

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT DATE: 11 JUN 2025

DAY

Wednesday

TABLED  
BY:

Hon. Owen Baya, MP  
Deputy leader of Majority

OF

CLERK-AT  
THE-TABLE:

Lomale

PARLIAMENT  
OF KENYA  
LIBRARY

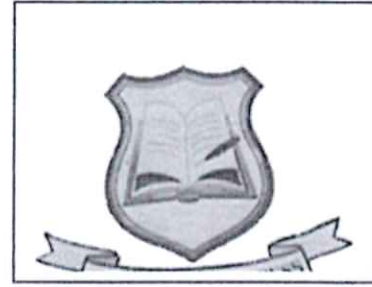
**THE AUDITOR-GENERAL**

**ON**

**SABUNLEY SECONDARY SCHOOL**

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

**WAJIR COUNTY**



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**SABUNLEY SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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



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**1. Acronyms and 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.

*(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)*

## 2. Key School Information and Management

### (a) Background information

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

The school was registered in 09/06/2016 under registration number 08/S/3000/012/16 and is currently categorized as an *Extra County*, public school established, owned or operated by the Government.

The school is a day/boarding school and had 758 number of students as at 30<sup>th</sup> June 2024. It has 4 streams and 34 teachers of which 9 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.	HALIMA KAHIYE	Chairperson	2022
2.	ABDINOOR HAJI	Secretary-Principal	2022
3.	MOHAMED HASSAN	v-chair	2022
4.	ABDILLE YUSSUF	Member	2022
5.	HALIMA ALI	Member	2022
6.	OMAR ALI	Member	2022
7.	FARHIYA BISHAR	Member	2022
8.	ABDIHAKIM ALI ADAN	Member-Rep CEB	2022
9.	BISHAR BONTORE	Member Rep Teachers	2022
10.	MOHAMED HASSAN HASSAN OSMAN FARHIYA BISHAR	3 members- sponsor	2022
11.	HALIMA KAHIYE	Member-Community	2022
12.	MOHAMED HASSAN	Members-special need	2022
13.	ABDIMAJID HASSAN	Student council Rep	2022

**The function of the School Board of Management includes:**

- 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	HALIMA KAHIYE ABDINOOR HAJI MOHAMD HASSAN OMAR HUSSEIN	CHAIR SECRETARY V-CHAIR PTA	2
2	Audit Committee & finance	FARHIA BISHAR HASSAN OSMAN MOHAMED HASSAN EBLA KHEIR	CHAIR	2
3	Academic Committee	ABDILLE YUSSUF DR. ABDIHAKIM ALI UBAH KAHIYE MOHAMED HASSAN ALI OMAR	CHAIR	3
4	Development Committee	FARHIYA BISHAR HALIMA KAHIYE MARYAN WARFA EBLA KHEIR	CHAIR	2
5	Discipline and welfare Committee	ABDILLE YUSSUF HASSAN OSMAN HALIMA ALI HASSAN OMAR	CHAIR	3
6	Adhoc Committee	MOHAMED SANEY ABDIRAHMAN HUSSEIN BISHAR BONTORE ABDIFATAH ISMAIL LYDIAH GAICHU	CHAIR	1

**(b) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	ABDINOOR HAJJI	416457
2	Deputy Principal	MOHAMED SANEY	401740
3	School Bursar	MOHAMED GAIYE	

**KEY SCHOOL INFORMATION AND MANAGEMENT**

**(a) Schools contacts**

Post Office Box: 42-70200  
 Telephone: 0720382729  
 E-mail:sabunleysecondary@gmail.com

**(b) School Bankers**

The following school operated account number of bank accounts in the following banks :( Ensure all accounts including CDF accounts are included)

- 1., Name of Bank: KCB  
 Branch: WAJIR  
 Account Number: 1105226832-tuition
  
- Name of Bank: kcb  
 Branch: wajir  
 Account number: 1105227219-operation
  
- Name of Bank: kcb  
 Branch: wajir  
 Account number: 1105197654/ Business number: 522123 fund acc  
 Account number: 89181k  
 Account No : 1113803754 Infrastructure Account

**(c) 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:

The expenditure was higher than what the school received and therefore, the school has encountered a deficit.

