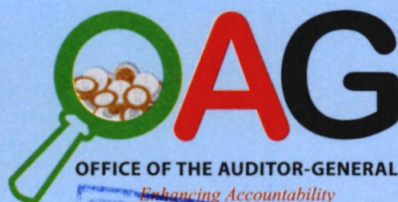


REPUBLIC OF KENYA



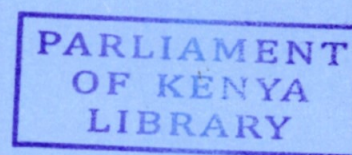
REPORT

OF

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2026	DAY: Thur.
TABLED BY:	Hon. Owen - Baya, MP Dep. Leader of the Majority Party
CLERK-AT THE-TABLE:	M. Chumo

THE AUDITOR-GENERAL

ON



SOSIYO SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

UASIN GISHU COUNTY



SOSIYO 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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I. 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 Uasin Gishu County, **Moiben Sub-County**.

The school was registered in **15/02/2021** under registration number **27S30000901** and is currently categorized as a **sub-County** public school established, owned or operated by the Government.

The school is a day/boarding school and had **330** numbers of students as at 30th June 2021. It has **2** streams and **19** teachers of which **6** 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	Hon.Lucas Chepkitony	Chairman	4/04/2019
2	Mrs.Annita Kimwatan	Vice Chair	4/04/2019
3	Mrs.Dinah Kwambai	Secretary– Principal	4/04/2019
4	Mr.Afred Tarus	P.A Chair	4/04/2019
5	Mr.Albert Korir	Member	4/04/2019
6	Mr.Patterson Kuria	Member	4/04/2019
7	Mr .Donald Bowen	Member	4/04/2019
8	Elizabeth Cheptepkeny	Member	4/04/2019
9	Julius Maritim	Member	4/04/2019
10	Mr.Hillary Mebur	Special interest	4/04/2019
11	Mr.Joseph Limo	Sponser	4/04/2019
12	Rev.Fr.Hillary Bassy	Sponser	4/04/2019
13	Mrs.Dorcas Kiprono	Member	4/04/2019
14	Ms.Irene Rono	Member	4/04/2019
15	Mr.Julius Koech	CEB Rep	4/04/2019
16	Mr.Francis Samoei	Member –Community	4/04/2019
17	Mr.Gabriel Odera	Teacher-rep	4/04/2019
18	Rael Chemweno	MemberSpecial Needs	4/04/2019
19	Lily Jepkirui	Rep Students	4/04/20219

Key School Information and Management (Continued)**The function of the School Board of Management include:**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Hon.Lucas Chepkitony Mrs.Dinah Kiyeny Mr.Alfed kiptanui Mr.Julius Koech Rael Chemweno	Chairman Secretary Member Member Member	7
2	Audit Committee	Mr.Hillary Mebur Mr.Donald Boiwen Mrs.Dorcas Kiprono	Chairman Secretary Member	2
3	Finance,procurement and general purposes Committee	Mr.Julius Koech Mrs.Dinah Kwambai Mr.Julius Maritim Mr.Alfed Tarus	Chairman Secretary Member Member	2
4	Academic Committee	Mr.Joseph Limo Mr.Patterson Kuria Mrs.Elizabeth Cheptepkeny	Chairman Secretary Member	2
5	Human Rights and Students Welfare Committee	Mr.Francis Samoei Mr.Albert Korir Mrs.Irine Rono	Chairman Secretary Member	2

6	Discipline and welfare Committee	Hon.Lucas Chepkitony Mrs.Dinah Kwambai Mr.Alfred Tarus	Chairman Secretary Member	2
7	Adhoc Committee (if any during the year)	-	-	-

(d) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Dinah Kiyeng	427185
2	Deputy Principal	Stanley Bungei	399407
3	School Bursar	Abigael Ruttoh	27796174

