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**OFFICE OF THE AUDITOR-GENERAL**

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**REPORT**

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**OF**

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CLERK AT THE TABLE	

**THE AUDITOR-GENERAL**

**ON**

**TANA RIVER COUNTY WARD  
BURSARY FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL

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**TANA RIVER COUNTY WARD BURSARY FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021**

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

**TANA RIVER COUNTY WARD BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**TANA RIVER COUNTY WARD BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

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

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

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

**b) Principal Activities**

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

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

Ref	Name	Position
1	Mr Gabriel Makevo Mwewe	Chairperson
2	Mrs Fakhra Swadiki Omar	Board member
3	Mrs Miriam Ihugo Wangui	Board member
4	Mr Dhadha Abdullahi Ijema	Board member
5	Mr Aden Mohamed Abdi	Board member
6	Mrs Bona Fatuma Gafo	Chief officer education and vocational training
7	Mr Lucky Munjaumbini Azikilwe	Bursary Fund administrator

**d) Key Management**

Ref	Name	Position
1	Mrs Bona Fatuma Gafo	Chief officer education and vocational training
2	Mr Lucky Munjaumbini Azikilwe	Fund administrator
3	Mr Abdi J. Banta	Director education and vocational training
4		
5		

**TANA RIVER COUNTY WARD BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**e) Registered Offices**

P.O. Box 29 - 70101  
Office of the Governor  
Hola, KENYA

**f) Fund Contacts**

Telephone: (254) 729058782  
E-mail: N/A  
Website: N/A

**g) Fund Bankers**

**1. Central Bank of Kenya**

Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**2. Kenya Commercial Bank**

P.O.BOX 100 - 70101  
Hola.  
Kenya.

**1. Independent Auditors**

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

**2. Principal Legal Adviser**

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

**2. THE BOARD OF TRUSTEES (or any other corporate governance body for the Fund)**

<b>NAME</b>	<b>ACADEMIC QUALIFICATIONS AND EXPERIENCE</b>
<b>MR. GABRIEL MAKEVO MWEWE AG. CHAIRPERSON</b>	<ul style="list-style-type: none"><li>➤ He has a Bachelor Degree in Education from University of Nairobi (2005), a Diploma in education Management from Kenya Management Institute (2013).</li><li>➤ He is the principal of Galole Model Secondary School.</li></ul>
<b>MRS. FAKHAR SWADIKI OMAR BOARD MEMBER</b>	<ul style="list-style-type: none"><li>➤ She has a Certificate in Primary Education (KCPE). 1990</li><li>➤ She has a Driving Licence</li><li>➤ She has worked as a food Monitor supported by Tana Delta Conservancy</li><li>➤ She was the Chairlady ZINDUKA and BAHARI Women Groups.</li></ul>
<b>MRS. MIRIAM IHUGO WANGUI BOARD MEMBER</b>	<ul style="list-style-type: none"><li>➤ She has a Certificate in Primary Education KCPE (1991).</li><li>➤ She has a Certificate in Computer applications from AMPLEX COMPUTER COLLEGE.</li><li>➤ She has worked as an Office Assistant Chewani Ward Office 2016 – 2017</li><li>➤ She served as The Treasurer Constituency Aids Control Committee (2007 -2013).</li></ul>
<b>MR. DHADHA ABDULLAHI IJEMA BOARD MEMBER</b>	<ul style="list-style-type: none"><li>➤ He has a Certificate in Secondary Education KCSE 1996.</li><li>➤ He holds a Certificate in Computer studies from Pasha training Centre Malindi.</li><li>➤ He has worked as a poll registration Clerk ECK 2006.</li><li>➤ He was a chairperson Bura Farmers Produce Society 2015.</li></ul>
<b>MR. ADEN MOHAMED ABDI BOARD MEMBER</b>	<ul style="list-style-type: none"><li>➤ He holds a Diploma in Human Resource Management from GREYSA UNIVERSITY 2017.</li><li>➤ He has worked with United Nations Mission as Receptionist, Communication officer &amp; resettlement officer.</li></ul>

**TANA RIVER COUNTY WARD BURSARY FUND**  
**Reports and Financial Statements**  
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**3. THE MANAGEMENT TEAM**

