

REPUBLIC OF KENYA




Enhancing Accountability



REPORT

OF

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	02 DEC 2024
	DAY: MONDAY
TABLED BY:	HTN. NAOMI WAGI, MP DEPUTY MAJORITY WHIP
CLEAR AT THE TABLE:	RITCHER NGENYO

THE AUDITOR-GENERAL

ON

**WASO SECONDARY SCHOOL
FOR THE SIX (6) MONTH'S PERIOD ENDED
30 JUNE, 2021**

ISIOLO COUNTY



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

29 JUL 2024

RECEIVED

**WASO SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR SIX (6) MONTHS PERIOD ENDED
30th June 2021**

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

**WASO SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the Six (6) Months ended 30th June 2021**

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

Waso Secondary School is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Isiolo County, Isiolo Sub-County

The school was registered in 23-10-2013 under registration number PU/S/2/9181/13 and is currently categorized as an Extra county public school established, owned or operated by the Government.

The school is a day school and had 486 students as at 30th June 2021. It has 3 streams and 22 teachers of which 2 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	MOHAMED BORU	Chairman/CEB	19/09/2019
2	HALIMA S. GODANA	Secretary - Principal	19/09/2019
3	ELIPHAS BUNDI	Member	19/09/2019
4	HABIBA LIBAN	Member	19/09/2019
5	FAITH NYEGERA	Member	19/09/2019
6	BETSY MBURUGU	Sponsor	19/09/2019
7	ZEINAB ABDIKADIR	Member	19/09/2019
8	HALAKHE TADICHA	Member	19/09/2019
9	ABDILATIF ABDI	Sponsor	19/09/2019
10	JAMES CHUCHU	Member	19/09/2019
11	DIDA ALI	Member	19/09/2019
12	HUSSEIN ABADO	Member	19/09/2019
13	JOHN OWINO	Member	19/09/2019
14	MERCY DUDI	Member Rep Teachers	19/09/2019
15	SARAH JILLO	Sponsor	19/09/2019
16	PAULINE KOIYA	Member - Community	19/09/2019
17	JOAKIM THUO	MemberSpecial Needs	19/09/2019
18	ABDIRAHMAN MIRITI	Rep Students	19/09/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mohamed Boru	Chairperson	-
		Halima S Godana	Secretary	-
		Hussein Abado	PTA Chair	-
		Halakhe Tadicha	Member	-
		Betsy Mburugu	Member	-
2	Audit Committee	Eliphas Bundi	Member	-
		Pauline Koiya	Member	-
		Zeinab Abdikadir	Member	-
3	Finance, procurement and general purposes Committee	Betsy Mburugu	Member	-
		John Owino	Member	-
		Habiba Liban	Member	-
4	Academic Committee	Mohamed Boru	Member	-
		Joakim Thuo	Member	-
		Halakhe Tadicha	Member	-
5	Development Committee	Mohamed Boru	Chairperson	1 out of 1
		Betsy Mburugu	Member	1 out of 1
		Hussein Abado	Member	1 out of 1
		Habiba Liban	Member	1 out of 1
		Halima S. Godana	Member	1 out of 1
6	Discipline and welfare Committee	Sarah Jillo	Member	-
		Betsy Mburugu	Member	-
		Hussein Abado	Member	-
7	Adhoc Committee (if any during the year)	-	-	-

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number/ ID NO
1	Principal	Halima S Godana	456762
2	Deputy Principal	Adan Badasa	442747
3	School Bursar	Winnie Onywoki	27543943

(e) Schools contacts

Post Office Box: 755-60300
 Telephone: 0743669881
 E-mail: Wasosec2011@gmail.com
 Website: -
 Facebook:
 Twitter:

(f) School Bankers

The school operated 6 bank accounts in the following banks:

1. Name of Bank: Equity
 Branch: Isiolo
 Account Number: 0410295286724-Main Account
2. Name of Bank: Equity
 Branch: Isiolo
 Account Number: 0410278975015-CDF
3. Name of Bank: Equity
 Branch: Isiolo
 Account Number: 0410263297991-Development Account
4. Name of Bank: Consolidated
 Branch: Isiolo
 Account Number: 10111203000045-Tuition
5. Name of Bank: Consolidated
 Branch: Isiolo
 Account Number: 10111203000046-Operation
6. Name of Bank: Consolidated
 Branch: Isiolo
 Account Number: 10111203000189-Infrastructure

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(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