(e) Schools contacts

Post Office Box: 6044-30100, ELDORET.
 Telephone: 0798649318
 E-mail: sosiyohighschool@gmail.com
 Website:
 Facebook:
 Twitter:

(f) School Bankers

The school operated 6 numbers of bank accounts as follows:

- Name of Bank: EQUITY BANK
 Branch: ITEN
 Account Number: 1530262533112
 School fund
- Name of Bank: KCB BANK
 Branch: ELDORET WEST
 Account Number: 1103489755
 Operation
- Name of Bank: KCB BANK
 Branch: ELDORET WEST
 Account Number: 1103488864
 Tuition
- Name of Bank: KCB BANK

Branch: ELDORET WEST
Account Number: 1111494398
Savings

5 Name of Bank: KCB BANK
Branch: ITEN
Account Number: 1211274225
Infrastructure

6. Name of Bank: KCB BANK
Branch: ITEN
Account Number: 1178735567
CDF

(g) Independent Auditors

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

II. Summary Report Of Performance Of The School

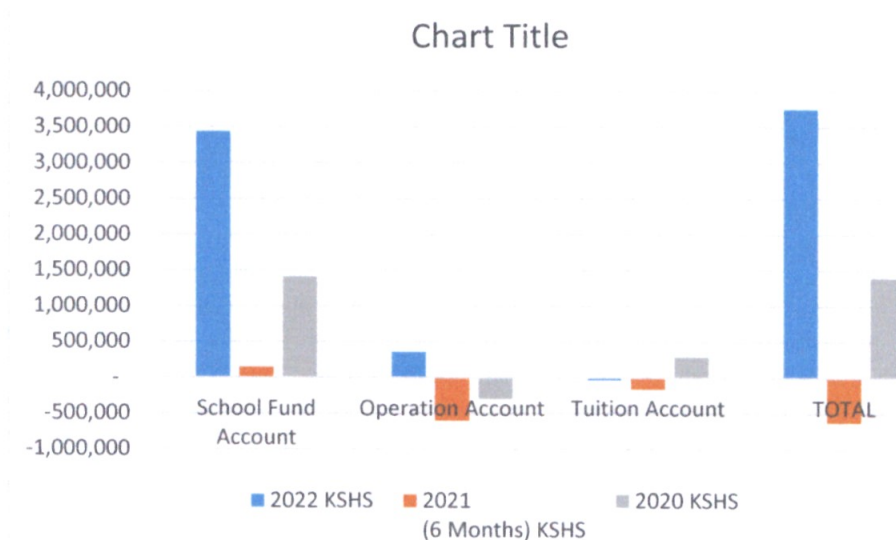
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years of period between 1st January 2020 to 31st December 2020 which covers a period of 12 months while 30th June 2021 covers a period of 6 months and act as base year for IPSAS Financial accounting format. Also, the year under review is a 12- month financial year between 1st July 2021 to 30th June 2022 and is summarised as follows:

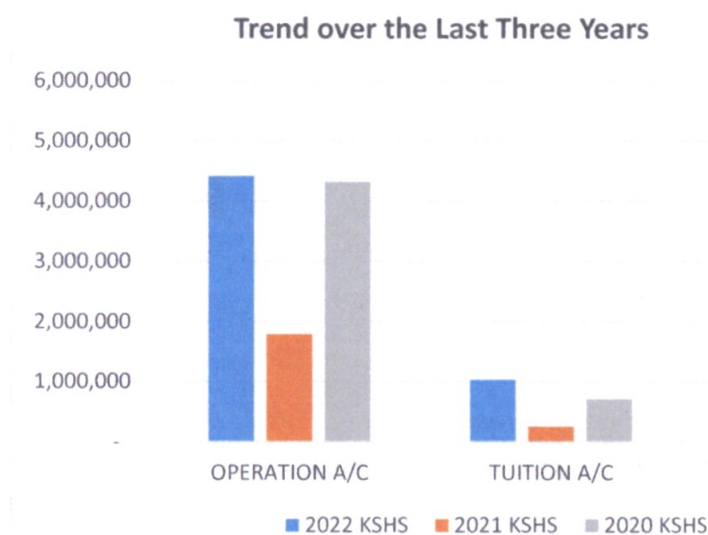
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
		2022	2021 (6 Months)	2020
		KSHS	KSHS	KSHS
1	School Fund Account	3,437,058	141,359	1,409,589
2	Operation Account	353,884	(604,824)	(301,570)
3	Tuition Account	(40,812)	(165,325)	288,458
	TOTAL	3,750,130	(628,790)	1,396,477
	Increase/Decrease	4,378,920	-2,025,267	-959,875