Year	2021-2022	2022-2023	2023-2024
Surplus/deficit	32,000	33,000	30,000

For the capitation grants from the ministry for the last three (3) years is tabulated as follows:

Year	2021-2022	2022-2023	2023-2024
amount	10,541,577.6	9,637,596.55	10,998,296.00

#### I. RATIO OF CAPITATION GRANT PER STUDENT FOR THE LAST THREE YEARS: FROM 2023 TO JUNE 2024 FOR BOTH OPERATION AND TUITION:

Year	No. of students	Amount
2024	758	12,151,986.00
2023	607	9,637,596.55
2022	789	10,541,577.6

A three year overview of growth of incomes earned by the school

Year	Amount
2024	12,151,986.00
2023	9,637,596.55
2022	10,541,577.6

Movement of debtors and creditors of the school over the last two years

Year	Debtor	Creditor
2024	989,778	989,778
2023	0	0
2022	0	0

Movement of cash and bank balances over the last three years

Year	Bank balances	Cash balances
2024	4,579,103.00	-
2023,	4,454,451.18	-
2022,	1,679,364.42	-

Graphical presentation, ratios, tables and pie charts should be used to indicate trends

#### b) Teacher Student ratio:

RATIO OF TEACHERS TO STUDENTS 1:23.2

**SABUNLEY SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

NUMBER OF TSC TEACHERS	23
NUMBER OF B.O.M TEACHERS	10

**c) Mean score in the year 2024 KCSE:**

Year	Mean score	Mean grade
2023	8.634	B (PLAIN)
2022	7.50	B (MINUS)
2021	7.397	C (PLUS)

**d) Number of Candidates in the 2023 KCSE:**

Year	NUMBER OF STUDENTS
2021	136
2022	158
2023	175

**e) Capacity of the school:**

Sabunley Secondary School is an extra county school, with an enrolment of 758 students. It is a four streamed school, the school has five (5) dormitories, four (4) laboratories and thirteen (13) toilets for both students and teachers.

The estimate cost of fencing the 63.63 hectares of the school land.

**f) Development projects carried out by the school:**

g) Year	Description	Source of fund	remarks
2022	Construction of one (1) new classroom	Ministry of education	complete
	Renovation of offices	Ministry of education	Complete
	Repair & replacement of lockers & CHAIRS	Ministry of education	complete
	Supply of lab equipment	Ministry of education	complete
2023	Supply of lab equipment	Ministry of education	complete
	Repair & replacement of office furniture	Ministry of education	complete
	Supply of 200no. chairs	Ministry of education	Complete
	Renovation of head of departments offices	Ministry of education	complete
2024	Renovation of three (3) form 1 classes	Ministry of education	complete

  
**CHIEF PRINCIPAL**  
**SABUNLEY SECONDARY SCHOOL**  
 P.O: BOX 42-70200  
 School Principal WAJIR

#### 4. Statement of School Management Responsibility

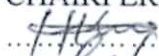
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school.

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 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 Sabunley 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 year ended 30th June, 2024, and of the school's financial position as at that date.

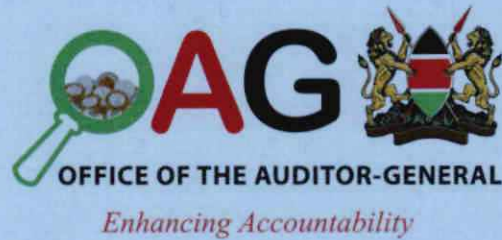
NAME: HALIMA KAHIYE  
DESIGNATION: CHAIRPERSON SCHOOL BOARD OF MANAGEMENT  
SIGN:   
DATE: 30/06/2024

NAME: ABDI NOOR HAJI  
DESIGNATION: SCHOOL PRINCIPAL SECRETARY, SCHOOL BOARD OF MANAGEMENT  
SIGN:   
DATE: 

NAME: MOHAMED GAIYE MUDE  
DESIGNATION: BURSAR/FINANCE OFFICER  
SIGN:   
DATE: 30/06/2024

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON SABUNLEY SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Sabunley Secondary School set out on pages 1 to 16, which comprise of the statement of assets and liabilities as at

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

In my opinion, except for the effect of the 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 Sabunley Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Variances Between the Financial Statements and Supporting Ledger Balances**

Review of the financial statements balances against the ledgers provided for audit revealed the following variances:

<b>Component</b>	<b>Financial Statements Balance (Kshs.)</b>	<b>Note to Financial Statement (Kshs.)</b>	<b>Supporting Ledger Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
<b>Receipts</b>				
School Fund Income	25,503,345	24,513,567	24,513,567	989,778
<b>Expenses</b>				
Payment for Tuition	1,618,690	1,153,690	1,153,690	456,000
School Fund Payment	26,433,872	24,919,316	25,909,092	524,780

In the circumstances, the accuracy and completeness of the balances reflected in the financial statements could not be confirmed.

