

REPUBLIC OF KENYA




Enhancing Accountability



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REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 JUN 2025	DAY. Wednesday
TABLED BY:	Hon. Naomi Wago, MP Deputy Majority Whip
CLERK-AT THE-TABLE:	Irene Nduku

OF

THE AUDITOR-GENERAL

ON

WAYAM SECONDARY SCHOOL

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

MANDERA COUNTY



WAYAM SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary School

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Mandera County, Banisa Sub-County.

The school was registered in 2007 under registration number 9s-3000-0027 and is currently categorized as an Extra county public school established, owned or operated by the Government.

The school is a boarding school and had 1,105 number of students as at 30th June 2024. It has 4 streams and 16 teachers of which 11 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	Ismail maalim issack	Chairman	14.10.22
2	Abdinasir ahmed adan	Secretary - Principal	1.9.2023
3	Ibrahim issack kala	Member	14.10.22
4	Mariam maalim hussein	Member	14.10.22
5	Naima ali ahmed	Member	14.10.22
6	Hassan m.hillow	Member	14.10.22
7	Ibrahim ali hassan	Member	14.1.22
8	Mohamed yussuf alio	Member Rep Teachers	14.10.22
9	Nadhifa hassan ali	3 Members - Sponsor	14.10.22
10	Isaack enow adan	Member rep teachers	14.10.22
11	Ibrahim ali shek	MemberSpecial Needs	14.10.22
12	Sadai abdullah kero	Rep Students	14.10.22
13	Hassan mohamud abdullahi	Member	14.10.22

The functions of the School Board of Management are to:

- 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	Ismail maalim ABDINASIR A.ADAN	Principal	3 out 4
2	Audit Committee	Issack A. abdulla Issak enow adan	member Teachers rep	2 out of 3
3	Finance,procurement and general purposes Committee	Hassan mohamed Ibrahim ali hassan	Member member	2 out of 2
4	Academic Committee	Mohamed yussuf alio Mariam m. hussein	Member Member	2 out of 2
5	Development Committee	Ibrahim issack kala	member	2 OUT 2
6	Discipline and welfare Committee	Ibrahim issak kala Ismail maalim issak	Member chairman	1 OUT OF 1

7	Adhoc Committee (if any during the year)	Ismail maalim issak	chairman	2 OUT OF 2
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(d) School operation Management

For the financial year ended 30th June 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	ABDIASIR A. ADAN	477045
2	Deputy Principal	Issack enow adan	799007
3	School Bursar	Issak mohamed alio	34173280
4	Other (specify)		

(e) Schools contacts

Post Office Box: 256-70300
 Telephone: 0721857076
 E-mail: wayamsecondary2007@gmail.com
 Website: -----
 Facebook: wayam secondary
 Twitter: -----
 Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank:

1. tuition account. 1103979256
2. operation account. 1103979434
3. main account. 1103978349
4. infrastructure. 1212634438

Branch . MANDERA
 Postal Address. 256-70300

(g) Independent Auditors

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

3. 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**
- b) **Teacher Student ratio:**
- c) 55 PER STUDENT
- d) **Mean score in the 2021,2022,2023 KCSE:**
- e) . **2021(6.65) c+** (172 student sat for exams
- f) **2022(7.791) B-**(201 student sat for exams
- g) **2023(7.07) C+** (202 student sat for exams
- h) **2024(7.63)B-** 225 student sat for exams

i) Number of Candidates in the 2023 KCSE:

Capacity of the school:

- 2020 771 ENROLMENT
- 2021 882 ENROLMENT
- 2022 895 ENROLMENT
- 2023 900 ENROLMENT
- 2024 1,105 enrolment

j) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
3 Classroom	World bank	Not complete	-	-	complete
1 science lab	World bank	Not complete	-	-	complete

500 chambers and chairs	Ministry of education (RMI)	complete	2,500,000	2,500,000	complete
1 Library	CDF	complete	1,500,000	1,500,000	complete
10 toilets	Ministry of education (RMI)	Complete	1,200,000	1,200,000	complete

PRINCIPAL
WAYAM SECONDARY SCHOOL
P. O. BOX 256 - 70300, MANDERA
Date:

School Principal

4. 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 (PSASB) 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 *WAYAM 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, 2023, and of the school's financial position as at that date.

ISMAIL MAALIM ISSAK

.....

Name:

Designation: Chairman, School Board of Management

Date:

ABDINASIR A. ADAN

.....

