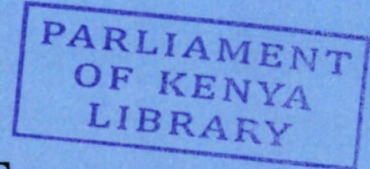


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**TANA RIVER COUNTY WARD BURSARY
FUND**

**FOR THE YEAR
ENDED 30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Maj Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



TANA RIVER COUNTY WARD BURSARY FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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



Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2024

Table of Content

1. Acronyms and Definition of Key Terms	ii
2. Key Entity Information and Management	iii
3. Trustees/ Fund Administration Committee Profiles	vi
4. Key Management Team	ix
5. Chairman's Report	xi
6. Report of The Fund Administrator	xiv
7. Statement of Performance Against Predetermined Objectives for FY 2023/2024	xv
8. Statement of Corporate Governance	xvi
9. Management Discussion and Analysis	xviii
10. Report of The Trustees/Committee	xix
11. Statement of Management's Responsibilities	xx
12. Report of the Independent Auditor on the Financial Statements of Tana River County Ward Bursary Fund	xxi
13. Statement of Financial Performance for the Year Ended 30 th June 2024	1
14. Statement of Financial Position as at 30 June 2024	2
15. Statement of Changes in Net Assets for the year ended 30 th June 2024	3
16. Statement of Cash Flows for the Year Ended 30 June 2024	4
17. Statement of Comparison of Budget & Actual Amounts for Year Ended 30 th June 2024	5
18. Notes to the Financial Statements	6
19. Annexes	19

1. Acronyms and Definition of Key Terms

a) Acronyms

BOM	Board of Management
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSHS	Kenya Shillings
PSASB	Public Sector Accounting Standards Board

b) Definition of Terms

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

2. 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

The Tana River Ward Bursary Fund day-to-day management is under the following key bursary board 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. Aden Mohamed Abdi	Board member
5	Mrs Bona Fatuma Gafo	Chief Officer Education and Vocational Training
6	CPA Zena Hashora Mahanga	Fund Administrator

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

Ref	Name	Position
1	Mrs Bona Fatuma Gafo	Chief officer Education and Vocational Training
2	CPA Zena Hashora Mahanga	Fund administrator
3	Mr. Gabriel Makevo Mwewe	Bursary board Chairperson

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

County audit committee

Ref	Name	Position
1	Hadaisa Komora	Chairman
2	Bakari Garise Omara	Member
3	Rev. Kerry Chimea Komora	Member
4	Halima Gano Mahmud	Member
5	Khadija Mohamed Kofa	Member

f) Registered Offices

P.O. Box 29 – 70101
Tana River County Government
Office of the Governor
Hola, Kenya

g) Fund Contacts

Telephone: (254) 707330393
E-mail: tanarivercg@gmail.com
 : zenamahanga@gmail.com
Website: <http://www.tanariver.go.ke>

h) Fund Bankers

1. Kenya Commercial Bank
P.O.BOX 100 - 70101
Hola.
Kenya.

Key Entity and Management (Continued)

