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MOMBASA COUNTY ELIMU SCHEME

FOR THE YEAR ENDED 30 JUNE, 2024

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Issued 30th June 2024



MOMBASA COUNTY ELIMU SCHEME

**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)**

Mombasa County Elimu Scheme

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

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1. Acronyms and Definition of Key Terms

a) Acronyms

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

b) Definition of Terms

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

Mombasa County Elimu Scheme

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

2. Key Entity Information and Management

a) Background information

The Mombasa County Elimu Scheme is established by and derives its authority and accountability from The Mombasa County Elimu Scheme Act 2023 on 31st May 2023. The Scheme is wholly owned by the County Government of Mombasa and is domiciled in Kenya.

The Scheme's objective is to administer bursaries, scholarships, capitation grants and loans.

b) Principal Activities

The principal activity/mission/ mandate of the Scheme is to solicit for and administer bursaries, scholarships, capitation grants and loans to the needy and bright students of Mombasa County.

c) Board Members

Ref	Name	Position
1.	Dalton James Mwaghogho	Chairperson
2.	Abdulkader Abdulmajid Bagha	Board Member
3.	Ms. Bennette Nzamba	Board Member
4.	Ms. Samira Abdalla	Board Member
5.	Ms. Gloria Mwasi	Board Member
6.	Dr. Roselyn Randu	Board Member
7.	Ridhiwani Ayub Buhiri	Board Member (Until September 1st 2023)
8.	John M. Musuva	Scheme 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.	John M. Musuva	Scheme Administrator
2.	Randiek Odida	Financial Aid Manager
3.	Alhadin Athman	Assistant Financial Aid Manager

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Ag. Director, Internal Audit	Robert Abiero

f) Registered Offices

4th floor, Bima Tower Building
Digo Road
P.O. Box 90381-80100
Mombasa, Kenya

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

g) Scheme Contacts

E-mail: elimufund@mombasa.go.ke

Website: www.mombasa.go.ke

h) Scheme Bankers

Kenya Commercial Bank
Treasury Square Branch
P.O. Box 90254
80100
Mombasa, Kenya

i) Independent Auditor

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

j) County Attorney

Office of the County Attorney
6th Floor, Bima Tower
Digo Road
P.O. Box 90440
80100
Mombasa, Kenya

Mombasa County Elimu Scheme

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Key Entity and Management (Continued)

3. Trustees Profiles

Name	Details of qualifications and experience
 <p>DALTON MWAGHOGHO</p>	<p style="text-align: center;">BOARD CHAIRPERSON</p> <p>Mr. Dalton Mwaghogho James is a highly accomplished and qualified professional, holding certifications as a Certified Public Accountant (CPA), Fellow of The Association of Chartered Certified Accountants (FCCA), and a member of various prestigious accounting and secretarial bodies. With an MBA in Strategic Management and extensive experience in financial leadership and strategic planning, he has effectively guided institutions like the Technical University of Mombasa and Taita Taveta University in financial strategies, budgeting, accounting, and reporting. His expertise in financial management, regulatory compliance, and process improvement is underpinned by strong communication skills and a collaborative nature that allows for effective interaction with colleagues and stakeholders across all levels. Additionally, Dalton has demonstrated proactive involvement in industry forums, mentorship initiatives, and public service roles, showcasing a well-rounded and dedicated professional. He was born in 1966.</p>
 <p>BENNETTE NZAMBA</p>	<p style="text-align: center;">BOARD MEMBER.</p> <p>Ms. Bennette Wamwene. Nzamba is an Advocate of the High Court of Kenya dedicated and ambitious Kenyan legal professional with a profound passion for advancing her career in the Legal Profession and Managing Partner and founder of BENNETTE NZAMBA & COMPANY ADVOCATES. With an academic background including a Bachelor of Laws and a pending Master of Laws in International Trade and Investments Law, she possesses a solid grasp of various legal domains. Her expertise encompasses Commercial law, Civil and Criminal Procedure, and Advocacy skills, complemented by strong analytical abilities and effective communication. Ms. Nzamba has gained substantial experience through her roles in legal research, litigation, consultancy, and alternative dispute resolution. Ms. Nzamba Certified Professional Mediator (CPM) - Judiciary of Kenya and a member of Chartered Institute of Arbitrators (CIArb). She aims to utilize her legal acumen to contribute innovative ideas and solutions to the legal profession, promoting justice, fairness, and upholding the Rule of Law. Alongside her legal pursuits, she is actively engaged in societal contributions and holds positions within legal committees and community organizations. Her determination and commitment underline her drive to make a positive impact in the dynamic and challenging field of law. She was born in 1991.</p>
 <p>SAMIRA ABDALLAH</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Ms. Samira Abdallah is a highly experienced and decisive lecturer with an impressive 32-year track record in teaching and project management. Holding a Bachelor's degree in Communication & Public Relations from Moi University and a Diploma in Education from Siriba Teachers College, she possesses excellent organizational skills and a knack for strategic and analytical thinking. Notably, Samira has excelled as a Small Business Centre Coordinator, overseeing diverse training programs and offering business advice. She has successfully managed various projects and committees, including chairing the Bursary Committee in Nyali Sub County and coordinating City Polytechnic. In her current role as Principal at Likoni Technical & Vocational College, she effectively manages curriculum implementation, human resources, and institutional finances while demonstrating strong leadership and financial acumen. She was born in 1968.</p>