Name:

Designation: School Principal & Secretary to Board of Management

Date:

ISSAK MOHAMED ALIO

.....

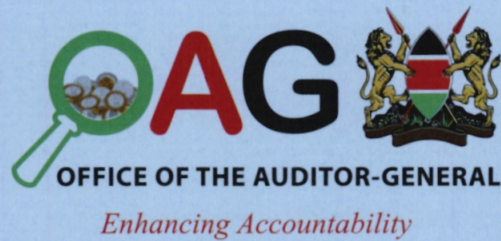
Name:

Designation: Bursar/ Finance Officer

Date:

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 WAYAM SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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 Wayam Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities as at

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

In my opinion, except for the effect of the 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 Wayam Secondary School 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 (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs.20,459,350 as disclosed in Note 13 to the financial statements. However, the balance was outstanding for more than one (1) year and includes amounts owed by students who had completed school. Further, the amount was not supported by ledgers detailing the movement of receivable balances, including additions, collections and outstanding amounts.

In the circumstances, the accuracy and recoverability of accounts receivable balance of Kshs.20,459,350 could not be confirmed.

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

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. Except for the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report

Other Information

The Management is responsible for the other information set out on page iii to ix which comprise of Key Entity Information and Management, Summary Report of Performance of the School and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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 THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements for the financial year ended 30 June, 2024 were submitted to the Auditor-General on 24 March, 2025, instead of the statutory deadline of 30 September, 2024. This was contrary to Section 81(4) (a) of the Public Finance Management Act, 2012 which requires the Accounting Officer to prepare and submit financial statements to the Auditor-General not later than three (3) months after the end of the financial year.

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

2. Discrepancies in the School Register and NEMIS

The National Education Management Information System (NEMIS) reflected student population of nine hundred and seventy-eight (978), nine hundred and seventy-four (974), and one thousand and twenty-nine (1,029) for the September, January and May school terms, respectively, with a total capitation received of Kshs.14,289,655. However, review of the School's physical register revealed a student population of one thousand and thirteen (1,013) for September and one thousand one hundred and six (1,106) for January and May, with an expected capitation of Kshs.15,718,196, resulting in an unexplained variance of thirty-five (35), one hundred and thirty-two (132) and seventy-seven (77) students, respectively. Based on the approved capitation rate per student, the School did not receive an amount of Kshs.1,431,542 due to discrepancies in student enrollment data

between the school register and NEMIS. No explanation was provided for the inconsistency between the two sets of records.

In the circumstances, under-funding of the school may have negatively affected the operations of the school.

3. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.11,846,318 during the year under review. Out of this, Kshs.3,862,300 was supposed to be transferred to the infrastructure account. However, only Kshs.3,529,000 was transferred, resulting in a variance of Kshs.333,300 as tabulated below:

Operations Capitation Received (Kshs.)	Date credited to operation account	Total infrastructure funds (Kshs.)	Actual amount transferred to infrastructure bank account (Kshs.)	Date Transferred	Variance (Kshs.)
1,961,545	21-Sep-23	782,400	700,000	30-Sep-23	82,400
6,381,336	27-Mar-24	1,948,000	1,800,000	3-May-24	148,000
3,503,436	21-Jun-24	1,131,900	1,029,000	25-Jun-24	102,900
11,846,318		3,862,300	3,529,000		333,300

This is contrary to 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 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 Ministry of Education Circular.

4. Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)

The statement of receipts and payments reflects payments of Kshs.8,981,250 in respect of operations, as disclosed in Note 7 to the financial statements. Included in this amount is Kshs.67,000 for co-curricular funds, which was transferred to the Kenya Secondary School Heads Association, a private entity that is not subject to the Public Finance Management Act, 2012 or any other public finance regulations. This was contrary to Regulation 43(d) of the Public Finance Management (National Government) Regulations, 2015 which provides that an accounting officer shall manage control and ensure that policies are carried out efficiently and wastage of public funds is eliminated.

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

5. Use of Cash to Procure Goods, Works and Services

The School spent an amount of Kshs.555,000 on purchase of goods and services in cash instead of procuring using other prescribed methods. This was contrary to the procedure for low value procurement. Further, there was no evidence that the goods procured were taken on charge by the person responsible for the stores.

Regulation 92 of the Public Procurement and Asset Disposal Regulations, 2020 provides that a procuring entity may use low value procurement method where the estimated cost of the goods, works or services being procured per item per financial year is as per the threshold matrix in the Second Schedule.