i) Independent Auditor

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

j) Principal Legal Adviser



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

k) County Attorney

P.O. Box 29
Postal code 70101
Hola, Kenya



**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30th 2024**

3. Trustees/ Fund Administration Committee Profiles


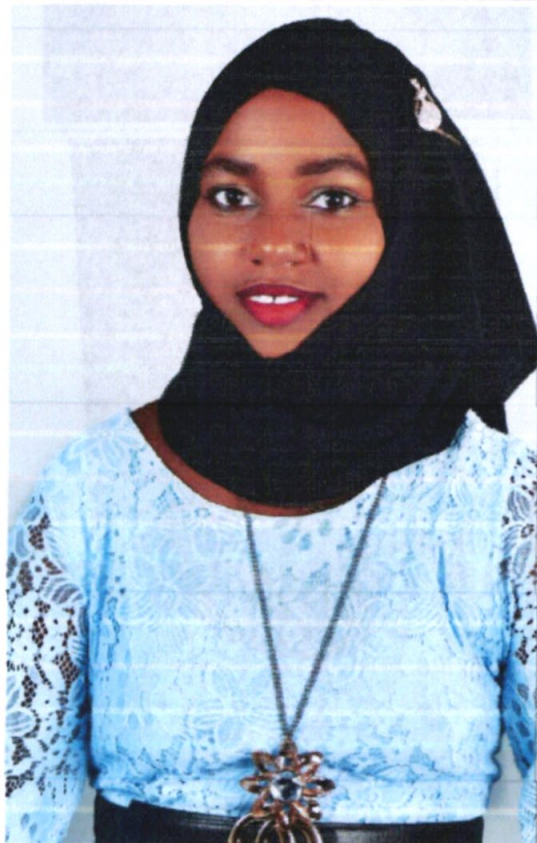
Name	Photo	Details of qualifications and experience
<p>MRS. BONA FATUMA GAFO</p> <p>CCO Education & Vocational Training.</p> <p>Bursary Board Member</p>		<ul style="list-style-type: none"> ➤ She was born in 1974. ➤ She holds a Bachelor Degree in Early Childhood Development Education from Mount Kenya University 2014. ➤ She has a Diploma in Early Childhood Development Education ECDE from KNEC. ➤ She has trained as a P1 Teacher from Shanzu Teachers Training College 1997. ➤ Since 2018 she is the Chief Officer Education and Vocational Training Department. <p>She has worked as a teacher for over nine (9) years.</p>
<p>MR. GABRIEL MAKEVO MWEWE</p> <p>Bursary Board Chairperson</p>		<ul style="list-style-type: none"> ➤ He has a Bachelor Degree in Education from University of Nairobi (2005), a Diploma in education Management from Kenya Management Institute (2013). <p>He is the principal of Galole Model Secondary School.</p>

Tana River County Ward Bursary Fund

Annual Report and Financial Statements for the year ended June 30th 2024

<p>MRS. FAKHAR SWADIKI OMAR</p> <p>Bursary Board Member</p>		<ul style="list-style-type: none">➤ She was born in 1976.➤ She has a Certificate in Primary Education (KCPE). 1990➤ She has a Driving Licence➤ She has worked as a food Monitor supported by Tana Delta Conservancy <p>She was the Chairlady ZINDUKA and BAHARI Women Groups.</p> <p>Currently a member of the Bursary board.</p>
<p>MRS. MIRIAM IHUGO WANGUI</p> <p>Bursary Board Member</p>		<ul style="list-style-type: none">➤ She was born in 1975.➤ She has a Certificate in Primary Education KCPE (1991).➤ She has a Certificate in Computer applications from Amplex Computer College.➤ She has worked as an Office Assistant Chewani Ward Office 2016 – 2017 <p>She served as The Treasurer Constituency Aids Control Committee (2007 -2013).</p> <p>Currently a member of the Bursary board.</p>


**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30th 2024**

<p>MR. ADEN MOHAMED ABDI</p> <p>Bursary Board Member</p>		<ul style="list-style-type: none"> ➤ He is born in 1971 ➤ He holds a Diploma in Human Resource Management from Gretsia University 2017. <p>He has worked with United Nations Mission as Receptionist, Communication officer & resettlement officer. Currently a member of the Bursary board.</p>
<p>CPA ZENA HASHORA MAHANGA</p> <p>Fund Administrator</p>		<ul style="list-style-type: none"> ➤ She was born in 1992. ➤ She holds an MBA finance option from JKUAT 2022. ➤ Holds a Bachelor degree in commerce (B.com) accounting option from Technical University of Mombasa 2015. ➤ CPA finalist ➤ A member of ICPAK. M/No. 24941 ➤ CIFA section 4. ➤ A member of the Association of Women Accountants of Kenya. M/No. AWAK/1543 ➤ Currently working as the Bursary Fund Administrator. <p>Since 2017 she has been working as a co-operative auditor with Tana River County Government.</p> <p>In 2021 she was redesignated as the fund administrator of the Tana River Ward Bursary Fund to date.</p> <p>Previously worked as an accounts clerk with KRA, KPA, NCPWD, Agricultural food Authority.</p>