<p><b>MRS. BONA FATUMA GAFO</b>  <b>C.O Education &amp; Vocational training.</b></p>	<ul style="list-style-type: none"> <li>➤ She holds a Bachelor Degree in Early Childhood Development Education from Mount Kenya University 2014.</li> <li>➤ She has a Diploma in Early Childhood Development Education ECDE from KNEC.</li> <li>➤ She has trained as a P1 Teacher from Shanzu Teachers Training College 1997.</li> <li>➤ Since 2018 she is the Chief Officer Education and Vocational Training Department.</li> <li>➤ She has worked as a Teacher for over nine (9) years.</li> </ul>
<p><b>MR. LUCKY MNJAUMBINI AZIKILWE</b>  <b>Fund Administrator</b></p>	<ul style="list-style-type: none"> <li>➤ Holds a bachelor degree in commerce finance option from KCA University 2013.</li> <li>➤ CPA Section 111</li> <li>➤ Currently working as a finance officer with Tana River County Government previously worked as a mobi banker at KCB Hola branch.</li> </ul>

#### **4. BOARD/FUND CHAIRPERSON'S REPORT**

##### **Introduction**

The Tana River Bursary Fund came to existence after enactment of the Tana River Bursary Fund Act of 2014 which was revised in 2018. In the financial year 2020 - 2021 a total of Kshs-154,000,000/=was allocated for disbursement to the wards of the county each ward being allocated Kshs 10,000,000.00 and kshs 4,500,000.00 being Administrative Costs. The Total Amount received for the financial year 2020 – 2021 is KSHS 154,500,000.00.

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

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

##### **Structure of the Board**

The Fund is administered by an executive Board known as the Ward Bursary Fund Board which is established by the Act and comprised of 8 members. The board is equally assisted by ward bursary committee established by the Act whose responsibilities include; receiving, vetting and approving of bursary applications and recommending deserving cases to the board. Refer to part VII section 16(1) of the Act.

##### **Achievements:**

In the year 2020/2021 financial year the board had the following achievements:

1. Improving PR with other partner's hence increasing number of beneficiaries in Tana River Sub-County and the wards under the patronage of the Waheshimiwa).
2. Training of Officials- This was aimed at improving performance.
3. Issuing bursaries to secondary school, middle level colleges, universities, driving schools and TVET institutions as shown in the table below.

**TANA RIVER COUNTY WARD BURSARY FUND**  
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**BENEFICIARY STUDENTS ANALYSIS**

Sno	Ward	Secondary	Colleges	Universities	Total
1	Garsen West	558	87	67	<b>712</b>
2	Garsen Central	497	103	86	<b>686</b>
3	Garsen South	324	187	124	<b>635</b>
4	Garsen North	412	206	113	<b>731</b>
5	Kipini West	719	40	32	<b>791</b>
6	Kipini East	245	58	18	<b>321</b>
7	Chewani	391	118	127	<b>639</b>
8	Mikinduni	300	85	75	<b>460</b>
9	Wayu	417	55	32	<b>504</b>
10	Kinakomba	675	145	72	<b>892</b>
11	Hirimani	423	62	42	<b>527</b>
12	Chewele	461	50	36	<b>547</b>
13	Madogo	592	84	24	<b>669</b>
14	Bangale	198	42	10	<b>250</b>
15	Sala	555	325	54	<b>934</b>
	<b>TOTAL</b>	<b>6,767</b>	<b>1,647</b>	<b>912</b>	<b>9,326</b>

The total amount received is KSHS 154,500,000/= and the number of beneficiaries from the fifteen Wards is approximately 9,326. On average each beneficiary received KSHS 16,084/=. Based on this analysis, the scholarship programme is important.

**CHALLENGES:**

1. High demands for college/ university leading to low amount per beneficiary.
2. Delays in presentation of report from ward committee hence threatening administration costs.
3. High dependency rate on bursary due to poverty, bad weather and others calamities.
4. Covid-19 that made the board to suspend visits to wards committees to assess operations.
5. Data on achievements made by beneficiaries of the fund is scanty.