Mombasa County Elimu Scheme

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 <p>MS. GLORIA MWASI</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>CPA Gloria Mwasi is the County Chief Officer of Finance and Investments at County Government of Mombasa and has 15 years' work experience in Public Finance Management.</p> <p>She holds a Bachelors of Art Degree in Economics from Kenyatta University and a Masters of Arts in Project Planning and Management from University of Nairobi.</p> <p>She is a professional accountant, registered with ICPAK and has work experience in Public Finance Management. She was born in 1982.</p>
 <p>DR. ROSELYN RANDU</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Dr. Roselyn Randu serves as the County Chief Officer of Education for Mombasa County. With extensive experience in the education sector, she previously held the position of Director of Vocational Training within the Department of Education. Dr. Randu holds a PhD. She has a strong background in public service, having worked with the Mombasa County Public Service Board as a board member. Her dedication to advancing education has been instrumental in shaping educational policy and vocational training in the region. She was born in 1967.</p>
 <p>ABDUL KADER ABDUL MAJID BAGHA</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Mr. Abdul Bagha is a seasoned finance professional with over 25 years of experience, including 20 years in audit and assurance services, tax advisory, and consultancy. He holds certifications as a Certified Public Accountant (CPA) and Association of Chartered Certified Accountants (ACCA). He has a strong background in strategic financial management, encompassing budgeting, cash flow and asset management, risk mitigation, and corporate financial affairs. Abdul has held key roles in both the public and private sectors, with notable achievements such as establishing independent accounts and internal audit departments for a large conglomerate, implementing budgeting and standard costing methodologies, and spearheading joint ventures in the milling industry. He has also played a pivotal role in the growth and management of accounting firms, contributing to their expansion and enhancing client service delivery. Abdul's diverse skills, extensive expertise, and active involvement in community organizations make him a versatile and accomplished finance professional. He was born in 1977.</p>
 <p>RIDHIWANI AYUB</p>	<p style="text-align: center;">BOARD MEMBER</p> <p>Mr. Ridhiwani Ayub Buhiri is a Kenyan professional with extensive experience in financial management and administration. He holds a BBA in Finance, Banking, and Management from Kampala University and is currently pursuing an MBA in Operations Management at the University of Nairobi. Ridhiwani has served in various roles within the County Government of Mombasa, showcasing his ability to administer departments, implement policies, manage finances, and ensure effective service delivery. His experience also includes roles in revenue collection, operations, and administration for both public and private sector organizations. Ridhiwani possesses strong interpersonal and organizational skills, allowing him to adapt to changing priorities and work effectively with minimal supervision. His career objective is to continually utilize his talents and skills to enhance service standards and contribute to achieving organizational goals. He served until 1st September 2023. He was born in 1987.</p>

Mombasa County Elimu Scheme

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JOHN MUSUVA

Ag. SCHEME ADMINISTRATOR

Mr. John Musuva, our dynamic Scheme Administrator, brings a wealth of expertise to the table. With a prestigious Global MBA in Finance and Marketing from Eastern University in the vibrant city of Philadelphia, USA, and a solid foundation in Business Administration from Daystar University, his qualifications are nothing short of impressive.

Drawing from over 28 years of invaluable experience spanning both Kenya and the USA, John is the driving force behind the Elimu Scheme. In his role as Fund Administrator, he takes the helm in overseeing the daily operations, seamlessly coordinating activities, and skilfully managing all aspects of the scheme's administration. With his exceptional skill set and extensive background, John Musuva is the embodiment of excellence in action, guiding the Elimu Scheme to new heights. He was born in 1971.

4. Key Management Team

Name	Details of qualifications and experience
 <p>JOHN MUSUVA</p>	<p style="text-align: center;">Ag. SCHEME ADMINISTRATOR</p> <p>Mr. John Musuva, our dynamic Scheme Administrator, brings a wealth of expertise to the table. With a prestigious Global MBA in Finance and Marketing from Eastern University in the vibrant city of Philadelphia, USA, and a solid foundation in Business Administration from Daystar University, his qualifications are nothing short of impressive.</p> <p>Drawing from over 28 years of invaluable experience spanning both Kenya and the USA, John is the driving force behind the Elimu Scheme. In his role as Fund Administrator, he takes the helm in overseeing the daily operations, seamlessly coordinating activities, and skilfully managing all aspects of the scheme's administration. With his exceptional skill set and extensive background, John Musuva is the embodiment of excellence in action, guiding the Elimu Scheme to new heights</p>
 <p>RANDIEK ODIDA</p>	<p style="text-align: center;">FINANCIAL AID MANAGER.</p> <p>Mr. Odida has been at the helm as the Bursary Manager since his distinguished appointment in February 2017. Armed with a prestigious Bachelor of Science degree in Business Statistics from the esteemed Makerere University, his expertise shines brightly. With a remarkable nine years of dedicated service in the field of Bursary Management, Mr. Odida has honed his skills and knowledge both in the corridors of the Department of Education in Mombasa County and during his tenure as a Bursary Manager at the illustrious Elimu Scheme.</p> <p>At the heart of his role, Mr. Odida bears the mantle of overseeing the day-to-day operations of a dynamic Bursary team comprised of eight exceptionally talented individuals. His unwavering commitment to the cause and wealth of experience make him an invaluable asset to the organization.</p>
 <p>ALHADIN ATHUMANI</p>	<p style="text-align: center;">ASSISTANT FINANCIAL AID MANAGER.</p> <p>Mr. Athman assumed the role of Assistant Bursary Manager at Elimu Fund in February 2017, marking the beginning of his dedicated service in this capacity. His educational background is grounded in a Diploma in Journalism and Mass Communication, a qualification he proudly earned from Mombasa Aviation Training College. Additionally, Mr. Athman is currently on an academic journey towards a degree in accounting at the esteemed Mt Kenya University.</p> <p>With an impressive track record, Mr. Athman boasts an extensive 9-year tenure in the realm of Bursary Management. This wealth of experience was cultivated during his tenure within the Department of Education in Mombasa County and subsequently, at Elimu Scheme. His role primarily centres on providing invaluable support to the Bursary Manager, contributing significantly to the effective management of the Elimu Scheme's operations</p>

Mombasa County Elimu Scheme

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5. Chairman's Report

This year has been a remarkable journey for us, marked by significant achievements and renewed commitment to our mission of promoting education and empowering the youth in our County. We set a new milestone this year with the launch of our scholarship program in partnership with the Mombasa County Government

Board Vision

The board members have demonstrated an unwavering dedication to our shared vision of transforming the education sector in our County. Our goal is to make education accessible and impactful for all, recognizing its crucial role in both individual development and societal advancement.