4. Key Management Team

Name	Details of qualifications and experience
<p>CPA ZENA HASHORA MAHANGA Fund Administrator</p> 	<ul style="list-style-type: none"> ➤ She was born in 1992 ➤ She holds an MBA finance option from JKUAT 2022. ➤ Holds a Bachelor degree in commerce (B.com) accounting option from Technical University of Mombasa 2015. ➤ CPA finalist ➤ A member of ICPAK. M/No. 24941 ➤ CIFA section 4. ➤ A member of the Association of Women Accountants of Kenya. M/No. AWAK/1543 ➤ Certificate in Computer Packages 2012. ➤ Currently working as the Fund Administrator of the Tana River Ward Bursary Fund. <p>Since 2017 she has been working as a co-operative auditor with Tana River County Government.</p> <p>In 2021 she was redesignated as the fund administrator of the Tana River Ward Bursary Fund to date.</p> <p>Previously worked as an accounts clerk with KRA, KPA, NCPWD, Agricultural food Authority.</p>
<p>MRS. BONA FATUMA GAFO CCO Education & Vocational training</p> 	<ul style="list-style-type: none"> ➤ She was born in 1974. ➤ She holds a Bachelor Degree in Early Childhood Development Education from Mount Kenya University 2014. ➤ She has a Diploma in Early Childhood Development Education ECDE from KNEC. ➤ She has trained as a P1 Teacher from Shanzu Teachers Training College 1997. ➤ Since 2018 she is the Chief Officer Education and Vocational Training Department. <p>She has worked as a teacher for over nine (9) years.</p>

Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30th 2024

	A member of the bursary board and a signatory
<p>MR. GABRIEL MAKEVO MWEWE Bursary Board Chairperson</p> 	<p>➤ He has a Bachelor Degree in Education from University of Nairobi (2005), a Diploma in education Management from Kenya Management Institute (2013).</p> <p>He is the principal of Galole Model Secondary School.</p> <p>The Chairperson of the bursary board and a signatory</p>

5. Chairman's Report

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 2023/2024 the bursary fund received a total amount of Kshs.154, 500,000 out of which **Kshs 4,500,000** being Administrative Costs. All the 15 wards in the county received an equal amount of **Kshs 10,000,000** each as bursary allocation.

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.
3. Provide adequate funding and such other mechanisms to increase the participation rate among all socioeconomic classes in technical and vocational education
4. Give priority to students who are academically able and who come from poor families
5. Ensure the optimized utilization of government resources in education
6. Provide adequate guidance and incentives in channelling the youth in their career choices and envision work ethics
7. To establish the structures put in place to ensure equitable distribution of the bursary fund,
8. Establishment of the number of students who have benefited and the number of deserving cases who have not benefited from the bursary allocation across socio-economic groupings,
9. Find out how long it takes to distribute the allocated funds to the needy and if they are sufficient.
10. To recommend ways in which the bursary allocation could be improved to enhance equitable bursary allocation to the students secondary schools

Structure of the Board

The Fund is administered by an executive Board known as the Tana River Ward Bursary Fund Board which is established by the Act and comprised of 6 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 2023/2024 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 (Galole NG-CDF and the wards under the patronage of the Waheshimiwa)
2. Training of the ward bursary committees- 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

Annual Report and Financial Statements for the year ended June 30th 2024

No	Ward	Secondary	Colleges	Universities	Total
1	Bangale	89	112	43	244
2	Chewani	1,406	327	95	1,828
3	Chewele	111	347	41	499
4	Garsen Central	785	94	129	1,008
5	Garsen North	967	250	186	1,403
6	Garsen South	898	287	150	1,335
7	Garsen West	1,246	178	122	1,546
8	Hirimani	71	87	25	183
9	Kinakomba	164	128	48	340
10	Kipini East	239	66	68	373
11	Kipini West	1,272	132	34	1,438
12	Madogo	541	61	90	692
13	Mikinduni	271	200	92	563
14	Sala	701	261	73	1,035
15	Wayu	280	90	47	417
	TOTAL	10,054	2,295	1,241	12,904

The total amount received is **KSHS 150,000,000** and the number of beneficiaries from the fifteen Wards is approximately **12,904**. On average each beneficiary received **KSHS 11,624**. Based on this analysis, the scholarship programme is important.