**Solutions**

1. Relevant stakeholders to push for the scholarship programme.
2. Set calendars of events, communicate to committees on time and adhere to deadline.
3. Stress on vetting.
4. Schedule visits when covid -19 conditions improve.
5. Encourage achievers through the bursary to appreciate the assistance through provision of feedback.

**Conclusion**

In conclusion, if we all work to meet the aims of the fund as guided in the Act then the county will be able to meet its dreams of improving its human resources hence making it compete favourably with other counties.

Signed: 

Mr. Gabriel Makevo

*Tana River County Ward Bursary Fund Chairperson.*

**TANA RIVER COUNTY WARD BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**5.REPORT OF THE FUND ADMINISTRATOR**

**Background**

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

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

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

**Performance**

The various wards disbursed Ksh: 150,000,000 as at 30<sup>th</sup> June 2021 to needy students within the various wards in County.

**Challenges**

In the course of our work, the board experienced a number of challenges like,

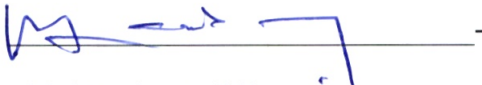
1. Lack of proper regulations to
2. The issue of Covid-19 lead to delays in disbursement of the funds.
3. Cheques for corrections which most of the them do not have approvals from the bursary ward committees

**Way forward.**

1. The proposed regulation be discussed and approved by the county assembly to enable the operations of the board be more efficient.
2. All Cheques for corrections should be vetted and approved by their respective ward bursary committees so as to minimise the possibility of diversion of funds meant for other needy students.

**Conclusion**

On behalf of the board I wish to take this earliest opportunity to thank all the members of the county assembly for their continued support in ensuring that the activities of issuance of bursary is running smoothly and that the students of Tana River County get the financial support they deserve as they pursue their education. Thank you

Signed: 

Munjaumbini Lucky Azikilwe

## **6.REPORT OF THE TRUSTEES**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Fund affairs.

### **Principal activities**

The principal activities of the Fund are;

1. To cushion households from the impact of poverty by increasing access, retention and completion rates of secondary, universities, middle level and tertiary institutions by the children of Tana River County who are its future.
2. To mitigate children from effects of social – cultural factors like early marriages, pregnancies and female Genital Mutilation.

### **Results**

The results of the Fund for the year ended June 30, 2021 are set out on page 13

### **Trustees**

The members of the Ward Bursary Fund Board who served during the year are shown on page 5. There were no changes in the Board during the financial year:

### **Auditors**

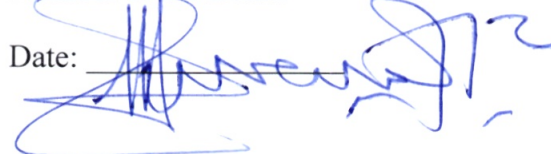
The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Mr Gabriel Makevo

Member of the Board

Date: 

**TANA RIVER COUNTY WARD BURSARY FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**7. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Tana River County Ward Bursary Fund Act 2014 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, 2021. 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 Fund Administrator accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Tana River Ward Bursary Fund Act 2014. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2021, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Funds' Administrator 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 20/07/2021 2021 and signed on its behalf by:

  
\_\_\_\_\_  
Administrator of the County Public Fund

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON TANA RIVER COUNTY WARD BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2021**

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Tana River County Ward Bursary Fund set out on pages 12 to 26, which comprise the statement of financial position as at 30 June, 2021, and the 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 effect of the matters discussed in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Tana River County Ward Bursary Fund as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Tana River Ward Bursary Fund Administration Act, 2014 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Inaccuracies in the Financial Statements**

The statement of comparison of budget and actual amounts reflects a total expenditure of Kshs.69,459,034 which vary with the recalculated amount of Kshs.85,040,966 resulting to an unexplained and reconciled variance of Kshs.15,581,932.