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

6. Tenure and Qualification of the Board of Management

Review of the Board of Management records revealed that seven (7) members of the Board of Management (BOM) served for more than two (2) terms. In addition, the Board Chairperson did not meet the minimum qualification criteria, which require the chairperson to hold a degree from a recognized university. This was contrary to Regulation 39(2) and Regulation 6(b) of the Basic Education Regulations, 2015 which states that a Board of Management appointed under these regulations shall serve for a term of three (3) years, renewable for one (1) further term. Further, Regulation 6(b) provides that the minimum qualification for the chairperson and members of Boards of Management, in the case of a secondary school, is a degree from a university recognized in Kenya.

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 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 effects of 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 governance were not effective.

Basis for Conclusion

1. Weaknesses in the Management of Textbooks

During the year under review, the School did not maintain a textbook management system to track textbooks received from publishers through the Ministry of Education, as well as those issued, returned, lost or defaced by year-end. In addition, a total of one thousand and seventy (1,070) textbooks were received for Form 1 and 4 students, while no books were received for Form 2 and 3. This resulted in an uneven distribution of learning materials across the classes.

In the circumstances, the effectiveness of textbook management could not be confirmed.

2. Failure to Establish an Internal Audit Unit

During the year under review, the School did not have an internal audit function in place to carry out risk assessment processes and evaluate operational effectiveness through in-depth reviews of Management operations and internal controls in the school. This was contrary to the requirement of Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of internal controls in the School could not be confirmed.

3. Lack of An Audit Committee

The School did not have an audit committee in place to oversee the development, performance and effectiveness of internal control over financial reporting, performance reporting and compliance with laws and regulations. This was contrary to the requirement of Section 73(5) of the Public Finance Management Act, 2012 which states that every National Government entity shall establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.

In the circumstances, the existence of effectiveness of governance structure in the School 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 the Management and Board of Management

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School'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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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

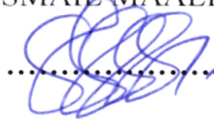
7 May, 2025

6. Statement Of Receipts and Payments For the Year Ended 30th June 2024

Description Of Vote Head	Note	2023 - 2024	2022 - 2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,440,337	2,334,826
Government grants for operations	2	8,069,418	6,922,418
Government Grants for infrastructure	3	3,779,900	4,204,000
School fund income- parents' contributions	4	12,348,096	20,556,406
Miscellaneous incomes	5		
Total Receipts		26,637,751	34,017,650
Payments			
Tuition	6	2,240,416	2,361,944
Operations	7	8,319,882	4,763,098
Infrastructure	8	4,431,998	1,054,647
Boarding and school fund	9	14,141,103	19,544,811
Total Payments		29,133,399	27,724,500
Surplus/Deficit		(2,495,648)	6,293,150

The school financial statements were approved on 30TH June 2024 and signed by:

ISMAIL MAALIM ISSAK



Name:

Chair BOM

Date:

ABDINASIR A. ADAN



PRINCIPAL
WAYAM SECONDARY SCHOOL
P.O. Box 256, 70300, MANDERA

Name:

School Principal/ Secretary to
BOM

Date:

ISSAK MOHAMED ALIO



Name:

Bursar/ Finance Officer

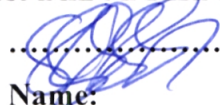
Date:

7. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023 - 2024	2022 - 2023
		Kshs.	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,224,652	4,720,300
Cash balances	11	-	-
Short term investments	12	-	-
Total cash and cash equivalent		2,224,652	4,720,300
Account's receivables	13	20,459,350	23,588,971
Total financial assets		22,684,002	28,309,271
Financial liabilities			
Accounts payables	14	3,300,000	6,429,621
		19,384,002	21,879,650
Net financial assets			
Represented by			
Accumulated fund b/fwd	15	21,879,650	15,586,500.25
Surplus/deficit for the year		(2,495,648)	6,293,150.00
Net financial position		19,384,002	21,879,650

The school's financial statements were approved on _30TH ___JUNE 2024 and signed by:

ISMAIL MAALIM ISSAK



Name:

Chair BOM

Date:

ABDINASIR A. ADAN


PRINCIPAL
 WAYAM SECONDARY SCHOOL
 P.O. Box 256 - 70300 MANDERA

Name:

Date:

School Principal/ Secretary to

BOM

Date:

ISSAK MOHAMED ALIO



Name:

Bursar/ Finance Officer

Date:

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

Description	Note	2023 - 2024	2022 - 2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,440,337	2,334,826
Government grants for operations		8,069,418	6,922,418
Government grants for infrastructure		3,779,900	4,204,000
School fund income- parents contributions/ fees		12,348,096	20,556,406
Other income			
Total receipts		26,637,751	34,017,650
Payments			
Cash outflows for tuition		2,240,416	2,361,944
Cash outflows for operations		8,319,812	5,817,745
Cash outflows Boarding/lunch and school fund payments		14,141,103	19,544,811
Total payments		24,701,401	27,724,500
Net cash inflow/outflow from operating activities		1,936,350	6,293,150
Cash flow from investing activities			
Acquisition of assets		(4,431,998)	(3,239,932)
Proceeds from sale of Assets			
Proceeds from investments		-	-
Purchase of investments		(4,431,998)	(3,239,932)
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(2,495,648)	3,053,218
Cash and cash equivalent at beginning of the FY		4,720,300	1,667,082
Cash and cash equivalent at end of the FY		2,224,652	4,720,300

The school's financial statements were approved on _30TH JUNE 2024 and signed by:

ISMAIL MAALIM ISSAK

.....
Name: 

Chair BOM

Date:


ABDINASIR AL ADAN

.....
Name: 

School Principal/ Secretary
to BOM

Date:

ISSAK MOHAMED ALIO

.....
Name: 

Bursar/ Finance Officer

Date:

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books	300,000.00		300,000.00	250,000.00	83%
Laboratory Equipment	480,000.00		480,000.00	452,573.20	94%
Internal Exams	170,000.00		170,000.00	165,000.00	97%
Teaching / Learning Materials	1,700,000.00		1,700,000.00	1,572,763.60	93%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	3,500,000.00		3,500,000.00	3,392,000.00	97%
Repairs And Maintenance					
Local Transport / Travelling	125,000.00		125,000.00	121,545.25	97%
Electricity And Water	2,700,000.00		2,700,000.00	2,588,000.00	96%
Administration Costs	2,500,000.00	(400,000.00)	2,100,000.00	1,967,872.60	94%
Activity					
Gratuity					
<i>3) FDSE for infrastructure</i>					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Maintenance & Improvement MoE	3,800,000.00		3,800,000.00	3,779,900.00	99%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	240,000.00	20,000.00	260,000.00	252,615.00	97%
Repairs And Maintenance	240,000.00		240,000.00	237,154.00	99%
Local Transport / Travelling	240,000.00		240,000.00	237,154.00	99%
Electricity And Water	1,300,000.00		1,300,000.00	1,233,738.00	95%
Medical			-		
Administration Costs	260,000.00		260,000.00	252,613.00	97%
Activity	240,000.00		240,000.00	237,154.00	99%
SMASSE			-		
Fee On Boarding Equipment and Stores	10,000,000.00		10,000,000.00	9,897,668.00	99%
5) Miscellenous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	e=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	27,795,000.00	(380,000.00)	27,415,000.00	26,637,750.65	97%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise books	300,000.00	(40,000.00)	260,000.00	250,000.00	96%
Laboratory equipment	480,000.00		480,000.00	430,000.00	90%
Internal exams	170,000.00		170,000.00	165,000.00	
Teaching / learning materials	1,700,000.00		1,700,000.00	1,688,540.00	99%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges	7,000.00		7,000.00	6,875.75	98%
(7) Expenditure For Operations					
Personal Emoluments	3,500,000.00	950,000.00	4,450,000.00	4,449,000.00	100%
Service Gratuity			-	-	
Administration Cost	2,500,000.00	(1,800,000.00)	700,000.00	687,575.00	98%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Repairs and maintenance & improvements					
Local transport / travelling	125,000.00	170,000.00	295,000.00	293,425.00	99%
Electricity and water	2,500,000.00	300,000.00	2,800,000.00	2,784,000.00	99%
Activity Expenses	90,000.00		90,000.00	86,000.00	96%
Gratuity					
Bank charges	30,000.00		30,000.00	29,879.75	100%
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms					
Construction of LAB	3,800,000.00	900,000.00	4,700,000.00	4,422,000.00	94%
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	240,000.00	(160,000.00)	80,000.00	80,000.00	100%
Repairs, Maintenance and Improvements	240,000.00	750,000.00	990,000.00	915,000.00	92%
Local Transport / Travelling	240,000.00	(140,000.00)	100,000.00	90,000.00	90%
Electricity, Water and Conservancy	240,000.00	330,000.00	570,000.00	560,000.00	98%
Medical Expenses					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs					
Activity	240,000.00	(20,000.00)	220,000.00	200,000.00	91%
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	10,000,000.00	2,600,000.00	12,600,000.00	12,580,000.00	100%
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges	18,000.00	(1,800.00)	16,200.00	16,103.25	99%
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals	26,420,000.00	3,838,200.00	30,258,200.00	29,733,398.75	98%

