REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 JUN 2026 | DAY. Thursday

TABLED BY: Hon. Samuel Chep Kong'a (on behalf of Leader of Majority)

CLERK-AT THE-TABLE: Lomale

REPORT

OF

PARLIAMENT OF KENYA LIBRARY

THE AUDITOR-GENERAL

ON

SENIOR CHIEF ADANO GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

WAJIR COUNTY

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE
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Senior Chief Adano Girls Secondary School
Girls Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

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

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Table of Contents Page

1. Acronyms and Definition of Key Terms

A. Acronyms.

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 Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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 located in Wajir County, Wajir East Sub-County

The school was registered in 7/4/2021 under registration number 08/S/3000/31/018 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 90 students as at 30thJune 2022.It has double streams and 16teachers of which 10 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	Hassan Osman	Chairman	30/8/2021
2	Ismail Abdirashid	Secretary - Principal	30/8/2021
3	Ambia Osman	Member	30/8/2021
4	Hussein Hassan	Member	30/8/2021
5	Suldana Omar	Member	30/8/2021
6	Abdi Osman	Member	30/8/2021
7	Sahara Hassan	Member	30/8/2021
8	Marian Osman	Member – Rep CEB	30/8/2021
9	Hussein Hassan	Member Rep Teachers	30/8/2021
10		3 Members - Sponsor	30/8/2021
11		Member - Community	30/8/2021
12	Hussein Hassan	Member Special Needs	30/8/2021
13	Roney Ibrahim	Rep Students	30/8/2021

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, of 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	1. Ismail Abdirashid	Secretary	4 out of 4
2	Audit Committee	1.Alinur Ibrahim 2. Mohamed Nur 3. Osman Fankey 4. Abdia Adan	1. Member 2. Secretary 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4
3	Finance,procurement and general purposes Committee	1.Hussein Hassan 2. Dr. Adankhalif Adan 3. Ambia Osman 4. Hassan Osman	1. Chairman 2. D. Chairman 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4
4	Academic Committee	1.Ambia Osman 2. Sahara Hassan 3. Abdi Osman 4. Suldan Omar	1. Chairman 2. Secretary 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4
5	Discipline and welfare Committee	1.Osman Fankey 2.Abdi Osman 3.Suldan Omar 4. Suldan Omar	1.Member 2. Secretary 3. Member 4. Member	1. 4 out of 4 2. 4 out of 4 3. 4 out of 4 4. 4 out of 4

(d) School operation Management

For the financial year ended 30th June, 2023 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Ismail Abdirashid	TSC NO. 598382
2	Deputy Principal	Marian Osman	TSC NO. 766155
3	School Bursar		ICPAK No.

(e) Schools contacts

Post Office Box: 222-70200
Telephone: 0728263520
E-mail:
Website:
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: KCB Bank
Branch: Wajir
Postal Address.

(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**:

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

Years	Surplus/Deficit
2021-2022	22,416

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

Years	*Tuition*	*Operation*	*Infrastructure*
2021-2022	*115,228*	*389,085*	*2,397,500*

- A three-year overview of growth of other income(s) earned by the school.

Years	*Fees Collection*
2021-2022	*953,500*

- A three-year overview of growth in expenditure of the school

Years	*AMOUNT*
2021-2022	*3,842,897*

- Movement of debtors and creditors of the school over the last three years

Years	*Receivables*	*Payables*
2021-2022	*177,000*	*300,000*

-

b) Teacher Student ratio:

Years	*No of TSC Teachers*	*No of BOM Teachers*	*No of Student*
2022	*4*	*5*	*90*

c) The mean score in the 2022 KCSE:

Years	*Mean Score*
2022	*KCSE not done*

d) Number of Candidates in the 2022 KCSE:

Year	*Entry*
2022	*Not done*

e) The capacity of the school:

s/no		*permanent &completed*	*numbers of student*
1	*Toilet*	*8*	*377*
2	*Laboratory*	*1*	*377*
3	*Library*	*0*	*377*
4	*Administration Block*	*1*	*377*
5	*Kitchen*	*Temporary 1*	*377*
6	*Wells*	*2*	*377*
7	*Classes*	*5*	*377*

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
One Classroms	Ministry of Education	completed			completed
2 Toilets	Ministry of Education	completed			completed
145 Lockers	Ministry of Education	completed			completed
Twin Toilet with Septic	NGCDF-Wajir East	completed			completed
School Fence	NGCDF-Wajir East	completed			completed
Two classrooms	NGCDF-Wajir East	completed			completed

PRINCIPAL
SENIOR CHIEF ADANO GIRLS
DAY SEC. SCHOOL
P. O. BOX 222-70200 WAJIR
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 keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of Senior Chief Adano Girls 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, 2022, and of the school's financial position as at that date.