In the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

### **2.0 Unsupported Fund Administration Expenses**

As disclosed in Note 2 to the financial statements, the statement of financial performance reflects fund administration expenses totalling to Kshs.3,268,640 which constitutes administration fees, printing and stationery and rental costs amounts of Kshs.2,535,500, Kshs.583,140 and Kshs.150,000 respectively. Included in administration fees is an amount of Kshs.1,703,000 not supported with the minutes approving the expenditure, invitation letters and attendance registers for the meetings. Further, printing and stationary amount of Kshs.583,140 includes an amount of Kshs.426,320 not supported with payment vouchers. In addition, rental costs totalling to Kshs.150,000 were not supported with payment vouchers and lease agreements.

In the circumstances, the accuracy, validity and completeness of the Fund administration expenses amounting to Kshs.3,268,640 for the year ended 30 June, 2021 could not be confirmed.

### **3.0 Unaccounted for Bursary Payments**

The statement of financial performance and Note 3 to the financial statements reflects bursary payments totalling to Kshs.80,960,522. Included in this payment is an amount of Kshs.31,518,000 disbursed to students in various learning institutions but was not acknowledged by the beneficiary institutions. A review of the successful list of applicants revealed that seventy-six (76) students who were awarded bursary amounting to

Kshs.1,230,000 did not have admission numbers from their respective institutions of learning.

In the circumstance, the validity and propriety of bursary payments amounting to Kshs.32,748,000 for the year ended 30 June, 2021 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tana River County Ward Bursary Fund Management in accordance with ISSAI 130 on 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.

### **Other Matter**

#### **1.0 Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.154,500,000 and Kshs.85,040,966 respectively, resulting to an under absorption of Kshs.69,459,034 or 45% of the budget. No satisfactory explanation was given for the underutilization of the budgeted funds. The under expenditure affected the planned activities which may have impacted negatively on service delivery to the public.

#### **2.0 Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the report on financial statements, and report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not disclosed the issues under progress on follow up of prior year auditor's recommendations, not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular Ref: AG.4/16/2/vol.3 (72) dated 30 June, 2021.

## **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 Late Submission of the Financial Statements**

The financial statements for Tana River County Ward Bursary Fund for the year ended 30 June, 2021 were submitted to the Auditor-General for audit on 21 October, 2021, a delay of three (3) weeks after the end of the fiscal year to which the accounts relate. This is contrary to Section 47 of the Public Audit Act, 2015 which states that 'the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate'.

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

### **2.0 Appointment of Board Members and Ward Bursary Fund Committee**

Review of documents provided revealed that the Fund is operated by Fund Administration Committee whose personal files indicated that the appointment of the committee was not approved by the County Assembly, contrary to Sections 6,7,8 and 9 of the Tana River Ward Bursary Fund Administration Act, 2014. In addition, the appointment letters for bursary ward committee members were not provided and it was therefore not possible to ascertain whether they genuinely held the positions in accordance to Section 13(1) of the Tana River Ward Bursary Fund Administration Act, 2014.

### **3.0 Cash and Cash Equivalents**

As disclosed in Note 6 to the financial statements, the statement of financial position reflects a cash and cash equivalents balance of Kshs.71,407,558 as at 30 June, 2021. Review of the Bursary Fund bank statement revealed that the account was overdrawn by an amount of Kshs.616,637 in the month of March, 2021. This is contrary to Regulation 82(7) of the Public Finance Management (County Governments) Regulations, 2015 which requires that no official County Government bank Account shall be overdrawn.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and the Fund Administration Committee**

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

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

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

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

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

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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

18 July, 2022

**8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2021**

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	1	154,500,000	154,500,000
<b>Total revenue</b>		<b>154,500,000</b>	<b>154,500,000</b>
<b>Expenses</b>			
Fund administration expenses	2	3,268,640	4,543,539
Bursary payments	3	80,960,522	147,997,618
Staff training expenses	4	100,800	20,000
General expenses	5	711,004	411,555
<b>Total expenses</b>		<b>85,040,966</b>	<b>152,972,712</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets			
<b>Surplus/( deficit) for the period</b>		<b>69,459,034</b>	<b>1,527,287</b>

The notes set out on pages 26 to 27 form an integral part of these Financial Statements

**TANA RIVER COUNTY WARD BURSARY FUND**  
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**For the year ended June 30, 2021**