The Importance of Education

Education is the bedrock of both personal growth and community development. It equips individuals with knowledge, skills, and opportunities, enabling them to lead fulfilling lives and contribute meaningfully to their communities. Education is a driving force behind economic growth, social equality, and cultural enrichment. The Elimu Scheme acknowledges the transformative power of education, not just as a fundamental right but as a tool to break the cycle of poverty, fuel innovation, and foster unity among diverse groups. Our mission is to ensure that quality education is accessible to all, leaving no one behind.

Key Achievements of the Year

Elimu Scheme Scholarships

For the first time, each public primary school in the county selected its top four KCPE candidates—two boys and two girls from mixed schools, and three students from single-gender schools. A total of 194 girls and 180 boys were awarded scholarships covering their tuition from Form 1 through Form 4.

Bursaries Exceeding KES 300 million

This year saw a substantial increase in bursary allocations, with more than KES 300 million disbursed, a nearly fivefold increase compared to last year's KES 64 million. These bursaries provided essential financial relief to numerous families, ensuring that deserving students can pursue quality education without financial hindrances. We believe every young person deserves the opportunity to reach their full potential.

Bursary Allocation table Elimu Scheme FY23-24.

	BENEFICIARIES	AMOUNT
BOARDING & DAY OUTSIDE MSA	17,709	170,640,000.00
DAY SCHOOLS IN MOMBASA	30,853	154,265,000.00
GRAND TOTAL	48,562	324,905,000.00

Future Programs

Capacity Building for the Elimu Secretariat

To strengthen the day-to-day management of the Scheme, we will partner with Nurture First to conduct a needs assessment. This will be crucial in identifying and bridging gaps in the management of Elimu's operations, ensuring more effective implementation of our initiatives.

Mombasa County Elimu Scheme

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

ECD and Vocational Training Support

As part of our commitment to education at all levels, the Elimu Scheme will introduce capitation grants for Early Childhood Development centers and Vocational Training Institutions—two key areas under the devolved functions of the County Government. These efforts will further develop these critical educational stages and ensure broader access to quality learning.

Resource Mobilization

To support our growing programs, we will engage in proactive resource mobilization, seeking partnerships with local businesses, government bodies, philanthropic organizations, and international stakeholders to secure the necessary funding and resources.

In conclusion, I extend my heartfelt thanks to the County Government of Mombasa, our dedicated board members, partners, and all stakeholders who have contributed to this year's successes. Your continued support motivates us to pursue even greater impact in the coming years.

Though the road ahead may present challenges, it is through our collective efforts that we will continue to transform the education sector in Mombasa County. Education is the key to unlocking a brighter future, and together, we can open doors of opportunity for the next generation.

Thank you for your trust in the Elimu Scheme. We look forward to another year of progress, growth, and positive change.

Sincerely,



DALTON MWAGHOGHO
CHAIRPERSON
ELIMU SCHEME BOARD OF TRUSTEES

Mombasa County Elimu Scheme

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

6. Report of The Scheme Administrator

Elimu Scheme Scholarships

Elimu scheme scholarships payment summary for year one (2024) for students who finished their KCPE in 2023 and are enrolled in various secondary schools across the country. Elimu Scheme launched the first scholarship program in Mombasa County Government. Each public primary school in Mombasa County selected the top 4 performing KCPE candidates; 2 boys & 2 girls from mixed schools and 3 students from single schools. The students benefitted from a scholarship that will cater for tuition fee payments from form 1 to form 4. The program started with 194 girls and 180 boys.

SCHOLARSHIP PAYMENT YEAR 1 (2024) SUMMARY						
SUB COUNTY	TERM 1		TERM 2		TERM 3	
	STUDENTS	AMOUNT	STUDENTS	AMOUNT	STUDENTS	AMOUNT
CHANGAMWE	48	1,045,070.00	47	553,949.00	20	139,438.00
JOMVU	37	825,598.00	34	574,970.00	14	122,464.00
KISAUNI	83	1,757,924.00	79	920,397.00	42	330,881.00
LIKONI	84	1,638,978.00	79	948,831.00	34	208,023.00
MVITA	71	1,137,741.00	69	748,966.00	27	180,958.00
NYALI	50	1,078,784.00	45	573,029.00	17	129,535.00
TOTAL	373	7,484,095.00	353	4,320,142.00.00	154	1,111,299.00

Elimu Scheme Bursaries

H.E. the Governor launched the No Child Left Behind Campaign which ensured that all secondary students in Mombasa County in Day schools of both private and public secondary schools benefit from a bursary worth Ksh. 5,000 per student. The beneficiaries in boarding schools were awarded Kshs. 10,000.

A total amount of Kshs. 154,425,00 has been paid to 135-day schools in Mombasa County to 30,885 students while a total of Ksh.170.640,000 has been paid to 17,709 beneficiaries in over 2,000 Boarding and Day schools outside Mombasa County

	BENEFICIARIES	AMOUNT
BOARDING & DAY SCH OUTSIDE MSA	17,709	170,640,000.00
DAY SCHOOLS IN MOMBASA	30,885	154,425,000.00
GRAND TOTAL	48,562	324,905,000.00

Elimu Scheme Holiday Mentorship Program

The Holiday program was carried out in the 1st quarter during the August 2023 school break. This program aims at promoting academic performance, and encourage mentorship programs to ensure students are engaged in productive activities during the school holiday.

The 9-day program was carried out in all 50 public secondary schools in the 6 Sub counties of Mombasa County. Based on each student's daily attendance, there was a bursary of Ksh.250 per student per day and the students were provided with a daily transport and meal allowance of Ksh.150. The Bursary was paid to the school to cater for tuition fees. There were more than 7,000 form 4 students who benefitted from a total of Ksh. 28,000,000 during the August 2023 program.

During the final quarter, the program was scaled up to include form 3 students. The table below shows the number of students that participated in the mentorship program from each of the participating class and sub county.