#### **2. Unsupported Account Payables**

The statement of assets and liabilities reflects account payables balances of Kshs.1,979,556 and as reflected under Note 12 to the financial statements. Included in this balance is an amount of Kshs.1,642,875 in respect to trade creditors. However, Management did not provide relevant supporting documents including requisitions, inspection and acceptance committee reports, goods received notes and detailed creditors statements to support the payables balance. Further, the School did not have creditors management policy and ageing analysis for the payables was not prepared.

In the circumstances, the accuracy of accounts payables of Kshs.1,979,556 could not be confirmed.

### **3. Inaccuracies in the Statement of Budgeted Versus Actual Amounts**

The statement of budgeted versus actual amounts reflects 100% revenue collection against budgeted revenue. Similarly, the statements reflect 100% absorption of the budgeted expenditure. The source of the final budget amounts could not be confirmed since Management did not provide evidence that estimates of revenue and expenditure were prepared and approved as required. Further, the heading of the statements was incorrectly indicated as statement of assets and liabilities instead of statement of budgeted versus actual amounts as prescribed in the Annual Financial Reporting Template.

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

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

#### **Key Audit Matters**

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

#### **Other Information**

The Management is responsible for the other information set out on page iii to viii which comprise of Key school Information and Management, Summary Report of the Performance of the School, Statement of the 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 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.

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.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of previous year, several issues were raised under the report of the financial statements, Report on Lawfulness and Effectiveness in use of public resource and Report on Effectiveness of internal controls, Risk management and Governance. However, Management did not resolve the issues or provide an explanation for the failure to resolve them.

## **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 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 year ended 30 June, 2024 were submitted to the Auditor-General on 22 January, 2025 instead of on or before the statutory deadline of 30 September, 2024. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012, which provides that not later than three (3) months after the end of each financial year, the accounting officer for a National Government entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation.

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

#### **2. Anomalies in the Presentation of the Financial Statements**

The Institute of Certified Public Accountants of Kenya membership number for the Bursar who signed the financial statements was not disclosed in the relevant sections of the financial statements. In addition, the progress on follow-up of the auditor recommendation did not indicate all the previous year issues raised and their status as required by the reporting templates. Further, the financial statements submitted for audit did not include annexure on analysis of pending accounts payables and summary of fixed assets register.

In the circumstances, the financial statements are not fully compliant with the requirements of the Annual Financial Reporting Template issued by the Public Sector Accounting Standards Board.

### 3. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments of Kshs.26,433,872 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.101,054 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools. This was contrary to Regulation 43(d) of the Public Finance Management (National Government) Regulations, 2015 which provides that an accounting officer shall manage control and ensure that policies are carried out efficiently and wastage of public funds is eliminated.

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

### 4. Variance Between Actual Textbook Distributed and Student Enrolment Number

During the year under review, the School received books from the Ministry of Education. However, examination of records revealed a significant undersupply of textbooks across multiple subjects and forms. The number of books allocated was considerably lower than the student enrollment, making it difficult for learners to access essential learning materials. These may have compromised learning outcomes and efforts to enhance the quality of education.

Class	Title of Textbook	Student Enrollment Data	No. of Copies Supplied	Variance
Form One	Uhondo Wa Kiswahili	229	120	109
	Secondary Physics	229	80	149
	Trendy Business Studies	229	105	124
Form Two	Trendy Business Studies	176	5	171

This was contrary to the Ministry of Education's National Curriculum Policy of December, 2018 policy statement 4.3, which provided that the Government sought to achieve a book to learner ratio 1:1 at all levels of basic education in the medium term.

In the circumstances, the distribution of textbooks to the school was not in compliance with the Ministry of Education's National Curriculum Policy.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 Maintenance of Cash book**

The cash book maintained was not checked and approved by an officer different from the one who updated it. Further, the cashbook entries were written using a pencil contrary to Regulations 16(1) and 16(2) of the Public Finance Management (National Government) Regulations, 2015 which provides that financial records and documents shall be written in indelible ink and that entry in a financial record or document shall not be obliterated, erased or altered by being written over.