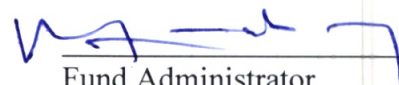
**9. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	71,407,558	1,948,524
<b>Total assets</b>		<b>71,407,558</b>	<b>1,948,524</b>
<b>Liabilities</b>			
Trade and other payables			
<b>Net assets</b>		<b>71,407,558</b>	<b>1,948,524</b>
Revolving Fund			
Reserves			
Accumulated surplus		71,407,558	1,948,524
<b>Total net assets and liabilities</b>		<b>71,407,558</b>	<b>1,948,524</b>

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 \_\_\_\_\_ 2021 and signed by:

 26/09/2021

Chief Officer – Education and Vocational Training  
 Name: Bona Fatuma Gafo

  
 Fund Administrator  
 Name: Lucky M. Azikilwe  
 ICPAK Member Number:

**10. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021**

	<b>Revolving Fund</b>	<b>Revaluation Reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2019</b>	00.00	00.00	421,237	421,237
Surplus/(deficit) for the period	-	-	1,527,287	1,527,287
Funds received during the year	00.00	-	-	-
Revaluation gain	-	00.00	-	-
<b>Balance as at 30 June 2020</b>	<b>00.00</b>	<b>00.00</b>	<b>1,948,524</b>	<b>1,948,524</b>
<b>Balance as at 1 July 2020</b>	<b>00.00</b>	<b>00.00</b>	<b>1,948,524</b>	<b>1,948,524</b>
Surplus/(deficit) for the period		-	69,459,034	69,459,034
Funds received during the year	00.00	-		00.00
Revaluation gain	-	00.00		00.00
<b>Balance as at 30 June 2021</b>	<b>00.00</b>	<b>00.00</b>	<b>71,407,558</b>	<b>71,407,558</b>

**TANA RIVER COUNTY WARD BURSARY FUND**  
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**11. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2020/2021	2019/2020
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	1	154,500,000	154,500,000
<b>Total Receipts</b>		<b>154,500,000</b>	<b>154,500,000</b>
<b>Payments</b>			
Fund administration expenses	2	(3,268,640)	(4,543,539)
Bursary payments	3	(80,960,522)	(147,997,618)
Staff costs	4	(100,800)	(20,000)
General expenses	5	(711,004)	(411,555)
		<b>69,459,034</b>	<b>1,527,287</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		00.00	00.00
Increase/(Decrease) in Accounts Payable: (deposits and retention)		00.00	00.00
<b>Net cash flows from operating activities</b>		<b>69,459,034</b>	<b>1,527,288</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		00.00	00.00
Proceeds from sale of property, plant and equipment		00.00	00.00
<b>Net cash flows used in investing activities</b>		<b>00.00</b>	<b>00.00</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		00.00	00.00
<b>Net cash flows used in financing activities</b>		<b>00.00</b>	<b>00.00</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>69,459,034</b>	<b>1,527,288</b>
Cash and cash equivalents at 1 JULY	6	1,948,524	421,237
<b>Cash and cash equivalents at 30 JUNE</b>	<b>6</b>	<b>71,407,558</b>	<b>1,948,524</b>

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**12. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2021**

	<b>Original budget</b>	<b>Adjustm ents</b>	<b>Final budget</b>	<b>Actual on comparabl e basis</b>	<b>Performan ce difference</b>	<b>% utilizati on</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
<b>Revenue</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	
Transfers from County Govt.	154,500,000	00.00	154,500,000	154,500,000	154,500,000	100%
<b>Total income</b>	<b>154,500,000</b>	<b>00.00</b>	<b>154,500,000</b>	<b>154,500,000</b>	<b>154,500,000</b>	<b>100%</b>
<b>Expenses</b>						
Fund administration expenses	3,500,000	00.00	3,500,000	3,268,640	231,360	93.4%
General expenses	800,000	00.00	800,000	711,004	88,996	88.9%
Staff costs	200,000	00.00	200,000	100,800	99,200	50.4%
Bursary payments	150,000,000		150,000,000	80,960,522	69,039,478	54%
<b>Total expenditure</b>	<b>154,500,000</b>	<b>00.00</b>	<b>154,500,000</b>	<b>69,459,034</b>	<b>69,459,034</b>	<b>55%</b>
<b>Surplus for the period</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>00.0</b>	

**13. 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 2020**

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> 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 are covered purely under Public Sector combinations as amalgamations.