HASSAN OSMAN AHMED
....

Name:

Designation: Chairman, School Board of Management

Date:

PRINCIPAL
SENIOR CHIEF ADANO GIR
DAY SEC. SCHOOL
P. O. BOX 222-70200 WAJI
Date:..................

....

Name: ISMAIL ABDIRAHMAN

Designation: School Principal & Secretary to Board of Management

Date:

....

Name: NURIA MOHAMED

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON SENIOR CHIEF ADANO GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - WAJIR COUNTY

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; and,

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 Senior Chief Adano Girls Secondary School set out on pages 1 to 15, which comprise of the statement of assets and liabilities as at 30 June, 2022 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Senior Chief Adano Girls Secondary School as at 30 June, 2022 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

Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of cash flows reflects total actual payments of Kshs.3,842,897. However, the statement of budgeted versus actual amounts reflects total actual payments of Kshs.3,863,834, resulting in variances of Kshs.20,937.

In the circumstances, the accuracy of the amounts reflected in the statement of budgeted versus actual amounts could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Senior Chief Adano Girls 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.4,717,816 and Kshs.3,865,314 respectively, resulting in an under-funding of Kshs.852,502 or 18% of the budget. However, the School spent a total of Kshs.3,863,834 against actual receipts of Kshs.3,865,314 resulting in an under expenditure of Kshs.1,480.

The under-funding affected implementation of the planned activities and may have adversely impacted on the operations of the School.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, 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 School Information and Management, Summary Report of Performance of the School and Statement of School 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements for the financial year ended 30 June, 2022 were submitted to the Auditor-General on 24 February, 2026, instead of on or before the statutory deadline of 30 September, 2022. This was contrary to Section 81(4)(a) of Public Finance Management Act, 2012 which requires financial statements to be submitted to the Auditor-General within three (3) months after the end of each financial year.

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

2. Failure to Prepare Estimates of Income and Expenditure

The statement of financial performance reflects total receipts and total expenses of Kshs.4,042,313 and Kshs.3,842,897 respectively. However, Management did not prepare estimates of income and expenditure. Although a statement of budgeted versus actual amounts is included in the financial statements, the source of budget amounts reflected in the statement could not be confirmed. This was contrary to Section 16(1) of the Four Schedule of the Basic Education Act, 2013 which provides that a Board of Management of a public institution of basic education shall prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe.

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

3. Lack of Procurement Plan

During the period under review the School did not have a Procurement Plan prepared under Section 45(3) of the Public Procurement and Assets Disposal Act, 2015 which requires that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement Plan.

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

4. Failure to Prepare School Improvement Plan

During the year 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 guideline.

5. Lack of a Functional Procurement Unit

The School did not establish procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Further, it was observed that procurement activities were undertaken by individuals lacking the requisite qualifications.

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

6. Non-Compliance with the Law on Ethnic Diversity in Employment

Review of the payroll data revealed that the School had two (2) staff engaged by the Board of Management. However, all the employees were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

7. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects school fund income - parents' contributions amounting to Kshs.1,140,500 and Boarding and School fund expenditure amount of Kshs.944,500 as disclosed in Note 4 and Note 8 respectively to the financial statements. However, examination of fees structure and supporting schedules revealed that the School charged extra lunch and Board of Management Teachers' Fees of Kshs.5,000 per student per term to parents despite the school being Free Day Secondary School without the approval from Ministry of Education. This was contrary to Regulation 45 of the Basic Education Regulations, 2015 which provides that no person or Board of Management in a public institution of basic education and training shall alter or increase fees without written authority from the Cabinet Secretary.

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

8. Capitation Under-Disbursement from Ministry of Education

The statement of receipts and payments reflects Kshs.115,228 and Kshs.389,085 in respect of Government grants for tuition and operations capitation receipts respectively as disclosed in Note 1 and Note 2 to the financial statements. However, review of documents provided for audit revealed that the Ministry of Education Circulars provided for disbursement of capitation at a rate of Kshs.22,244 which, based on recorded student enrollment, should have translated to total capitation funding of Kshs.1,334,640. However, the School received a total of Kshs.504,313 resulting in an under-funding of Kshs.830,327.

In the circumstances, the under-disbursements may have affected service delivery to the students.

9. Unreconciled Student Enrolment Data

Review of student records provided for audit revealed that the School had ninety (90) students enrolled in the School. However, data from National Education Management Information System (NEMIS) had an average student enrolment of sixty (60) students, resulting in a variance of thirty (30) students (33%).

In the circumstances, the variation of students' enrolment data may result in under-funding of the School thus affecting quality service delivery to the students.

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

REPORT ON 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 effect 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. Lack of Internal Audit Unit and Audit Committee

During the year under review, the School did not have an Audit Committee and an Internal Audit Unit. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which provides that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015, requires each National Government entity to establish an Audit Committee.