Mombasa County Elimu Scheme

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SUB COUNTY	F 3	F 4	TOTAL	
CHANGAMWE	1,055	857	1,912	6,081,600.00
JOMVU	668	599	1,267	3,853,200.00
KISAUNI	856	700	1,556	4,500,000.00
LIKONI	1,323	1,152	2,475	6,978,000.00
MVITA	1,615	1,524	3,139	8,754,400.00
NYALI	712	657	1,369	4,205,600.00
TOTAL	6,229	5,489	11,718	34,372,800.00

The table below shows the performance of Elimu Scheme on award of Bursaries over- the last nine (9) years.

FINANCIAL YEAR	SECONDARY	COLLEGE	SPECIAL NEED	UNIVERSITY	CITY POLY	SSHIPS	TOTAL
2015-16	4,136	570	28	1,126	-	-	5,860
2016-17	9,764	2,745	107	1,937	-	-	14,553
2017-18	15,403	5,312	325	2,111	-	-	23,151
2018-19	8,514	-	532	-	-	-	9,046
2019-20	7,976	-	4,444	1,316	-	-	13,736
2020-21	12,951	2,701	710	1,721	108	-	18,191
2022-23	9,635	-	-	-	-	-	9,635
2023-24	48,562	-	-	-	-	374	48,315
GRAND TOTAL	116,941	11,328	6,146	8,211	108	374	143,108

FY	SECONDARY	COLLEGE	SPECIAL NEED	UNIVERSITY	CITY POLY	S/SHIPS	TOTAL
2015-16	28,952,000	5,700,000	280,000	16,890,000	-	-	51,822,000
2016-17	68,348,000	21,960,000	1,070,000	15,496,000	-	-	106,874,000
2017-18	107,821,000	45,152,000	3,250,000	18,999,000	-	-	175,222,000
2018-19	87,600,000	-	5,320,000	-	-	-	92,920,000
2019-20	72,325,000	-	4,440,000	13,160,000	-	-	89,925,000
2020-21	101,865,000	24,728,000	7,100,000	15,489,000	2,935,100	-	152,117,100
2022-23	64,845,000	-	-	-	-	-	64,845,000
2023-24	324,905,000	-	-	-	-	11,754,557	336,659,557
TOTAL	856,661,000	97,540,000	21,460,000	80,034,000	2,935,100	11,754,557	1,070,384,657

Mombasa County Elimu Scheme
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Report of Scheme Administrator (Continued)

Challenges and Key Board decisions in FY 2023/2024

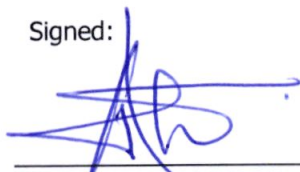
- The County Bursary should be timed according to opening of Schools; this is a key factor in reducing child drop out during beginning of school years. The Bursaries are determined by the current funds availed to Elimu Scheme which do not necessarily adhere to school open dates.
- The Bursary should be made available to all the Needy students of Mombasa County and not just the best performers. There should not be a grading criterion for the Bursaries; all Needy students should be given an equal opportunity.
- Engage and collect views from various key stakeholders across the County to help us improve our networks and process and service delivery.
- The Board approved the total budget of Kshs 603,000,000 for FY2023/2024 and sent it to the CEC for Education onward to the County Assembly for Approval.

Key Objectives of the Scheme in the coming Financial Year

- Carry out a holiday mentorship holiday program aiming at increasing student academic performance and mentoring students
- Establishing a Governor's School Talent Support Program
- Consultancy for provision of resource mobilization services
- Run the Loans and Scholarship program effectively in addition to Bursaries
- Develop a 5-year strategic plan.
- Recruit additional staff to run Elimu Scheme and achieve its mandate.
- Capacity Build the staff and Board to improve delivery of services to all stakeholders.
- Engage with local, national and international partners to fund various financial aid programs.
- Seek to digitize the application of Bursaries to improve service delivery and reduce costs.
- Develop an Elimu Scheme Interactive Website and have a vibrant and engaging social media presence.
- Carry out a youth program aimed at supporting skills at the grassroots level dubbed "**Skills Mtaani**"

We look forward to increasing opportunities to empower the youth and children of Mombasa to enhance their education, which will improve their future.

Signed:



Dr. JAMAL A M NOOR, PhD
Administrator of the Elimu Scheme

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government 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 Scheme as per the strategic plan for 2019 - 2023 are to:

- a) To improve the transition rates.
- b) To raise funds from donors.
- c) To develop human resource.

Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Indicator	Performance
Human Resource Development	Capacity Build the staff and Board	Improved delivery of service to all stakeholders	Elimu Scheme Organogram	Selected Courses for Board Members and the Elimu Scheme Secretariat
Mombasa County Elimu Scheme Act 2023	Enable Effective running of Elimu Scheme Financial Aid	Adoption of the Mombasa County Elimu Scheme Act 2023	Gazettement of the Mombasa County Elimu Scheme Act 2023	Introduced Capitation Grants, Loans & Scholarships
Resource Mobilisation	To supplement the limited funds from County Treasury	Raise Funds from Donors	Tender Document and Advertisements for Provision for Consultancy Service on Resource Mobilisation for Elimu Scheme	Bidders for Provision for Consultancy Service on Resource Mobilization

Mombasa County Elimu Scheme

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

8. Statement of Corporate Governance

STATEMENT OF THE BOARD

The Elimu Scheme is constituted as per the Mombasa County Elimu Scheme Act 2023 and is administered by the Scheme Administrator, who is responsible for the day-to-day management of the scheme. It also has a Board of Trustees headed by the chairperson responsible for the general policy and strategic direction of the scheme.

The Scheme is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the Scheme is a formal governance structure with the Board of Trustees at its apex. The structure is designed to ensure an informed decision-making process based on accurate reporting to the board.

THE BOARD OF TRUSTEES

The Board of Trustees shall be made up of eight trustees, who consist of a chairperson and seven other members identified for appointment by the CEC in charge of Education. The Board of Trustees is responsible for the long-term strategic direction of the Scheme and recruitment of the Scheme Administrator and senior management. The Board of Trustees exercises leadership, enterprise, integrity and judgment in directing the Scheme.

