Fund
Name: Neema Sirya



Fund Accountant
Name: Anderson Sheban
ICPAK Member Number: 19929

KILIFI WARD SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2019

10.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2017	-	-	12,554,648	12,554,648
Surplus/(deficit) for the period	-	-	87,328,541	87,328,541
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2018	-	-	99,883,189	99,883,189
Balance as at 1 July 2018	-	-	99,883,189	99,883,189
Surplus/(deficit) for the period	-	-	(99,483,247)	(99,483,247)
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	-	-	399,942	399,942

KILIFI WARD SCHOLARSHIP FUND
Reports and Financial Statements
For the year ended June 30, 2019

10.4. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2019

	Note	FY2018/2019	FY2017/2018
		KShs	KShs
Cash flow from operating activities			
Receipts			
Public contributions and donations		-	
Receipts from the Kilifi County Government		437,500,000	262,500,000
Interest received		-	49,706
Direct payments by Kilifi County Government		7,982,237	-
Total Receipts		445,482,237	262,549,706
Payments			
Fund administration expenses		8,079,137	5,944,426
General expenses (Bursary payments)		449,386,347	256,776,739
Finance cost		-	-
Total Payments		457,465,484	262,721,165
Net cash-flows from operating activities		(11,983,247)	(171,459)
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 and cash equivalents		(11,983,247)	(171,459)
Cash and cash equivalents at 1 JULY		12,383,189	12,554,648
Cash and cash equivalents at 30 JUNE	6	399,942	12,383,189

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10.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2018	2018	2018	2018	2018	2018
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	0%
Transfers from Kilifi County Govt.	350,000,000	-	350,000,000	350,000,000	-	100%
Interest income	-	-	-	-	-	-
Direct payments by Kilifi County Govt.	-	-	-	7,982,237	(7,982,237)	-
Fund balance B/F	99,883,189	-	99,883,189	99,883,189	-	100%
Total income	449,883,189	-	449,883,189	457,865,426	(7,982,237)	100%
Expenses						
Fund administration expenses	-	-	-	8,079,137	(8,079,137)	-
General expenses(Bursary payments)	449,883,189	-	449,883,189	449,386,347	496,842	99.9%
Finance cost	-	-	-	-	-	-
Total expenditure	449,883,189	-	449,883,189	457,465,484	(7,582,295)	99.9%
Surplus for the period	-	-	-	399,942	(399,942)	0%

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KILIFI WARD SCHOLARSHIP FUND

Reports and Financial Statements

For the year ended June 30, 2019

10.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

c) Early adoption of standards

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

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The original budget for FY 2018/2019 was approved by the County Assembly on 3rd August 2018.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 10.5 of these financial statements.

5. Property, plant and equipment

All property and equipment in use by the entity are not stated at any value in the financial statements. The furniture, office machines and computers being used by the entity were all donated by the Department of Education and ICT and the assets had not been valued as at 30.6.2019. Subsequently the value of these assets are excluded from the financial statements in accordance to IPSAS 33: First time adoption paragraph 36-62 of IPSAS accrual.

6. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets,

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excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The County Government of Kilifi Scholarship Award System which is used for management of scholarship payments was internally developed and no valuation is attached to it.

7. Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization

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- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