Trend over the Last Four Years



The surplus for the year 2020 decreased by Kshs 959,875 from a surplus of Kshs 2,356,352 in the year 2019 due to prolonged closure after abrupt shutting of the schools due to Covid-19. The surplus for the year 2022 increased by Kshs 4,378,920 from a deficit of Kshs 628,790 in the year 2021 which was attributed to the reporting period being a six-months

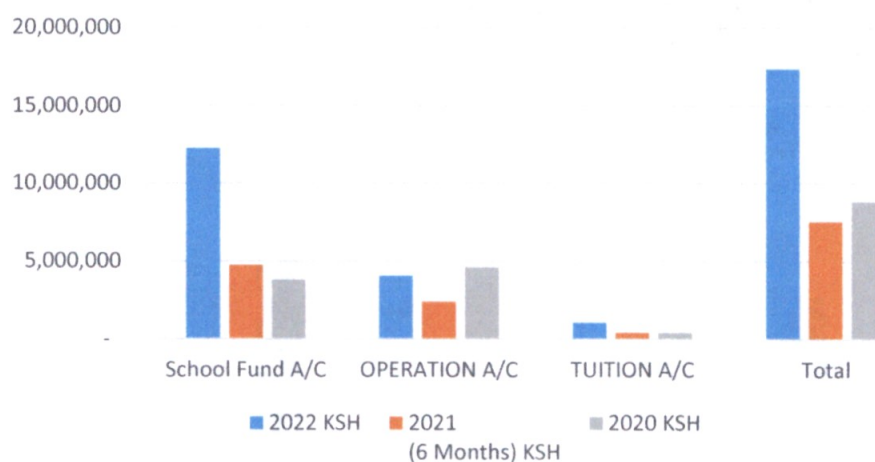
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
S.NO	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1	OPERATION A/C	4,413,527	1,789,618	4,323,810
2	TUITION A/C	1,028,878	253,999	709,982
	Total	5,442,405	2,043,617	5,033,792
	Increase/Decrease	3,398,788	- 2,990,175	
	No. of Students	288	277	288
	Ratio of Capitation per Student	1:18897	1:7377	1:17478



The capitation grant for the financial year 2021 was Kshs 2,043,617 as compared to Kshs 5,033,792 in the financial year 2020 representing a decrease of Kshs 2,990,175. The net decrease is mainly attributed by the disbursement of capitation for term and term 3 as the period covers 6 months. The total capitation grants for the financial year 2022 was Kshs 5,442,405 as compared to Kshs 2,043,617 in the financial year 2021 representing an increase of Kshs 3,398,788. The net increase is mainly attributed by all students receiving the capitation and an increase in enrolment as shown in the ration above.