In the circumstances, the effectiveness of internal controls on cash management could not be confirmed.

#### **2. Failure to Update Fixed Asset Register**

Evidence gathered during the audit revealed that the School owns land, building structures, motor vehicles, office equipment, furniture and fittings, ICT equipment, other equipment, heritage and culture assets and Intangible assets which according to the previous year's financial statements were valued atKshs.56,380,000. However, all the assets were not recorded in the asset register maintained and the register did not include the acquisition date, class, cost of acquisition, accumulated depreciation and net book value of the assets for ease of reference and identification. Further, Management did not provide land ownership documents for the school land.

In the circumstances, the existence of effective internal controls on management of the School fixed assets could not be confirmed.

#### **3. Failure to Establish an Internal Audit Unit**

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

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

#### **4. Lack of An Audit Committee**

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

In the circumstances, the existence of effectiveness of governance structure in the school could not be confirmed.

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

#### **Responsibilities of the Management and Board of Management**

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

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

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

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

The Board of Management is responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance

and risk management and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**7 May, 2025**

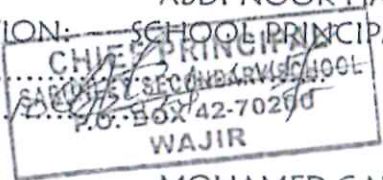
6. Statement of receipts and payments for the year ended 30<sup>th</sup> June 2024

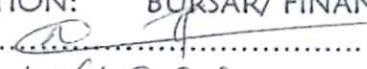
DESCRIPTION OF VOTE HEAD	Note	2023-2024	2022-2023 june
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,673,297	1,789,792.50
Capitation grants for operations & infrastructure	2	8,486,858	9,239,951.76
School Fund Income- Parents' Contributions	3	25,503,345	26,040,840.00
Proceeds from borrowings		-	-
<b>TOTAL REVENUES</b>		<b>35,663,500</b>	<b>37,070,584</b>
<b>PAYMENTS</b>			
payments for tuition	5	1,618,690	1,663,429.00
payments for operation & infrastructure	6	8,476,064	9,137,976.00
school fund payments	7	26,433,872	23,494,093.00
<b>TOTAL PAYMENTS</b>		<b>36,528,626</b>	<b>34,295,498</b>
<b>SURPLUS/DEFICIT</b>		<b>- 865,126</b>	<b>2,775,087</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30<sup>th</sup> JUNE 2024 and signed by:

NAME: HALIMA KAHIYE  
 DESIGNATION: CHAIRPERSON SCHOOL BOARD OF MANAGEMENT  
 SIGN:   
 DATE: 30/06/2024

NAME: ABDI NOOR HAJI  
 DESIGNATION: SCHOOL PRINCIPAL SECRETARY, SCHOOL BOARD OF MANAGEMENT  
 SIGN:   
 DATE: 30/06/2024



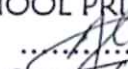
NAME: MOHAMED GAIYE MUDE  
 DESIGNATION: BURSAR/ FINANCE OFFICER  
 SIGN:   
 DATE: 30/06/2024

7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2024

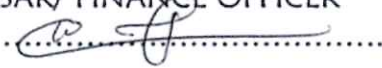
DESCRIPTION	Note	2023-2024 JUNE	2022-2023 JUNE
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances	8	4,579,103	4,454,451
Cash Balances	9	-	-
<b>Total Cash And Cash Equivalents</b>			
Accounts Receivables	11	989,778	-
<b>TOTAL FINANCIAL ASSETS</b>			
<b>LESS: FINANCIAL LIABILITIES</b>			
Accounts Payables	12	1, 979,556	-
<b>NET FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	4,454,451	1,679,364
Surplus/Defict for the year		- 865,126	2,775,087
<b>NET FINANCIAL POSSITION</b>			
		3,589,325	4,454,451

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20<sup>th</sup> JUNE 2024 and signed by:

NAME: HALIMA KAHIYE  
 DESIGNATION: CHAIRPERSON SCHOOL BOARD OF MANAGEMENT  
 SIGN:   
 DATE: 20/06/2024

NAME: ABDI NOOR  
 HAJI  
 DESIGNATION: SCHOOL PRINCIPAL/SECRETARY, SCHOOL BOARD OF MANAGEMENT  
 SIGN:   
 DATE: 20/06/2024