Challenges:

1. High demand leading to low amount per beneficiary.
2. Delays in presentation of beneficiary lists and minutes from ward committee hence threatening administration costs.
3. High decency rate on bursary due to poverty and others calamities.
4. Inadequate administrative funds to visit the wards committees to assess operations.
5. Data on achievements made by beneficiaries of the fund is scanty.

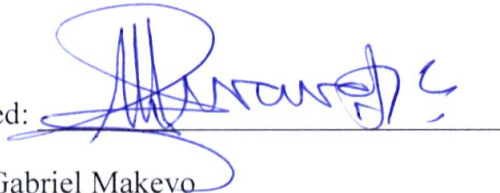
Solutions

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. 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
Chairman
Tana River County Ward Bursary Fund.

6. 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 18th 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 Kshs. 89,409,110 for the two tranches as at 30th June 2024 to needy students within the various wards in the County.

Challenges

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


1. Emergency bursary beneficiary list, some without proper approvals from the ward bursary committees.
2. Cheques for corrections which most of the them do not have approvals from the bursary ward committees
3. Court order that restrained the bursary board from conducting any transactions or activities of the ward bursary fund committee and also from receiving or disbursing funds or issuing cheques in respect to ward bursary fund pending hearing of the application interpartes.

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: 
CPA Zena Hashora Mahanga

7. Statement of Performance Against Predetermined Objectives for FY 2023/2024

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

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

- a) Offer bursary to needy students/ learners.

Targeted learners	Actual beneficiaries	Deficit
18,000	12,904	5,096

During the financial year 2023/2024, the Tana River Ward Bursary Fund was served with a court order which restricted the Fund from carrying out any operation hence hindering the Fund from achieving its target for the year.

Progress on the attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Education Bursary	Offer bursary to needy students/ learner	- Increased disbursement of bursary funds to qualified needy students	Number of student’s fees disbursement and the rate of retention in schools	In FY 23/24 we managed to disburse bursary to 12,904 students out of the targeted 18,000 because of the court order.

8. Statement of Corporate Governance

During the financial year under review, the management held twelve (12) Board meetings and the attendance to those meetings was generally good where no board member missed even a single meeting. Allowances for each meeting was provided to the board members.

The table below shows the number of meetings attended by each member of the board during the year.

NO	NAME	DESIGNATION	NO. OF MEETINGS
1	Gabriel Makevo	Chairman	12
2	Miriam Wangoi	Member	12
3	Fahari Swadiq	Member	12
4	Adan Mohamed	Member	12
5	Fatuma Bona	CCO Education	12
6	Zena Mahanga	Fund Administrator	12

The board members are appointed by the governor, vetted and approved by the county assembly. The members are appointed in contracts of 3 years.

Whenever a vacancy occurs in the Ward Bursary Fund Board by reason of resignation, incapacitation or demise of a member then the vacancy shall be filled from the same category of persons where the vacancy has occurred.

The roles and functions of the board are:

- i. ensure timely and efficient disbursement of funds to the schools of beneficiaries as approved by the ward bursary committee
- ii. ensure efficient management of the fund
- iii. perform such other duties assigned by the CEC for finance and planning with the approval of the county assembly

A member of the board may be removed from office on any of the following grounds:

- a. lack of integrity
- b. gross misconduct
- c. gross violation of the constitution or any statute
- d. physical incapacitation or mental infirmity
- e. pecuniary embarrassment
- f. failure to attend three consecutive meetings without apology

Tana River County Ward Bursary Fund

Annual Report and Financial Statements for the year ended June 30th 2024

Any member of the Board who has an interest in any contract shall disclose the fact thereof as provided in the first schedule provisions 5(1) and (2) of the Tana River County Ward Bursary Fund Act 2014.

9. Management Discussion and Analysis

The bursary operations were run smoothly under the supervision of the fund administrator who was assisted by secretariat clerks for the fund activities so that proper records kept and to make work easier for efficient and effective operations.

There was accessibility and effectiveness of fee disbursement in enhancing equity in its allocation to the poor and vulnerable groups in the county.