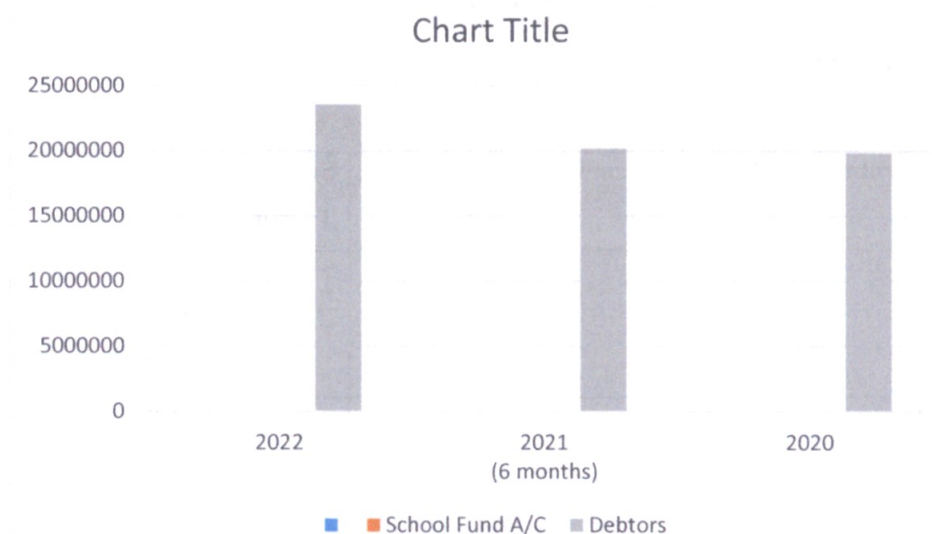
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL				
S.NO	ACCOUNTS	2022	2021 (6 Months)	2020
		KSH	KSH	KSH
1	School Fund A/C	12,240,853	4,737,580	3,798,806
2	OPERATION A/C	4,059,643	2,394,442	4,625,380
3	TUITION A/C	1,069,690	419,324	421,524
	Total	17,370,186	7,551,346	8,845,710
	Increase/Decrease	9,818,840	-1,294,364	-8,661,187

Trend over the Last Three Years



In the financial year 2022 shows an increase of growth in expenditure which has resulted from the current year covering a period of 12 months, even though the financial year 2021 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

MOVEMENT OF DEBTORS OF THE SCHOOL				
S.NO	Account	2022 Ksh.	2021 (6 months) Ksh.	2020 Ksh.
1	School Fund A/C			
	Debtors	23,535,056	20,166,048	19,827,400
	Total	23,535,056	20,166,048	19,827,400
	Increase/Decrease	3,369,008	338,648	



The main contributors to the increase in total debtors is the students' accumulation of student fees arrears.

MOVEMENT OF CREDITORS OF THE SCHOOL				
S.NO	ACCOUNTS	2022	2021	2020
		Ksh	Ksh	Ksh.
1	School Fund A/C	-	-	-
A	Creditors	-	-	-
	Total	-	-	-

There were no creditors as at 30th June 2021 as all creditors had been paid resulting to no pending debts.

b) Teacher Student ratio:

Between the month of July 2021 and June 2022, the status of the teaching staff is as follows:

There are 13 teachers posted by the Teachers Service Commission and 7 recruited by the Board of Management.

The teacher student ratio lies at 1:18. We have a shortage of 7 teachers from the given CBE.

Summary Report of the Performance of the School (Continued)

c) Mean score in the 2022 KCSE:

Year	Enrolment	Mean	Transition	Transition (%)	School Target	Comment
2021	94	3.711	4	4.26	5.00	+0.0355 POSITIVE DEVIATION
2020	71	3.6755	3	4.23	4.50	-1.0991 NEGATIVE DEVIATION
2019	95	4.7746	10	10.53	4.20	+0.8644 POSITIVE DEVIATION
2018	110	3.9102	8	7.27	3.90	+0.1284 POSITIVE DEVIATION

d) Number of Candidates in the 2021 KCSE:

Year	2021	2020	2019	2018
No. of Candidates	94	71	95	110

e) Capacity of the school:

Facility	Available	Capacity	Required	Comment
Dormitories	5	160	6	Not adequate
Classrooms	8	240	10	Not Adequate
Ablutions	42	-	-	Adequate
Laboratory	2	40	4	Not adequate
Libraries	1	50	2	Not Available
Dining hall	1	400	1	Adequate

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

S.NO.	Project	Year	Status	Amount (Kshs)	Fund Source
1	8 classroom metallic door.	2022	Complete	64,000	M&I
2	Renovation of library.	2022	Complete	180,000	M&I
3	Electric installation of computer laboratory and lighting of school.	2022	Complete	170,000	M&I
4	Painting and branding of school gate and sign posts.	2022	Complete	164,500	M&I
5	Repair of desks and chairs	2022	Complete	150,000	M&I
6	Teachers' toilet.	2022	Complete	300,000	CDF



.....
School Principal



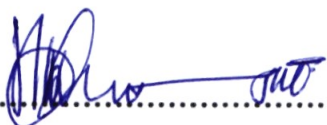
III. Statement Of School Management Responsibility

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



.....
Name:

Designation: Chairman, School Board of Management

Date: 6/5/2026



.....
Name:

Designation: School Principal & Secretary to Board of Management

Date: 06-05-2026



.....
Name:

Designation: Bursar/ Finance Officer

Date: 6/07/2026

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 SOSIYO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - UASIN GISHU 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 Sosiyo Secondary School set out on pages 1 to 18, which comprise of the statement of financial assets and financial

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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Sosiyo Secondary School 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 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.23,535,056 and disclosed in Note 11 to the financial statements. However, supporting schedules provided amounted to Kshs.3,186,744. The balance of Kshs.20,348,312 was not supported with schedules.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.23,535,056 could not be confirmed.

2. Unsupported Inventory Balance

Note 17 to the financial statements in respect to stock/inventory reflects a balance of Kshs.233,450. However, stock taking report, appointment letters of all members taking stock, stock taking instructions and signed stock taking sheet for all member's taking stock were not provided for audit.

In the circumstance, the accuracy of the stock balance of Kshs.233,450 could not be confirmed.

3. Unsupported Biological Assets Balance

Note 15 to the financial statements reflects a balance of Kshs.900,000 in respect of biological assets. However, valuation reports to support the balance were not provided for audit review. In addition, records to monitor the number of biological assets in the school's custody were not provided for audit.

In the circumstances, the accuracy and completeness of the biological assets balance of Kshs.900,000 could not be confirmed.

4. Unsupported Bank Balance

The statement of financial assets and financial liabilities reflects bank balance of Kshs.1,678,228 as disclosed in Note 8 to the financial statements. The balance includes savings account balance of Kshs.281,200 which was not supported with cash books and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.1,680,965 could not be confirmed.

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

Emphasis Of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.21,490,500 and Kshs.17,268,011 respectively, resulting in an under-funding of Kshs.4,222,489 or 20% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters 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

Management is responsible for the Other Information set out on page iii to xiv which comprise of Acronyms and Definition of Key Terms, 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. Failure to Acknowledge Receipt of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounting to Kshs.1,028,878 and Kshs.4,413,527 respectively as disclosed in Notes 1 and 2 to the financial statements. However, the School did not acknowledge receipt of capitation and submit signed form-list by individual students to the County Director of Education contrary to the Ministry of Education Circular MOE.HQS/3/13/6 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the Management was in breach of the Ministry of Education Circular.

2. Lack of a 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 Ministry of Education guidelines.

3. Late Submission of Financial Statements

During the year under review, the School Management submitted the financial statements to the Auditor-General on 27 February, 2023 instead of the statutory deadline of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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

The statement of receipts and payments reflects operations and boarding and School fund payments amount of Kshs.4,059,643 and Kshs.12,240,853 respectively as disclosed in Notes 6 and 7 to the financial statements. Included in the expenditure is a total amount of Kshs.167,000 transferred to Kenya Secondary School Heads Association (KESSHA) as summarized below. However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.167,000 could not be confirmed.

5. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operation grants amount of Kshs.4,413,527 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,406,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, there was delayed transfer beyond the required fifteen (15) days for (3) transfers amounting to Kshs.1,266,500. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, the Management was in breach of the Ministry of Education Circular.

6. Lack of an Approved Annual Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.21,120,316 and Kshs.17,370,186 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This is contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

Further, the School lacked a procurement unit contrary to the requirements of Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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

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

REPORT ON 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. Weaknesses in Management of Assets

Annex 1 to the financial statements reflects summary of fixed assets register balance of Kshs.63,770,000 which includes motor vehicles with a balance of Kshs.2,700,000. However, motor vehicle ownership documents were not provided for audit. In addition,

Management did not prepare an updated fixed assets register. Further, not all assets at the school were not tagged.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

2. Irregular Constitution of the Board of Management

Review of the governance structures of the school revealed that the Board of Management comprised of nineteen (19) members instead of fourteen (14) members. The appointment of five (5) additional members was not in compliance with section 56(1) of the Basic Education Act. Further, the board members' files were not provided for audit review.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.

3. Lack of a Risk Management Policy

During the year under review, the school had not implemented a risk management policy as required by Section 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that; the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the existence of an effective oversight mechanism 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 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

19 May, 2026

SOSIYO SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,028,878	253,999
Capitation grants for operations	2	4,413,527	1,789,618
School fund income- parents' contributions	3	14,960,911	4,498,939
School fund income- other receipts	4	717,000	380,000
Proceeds from borrowings			
Total Receipts		21,120,316	6,922,556
Payments			
Payments for tuition	5	1,069,690	419,324
Payments for operations	6	4,059,643	2,394,442
Boarding and school fund payments	7	12,240,853	4,737,580
Total Payments		17,370,186	7,551,346
Surplus/Deficit		3,750,130	(628,790)

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

.....


Name: Raymond Chemweno

Chair Board Of Management

Date: 6.5.2026

.....


Name: Barnabas Biwott
School Principal /Secretary to
Board Of Management

Date: 06-05-2026

.....


Name: Abigael Rutto

Bursar/ Finance Officer

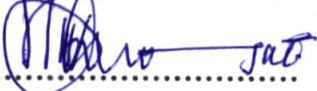
Date: 06.05.2026



VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	1,678,229	1,299,705
Cash balances	9	2,736	138
Short term investment	10	-	-
Total cash and cash equivalent		1,680,965	1,299,843
Account's receivables	11	23,535,056	20,166,048
Total financial assets		25,216,021	21,465,891
Financial liabilities			
Accounts payables	12	-	-
Net financial assets		25,216,021	21,465,891
Represented by			
Accumulated fund b/fwd	13	21,465,891	22,094,681
Surplus/deficit for the year		3,750,130	(628,790)
Net financial position		25,216,021	21,465,891

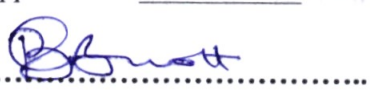
The school's financial statements were approved on _____ 2026 and signed by:

.....


Name: Raymond Chemweno

Chair Board Of Management

Date: 6.5.2026

.....


Name: Barnabas Biwott
 School Principal /Secretary to
 Board Of Management

Date: 06-05-2026

.....