10. 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 school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

11. Notes To The Financial Statements**1 Government Grants for Tuition**

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	250,000	1,227,056
Laboratory Equipment	452,573	827,124
Internal Exams	165,000	140,325
Teaching / Learning Materials	1,572,764	140,321
Others (specify)*	-	-
Total	2,440,337	2,334,826

2 Government Grants for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	3,392,000.00	2,189,934.00
Repairs And Maintenance	-	3,383,998.00
Local Transport / Travelling	121,545.25	134,848.00
Electricity And Water	2,588,000.00	1,011,363.00
INFRASTRUCTURE	-	-
Administration Costs	1,967,872.60	202,275.00
Activity	-	-
Other Vote Heads (specify)*	-	-
Total	8,069,417.85	6,922,418.00

3 Government Grants for infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance & Improvement	3,779,900.00	4,204,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.		

Description	2022/2023	2021/2022
	Kshs	Kshs
Total	3,779,900.00	4,204,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Personnel emoluments	252,615.00	919,887.00
Repairs and maintenance	237,154.00	670,494.00
Local transport / travelling	237,154.00	798,690.00
Electricity and water	1,233,738.00	2,670,737.00
Busarries		
Administration costs	252,613.00	467,990.00
Activity	237,154.00	265,883.00
Fee on Boarding Equipment and stores	9,897,668.00	14,762,725.00
PA Levies*		
Others (specify)		
Total	12,348,096.00	20,556,406.00

5 Miscellaneous Incomes

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Rent Income		-
Income From Farming Activities		-
Insurance Compensation		-
Income From Posho Mill		-
Income From Bus Hire		-
Fee For Hire of Ground and Equipment		-
Income From Grants and Donations*		-
Interest Income		-
Dividends Income		-
Loans/Borrowings*		-
Other Income (specify)*		-
Total		-

Notes to the Financial Statements (continued)

6 Tuition

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Exercise Books	250,000.00	760,000.00
Textbooks	-	-
Reference materials	-	-
Laboratory equipment	430,000.00	822,750.00
Internal exams	165,000.00	193,500.00
Teaching / learning materials	1,388,540.00	580,000.00
Teachers Guides		-
Bank Charges	6,875.75	5,694.00
Total	2,240,415.75	2,361,944.00

7 Operations

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Personnel Emoluments	4,449,000.00	3,079,000.00
Service Gratuity	-	-
Administration Cost	687,575.00	146,000.00
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	293,425.00	312,000.00
Electricity And Water	2,784,000.00	1,220,945.00
Medical	-	-
Activity Expenses	86,000.00	-
Insurance Cost		-
BANK Charges	19,881.50	5,153.00
Total	8,319,881.50	4,763,098.00

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Construction of		-
Repair of classrooms	700,000	
Repair of Dormitory	1,800,000	
Construction of laboratory		-
Construction of dormitory-Repair		-
Purchase of furniture		-
Purchase of equipment		-
Purchase of apparatus		-
Others (Underground water tank,twin toilet& Bathroom)	1,922,000	1,054,647.00
Bank charges	9,998.25	-
Total	4,431,998.25	1,054,647.00

9 Boarding And School Fund

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Activity	200,000.00	112,600.00
Posho mill	-	
Bus hire	-	
caution Money	-	
Personnel emoluments	80,000.00	241,000.00
Service Gratuity	-	-
Repairs and maintenance & Improvements	915,000.00	654,440.00
Local transport / travelling	90,000.00	272,000.00
Electricity and water	560,000.00	1,579,741.00
Medical Expenses		
Administration costs		418,000.00
Lunch Programme	-	-
Bank Charges	16,103.25	6,012.00
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores	12,280,000.00	16,261,018.00

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Rent Expenses		-
Insurance Cost (Life Property)		-
Total	14,141,103.25	19,544,811.00