The objectives were to: establish the structures put in place to ensure equitable distribution of the bursary fund according to laid down criteria and procedures by the bursary board, establishment of the number of students who have benefited and the number of deserving cases who have not benefited from the bursary allocation across socio-economic groupings, find out how long it takes to distribute the allocated funds to the needy and if they are sufficient and to recommend ways in which the bursary allocation could be improved to enhance equitable bursary allocation to the students secondary schools

10. Report of The Trustees/Committee

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024, 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, 2024, are set out from page 1 to 5.

Trustees

The members of the Ward Bursary Fund Board who served during the year are shown on page VI.

Auditors

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

Signature 

Mr. Gabriel Makevo
Chairman of the Bursary Board

Date: 30/10/2024

11. 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 Tana River County Ward Bursary 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 Tana River County Ward Bursary 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 June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The 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, 2024, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the 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

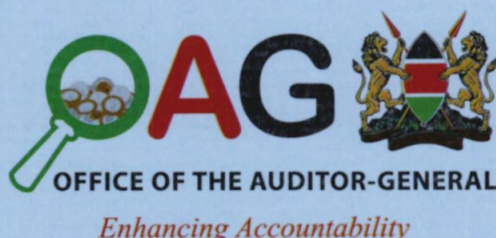
The Fund’s financial statements were approved by the Board on 30/10 2024 and signed on its behalf by:

Sign 

CPA Zena Hashora Mahanga
Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TANA RIVER COUNTY WARD BURSARY FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Tana River County Ward Bursary Fund set out on pages 1 to 19, which comprise the statement of financial position as at 30 June, 2024, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, a summary of significant accounting policies and other

Report of the Auditor-General on Tana River County Ward Bursary Fund for the year ended 30 June, 2024

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tana River County Ward Bursary Fund as at 30 June, 2024 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 Bursary Fund Act, 2014 (Revised in 2018) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted revenue and actual on a comparable amount of Kshs.154,964,099. Similarly, the Fund spent Kshs.93,245,365 against actual receipts of Kshs.154,964,099 resulting to an under-utilization of Kshs.61,718,734 or 40% of the actual receipts.

The underutilization may have negatively impacted on the planned activities of the Fund which affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

A prior year audit issue remained unresolved as at 30 June, 2024. Management has not provided reasons for the delay in resolving the prior year audit issue.

Other Information

The Management is responsible for the other information set out on page ii to xx which comprise of Key Entity Information and Management, The Key Management Team, Chairman's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Report of the Trustees/Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Develop Enabling Regulations to the Act

Review of records revealed that the County Executive Committee Member in charge of Education, Vocational Training and Sports published the Tana River County Ward Bursary Regulations and submitted them to the County Assembly on 14 December, 2019 in line with Section 9(1) of Tana River County Ward Bursary Fund Act, 2014. However, the regulations were not approved by the County Assembly contrary to Section 21 of the County Government Act, 2012 which states that a County Assembly shall exercise its legislative power through Bills passed by the County Assembly and assented to by the Governor.

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

2. Irregular Establishment of Ward Bursary Fund Committee

Section 13(1) of the Tana River County Ward Bursary Fund Act, 2014 provided for the appointment of thirteen (13) persons to the Ward Bursary Committee. However, the Act

did not include modalities on the appointment of committee members to the Ward Bursary Committees. Review of Ward Bursary Fund Committee's minutes indicate that Ward Bursary meetings were attended by an average of seven (7) members against the authorized thirteen (13).

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

3. Bursary Payments

The statement of financial performance reflects payments in respect of Bursary payments totalling Kshs.89,409,110. Review of records revealed the following:

i. Inequitable Payments to Wards

Information available indicates that the Bursaries were issued in accordance with the Tana River Bursary Fund Act, 2014 which was revised in 2018. During the year under review, the bursary Fund received a total amount of Kshs.154,500,000 which included an allocation for Bursary of Kshs.150,000,000 distributed equally in all the fifteen (15) Wards contrary to Section 11 (1) of the Tana River Bursary Fund Act, 2014 which provides that subject to enactment of a sharing formula to be approved by the County Assembly, the Board shall disburse funds equitably to the wards.