The trustees are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the Scheme is delegated to the Scheme administrator but the Board of Trustees is responsible for establishing and maintaining the Scheme's system of internal controls for the realization of its mandate of providing financial aid to needy students in Mombasa County.

All members of the Board of Trustees have been taken through a comprehensive induction programme and are adequately trained on their roles as board members. The trustees are professional, committed and guided by the mission, vision and core values of the Scheme in execution of their duties. At the end of each financial year, the board, its committees, individual trustees and the Scheme Administrator are evaluated by an independent body against targets agreed to at the beginning of the year.

CONFLICT OF INTEREST

Members of the Board of Trustees or Companies in which they hold shares shall not be allowed to bid for the Scheme's contracts and any other activity of the Scheme that may raise conflict of interest within the Scheme

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The trustees are responsible for reviewing the effectiveness of the Scheme's system of internal control, which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information. These controls are designed to manage rather than eliminate the risk of failure to achieve objectives

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained throughout its processes and performance. The Scheme has identified training needs and will initiate plans so that the staff will be trained, equipped and prepared so that they can implement the Scheme policies and functions.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

Strategic Plan

The Scheme is working on its strategic plan, which will be for 5 years from 2023 to 2027. The strategic plan will set out the objectives of the Scheme, and the annual targets to be met to attain those objectives in the following years. The strategic plan will be evaluated quarterly to assess the achievement of those objectives. Progress against the plan will be monitored frequently.

Management Team

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

Auditor

The scheme is audited by the Auditor-General.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

9. Management Discussion and Analysis

Financial Performance

Elimu Scheme Key Projects

Bursary and scholarship assistance to Needy students in Mombasa County in Secondary Schools

Holiday Mentorship Program for Secondary schools aimed at increasing performance in schools and mentoring the students to ensure they don't engage in unproductive activities during the holiday.

Elimu Scheme aims at helping more needy students from Mombasa County and Kenya at large. To achieve this goal, Elimu Scheme plans to solicit funds from both local and foreign investors as well as lobbying for more allocation from the County Government of Mombasa.

Elimu Scheme aims at having the draft amendment enacted by the County Assembly and adapted which will enable running the Loans and Scholarship program effectively in addition to Bursaries.

Elimu Scheme seeks to ensure development of human resource capacity through training its staff in Kenya School of Government.

Risks Facing the Scheme

- Despite Government subsidizing tuition fee, this cannot accommodate all students. Many end up in private schools with a higher rate which reflects an increase in the demand for bursaries.
- Limited funds from the County Government to sustain the high level of assistance requested by Needy cases in Mombasa County

Compliance with Statutory Requirement

Preparation and presentation of the Scheme's Financial Statements for the Audit purposes

Material arrears in statutory and other financial obligations

There are no arrears.

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

10. Environmental and Sustainability Reporting

The Elimu Scheme did not undertake any Environmental and Sustainability activities in the year ended June 30, 2024

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

11. 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 Scheme affairs.

Principal activities

The principal activities of the Scheme are to continue to be administering the County Bursary and giving out loans to assist students further their studies and to raise funds to fulfil our mandate.

Results

The results of the Scheme for the year ended June 30, 2024 are set out on page 1

Trustees

The members of the Board of Trustee who served during the year are shown in page 5 and 6 of the financial statements.

Auditors

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



Chair of the Board

Date:

30/09/2024

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Management's Responsibilities

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

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

The Administrator of the Elimu Scheme accepts responsibility for the Scheme'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 the Mombasa County Elimu Scheme Act, 2023. The Administrator of the Scheme is of the opinion that the Scheme's financial statements give a true and fair view of the state of Scheme's transactions during the financial year ended June 30, 2024, and of the Scheme's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Elimu Scheme has assessed the Scheme's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Administrator to indicate that the Scheme 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 Scheme's financial statements were approved by the Trustees on **27th September 2024** and signed on its behalf by:



Dr. JAMAL A M NOOR, PhD
Administrator of the Elimu Scheme

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mombasa County Elimu Scheme set out on pages 1 to 21, which comprise the statement of financial position as at 30 June,

Report of the Auditor-General on Mombasa County Elimu Scheme for the year ended 30 June, 2024

2024 and statement of financial performance, statement of receipts and payments, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mombasa County Elimu Scheme 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 Mombasa County Elimu Scheme Act, 2023 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents

The statement of financial position and Note 14 to the financial statements reflects cash and cash equivalents balance of Kshs.4,283,270. The bank reconciliation statement for the month of June, 2024 included unrepresented cheques amounting to Kshs.11,433,587, out of which cheques amounting to Kshs.10,715,000 were cleared in the subsequent months leaving unrepresented cheques amounting to Kshs.718,587 which have since turned stale as at the time of audit and have not been reversed in the cashbook. In addition, there was no board of survey certificate and the bank reconciliation statements were not signed by both the preparer and the approver.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,283,270 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mombasa County Elimu Scheme 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although Management has indicated that two of the issues have been resolved, they are yet to appear before the relevant oversight committee.

Other Information

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

In connection with my audit on the Mombasa County Elimu Scheme 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board

(PSASB) as the report on the operational and financial performance is not discussed under the management discussion and analysis.

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

2. Irregular Procurement - Provision of Event Management Services

The statement of financial performance and Note 13 to the financial statements reflects use of goods and services of Kshs.48,572,100, which includes expenditure on event management services amounting to Kshs.26,633,700. However, review of the payments revealed that the events were not included in the annual procurement plan, the accounting officer did not notify the winning and losing tenderers, the professional opinions provided were not signed by the head of procurement department as required by Section 45 of the Public Procurement and Disposal Act, 2015 stating that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan. Further, the list of the prequalified suppliers was not provided for audit review.