In the circumstances, existence of an effective oversight mechanism could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 of the financial statements on summary of fixed assets register reflects assets of undisclosed values. Included the list is land whose ownership documents were not provided for audit. Further fixed assets register was not maintained to record the School's assets.

In the circumstances, the effectiveness of Schools' assets management system could not be confirmed

3. Lack of Approved Policy and Weak Inventory Controls

The audit established that the School did not have an Approved Policy, processes, or procedures for the management of textbooks. The School relies on a manual textbook inventory system, which is poorly maintained and incomplete. As a result, it was not possible to accurately determine the number of textbooks held and their current status. In addition, the textbook store was inadequately maintained due to insufficient shelving facilities.

In the circumstances, the effectiveness of the Schools' inventory management system could not be confirmed.

4. Inadequate Record-Keeping and Tracking of Issued Textbooks

Records reviewed showed that seventy-six (76) textbooks were supplied in the financial year 2021/2022. Although issuance sheets were provided, records on book returns, condition, and losses were not properly maintained. The absence of tracking mechanisms made it impossible to verify the number of textbooks in circulation.

In the circumstances, the effectiveness of text books management system could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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.

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

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 April, 2026

6. Statement Of Receipts and Payments for the Year Ended 30th June 2022

Description Of Vote Head	Note	*2021-2022*
		Kshs
Receipts		
Government grants for tuition	1	115,228
Government grants for operations	2	389,085
Government Grants for infrastructure	3	2,397,500
School fund income- parents' contributions	4	1,140,500
Total Receipts		**4,042,313**
Payments		
Tuition	5	113,296
Operations	6	469,781
Infrastructure	7	2,315,320
Boarding and school fund	8	944,500
Total Payments		**3,842,897**
Surplus/Deficit		**199,416**

The school financial statements were approved on ___________ 2026 and signed by:

PRINCIPAL
SENIOR CHIEF ADANO GIRL DAY SEC. SCHOOL
P. O. BOX 222-70200 WAJIR
Date:...............

HASSAN OSMAN AHMED
....

Name: **Name:** ISMAIL ABDIRASHID **Name:** NURIA MOHAMED

Chair BOM | **School Principal/ Secretary to BOM** | **Bursar/ Finance Officer**

Date: **Date:** **Date:**

7. Statement of Assets and Liabilities As At 30th June 2022

Description	Note	*2021-2022*
		Kshs
Financial Assets		
Cash and cash equivalents		
Bank balances	9	11,301
Cash balances	10	11,115
Total cash and cash equivalent		**22,416**
Account's receivbles	11	177,000
Total financial assets (a)		**199,416**
Financial liabilities		
Accounts Payable		0
Total Financial Labilities (b)		
Net financial assets (a-b)		**199,416**
Represented by		
Accumulated fund b/fwd		**0**
Surplus/deficit for the year		**199,416**
Net Assets		**199,416**

The school's financial statements were approved on ___________ 2026 and signed by:

....	....	....
Name: HASSAN OSMAN AHMED	**Name:** ISMAIL ABDIRASHID	**Name:**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:**	**Date:**

PRINCIPAL
SENIOR CHIEF ADANO GIRLS
DAY SEC. SCHOOL
P. O. BOX 222-70200 WAJIR
Date:...............

8. Statement of Cash Flows for the Year Ended 30th June 2022

Description	Note	*2021-2022*
		Kshs
Cash from Operating Activities		
Receipts		
Government grants for tuition		115,228
Government grants for operations		389,085
Government grants for infrastructure		2,397,500
School fund income- parents contributions/ fees		963,500
Total receipts		**3,865,313**
Payments		
Cash outflows for tuition		113,296
Cash outflows for operations		469,781
Cash outflows Boarding/lunch and school fund payments		944,500
Total payments		**1,527,577**
Net cash inflow/outflow from operating activities		**2,337,736**
Cash flow from investing activities		**0**
Cash outflows for infrastructure		2,315,320
Net cash inflow/outflows from investing activities		**2,315,320**
Cash flow from Financing activities		
Net cash inflow/outflow from financing activities		**0**
Net increase/decrease in cash and cash equivalents		**22,416**
Cash and cash equivalent at beginning of the FY		0
Cash and cash equivalent at end of the FY		**22,416**

The school's financial statements were approved on ___________ 2026 and signed by:

HASSAN OSMAN AHMED
....

Name: **Name:** ISMAIL ABDIRAHMAN **Name:** NURIA MOHAMED
School Principal/ Secretary to BOM

Chair BOM **Bursar/ Finance Officer**

Date: **Date:** **Date:**

PRINCIPAL
SENIOR CHIEF ADANO GIRL
DAY SEC. SCHOOL
P O. BOX 222-70200 WAJIR
Date:................