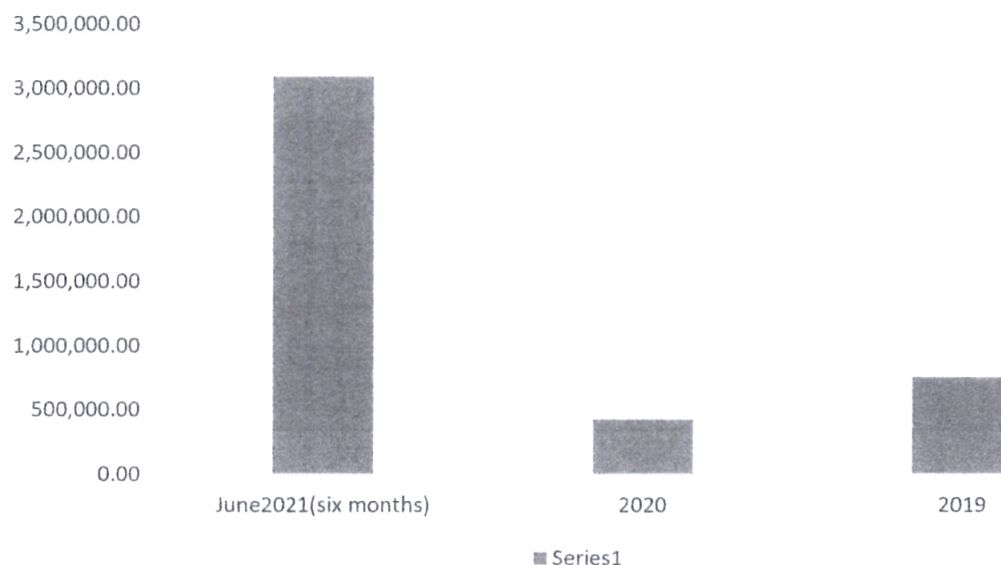
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

- Surplus/ deficit for the year and a comparison of the same for the last three years

	June2021(six months)	2020	2019
SURPLUS/DEFICIT	3,091,180.00	427,069.00	751,764.00
INCREASE/DECREASE	2,664,111.00	(324,695.00)	-

SURPLUS/DEFICIT



- Capitation grants from the Ministry of Education for the last three years

	June2021(six months)	2020	2019
TUITION	653,487.00	792,229.00	1,364,369.00
OPERATION	4,448,074.00	5,049,925.00	6,451,893.00
TOTAL	5,101,561.00	5,842,154.00	7,816,261.00
INCREASE/DECREASE	(740,593.00)	(1,974,107.00)	-

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b) Teacher Student ratio:

The school teacher to student ratio, number of teachers recruited and posted to the school, number of teachers transferred/ retired, number of teachers employed by TSC, and number employed by BOM are as tabulated.

No of student	No of teachers	Ratio	No of teachers recruited and posted	transferred	Retired	Bom	No of teacher employed by TSC
486	22	1:22	1	1	0	2	20

Teachers for each subject in order to indicate shortage/ allocation of resources was as tabulated;-

	ENG	KISW	MATH	BIO	CHEM	PHY	GEO	HIST	IRE	CRE	AGRI	BUS	COM
No.of teacher	4	3	5	3	2	5	3	3	1	3	3	2	1
No of teachers expected	4	3	4	3	3	3	3	2	2	2	2	2	1
Shortage/surplus	-	-	1	-	-1	2	-	1	-1	1	1	-	-

The enrolment of the school has increased which has also increased the CBE. More chemistry and IRE teachers are required

c) Mean score in the 2021 KCSE:

Performance of the school in the last 3 years.

Entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	W	Y	P	U	M.SCORE 2021
97	0	0	0	0	2	6	6	13	19	31	16	3	0	0	0	0	1	3.78

Negative deviation of (0.33)

Entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	W	Y	P	U	M.SCORE 2020
94	0	0	0	0	1	4	12	18	25	20	14	0	0	0	0	0	0	4.11

Positive deviation of 0.59

Entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	W	Y	P	U	M.SCORE 2019
85	0	0	0	2	1	4	4	7	13	27	26	1	0	0	0	0	0	3.52

Positive deviation of 0.26

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d) Number of Candidates in the 2021 KCSE:

Year	No of candidates
2021	97
2020	94
2019	85

e) Capacity of the school:

No of student	Administration block	Class room	kitchen	laboratories	toilet	Dining hall
486	1	11	1	2	13	1

f) Development projects carried out by the school:

Year	Project Carried Out	Funded By	Amount	Status
2021	construction of 1 class room	ministry of education(FDSE)	1,000,000	completed

Name HALIMA-S. GODANA

Sign. [Signature]

School Principal



III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

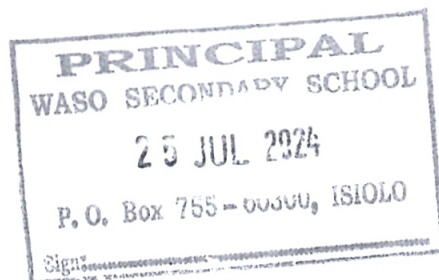
The Board of Management of Waso Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Mohamed B. Ali
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 25/7/2024

Name: HALIMA-S. GODANA
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 25/7/2024

Name: WINNIE DNYWOKI
Designation: Bursar/ Finance Officer
Sign: [Signature]
Date: 25/7/2024



REPUBLIC OF KENYA



Enhancing Accountability

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 WASO SECONDARY SCHOOL FOR THE SIX (6) MONTH'S PERIOD ENDED 30 JUNE, 2021 - ISIOLO COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Waso Secondary School - Isiolo County set out on pages 17 to 35, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments,

Report of the Auditor-General on Waso Secondary School for the six (6) month's period ended 30 June, 2021 - Isiolo County

statement of cash flows and the statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Waso Secondary School - Isiolo County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements revealed variances between amounts reflected in the statement of receipts and payments and amounts in the cashflow statement as detailed below;

Financial Statement Component	Balance as per the statement of receipts and payments (Kshs)	Balance as per the statement of cashflows (Kshs)	Variance (Kshs)
Capitation Grants for Operation	4,448,074	4,633,456	185,382
School Fund Income - Parents Contribution	4,801,032	2,478,500	2,322,532
Payment for Tuition	742,154	555,774	186,380
Payment for Operations	3,514,334	2,666,448	847,886
Boarding and School Fund Payments	2,594,885	2,737,955	143,070

In the circumstances, the accuracy of the respective amounts could not be confirmed.

2. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,688,246 as disclosed in Notes 8 and 9 to the financial statements. Review of cash and bank records revealed that the balance was not supported by ledger, cashbooks and cash survey reports. Further, bank reconciliation statements presented for audit had alterations which were not acknowledged and approved.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.1,688,246 could not be confirmed.

3. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.1,194,570 as disclosed in Note 12 to the financial statements. Included in the payables is prepaid fees amounting to Kshs.145,260 for which no supporting schedule was provided for audit review.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.1,194,570 could not be confirmed.

4. Long Outstanding Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.11,060,545 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.7,744,422 which had been outstanding for more than (2) years.

In the circumstances, the completeness, accuracy and recoverability of the receivables balance of Kshs.11,060,545 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Waso Secondary School 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.9,265,075 against actual receipts of Kshs.9,942,553 resulting in over-funding of Kshs.677,478 or 7 % of the budget. However, the School spent an amount of Kshs.6,851,373 against actual receipts of Kshs.9,942,553, resulting to an under-utilization of Kshs.3,091,180 or 31% of actual receipts.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments of Kshs.2,594,885 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.109,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money for amounts transferred to KESSHA amounting to Kshs.109,000 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.4,448,074 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,909,750 in respect of infrastructure grant which was to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.1,600,000 was transferred to infrastructure account, leaving a balance of Kshs.309,750 as at 30 June, 2021. Contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Excess Supply of Textbooks

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed two thousand, two hundred and eight (2,208) books to the School while only one thousand seven hundred and thirty-six (1,736) books were issued to the students, resulting to an unexplained excess text books of four hundred and seventy-two (472) books in the School store. Further, some books issued in the financial year 2017/2018 were still lying in the store as they were no longer in use.

In the circumstances, value for money on the excess text books could not be confirmed.

4. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

5. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.5,101,561. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the period, NEMIS reflected four hundred and ninety-three (493) students while records from the County Director of Education had five hundred and seven (507) students, resulting to unregistered fourteen (14) students. Management indicated that the students were not registered as a result of lack of birth certificates and cases of over aged students. The under-registration in NEMIS may have resulted to an underfunding of the School by an amount of Kshs.311,416. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 9 January, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.

Report of the Auditor-General on Waso Secondary School for the six (6) month's period ended 30 June, 2021 - Isiolo County

MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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 overall governance were not effective.