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

3. Failure to Maintain Memorandum Cashbook on Standing Imprest

The statement of financial performance and Note 12 to the financial statements reflect general expenses amounting to Kshs.1,812,945 which includes Kshs.1,520,400 paid out as office standing imprests. However, a memorandum cashbook was not maintained, contrary to Regulation 93(14) of the Public Finance Management (County Governments) Regulations, 2015 which provides that a holder of a standing imprest to keep a memorandum cash book to record all receipts and payments and the balance on hand to agree with the cash balance recorded in the memorandum cash book, and in the absence of any receipts, the actual cash balances plus the expenses paid to equal at all times with the fixed level of the imprest for which the imprest holder is personally responsible.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Unconfirmed Bursary Awards and Disbursements

The statement of financial performance and Note 8 to the financial statements reflects bursary expenses amounting to Kshs.324,955,760. However, review of the application forms for bursaries revealed that the applicant students were not required to indicate their National Education Management Information System (NEMIS) number. Additionally, the beneficiary list compiled by the Scheme did not indicate the NEMIS number of the bursary beneficiaries and therefore it was not possible to confirm whether they are students registered with the National Government. Further, review of sampled bursary awards revealed some awards amounting to Kshs.150,000 did not have acknowledgements and official receipts from the beneficiary institutions.

In the circumstances, the effectiveness of internal controls and governance of the bursary scheme could not be confirmed.

The audit was conducted in accordance with ISSAIs 2315 and 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 Management and Board of Trustees

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 overall governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Trustees is responsible for overseeing the Scheme'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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


27 December, 2024

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Note	FY2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	6	481,500,100	76,525,000
Public Contributions and Donations	7	4,057,667	
		485,557,767	76,525,000
Revenue From Exchange Transactions			
Finance Income			
Other income			
Total Revenue			
Expenses			
Bursary	8	(324,955,760)	(64,845,000)
Scholarship grants	9	(12,294,324)	0
Mentorship Program	10	(87,276,991)	0
Scheme Administration Expenses	11	(7,194,796)	(10,149,536)
General Expenses	12	(1,812,945)	(165,720)
Use of Goods and Services	13	(48,572,100)	0
Total Expenses		(482,106,916)	(75,160,256)
Surplus/(Deficit) for the Period		3,450,851	1,364,744

(The notes set out on pages 11 to 17 form an integral part of these Financial Statements)



Name: Dr. JAMAL A M NOOR, PhD
 Administrator of the Scheme



Name: MANASE LODUNG'U
 Scheme Accountant
 ICPAK Member Number: 29679

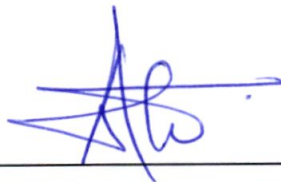
Mombasa County Elimu Scheme

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

15. Statement of Financial Position as at 30th June 2024

Description	Note	FY2023/2024	FY 2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	14	4,283,270	832,419
Non-exchange receivables	15	160,986,240	163,178,740
Exchange Receivables			
Total current assets		165,269,510	164,011,159
Total Assets (A)		165,269,510	164,011,159
Liabilities			
Current Liabilities			
Trade and Other Payables	16		2,192,500
Total current liabilities			2,192,500
Total Liabilities (B)			2,192,500
Net Asset (A-B)			161,818,659
Represented By:			
Accumulated Surplus		165,269,510	161,818,659
Net Assets		165,269,510	161,818,659

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 **27th September 2024** and signed by:



Name: **Dr. JAMAL A M NOOR, PhD**
Administrator of the Scheme



Name: **MANASE LODUNG'U**
Fund Accountant
ICPAK Member Number: 29679

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Accumulated surplus	Total
	Kshs	Kshs
Balance as at 1 July 2022	160,453,915	160,453,915
Surplus/(Deficit) For the Year	1,364,744	1,364,744
Balance as at 30 June 2023	161,818,659	161,818,659
Balance as at 1 July 2023	161,818,659	161,818,659
Surplus/(Deficit) For the Year	3,450,851	3,450,851
Balance as at 30 June 2024	165,269,510	165,269,510

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

17. Statement of Cash Flows for The Year Ended 30th June 2024

Description	Note	FY2023/2024	FY
		Kshs	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers From the County Government		481,500,100	73,632,500
Public Contributions and Donations		4,057,667	0
Finance Income			
Other receipts			
Total receipts		485,557,767	73,632,500
Expenses			
Bursary Transfers		(324,955,760)	(64,845,000)
Scholarship grants		(12,294,324)	
Mentorship Program		(87,276,991)	(7,957,036)
Scheme Administration Expenses		(7,194,796)	(165,720)
General Expenses		(1,812,945)	0
Use of Goods and Services		(48,572,100)	0
Total Expenses		(482,106,916)	(72,967,756)
Net cash flows from operating activities		3,450,851	664,744
Cash flows from investing activities			
Net cash flows used in investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash			
Equivalents		3,450,851	664,744
Cash and cash equivalents at 1 July 2023		832,419	167,675
Cash and cash equivalents at 30 June 2024	14	4,283,270	832,419

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting)

Mombasa County Elimu Scheme

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From the County Government	603,000,000	(120,893,084)	482,106,916	481,500,100	606,816	100%
Public Contributions and Donations	0	4,057,667	4,057,667	4,057,667	0	100%
Finance Income						
Other receipts						
Total Income	603,000,000	0	486,164,583	485,557,767	606,816	100%
Expenses						
Bursary Transfers	435,000,000	(110,044,240)	324,955,760	(324,955,760)	0	100%
Scholarship grants	15,000,000	(2,705,676)	12,294,324	(12,294,324)		
Mentorship Program	90,000,000	(2,723,009)	87,276,991	(87,276,991)		
Scheme Administration Expenses	10,000,000	(2,805,204)	7,194,796	(7,194,796)	0	100%
General Expenses	4,000,000	(2,187,055)	1,812,945	(1,812,945)	0	100%
Use of Goods and Services	49,000,000	(427,900)	48,572,100	(48,572,100)	0	100%
Total Expenditure	603,000,000	(120,893,084)	482,106,916	(482,106,916)	0	100%

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

The Mombasa County Elimu Scheme is established by and derives its authority from The Mombasa County Elimu Scheme Act, 2023. The entity is wholly owned by the Mombasa County Government and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

Standard	Effective date and impact:
IPSAS 43 Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents 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.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 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.