SECRETARY  
 SABUNLEY SECONDARY SCHOOL  
 P.O. BOX 42-70200  
 WAJIR

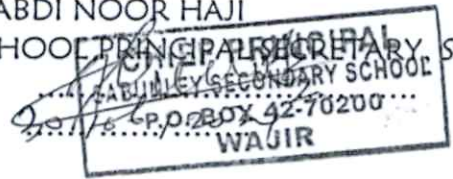
NAME: MOHAMED GAIYE MUDE  
 DESIGNATION: BURSAR/ FINANCE OFFICER  
 SIGN: 

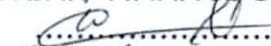
8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024

DESCRIPTION	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts for operating income			
Capitation grants for tuition	1	1,673,297	1,789,793
Capitation grants for operations and infrastructure	2	8,486,858	9,239,952
School Fund Income- Parents' Contributions	3	24,513,567	26,040,840
<b>total receipts</b>		<b>34,673,722</b>	<b>37,070,584</b>
Payments for operating expenses			
Payments for tuition	5	1,153,690	1,663,429
payments for operation & infrastructure	6	8,476,064	9,137,976
boarding & school fund payments	7	24,919,316	23,494,093
<b>Total pay</b>		<b>34,549,070</b>	<b>34,295,498</b>
<b>Net cash flows from Operating Activities</b>		<b>124,652</b>	<b>2,775,087</b>
Net cash flow from financing activities			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>124,652</b>	<b>2,775,087</b>
Cash and cash equivalent at BEGINNING of the year		4,454,451	1,679,364
Cash and cash equivalent at END of the year		4,579,103	4,454,451

NAME: HALIMA KAHIYE  
 DESIGNATION: CHAIRPERSON SCHOOL BOARD OF MANAGEMENT  
 SIGN:   
 DATE: 22/06/2024

NAME: ABDI NOOR HAJI  
 DESIGNATION: SCHOOL PRINCIPAL/SECRETARY SCHOOL BOARD OF MANAGEMENT  
 SIGN:   
 DATE: 20/06/2024



NAME: MOHAMED GAIYE MUDE  
 DESIGNATION: BURSAR/ FINANCE OFFICER  
 SIGN:   
 DATE: 20/06/2024

Budget execution - Recurrent & Development Combined - FY 2023/2024

Code	Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation Difference to Final Budget f=d/c %
	<b>RECEIPTS</b>						
1	Capitation grants for tuition	1,673,297	0	1,673,297	1,673,297	1,673,297	0%
2	Capitation grants for operations & infrastructure	8,486,858	0	8,486,858	8,486,858	8,486,858	0%
3	School Fund Income- Parents' Contributions	24,513,567	0	24,513,567	24,513,567	24,513,567	0%
	#REF!	0	0	0	0	0	0%
	Proceeds from borrowings	0	0	0	0	0	0%
	0	0	0	0	0	0	0%
	<b>Total Receipts</b>	<b>34,673,722</b>	<b>0</b>	<b>34,673,722</b>	<b>34,673,722</b>	<b>0</b>	<b>0%</b>
	<b>Payments</b>						
	payments for tuition	1,673,297	0	1,673,297	1,673,297	1,153,690	69%
	payments for operation & infrastructure	8,486,858	0	8,486,858	8,486,858	8,476,064	100%
	school fund payments	24,513,567	0	24,513,567	24,513,567	24,919,316	101.6%
	<b>Grand Total</b>	<b>34,673,722</b>	<b>0</b>	<b>34,673,722</b>	<b>34,673,722</b>	<b>34,549,070</b>	<b>99%</b>
	<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

## 9. 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, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**  
For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending 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 30<sup>th</sup> June 2024.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	00	00
Exercise Books	00	00
Laboratory Equipment	00	00
Internal Exams	00	00
Teaching / Learning Materials	1,673,297	1,789,793
Bank Charges	00	00
<b>Total</b>	<b>1,673,297</b>	<b>1,789,793</b>

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	2,374,308	2,363,964
Maintenance and Improvement	2,642,000	2,619,000
Local Transport / Travelling	00	00
Electricity And Water	1,424,584	1,418,379
Medical	545,250	133,500
Administration Costs	949,743	945,586
Activity	550,993	370,375
<b>Total</b>	<b>8,486,858</b>	<b>7,850,804</b>

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	00	1,389,147
Transition infrastructure grants	00	00
Administration Block	00	00
Economic stimulus grants	00	00
Other (specify)(NGCDF and County govt.	00	00
<b>Total</b>	<b>00</b>	<b>1,389,147</b>