Basis for Conclusion

1. Incomplete Assets Register

Review of the fixed assets register revealed that the school owns assets valued at Kshs.32,408,429. However, the register was incomplete as it lacked important details such as date of acquisition. In addition, the assets were not tagged for ease of identification.

In the circumstances, the effectiveness of management control over assets could not be confirmed.

2. Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.32,408,429 in respect of fixed assets which includes land whose ownership documents were not provided for audit.

In the circumstances, the ownership of the land could not be confirmed.

3. Lack of Audit Committee Meetings

During the period under review, the School had constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance

Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. However, no meeting was held during the year to deliberate on the audit reports by the internal audit unit.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the School'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

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

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

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

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


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

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

13 November, 2024

WASO SECONDARY SCHOOL
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V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX (6) MONTHS PERIOD ENDED 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	6 MONTHS ENDED 30 JUNE 2021
		Kshs
RECEIPTS		
Capitation grants for tuition	1	653,487.00
Capitation grants for operations	2	4,448,074.00
School Fund Income- Parents' Contributions	3	4,801,032.00
School Fund Income- Other receipts	4	39,960.00
TOTAL RECEIPTS		9,942,553.00
PAYMENTS		
Payments for Tuition	5	742,154.00
Payments for operations	6	3,514,334.00
Boarding and school fund payments	7	2,594,885.00
TOTAL PAYMENTS		6,851,373.00
SURPLUS/DEFICIT		3,091,180.00

The school financial statements were approved on 25/7/2024 and signed by:

Sign: *[Signature]*
 Name: Muhammad B Ali

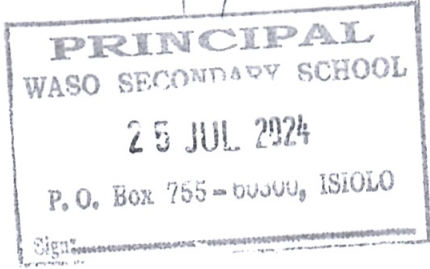
Chair BOM
 Date: 25/7/2024

Sign: *[Signature]*
 Name: HALIMA S. GODWA

School Principal/
 Secretary to BOM
 Date: 25/7/2024

Sign: *[Signature]*
 Name: WINNIE DANJUKI

Bursar/
 Finance Officer
 Date: 25/7/2024



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VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES FOR THE SIX (6) MONTHS PERIOD ENDED 30TH JUNE 2021

	Note	6 MONTHS ENDED 30 JUNE 2021
		Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	8	1,519,587.00
Cash Balances	9	168,659.00
Total Cash and cash equivalent		<u>1,688,246.00</u>
Short term investment	10	-
Account's receivables	11	11,060,545.00
TOTAL FINANCIAL ASSETS		12,748,791.00
FINANCIAL LIABILITIES		
Accounts Payables	12	1,194,570.00
NET FINANCIAL ASSETS		11,554,221.00
REPRESENTED BY		
Accumulated Fund b/fwd	13	8,463,041.00
Surplus/Deficit for the year		3,091,180.00
NET FINANCIAL POSSITION		11,554,221.00

The School's financial statements were approved on 25/7/2024 and signed by:

Name: Mohamed B. Ali
 Chairman, BoM

Sign: [Signature]

Date: 25/7/2024

Name: HALIMA-S. GODAAYA
 School Principal/Secretary
 to BoM

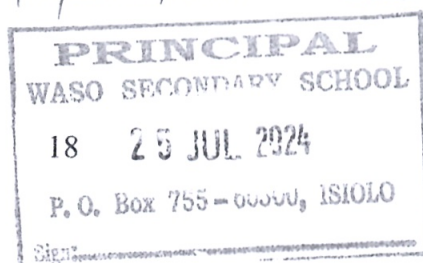
Sign: [Signature]

Date: 25/7/2024

Name: WINNIE DATWOKI
 Bursar/Finance

Sign: [Signature]

Date: 25/7/2024



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VII. STATEMENT OF CASH FLOWS FOR THE SIX (6) MONTHS PERIOD ENDED 30TH JUNE 2021