Mombasa County Elimu Scheme

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

Standard	Effective date and impact:
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

(iii) Early adoption of standards

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

Mombasa County Elimu Scheme
Annual Report and Financial Statements for the year ended June 30, 2024

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Revenue transfers

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the County Assembly. 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 Elimu Scheme upon receiving the respective approvals in order to conclude the final budget. The Elimu Scheme recorded additional appropriations of Kshs. 0 on the FY2023/2024 budget following the governing body's approval.

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

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

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

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

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

(i) Financial assets

Classification of financial assets

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

(ii) Subsequent measurement

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

(iii) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iv) Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains

Mombasa County Elimu Scheme

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and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

(v) Fair value through surplus or deficit

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

(vi) Trade and other receivables

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

(vii) Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

d) Provisions

Provisions are recognized when the Elimu Scheme 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 Elimu Scheme 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

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

f) Contingent assets

The Elimu Scheme 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 Elimu Scheme 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 Elimu Scheme does not create and maintain reserves in terms of specific requirements.

Mombasa County Elimu Scheme**Annual Report and Financial Statements for the year ended June 30, 2024****6. Transfers from the County Government**

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Transfers from the County Treasury	481,500,100	76,525,000
Total	481,500,100	76,525,000

6a.

Payee	Date Received	Amount
Mombasa County	05-Jul-23	2,192,500
Mombasa County	13-Jul-23	700,000
Mombasa County	28-Aug-23	8,375,000
Mombasa County	28-Aug-23	10,000,000
Mombasa County	28-Aug-23	10,000,000
Mombasa County	28-Aug-23	10,000,000
Mombasa County	28-Aug-23	10,000,000
Mombasa County	06-Feb-24	100,000,000
Mombasa County	29-Feb-24	150,000,000
Mombasa County	04-Mar-24	50,000,000
Mombasa County	27-Mar-24	50,000,000
Mombasa County	29-May-24	31,765,600
Mombasa County	29-May-24	48,467,000
Total Amount		481,500,100

7. Public Contributions and Donations

7. Public Contributions and Donations		
Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Donation from Development Partners	4,057,667	0
Contributions from the Public		
Total	4,057,667	0

7a.

Payee	Date	Amount
BURHANI COMMUNITY	11-Aug-23	900,000
BURHANI COMMUNITY	11-Aug-23	200,000
BURHANI COMMUNITY	11-Aug-23	900,000
SAUDI ARABIA EMBASSY	14-Mar-24	507,667
AL KHAIR FOUNDATION	18-Mar-24	500,000
MINI BAKERY	19-Mar-24	250,000
BURHANI COMMUNITY	25-Mar-24	500,000
GRAIN BULKY	02-Apr-24	300,000
Total Amount		4,057,667

Mombasa County Elimu Scheme

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8. Bursary Transfers

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Universities	0	0
TVETs and Colleges	0	0
Secondary schools (See Note 8a)	324,955,760	64,845,000
Total	324,955,760	64,845,000

8a. Secondary Schools

Description	Amount
Local Day Schools in Mombasa County	154,315,760
Boarding Schools and Day Outside Mombasa County	170,640,000
Total Amount	324,955,760

9. Scholarships Grants

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Universities	0	0
TVETs and Colleges	0	0
Secondary schools	12,294,324	0
Other (Specify)	0	0
Total	12,294,324	0

10. Mentorship Program

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Mentorship and Kenya Music Festival	68,948,010	0
Facilitators, Teachers, ICT Clerks & Coordinators (See Note 10a)	18,328,981	0
Total	87,276,991	0

10a. Facilitators, Teachers, Casual Clerks, Coordinators and Principals

Description	FY2023/2024
	Kshs
Casual Clerks and Coordinators	4,586,800
Facilitators, Teachers and Principals	13,742,181
Total	18,328,981

Mombasa County Elimu Scheme

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11. Scheme Administration Expenses

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Board Facilitation & Allowances	949,996.00	66,060
Holiday Program Students Allowances	0	3,508,000
Sub County Financial Aid Allowances	1,143,400.00	0
Other Staff Allowances (See Note 11a)	5,101,400.00	0
Holiday Program Teachers, Principal, Facilitators	0	1,120,500
Holiday Program Supervisors Allowances	0	464,500
Lunch & Transport Allowances (Students)	0	2,588,500
Staff Costs	0	2,329,000
Bank Charges		72,976
Total	7,194,796	10,149,536

11a Other Staff Allowances

Description	Amount
Teachers Rewards Allowances	630,700.00
Tender Opening, Evaluation & Inspection Allowances	874,100.00
Bursary and Data Clerks Allowances	3,596,600.00
Total Amount	5,101,400.00

12. General Expenses

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Consumables	92,267	0
Hospitality	1,098,095	75,000
Transport	145,000	0
Printing and Stationery	60,800	50,720
Postage and Courier	46,250	0
Telephone and Communication Expenses	68,555	40,000
Bank Charges	292,545	0
Miscellaneous Charges	9,433	0
Total	1,812,945	165,720

13. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Provision of Services (See Note 13a)	35,053,700	0
Printing of Bursary Forms	5,112,000	0
Printing of Bursary Cheques	4,060,000	0
Printing of Success Cards	2,850,000	0
Printing of Revision Materials	1,496,400	0
Total	48,572,100	0

Mombasa County Elimu Scheme

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13a. Provision of Services

Description	FY2023/2024	
	Kshs	
Event Services		26,633,700
Food Services		8,420,000
Total		35,053,700

14. Cash and Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	4,283,270	832,419
Others (<i>Specify</i>)		
Total Cash and Cash Equivalents	4,283,270	832,419

These funds are committed for paying of Scholarship for Term 3.