ii. Irregular Expenditure on Bursary

The payment for Ward bursaries during the year under review were issued to 12,904 beneficiaries, 10,054 who were in Secondary Schools, 2,295 were in Colleges and 1,241 were in Universities. However, the payment of bursaries is in contravention of the constitution Article 185 (1) and (2) of the Kenya Constitution directs that the legislative authority of a County is vested in, and exercised by, its County Assembly. A County Assembly may make any laws that are necessary for, or incidental to, the effective performance of the functions and exercise of the powers of the County Government under the Fourth Schedule. Article 186 (1) of the Constitution directs that except as otherwise provided by this Constitution, the functions and powers of the National Government and the County Governments, respectively, are as set out in the Fourth Schedule. The Fourth Schedule provides that among the functions of the National Government are education policy, standards, curricula, examinations and the granting of university charters; and Universities, Tertiary Educational Institutions and other Institutions of research and Higher learning and Primary Schools, Special Education, Secondary Schools and Special Education Institutions while the functions of the County Governments include Pre-primary Education, village Polytechnics, Homecraft centres and Childcare facilities.

iii. Irregular Payment of Bursaries to Unaccredited Technical Institutions

Included in the expenditure on bursaries are one hundred and forty-nine (149) payments totalling Kshs.15,729,000 paid to beneficiaries attending college at twenty-eight (28) Institutions. However, review of records revealed that the institutions do not appear to have been registered with the Technical and Vocational Education and Training Authority (TVETA) contrary to the provisions of Part IV of the Technical and Vocational Education

and Training Act, 2013 on licensing, registration and accreditation of institutions and trainers which require that no person or institution shall offer training in Kenya unless the person or institution has been accredited, licensed and registered under this Act to offer such training and that any person or institution already offering training in Kenya by any mode of delivery or is a trainer at the commencement of this Act, shall, within six (6) months from the date of such commencement submit an application to the Board for accreditation, registration and licensing under this Act. No programme or course of training shall be mounted in an institution without prior approval by the Board and no academic award or qualification issued by any institution not yet accredited, registered and licensed in accordance with this Act shall be recognized in Kenya. Any person who contravenes the provision of this section commits an offence and is liable on conviction to a fine of a sum not exceeding one million shillings or to imprisonment for a term not exceeding three (3) years or to both.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30th, 2024**

13. Statement of Financial Performance for the Year Ended 30th June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the County Government	1	154,500,000	154,500,000
Total revenue		154,500,000	154,500,000
Expenses			
Fund administration expenses	2	3,233,000	4,243,580
Bursary payments	3	89,409,110	149,683,307
Staff training expenses	4	547,100	29,200
General expenses	5	56,155	200,631
Total expenses		93,245,365	154,156,718
Other gains/losses			
Gain/loss on disposal of assets			
Surplus/(deficit) for the period		61,254,635	343,282

(The notes set out on pages 6 to 18 form an integral part of these Financial Statements)



.....
Name: Zena Hashora Mahanga
Fund Administrator
ICPAK Member Number: 24941



.....
Name: Fatuma Bona Gafo
County Chief Officer Education

14. Statement of Financial Position as at 30 June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
Assets			
Current Assets			
Cash and Cash Equivalents	6	61,718,734	464,099
Total Assets		61,718,734	464,099
Liabilities			
Trade and other payables			
Net Assets		61,718,734	464,099
Revolving Fund			
Reserves			
Accumulated Surplus		61,718,734	464,099
Total Net Assets and Liabilities		61,718,734	464,099

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Tana River Ward Bursary Fund financial statements were approved on 30/10/ 2024 and signed by:



.....
Name: Zena Hashora Mahanga
Fund Administrator
ICPAK Member Number: 24941



.....
Name: Fatuma Bona Gafo
County Chief Officer Education

15. Statement of Changes in Net Assets for the year ended 30th June 2024

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2022	-	-	120,817	120,817
Surplus/(deficit) for the period		-	343,282	343,282
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30th June 2023	-	-	464,099	464,099
Balance as at 1 July 2023	-	-	464,099	464,099
Surplus/(deficit) for the period		-	61,254,635	61,254,635
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30th June 2024	-	-	61,718,734	61,718,734