		6 MONTHS
		Kshs
Receipts for operating income		
Capitation grants for tuition	1	653,487.00
Capitation grants for operations	2	4,633,456.00
School fund income- Parents contributions/ fees	3	2,478,500.00
School fund income- other receipts	4	39,960.00
Total receipts		7,805,403.00
Payments		
Payments for Tuition	5	555,774.00
Payments for operations	6	2,666,448.00
Boarding and school fund payments	7	2,737,955.00
Total payments		5,960,177.00
Net cash flow from operating activities		1,845,226.00
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets		-
Acquisition of Assets	6	(950,000.00)
Proceeds from investments		-
Purchase of investments		-
Net cash flows from Investing Activities		(950,000.00)
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans		-
Repayment of principal borrowings		-
Net cash flow from financing activities		-
NET INCREASE IN CASH AND CASH EQUIVALENTS		895,226.00
Cash and cash equivalent at BEGINNING of the year		793,020.00
Cash and cash equivalent at END of the year		1,688,246.00

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX (6) MONTHS PERIOD ENDED 30TH JUNE 2021.

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	217,960.00	-	217,960.00	-	217,960.00	-
Exercise books	530,000.00	-	530,000.00	323,112.00	206,888.00	61%
Laboratory equipment	125,000.00	-	125,000.00	99,196.00	25,804.00	79%
Internal exams	-	-	-	-	-	-
Teaching / learning materials	-	-	-	31,726.00	(31,726.00)	-
Chalks	27,250.00	-	27,250.00	31,768.00	(4,518.00)	117%
Exams and assessment	158,750.00	-	158,750.00	84,693.00	74,057.00	53%
Teachers guides	-	-	-	82,992.00	(82,992.00)	-
Total	1,058,960.00	-	1,058,960.00	653,487.00	405,473.00	62%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,182,636.00	-	1,182,636.00	1,607,720.00	(425,084.00)	136%
Repairs and maintenance	1,525,000.00	-	1,525,000.00	1,909,750.00	(384,750.00)	125%
Local transport / travelling	510,000.00	-	510,000.00	433,744.00	76,256.00	85%
Electricity and water	179,119.00	-	179,119.00	153,058.00	26,061.00	85%
Medical&insurance	261,995.00	-	261,995.00	-	261,995.00	-
Administration costs	536,525.00	-	536,525.00	343,802.00	192,723.00	64%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	3,740,000.00	-	3,740,000.00	4,840,992.00	(1,100,992.00)	128%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	217,960.00	-	217,960.00	-	217,960.00	-
Exercise books	530,000.00	-	530,000.00	99,200.00	430,800.00	19%
Laboratory equipment	125,000.00	-	125,000.00	370,634.00	(245,634.00)	297%
Internal exams	-	-	-	-	-	-
Teaching / learning materials	-	-	-	42,850.00	(42,850.00)	-
Chalks	27,250.00	-	27,250.00	29,370.00	(2,120.00)	108%
Exams and assessment	158,750.00	-	158,750.00	88,500.00	70,250.00	56%
Teachers guides	-	-	-	111,000.00	(111,000.00)	-
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	600.00	(600.00)	-
Total	1,058,960.00	-	1,058,960.00	742,154.00	316,806.00	70%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,182,636.00	-	1,182,636.00	1,261,050.00	(78,414.00)	107%
Repairs, maintenance & improvements	1,525,000.00	-	1,525,000.00	1,349,330.00	175,670.00	88%
Local transport / travelling	510,000.00	-	510,000.00	300,200.00	209,800.00	57%
Electricity, water and conservancy	179,119.00	-	179,119.00	89,693.00	89,426.00	50%
Medical & insurance	261,995.00	-	261,995.00	2,100.00	259,895.00	1%
Administration costs	536,525.00	-	536,525.00	510,881.00	25,644.00	95%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Activity Expenses	270,840.00	-	270,840.00	-	270,840.00	-
Bank charges	-	-	-	1,080.00	(1,080.00)	-
Gratuity	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
Total	4,466,115.00		4,466,115.00	3,514,334.00	951,781.00	79%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	-	-	-	-	-	-
Repairs, maintenance and improvements	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity, water and conservancy	-	-	-	-	-	-
Medical Expenses	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Lunch programme	3,740,000.00	-	3,740,000.00	2,594,885.00	1,145,115.00	69%
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure for Income Generating Activity	-	-	-	-	-	-
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
TOTALS	3,740,000.00	-	3,740,000.00	2,594,885.00	1,145,115.00	69%

- i) Under teaching and learning materials there was overutilization due to purchase of charts.
- ii) Under laboratory equipment there was overutilization due to the purchase of laboratory equipment and chemicals for the 2021 KCSE candidates
- iii) Under repairs maintenance and improvement there was underutilization since the money was being accumulated for the infrastructure project
- iv) Under lunch programme there was underutilization since the school had not fully received fees from students and this resulted in fees arrears
- v) Due to increase in prices there was overutilization of funds in many voteheads.
- vi) There was underutilization of funds since the government had not released full capitation for the year 2021.