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023 - 2024	2022 - 2023
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE	1103979256	203,613.30	3,692.25
Operations Account	ACTIVE	1103979434	974,644.75	1,974,208.40
School Fund Account/Boarding	ACTIVE	1103978349	11,868.15	1,804,875.40
Savings Account				-
Parent Association Development Account				-
Income Generating Activities Account				-
Infrastructural Account	ACTIVE	1212634438	1,034,525.95	937,524.20
Total			2,224,652.15	4,720,300.25

11 Cash In Hand

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Notes and Coins	-	-
Total	-	-

12 Short Term Investments

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Cooperative Shares		-
Treasury Bills		-
Fixed Deposit accounts		-
Other Investments		-
Total		-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Fees Arrears	20,459,350	23,588,971.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		-
Imprest (list/schedule attached)		-
Rent arrears (list/schedule attached)		-
Total	20,459,350	23,588,971.00

13 b Ageing Analysis of Accounts Receivable

Description	2023 - 2024		2022 - 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	0%	4,710,787.00	20%
Between 1- 2 years	1,581,166	20%	5,001,213.00	21%
Between 2-3 years	18,878,184.00	80%	13,876,971.00	59%
Over 3 years				
Total (should tie to note 13 a)	20,459,350	100%	23,588,971.00	100%

14 Accounts Payable

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,300,000	6,429,621.00
Prepaid Fees		-
Retention Monies		-
Unpaid salaries and statutory deductions		-
Caution money		-
Other payables (<i>specify</i>)		-
Total	3,300,000	6,429,621.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2023 - 2024		2022 - 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	300,000	9%	1,638,708.00	25%
Between 1- 2 years	1,209,087	23%	1,000,350.00	16%
Between 2-3 years	1,790,913	68%	3,790,563.00	59%
Over 3 years				
Total (should tie to note 14)	3,300,000		6,429,621.00	

15 Fund Balance Brought Forward

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Bank Balances	4,720,300.25	1,667,082.25
Cash Balances	-	-
Short Term Investments		
Receivables	20,459,350	18,817,471.00
Payables	3,300,000	4,898,053.00
Total	21,879,600	15,586,500.25

Other important disclosure notes

IPSAS Cash Standard 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.

16 Non-current Liabilities Summary

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Bank Loans		-
Outstanding Leases		-
Hire Purchase		-
Gratuity And Leave Provision		-
Others (specify)		-
Total		-

17 Biological assets

Description	Numbers	2022/2023	2021/2022
		Kshs	Kshs
Cattle			-
Goats			-
Trees			-
Coffee Or Tea Plantation			-
Poultry			-
Others (specify)			-
Total			-

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year		-
Borrowings during the year		-
Repayments during the year		-
Balance at the end of the year		-

Other important disclosure notes

19 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	500,000	270,000
Lab consumables	700,000	200,000
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
TOTAL	1,200,000	470,000

20 Progress On Follow Up Of Auditor Recommendations

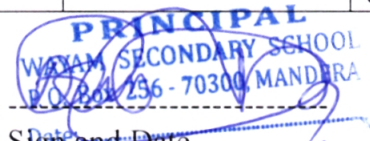
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies of school income	Student list provided	Not resolved	
2	Unsupported expenditure	Decoment provided	Not resolved	
3	Long outstanding account recievables	Measures put in place to collect through board of management	Not resolved	
4	Budgetary control and performance	The management will provide proper budgeting	Not resolved	
5	Late submission of financial statement	Management will ensure compliance with laws and regulation ,financial statement will be sent on time	Not resolved	
6	Failure to reconcile student enrolment data	The managemnt will ensure all student will be captured in to nemis system .	Not resolved	
7	Failure to prepare the school improvement plan	The management will provide prover school improvement plan	Not resolved	
8	Non compliance with the public sector accounting standard	The management will adopt the correct format of financial reporting as stupulated in PSASB	Not resolved	
9	Unapproved fee structure	The management will provide accurate fee structure	Not resolved	
10	Long outstanding account payables	A detailed and upto date ledger shall be maintained by the school,l	Not resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
11	Failure to establish board of management committee and other internal controls structure	The management will adhere to the basic education regulatory 2015 in its composition of board of management	Not resolved	
12	Lack of fixed assets register	Assest register will be maintained and kept upto date	Not resolved	


PRINCIPAL
WAYAM SECONDARY SCHOOL
P.O. Box 236 - 70300 MANDERA

Sign and Date
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land	20,000,000	0	0	20,000,000
Buildings And Structures	60,380,000	2,500,000	0	62,880,000
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

(The school should ensure that a detailed fixed assets register is maintained).