Handwritten notes in blue ink:
 120,817
 343,282
 464,099
 61,254,635
 61,718,734

16. Statement of Cash Flows for the Year Ended 30 June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	1	154,500,000	154,500,000
Total Receipts		154,500,000	154,500,000
Payments			
Fund administration expenses	2	3,233,000	4,243,580
Bursary payments	3	89,409,110	149,683,307
Staff costs	4	547,100	29,200
General expenses	5	56,155	200,631
		93,245,365	154,156,718
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)			-
Increase/(Decrease) in Accounts Payable: (deposits and retention)			-
Net cash flows from operating activities		61,254,635	343,282
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			-
Proceeds from sale of property, plant and equipment			-
Net cash flows used in investing activities			-
Cash flows from financing activities			
Repayment of borrowings			-
Net cash flows used in financing activities			-
Net increase/(decrease) in cash and cash equivalents		61,254,635	343,282
Cash and cash equivalents at 1 July 2023	6	464,099	120,817
Cash and cash equivalents at 30 June 2024	6	61,718,734	464,099

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

17. Statement of Comparison of Budget & Actual Amounts for Year Ended 30th June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2024	2024	2024	2024	2024	2024
Revenue	KShs	KShs	KShs	KShs	KShs	
Transfers from County Govt.	154,500,000	464,099	154,964,099	154,964,099	-	100%
Total Income	154,500,000	464,099	154,964,099	154,964,099	-	100%
					-	
Expenses					-	
Fund administration expenses	3,670,000	26,589	3,696,589	3,233,000	463,589	87%
General expenses	90,000	-	90,000	56,155	33,845	62%
Staff costs	740,000	-	740,000	547,100	192,900	74%
Bursary payments	150,000,000	198,202	150,198,202	89,409,110	60,590,890	59%
Total Expenditure	154,500,000	464,099	154,964,099	93,245,365	61,254,635	60%

Budget notes

There was a court order that restrained the bursary board from conducting any transactions or activities of the ward bursary fund committee and also from receiving or disbursing funds or issuing cheques in respect to ward bursary fund pending hearing of the application interpatates. This caused the underutilization of the fund that was disbursed.

18. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Tana River county ward bursary Fund is established by and derives its authority and accountability from Act of 2014 revised in 2018. The Tana River Ward Bursary Fund is wholly owned by the Tana River County Government and is domiciled in Kenya. The Tana River Ward Bursary Fund principal activity is to disburse bursary funds to qualified needy students.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43 Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Standard	Effective date and impact:
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting</p>

Standard	Effective date and impact:
	for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(iii) Early adoption of standards

The Tana River Ward Bursary Fund did not early – adopt any new or amended standards in the financial year 2023/2024

Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 7th August 2023. 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 Tana River Ward Bursary Fund upon receiving the respective approvals in order to conclude the final budget.

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

c) Financial instruments

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

(i) Financial assets

Classification of financial assets

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

(ii) Subsequent measurement

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

(iii) Amortized cost

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

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

(iv) Fair value through net assets/ equity

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

(v) Fair value through surplus or deficit

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

(vi) Trade and other receivables

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

1 Financial liabilities

Classification

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

d) Provisions

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

e) Contingent liabilities

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

f) Contingent assets

Tana River Ward Bursary 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 Tana River Ward Bursary Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

g) Nature and purpose of reserves

The Tana River Ward Bursary Fund Bursary Fund creates and maintains reserves in terms of specific requirements. Currently the fund has no reserves.