8. Inventories

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

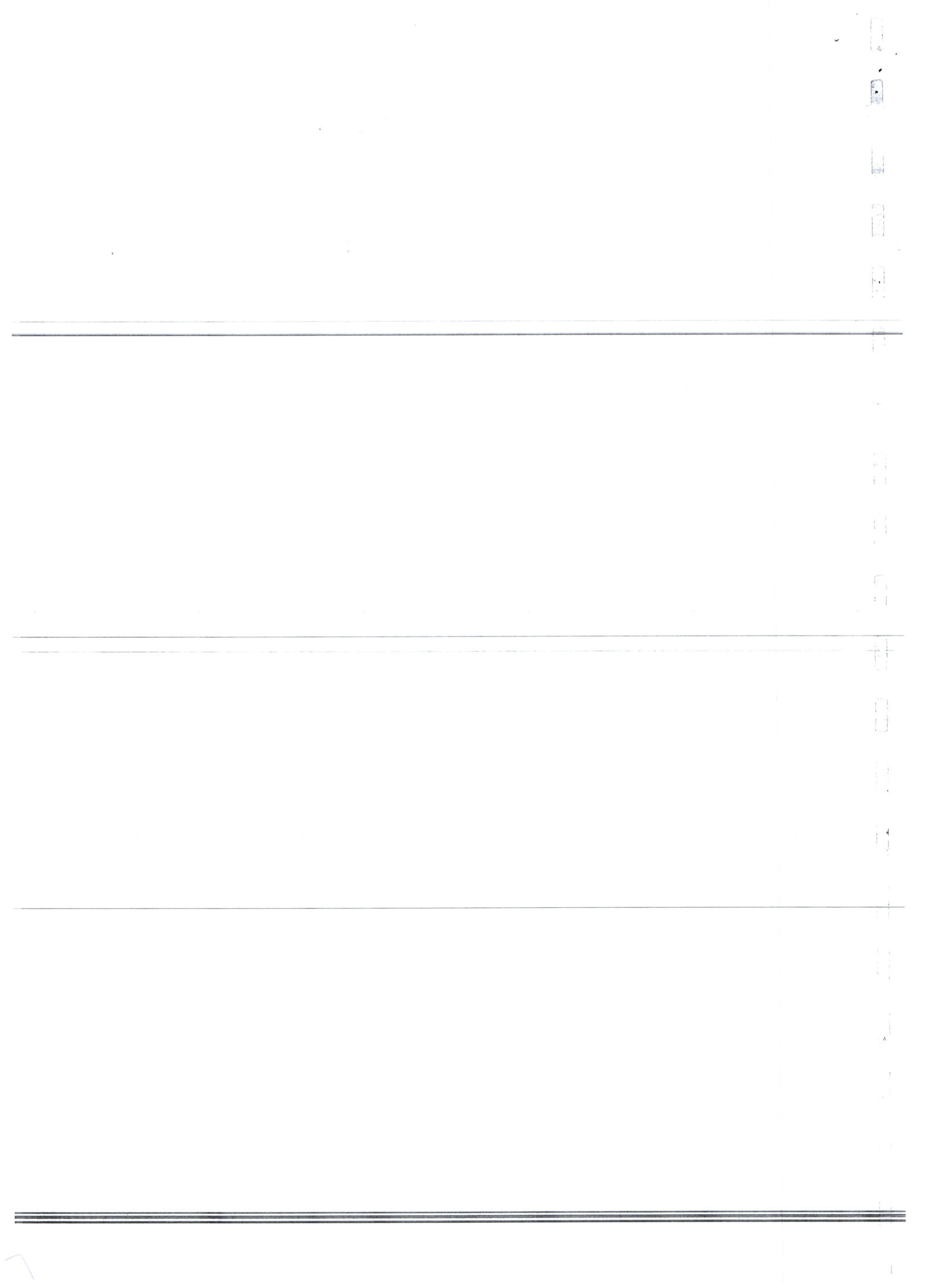
Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

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

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



KILIFI WARD SCHOLARSHIP FUND

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9. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

Contingent liabilities

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

Contingent assets

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

10. Nature and purpose of reserves

The Entity did not create reserves in terms of any specific requirements.

11. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

12. Employee benefits— Retirement benefit plans

The Entity does not provide retirement benefits for its employees and directors as they are employees of the County Government of Kilifi and all issues pertaining to retirement benefits are handled by the County Government.

13. Foreign currency transactions

The entity is not involved in any foreign currency transactions and therefore no creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date.

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14. Borrowing costs

No borrowing costs were capitalized against qualifying assets as part of property, plant and equipment as all the assets were donated by the Department of Education and ICT..

15. Related parties

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

16. 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.

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is a County Public Fund established by Section 167 of the Public Finance Management (PFM) Act 2012. Its ultimate parent is the Kilifi county Government.

20. Currency

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

21. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

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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.

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 18. 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.

22. Financial risk management

The Fund's activities are exposed to financial risks including liquidity risks as it relies on the Kilifi County Treasury for cash flows.

a) Credit risk

The Fund has no exposure to credit risk.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has a liquidity risk management policy of not maintaining any payables but issue cheques only when funds are availed by the County Treasury.

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and

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control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund Administrator 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 entity has no foreign currency transactions.

d) Capital risk management

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

	2019		2018
	KShs		KShs
Revaluation reserve	0		0
Revolving fund	0		0
Accumulated surplus	399,942		99,883,189
Total funds	399,942		99,883,189
Total borrowings	0		0
Less: cash and bank balances			
Net debt/(excess cash and cash equivalents)			
Gearing	0		0

KILIFI WARD SCHOLARSHIP FUND
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10.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from Kilifi County Government

Description	FY2018/2019	FY2017/2018
	KShs	KShs
1 st tranche transferred on 31.10.2018.	87,500,000	87,500,000
2nd tranche transferred on 09.01.2019.	87,500,000	87,500,000
3rd tranche transferred on 07.02.2019.	87,500,000	87,500,000
4th tranche transferred on 01.04.2019	87,500,000	87,500,000
Total	350,000,000	350,000,000

2. Public contributions and donations

Description	FY2018/2019	FY2018/2019
	KShs	KShs
Donation from Plan International	-	44,500
Total	-	44,500

The funds were deposited into the Fund account by Plan International being bursary for two students of Mkondoni secondary school in Jilore ward.