IX. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include fees arrears and b) payables that include payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the school and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school.

3. In-kind contributions

There was in kind contribution of a goat to the school which was valued by the board of management for kshs 7,000 and the student was receipted for the same during this period ending 30th June 2021.

4. Cash and cash equivalents

Cash and cash equivalents of kshs 168,659.00 comprised cash on hand of ksh124,659.00 and cheques from donors amounting to ksh 44,000.00. bank balance amounting to kshs 1,519,587.00 in the six bank accounts maintained and shown in note 8. The savings account was not active.

**WASO SECONDARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	SIX(6)MONTHS PERIOD ENDED 30TH JUNE 2021
	Kshs
Bank balances	792,846.00
Cash balances	174.00
Short Term Investments	-
Receivables	8,805,413.00
Payables	(1,135,392.00)
Total	8,463,041.00

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	SIX(6)MONTHS PERIOD ENDED 30 TH JUNE 2021
	Kshs
Bank loan(s)	-
Outstanding Leases	-
Hire purchase	-
Gratuity and leave provision	-
Total	-

15 Biological assets

Description	Numbers	SIX(6)MONTHS PERIOD ENDED 30 TH JUNE 2021
		Kshs
Cattle		-
Goats		-
Trees		-
Coffee or tea plantation		-
Poultry		-
Total		-

*The schools biological assets have not been valued.

16 Borrowings

Description	SIX(6)MONTHS PERIOD ENDED 30 TH JUNE 2021
	KShs
a) Borrowings	
Borrowing at beginning of the year	-
Borrowings during the year	-
Repayments of during the year	-
Balance at end of the year	-

17 Stock/ Inventory

Description	SIX(6)MONTHS PERIOD ENDED 30 TH JUNE 2021
	KShs
Foodstuffs	67,318.00
Lab consumables	19,990.00
Stationeries	41,100.00
Total	128,408.00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Waso General Construction Co Ltd	1,000,000.00	07/01/2021	950,000.00	50,000.00		Retention money to be paid after 6 months
2.						
3.						
Sub-Total	1,000,000.00		950,000.00	50,000.00		
Supply of goods						
4. Compliant inland business	30,000.00	26/01/2021	-	30,000.00		
5. Nuru milk supply	71,990.00	01/03/2021	-	71,990.00		
6. Pemp services	81,000.00	12/03/2021	-	81,000.00		
7. Aspet school supplies ltd	287,450.00	12/03/2021	-	287,450.00		
8. Amki enterprise store	220,860.00	25/03/2021	-	220,860.00		
9. Najwa shop	74,500.00	22/05/2021	-	74,500.00		
10. The copy cat ltd	44,080.00	28/05/2021	-	44,080.00		
11. Grade booster education agency	124,000.00	16/06/2021	-	124,000.00		
12. The mesprize enterprises	65,430.00	29/06/2021	-	65,430.00		
Sub-Total	999,310.00			999,310.00		
Supply of services						
Sub-Total						
Grand Total	1,999,310.00		950,000.00	1,049,310.00		

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STEEL FORMS	4	2018	30,000.00
WHEELBARROW	2	2018	7,000.00
STUDENT CHAIRS AND LOCKERS	30	2018	105,000.00
STUDENT CHAIRS AND LOCKERS	60	2018	210,000.00
STUDENT CHAIRS AND LOCKERS	40	2012	128,000.00
WHEELBARROW	3	2018	10,500.00
MIXER/AMPLIFIER	1	2017	27,500.00
PIANO	1	2017	26,500.00
WHITEBOARD PLAIN	2	2017	45,000.00
WHITEBOARD GRID	1	2017	16,000.00
WHITEBOARD	4	2021	72,000.00
WHITEBOARD	3	2022	60,000.00
GRID /GRAPH BOARD	3	2022	51,000.00
DEEPWELL HANDPUMP	1	2016	95,000.00
PEDEROLLO PUMP	1	2021	6,500.00
LABORATORY STOOLS	30	2016	51,000.00
LABORATORY STOOLS	20	2016	32,000.00
VISITORS CHAIRS	2	2016	43,500.00
TEA-URN	1	2021	10,120.00
FLAG POST	1	2012	7,500.00
TOTAL			32,408,429.00