Name: Abigael Rutto

Bursar/ Finance Officer

Date: 6/5/2026



VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition		1,028,878	253,999
Capitation grants for operations		4,413,527	1,789,618
School fund income- parents contributions/ fees		11,600,903	4,160,291
School fund income- other receipts		717,000	380,000
Total receipts		17,760,308	6,584,793
Payments			
Payments for tuition		1,069,690	419,324
Payments for operations		4,059,643	2,394,442
Boarding and school fund payments		11,512,353	4,737,580
Total payments		16,641,686	7,551,346
Net cash flow from operating activities		1,118,622	(967,438)
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		(728,500)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		(728,500)	-
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		390,122	(967,438)
Cash and cash equivalent at beginning of the year		1,299,843	2,267,281
Cash and cash equivalent at end of the year		1,680,965	1,299,843

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	200,000		200,000	172,109	27,891	86%
Exercise books						
Laboratory equipment	400,000		400,000	312,900	87,100	78%
Teaching / learning materials	700,000		700,000	690,628	9,372	99%
Chalks	30,000		30,000	25,350	4,650	85%
SUB TOTAL	1,330,000	-	1,330,000	1,200,987	129,013	90%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,575,000		1,575,000	1,555,490	19,510	99%
Repairs and maintenance	1,750,000		1,750,000	1,406,000	344,000	80%
Local transport / travelling	525,000		525,000	464,809	60,191	89%
Electricity and water	525,000		525,000	464,809	60,191	89%
Administration costs	525,000		525,000	464,809	60,191	89%

OSIYO SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Activity						
SMASSE	70,000		70,000	49,500	20,500	71%
<i>SUB TOTAL</i>	4,970,000	-	4,970,000	4,405,417	564,583	89%
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	1,400,000		1,400,000	1,211,550	188,450	87%
Repairs and maintenance	1,050,000		1,050,000	973,000	77,000	93%
Local transport / travelling	1,750,000		1,750,000	1,604,825	145,175	92%
Electricity and water	525,000		525,000	426,450	98,550	81%
Medical						
Administration costs	875,000		875,000	795,425	79,575	91%
Activity	350,000		350,000	281,500.00	68,500	
Fee on Boarding Equipment and Stores	9,040,500		9,040,500	6,481,357	2,559,149	72%
<i>SUB TOTAL</i>	14,990,500	-	14,990,500	11,492,607	3,216,399	77%
<i>OTHER INCOME</i>						
Income from Posho mill						
Income from Bus Hire	200,000		200,000	169,000	31,000	85%
<i>TOTAL INCOME</i>	21,490,500	-	21,490,500	17,268,011	3,940,995	80%

SOSIYO SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	190,000		190,000	172,109	17,891	91%
Exercise books						
Laboratory equipment	350,000		350,000	292,600	57,400	84%
Internal exams						
Teaching / learning materials	500,000		500,000	450,910	49,090	90%
Chalks	25,000		25,000	8,860	16,140	35%
SUB TOTAL	1,065,000	-	1,065,000	924,479	140,521	87%
(1) EXPENDITURE FOR OPERATION						
Personnel emoluments	2,000,000		2,000,000	1,800,412	199,588	90%
Repairs, maintenance and improvements	1,600,000		1,600,000	1,406,000	194,000	88%
Local transport / travelling	400,000		400,000	144,000	256,000	36%
Electricity, water and conservancy	400,000		400,000	330,000	70,000	83%
Administration costs	400,000		400,000	186,925	213,075	47%
SMASSE	60,000		60,000	49,500	10,500	83%
Gratuity						
SUB TOTAL	4,860,000	-	4,860,000	3,916,837	943,163	81%

- i.* The school had received 81.66% of expected revenue from 1st July 2021 to 30th June 2022
- ii.* The school had utilized 78.54% of fees collected from 1st July 2021 to 30th June 2022

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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*.

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 changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

Significant Accounting Policies (Continued)**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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

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. The comparative figures are for a six-month period ending 30th June 2021.

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.