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

Financial Institution	Account number	FY2023/2024	FY 2022/2023
		Kshs	Kshs
a) Current Account	1168118506	4,283,270	832,419
KCB Bank			
Sub- Total			
b) Others (Specify)			
Cash In Transit			
Cash In Hand			
Sub- Total			
Grand Total		4,283,270	832,419

15. Non-Exchange Receivables

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Long outstanding receivables	160,986,240	160,286,240
Current Year Receivables	0	2,892,500
Total non-exchange receivables	160,986,240	163,178,740

Financial Year	Final Budget	Received Amount	Variance
2017-2018	137,589,205	40,035,854	97,553,351
2018-2019	164,960,631	101,527,742	63,432,889
Total Amount			160,986,240

Mombasa County Elimu Scheme**Annual Report and Financial Statements for the year ended June 30, 2024****16. Exchange Receivables**

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Interest receivable	0	0
Others (<i>Specify</i>)		
Total exchange receivables	0	0

17. Trade and other payables

Description	FY2023/2024		FY 2022/2023	
	Kshs		Kshs	
Trade Payables			2,192,500	
Other Payables (<i>specify</i>)			0	
Total Trade and Other Payables			2,192,500	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year			2,192,500	100%
1-2 years				
2-3 years				
Over 3 years				
Total (tie to above total)				

18. Cash generated from operations.

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year	3,450,851	1,364,744
Adjusted For:		
Working Capital Adjustments		
Increase In Receivables	0	(2,892,500)
Increase In Payables	0	2,192,500
Net Cash Flow from Operating Activities	3,450,851	664,744

Mombasa County Elimu Scheme

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19. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Scheme 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 Scheme is related to the following entities:

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

b) Related party transactions

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Transfers from related parties	481,500,100	76,525,000
Transfers to related parties		

c) Key management remuneration

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Board of Trustees allowances	949,996	66,060
Total	949,996	66,060

d) Due from related parties

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Due From County Government	160,986,240	163,178,740
Total	160,986,240	160,986,240

e) Due to related parties

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Due to County Government	0	0
Due to Key Management Personnel	0	0
Total	0	0

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20. Contingent assets and contingent liabilities

Contingent Liabilities	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Court Case against the Scheme	0	0
Bank Guarantees	0	0
Total	0	0

21. Financial risk management

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

Other Disclosures Continued

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Non-Exchange Transactions	160,986,240			
Receivables From Exchange Transactions				
Bank Balances	832,419			
Total	161,818,659			
As at 30th June 2024	160,986,240			
Receivables From Non-Exchange Transactions	160,986,240			
Receivables From Exchange Transactions				
Bank Balances	4,283,270			
Total	165,269,510			

Mombasa County Elimu Scheme

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables				
Current Portion of Borrowings				
Provisions				
Total				
As at 30 June 2023				
Trade Payables				
Current Portion of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				

c) Market risk

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

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

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

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

i. Foreign currency risk

The Scheme has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Cash	0	0	0
Debtors/ Receivables	0	0	0
Liabilities			
Trade And Other Payables	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
		Kshs	Kshs
FY2023-2024			
Euro	0%	0	0
USD	0%	0	0
Other (<i>Specify</i>)	0%	0	0
FY2022-2023			
Euro	0%	0	0
USD	0%	0	0
Other (<i>Specify</i>)	0%	0	0

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ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2024: Kshs 130). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2024-1 – Kshs 130).

d) Capital risk management.

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

Description	FY2023-2024	FY2023-2024
	Kshs	Kshs
Accumulated surplus	165,269,510	161,818,659
Total funds	165,269,510	161,818,659
Less: cash and bank balances		
Net debt/ (excess cash and cash equivalents)		
Gearing		

22. Events after the reporting period

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

23. Currency

The financial statements are presented in Kenya Shillings (Kshs)

**Mombasa County Elimu Scheme
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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAGICRIAUDI5/8/2022/2023/18	Scheme Administrator in Acting Capacity Beyond the Stipulated Period	A new Fund Administrator was appointed on 1 st September 2024	Resolved	
OAGICRIAUDI5/8/2022/2023/18	Inequity in Bursary Awards	Management has put in place structures to ensure that students from same institution receive equal bursary allocation.	Resolved	
OAGICRIAUDI5/8/2022/2023/18	Lack of Regulations and Guidelines	Elimu Scheme is working to ensure all regulations and Guidelines are drafted and passed.	Unresolved	FY 2025/26
OAGICRIAUDI5/8/2022/2023/18	Lack of Operational Manuals	Elimu scheme is working to ensure that all necessary operation manuals and policies and drafted and passed	Unresolved	FY 2025/26



Dr. JAMAL A M NOOR, PhD.

Scheme Administrator/Accounting Officer

27th September 2024

Mombasa County Elimu Scheme
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Annex II: Inter-Entity Confirmation Letter

Name of transferring entity: **Mombasa County Treasury**

Name of beneficiary entity: **Mombasa County Elimu Scheme**

ENTITY NAME:		ELIMU SCHEME		
Breakdown of Transfers from the County Executive of Mombasa County Government				
FY 2023-2024				
a.	Recurrent Grants	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amount s relates
	Bursary	05-Jul-23	2,192,500	FY22-23
	Bursary	13-Jul-23	700,000	FY22-23
	Bursary	28-Aug-23	8,375,000	FY23-24
	Bursary	28-Aug-23	10,000,000	FY23-24
	Bursary	28-Aug-23	10,000,000	FY23-24
	Bursary	28-Aug-23	10,000,000	FY23-24
	Bursary	28-Aug-23	10,000,000	FY23-24
	Bursary	06-Feb-24	100,000,000	FY23-24
	Bursary	29-Feb-24	150,000,000	FY23-24
	Bursary	04-Mar-24	50,000,000	FY23-24
	Bursary	27-Mar-24	50,000,000	FY23-24
	Bursary	29-May-24	31,765,600	FY23-24
	Bursary	29-May-24	48,467,000	FY23-24
b.	Development Grants	Bank Statement Date	Amount (Kshs)	
			00	
		Total	000	
c.	Direct Payments	Bank Statement Date	Amount (Kshs)	
			00	
		Total	000	

The above amounts have been communicated to and reconciled with the County Treasury



JOHN MUSUVA.
Ag. SCHEME ADMINISTRATOR
ELIMU SCHEME.



SWALEH MWALIZUMA
CCO FINANCE & INVESTMENT
MOMBASA COUNTY