Changes in accounting policies and estimates

The Tana River Ward Bursary Fund Bursary Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Foreign currency transactions

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

i) Related parties

The Tana River Ward Bursary Fund 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 Tana River Ward Bursary Fund, or vice versa. Members of key management are regarded as related parties and comprise of Board of Trustees, the Fund/Scheme administrator and senior managers.

j) 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.

k) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

1. Transfers from County Government

Description	2023/2024	2022/2023
	KShs	KShs
Transfers from County Govt. – operations	154,500,000	154,500,000
Total	154,500,000	154,500,000

2. Fund administration expenses

Description	2023/2024	2022/2023
	KShs	KShs
Printing and stationery	555,000	920,500
Rental costs	-	-
Utility costs	-	-
Administration fees (Allowances)	2,678,000	3,323,080
Total	3,233,000	4,243,580

3. Bursary Payments

Description	2023/2024	2022/2023
	KShs	KShs
Ward Bursary disbursements	89,409,110	149,683,307
Total	89,409,110	149,683,307

4. Staff Costs

Description	2023/2024	2022/2023
	KShs	KShs
Staff travel and subsistence	-	29,200
Training expenses	547,100	-
Total	547,100	29,200

5. General Expenses

Description	2023/2024	2022/2023
	KShs	KShs
Advertising expenses	-	-
Computer maintenance	16,000	24,000
Catering services	-	-
Bank charges	40,155	176,631
Total	56,155	200,631

6. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	KShs	KShs
KCB Current account	61,718,734	464,099
Others (Cash in hand)	-	-
Total cash and cash equivalents	61,718,734	464,099

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

		2023/2024	2022/2023
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1287061095	61,718,734	464,099
Sub- total		61,718,734	464,099
b) Others(specify)			
Cash in transit		-	-
Cash in hand		-	-
M-Pesa		-	-
Sub- total		-	-
Grand total		61,718,734	464,099

	Note	2023/2024	2022/2023
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	6	61,718,734	464,099
Total assets		61,718,734	464,099
Liabilities			
Trade and other payables			
Net assets			
Revolving Fund			
Reserves			120,817
Accumulated surplus			343,282
Total net assets and liabilities		61,718,734	464,099

Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

7. Cash generated from operations.

Description	2023/2024	2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year	61,254,635	343,282
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow from Operating Activities	61,254,635	343,282

8. Related party balances

a) Nature of related party relationships

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

- a) The County Government.
- b) Key management.
- c) Board of Trustees, etc.

b) Related party transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers from related parties	154,500,000	154,500,000
Transfers to related parties	-	-

c) Key management remuneration

Description	2023/2024	2022/2023
	Kshs	Kshs
Board of Trustees	-	-
Total	-	-

d) Due from related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From County Government	-	-
Total	-	-

Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Other Disclosures Continued

e) Due to related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due to County Government	-	-
Due to Key Management Personnel	-	-
Total	-	-

9. Contingent assets and contingent liabilities

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

10. Events after the reporting period

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

11. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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18

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

19. Annexes

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe:
1	Unacknowledged Bursary Payments	The management is still working on how to get all the acknowledgement receipts from the institutions.	Not resolved	30/06/2025



CPA Zena Hashora Mahanga

Fund Administrator

Date: 30/10/2024

**Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: County Treasury

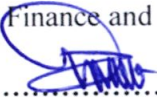
Name of beneficiary entity: Tana River County Ward Bursary Fund

Confirmation of amounts received by Tana River County Ward Bursary Fund as at 30th June 2024

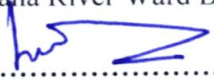
Reference Number	Date Disbursed	Amounts Disbursed by Finance and Economic Planning Department](Kshs) as at 30 th June 2024			Amount Received by Tana River County Ward Bursary Fund (Kshs) as at 30 th June 2024 (D)	Differences (KShs) (E)=(C-D)
		Recurrent (A)	Development (B)	Total (C)=(A+B)		
REC/0000068023	20/09/2023	77,250,000	-	77,250,000	77,250,000	-
REC/0000071075	23/02/2024	77,250,000	-	77,250,000	77,250,000	-
Total		<u>154,500,000</u>	=	<u>154,500,000</u>	<u>154,500,000</u>	-

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

Head of Accounts Department - Disbursing Entity: Finance and Economic Planning

Name CORNELIUS O. NAMUKOSYO Sign  Date 30/10/24

Head of Accounts Department - Beneficiary Entity: Tana River Ward Bursary Fund

Name Zena Mahanga Sign  Date 30/10/2024

Tana River County Ward Bursary Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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Handwritten notes in blue ink, possibly a signature or initials.

Handwritten notes in blue ink, possibly a signature or initials.

Vertical handwritten notes in red ink.