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> </ul>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2022:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p>

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Standard	Effective date and impact:
	<p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.  Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.  Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).  Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations.  Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

**c) Early adoption of standards**

The Tana River County Ward Bursary FUND did not early – adopt any new or amended standards in year 2020.

**3. Revenue recognition**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

***Interest income***

**TANA RIVER COUNTY WARD BURSARY FUND**

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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.

**0Budget information**

The original budget for FY 2020/2021 was approved by the County Assembly on 22<sup>nd</sup> June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund had not recorded additional appropriations on the FY 2020/2021 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 17 of these financial statements.

**4. Property, plant and equipment**

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

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

**6. 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.

**7. Property, plant and equipment**

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

**8. Intangible assets**

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

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

**9. 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 Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

### ***Impairment of financial assets***

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or 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 a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults) 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:

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- 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 Fund

#### **10. Provisions**

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

Where the 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.

#### ***Contingent liabilities***

The 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 remote.

#### ***Contingent assets***

- The 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 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

**11. Nature and purpose of reserves**

The Fund creates and maintains reserves in terms of specific requirements. 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.

**12. Related parties**

The Tana River County Ward Bursary Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**13. Cash and cash equivalents**

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

**14. Comparative figures**

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

**15. Events after the reporting period**

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

**16. Ultimate and Holding Entity**

The entity is a County Public Fund established by Tana River County Ward Bursary Fund Act 2014. Its ultimate parent is the County Government of TANA RIVER.

**17. Currency**

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

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**14. NOTES TO THE FINANCIAL STATEMENTS**

**1. Transfers from County Government**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from County Govt. – operations	154,500,000	154,500,000
<b>Total</b>	<b>154,500,000</b>	<b>154,500,000</b>

**2. Fund administration expenses**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Printing and stationery	583,140	684,539
Rental costs	150,000	80,000
Administration fees ( Allowances )	2,535,500	3,779,000
<b>Total</b>	<b>3,268,640</b>	<b>4,543,539</b>

**3. Bursary payments**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Ward Bursary disbursements	80,960,522	147,997,618
<b>Total</b>	<b>80,960,522</b>	<b>147,997,618</b>

**4. Staff costs**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Staff travel and subsistence	100,800	20,000
Training expenses		0
<b>Total</b>	<b>100,800</b>	<b>20,000</b>

**TANA RIVER COUNTY WARD BURSARY FUND**

**Reports and Financial Statements**

**For the year ended June 30, 2021**

**5. General expenses**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
Advertising expenses	00.00	100,000
Computer maintenance	55,000	200,000
Catering services	133,000	
Bank charges	523,004	111,555
<b>Total</b>	<b>711,004</b>	<b>411,555</b>

**6. Cash and cash equivalents**

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>KShs</b>	<b>KShs</b>
KCB Current account	71,407,558	1,948,525
Others	00.00	00.00
<b>Total cash and cash equivalents</b>	<b>71,407,558</b>	<b>1,948,525</b>

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

		<b>2020/2021</b>	<b>2019/2020</b>
<b>Financial institution</b>	<b>Account number</b>	<b>KShs</b>	<b>KShs</b>
<b>a) Current account</b>			
Kenya Commercial bank	1166389197	76,551,563	33,114,673
Equity Bank, etc.		00.00	00.00
<b>Sub- total</b>		<b>76,551,563</b>	<b>33,114,673</b>
<b>b) Others(specify)</b>			
Cash in transit		00.00	00.00
Cash in hand		00.00	00.00
M Pesa		00.00	00.00
<b>Sub- total</b>		<b>00.00</b>	<b>00.00</b>
<b>Grand total</b>		<b>76,551,563</b>	<b>33,114,673</b>

Signed:  26/09/2021

Mrs Bona Fatuma Gafo

*Chief Officer Education and Vocational Training.*