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	115,228		115,228	115,228	100%
(2) Capitation Grant on Operations					
Personnel Emoluments	194,544		194,544	194,542	100%
Repairs And Maintenance	117,500		117,500	0	0%
Local Transport / Travelling	64,848		64,848	64,848	100%
Electricity And Water	64,848		64,848	64,848	100%
Administration Costs	64,848		64,848	64,848	100%
(3) Capitation Grant on Infrastructure					
Maintenance & Improvement	200,000		200,000	117,500	59%
Administration Block	2,500,000		2,500,000	2,280,000	91%
(4) Fees Charged on Parents					
Personnel Emoluments	100,000		100,000	66,500	67%
Fee On Boarding Equipment and Stores	1,296,000		1,296,000	897,000	69%
Total Income	**4,717,816**		**4,717,816**	**3,865,314**	82%
(6) Expenditure For Tuition					
Teaching / Learning Materials	211,061		211,061	113,296	54%
(7) Expenditure For Operations			0		
Personnel Emoluments	528,000		528,000	428,000	81%
Administration Costs	30,000		30,000	21,781	73%
Electricity, Water and Conservancy	83,755		83,755	20,000	24%

			0		
(8) Expenditure For infrastructure			0		
Purchase of equipment	60,000		60,000	58,500	98%
Construction of Administration Block	2,500,000		2,500,000	2,276,500	91%
Bank Charges	2,000		2,000	1,757	88%
			0		
(9) Expenditure For school fund/lunch/boarding			0		
Personnel Emoluments	250,000		250,000	200,000	80%
Lunch Programme	100,000		100,000	91,000	91%
Personnel Emoluments	28,000		28,000	24,000	86%
Local Transport / Travelling	65,000		65,000	52,000	80%
Electricity And Water	60,000		60,000	50,000	83%
Administration Costs	800,000		800,000	527,000	66%
	4,717,816		**4,717,816**	**3,863,834**	**82%**

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 various sources when the event occurs, and the related cash has been received by the school. In addition, the school recognises all expenses when the event occurs, and the related cash has 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 an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, impresests 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have 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 2022.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2021-2022
	Kshs
Teaching / Learning Materials	115,228
Total	**115,228**

2 Government Grants for Operations

Description	2021-2022
	Kshs
Personnel Emoluments	194,544
Local Transport / Travelling	64,847
Electricity And Water	64,847
Administration Costs	64,847
Total	**389,085**

3 Government Grants for infrastructure

Description	2021-2022
	Kshs
Maintenance & Improvement	117,500
Administration Block	2,280,000
Total	**2,397,500**

4 School Fund Income - Parents Contribution/Fees

Description	2021-2022
	Kshs
Personnel emoluments	66,500
Lunch	1,074,000
Total	**1,140,500**

5 Tuition

Description	*2021-2022*
	Kshs
Teaching / Learning Materials	111,000
Bank Charges	2,296
Total	**113,296**

6 Operations

Description	*2021-2022*
	Kshs
Personnel Emoluments	428,000
Administration Cost	21,781
Electricity And Water	20,000
Total	**469,781**

7 Infrastructure

Description	*2021-2022*
	Kshs
Purchase of equipment	37,063
Construction of Administration Block	2,276,500
Bank Charges	1,757
Total	**2,315,320**

8 Boarding And School Fund

Description	*2021-2022*
	Kshs
Personnel Emoluments	200,000
Local Transport / Travelling	91,000
Electricity And Water	24,000
Administration Costs	52,000
Repair and Maintenance	50,000
Lunch Programme	527,500
Total	**944,500**

9. Bank Accounts

Account Name & Currency	Status	Bank Account Number	*2021-2022*
	Active/Dormant		Kshs
Tuition Account	Active	1286407788	3,932
Operations Account	Active	1286406595	1,191
School Fund Account/Boarding-KCB	Active	1289625077	685
School Fund Account/Boarding-National Bank	Active	01050237535400	2,550
Infrastructural Account	Active	1286408172	2,943
Total			**11,301**

10. Cash In Hand

Description	*2021-2022*
	Kshs
Notes and Coins	11,115
Total	**11,115**

11. Accounts Receivable

Description	2021-2022
	Kshs
Fees Arrears	177,000
Total	**177,000**

11 b) Ageing Analysis of Accounts Receivable

Description	2021-2022 Kshs	
	2021-2022	**% of the total**
Less than 1 year	177,000	100%
Total (should tie to note 13 a)	**177,000**	%

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.

12. 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:

Sign and Date
Principal

PRINCIPAL
SENIOR CHIEF ADANO GIR
DAY SEC. SCHOOL
P O. BOX 222-70200 WAJIR
Date:..................

13. Annexes

Annex 1 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				