X. Notes To The Financial Statements**1 Capitation Grant for Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		
Laboratory Equipment	312,900	137,500
Internal Exams		
Teaching / Learning Materials	690,628	105,249
Chalks	25,350	11,250
Exams And Assessment		
Teachers Guides		
Total	1,028,878	253,999

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,555,490	571,118
Repairs And Maintenance	1,406,010	918,500
Local Transport / Travelling	464,809	100,000
Electricity And Water	464,809	100,000
Medical	57,600	
Administration Costs	464,809	100,000
Activity		
Total	4,413,527	1,789,618

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,448,550	313,600
Repairs and maintenance	1,207,000	228,000
Local transport / travelling	1,841,825	341,950
Electricity and water	545,450	249,025
Administration costs	915,425	191,475
Activity	340,500	
Fee On Boarding Equipment and Stores	8,662,161	3,174,889
Total	14,960,911	4,498,939

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Income From Posho Mill		
Income From Bus Hire	169,000	121,000
School Farm	548,000	259,000
Income From Grants and Donations*		
Total	717,000	380,000

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	292,600	291,880
Internal Exams	-	-
Teaching / Learning Materials	762,410	116,700
Chalks	8,860	10,000
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	5,820	744
Total	1,069,690	419,324

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,987,908	1,241,952
Service Gratuity	-	-
Administration Cost	186,925	45,500
Repairs And Maintenance & Improvements	1,406,000	918,500
Local Transport / Travelling	144,000	127,500
Electricity And Water	330,000	60,000
Medical	-	-
Activity Expenses	-	-

Smasse	-	-
Insurance Cost	-	-
Bank Charges	4,810	990
Total	4,059,643	2,394,442

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,210,300	488,600
Service Gratuity	-	-
Repairs And Maintenance & Improvements	971,230	220,200
Local Transport / Travelling	1,819,054	573,743
Electricity And Water	423,500	249,550
Medical Expenses	-	-
Administration Costs	696,628	322,066
Lunch Programme	-	-
Bank Charges	-	-
Expenses On Income Generating Activities	466,678	297,815
Fee On Boarding Equipment and Stores	6,490,963	2,585,606
Activity Expense	162,500	
Total	12,240,853	4,737,580

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1103488864	6,230	47,042
Operations Account	1103489755	89,235	(264,839)
School Fund Account/Boarding	1530262533112	121,259	(338,846)
Savings Account	1111494398	281,200	24,577
Infrastructural Account	1178735567	1,180,304	1,831,771
Total		1,678,228	1,299,843

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	2,736	138
Total	2,736	138

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	23,535,056	20,166,048
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	23,535,056	20,166,048

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	3,187,604	1,326,988
Fees Arrears For The Previous Year	1,216,549	516,542
Fees Arrears For Prior Periods (Over Two Years)	19,130,903	18,322,518
Total	23,535,056	20,166,048

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	-	-
Prepaid Fees	-	-
Retention Monies	-	-
Total	-	-

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	-	-
Trade Creditors for The Previous Year	-	-
Trade Creditors for Prior Periods (Over Two Years)	-	-
Total	-	-

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	1,299,705	1,076,084
Cash Balances	138	885
Short Term Investments	-	-
Receivables	20,166,048	19,827,400
Payables	-	-
Total	21,465,891	20,904,369

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	17	800,000	750,000
Goats		-	-
Trees	100	100,000	100,000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		900,000	850,000

Other important disclosure notes**16 Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	446,150	615,000
Stock/ inventory purchased during the year	7,132,400	3,585,600
Stock/ inventory issued during the year	(7,345,100)	(3,754,450)
Balance at end of the year	233,450	446,150

18 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)



Sign and Date
Principal

06 / 05 / 2026



SOSIYO SECONDARY SCHOOL
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XI. Annex

Annex 1 – Summary Of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land			24,000,000			24,000,000
Buildings and structure			32,500,000			32,500,000
Motor vehicles			2,700,000			2,700,000
Office equipment, furniture and fittings			500,000			500,000
ICT Equipment, and Other ICT Assets			700,000			700,000
Tools and apparatus			1,000,000			1,000,000
Textbooks			2,000,000			2,000,000
Other Machinery and Equipment			350,000			350,000
Intangible assets- soft ware			20,000			20,000
Total			63,770,000			63,770,000