3. Interest income

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Interest income from NBK		
July 2017	-	5,119
August 2017	-	87
Total interest income	-	5,206



KILIFI WARD SCHOLARSHIP FUND**Reports and Financial Statements**

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. Fund administration expenses**

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Ward scholarship committee sitting allowances and other administrative costs paid directly by Kilifi County Government	7,982,237	3,061,000
Bank charges	96,900	145,526
Kilifi County scholarship board office expenses	-	936,800
Monitoring and evaluation exercise	-	1,801,100
Kilifi county scholarship board office expenses	-	-
Total	8,079,137	5,944,426

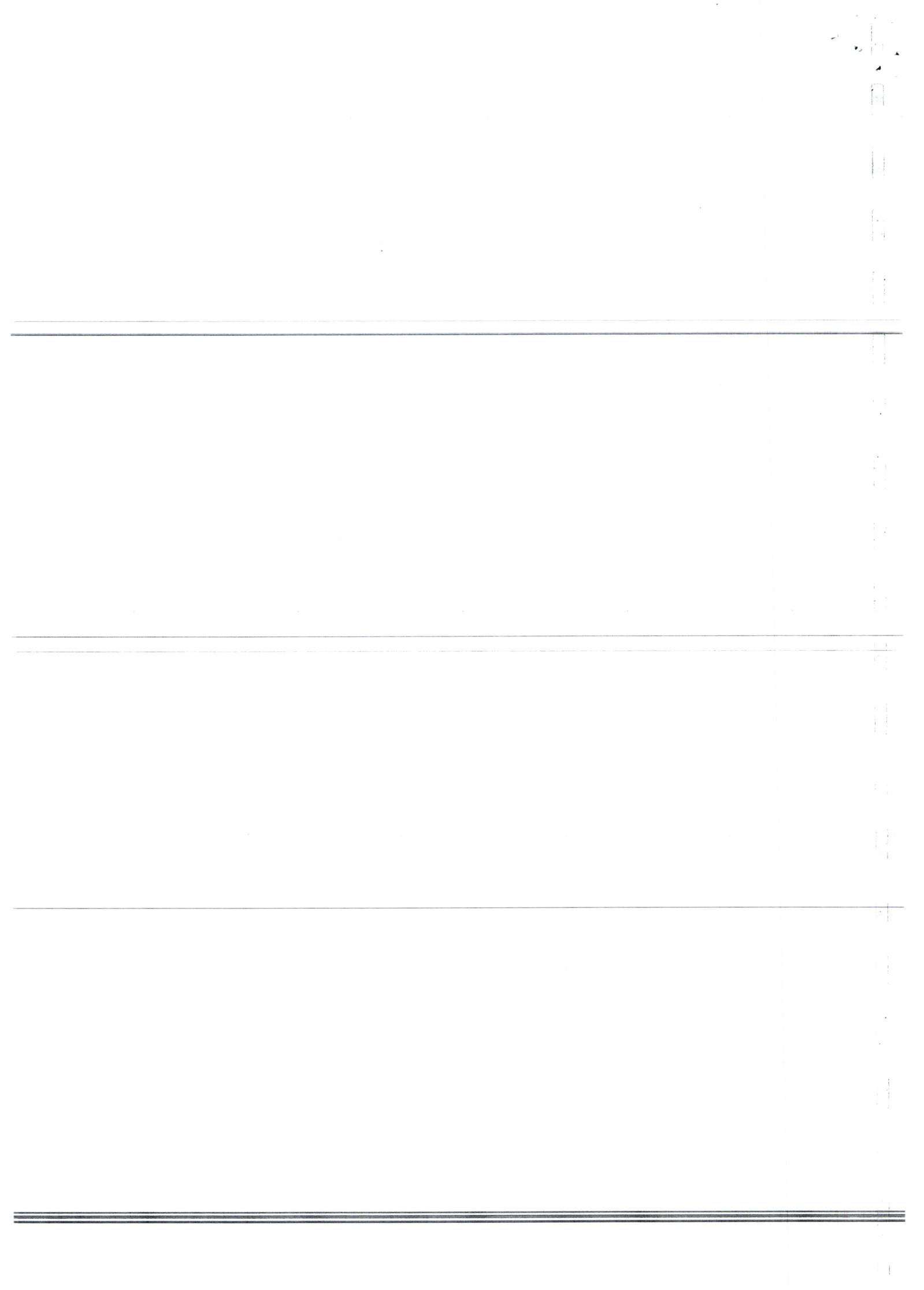
The other Fund administration expenses were met by the mother department – Education and ICT department.

5. General expenses (Bursary payments)

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Universities	56,323,834	29,429,832
Colleges	46,698,632	18,456,437
Secondary schools	289,720,437	187,210,730
Polytechnics	38,695,736	19,206,540
Driving schools and others	17,947,708	2,473,200
	-	-
Total	449,386,347	256,776,739

6. Cash and cash equivalents

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Equity Bank – Kilifi – acct no. 0261812680	57,782	57,782
National Bank Kenya – Kilifi – acct no. 2706827490	342,160	12,325,407
Total cash and cash equivalents	399,942	12,383,189



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Receivables from Kilifi County Government

Description	FY2018/2019	FY2017/2018
	KShs	KShs
Current Receivables		
4 th tranche 2017/2018	-	87,500,000
Total receivables	-	87,500,000

8. Non-current assets: Property, plant and equipment; and intangible assets.

Exemption affecting presentation and compliance of financial statements.

The furniture, office machines and computers being used by the Scholarship Fund secretariat were all donated to the Fund by the department of Education and ICT, and as at 30th June 2019 the assets had not been valued. Subsequently the value of these donated assets are excluded from the financial statements in accordance to IPSAS 33: First time adoption paragraph 36-62 of IPSAS Accrual.