**4 School Fund Income - Parents Contribution/Fees**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	3,370,649	4,802,605
Repairs and maintenance	2,006,529	727,444
Local transport / travelling	585,493	499,022
Electricity and water	2,762,207	1,163,043
Medical	00	00
Administration costs	2,829,568	6,470,027
Activity	463,898	467,935
Fee on Boarding Equipment and stores	12,495,223	11,910,764
<b>Total</b>	<b>24,513,567</b>	<b>26,040,840</b>

**5 EXPENDITURE FOR TUITION**

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	00	00
Textbooks	00	00
Reference materials	00	00
Laboratory Equipment	00	00
Teaching / Learning Materials	1,150,000	1,498,926
Exams And Assessment	00	161,137
Teachers Guides	00	00
Bank Charges	3,660	3,366
<b>Total</b>	<b>1,153,690</b>	<b>1,663,429</b>

**6 Expenditure for Operation and infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	2,076,042	2,165,570
Service Gratuity		
Administration Cost	833,957	866,228
Maintenance & Improvements	4,012,440	4,396,156
Local Transport / Travelling		
Electricity And Water	1,245,625	1,299,342
Medical		
Activity Expenses	308,000	154,500
Insurance Cost		
NSSF	00	30,726
NHIF	00	13,050
PAYEE	00	2,404
GRATUITY	00	210,000
<b>Total</b>	<b>8,476,064</b>	<b>9,137,976</b>

7 Boarding and School Fund Expenditure

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	4,935,685	5,059,808
Service Gratuity	00	00
Repairs And Maintenance & Improvements	177,700	753,112
Local Transport / Travelling	1,279,574	1,303,729
Electricity And Water	2,419,126	1,216,237
Medical Expenses	00	00
Administration Costs	3,521,959	3,385,798
Lunch Programme	00	00
Fee On Boarding Equipment and Stores	11,820,050	10,688,294
Rent Expenses	00	00
Insurance Cost ( <i>Life Property</i> )	00	00
Loan Principal Repayment	579,768	269,000
Activity	185,454	272,000
NSSF	00	317,060
NHIF	00	102,450
PAYEE	00	19,468
<b>Total</b>	<b>24,919,316</b>	<b>23,494,093</b>

**8 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active		646,952	127,344.75
Operations Account	Active		2,618,811	961,577.80
School Fund Account/Boarding	Active		1,282,799	2,568,831.79
Infrastructural Account	Active		30,541	796,696.84
<b>Total</b>			<b>4,579,103</b>	<b>4,454,451</b>

**9 Cash In Hand**

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**10 Short Term Investments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares	00	00
Treasury Bills	00	00
Fixed Deposit accounts	00	00
Other Investments	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**11 Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	989,778	00
<b>Other Non-Fees Receivables</b>	00	00
Salary Advances (list/schedule attached)	00	00
Imprest (list/schedule attached)	00	00
Rent arrears (list/schedule attached)	00	00
<b>Total</b>	<b>989,778</b>	<b>00</b>

**11 b) Ageing Analysis of Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears for current year	989,778	00
Fees arrears for previous year	00	00
<b>Total</b>	<b>989,778</b>	<b>00</b>

**12 Accounts Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors	1,642,875	-
Prepaid Fees	336,681	-
Retention Monies	00	00
<b>Total</b>	<b>1,979,556</b>	<b>00</b>

**12a. Ageing Analysis of Accounts Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors for current year	1,979,556	-
Trade creditors for previous year	00	00
Trade creditors for prior period	00	00
<b>Total</b>	<b>1,979,556</b>	<b>00</b>

**13 Fund Balance Brought Forward**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	4,454,451	1,679,364
Cash Balances	00	00
Short Term Investments	00	00
Receivables		
Payables		
<b>Total</b>	<b>4,454,451</b>	<b>1,679,364</b>

### 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.

### 14 Non-current Liabilities Summary

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	00	00
Outstanding Leases	00	00
Hire Purchase	00	00
Gratuity And Leave Provision	00	00
Others (specify)	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

### 15 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	0	0	0
Goats	0	0	0
Trees	250	750,000	00
Coffee Or Tea Plantation	0	0	0
Poultry	0	0	0
Others (specify)	0	0	0
<b>Total</b>	<b>250</b>	<b>750,000</b>	<b>0</b>

Other important disclosure notes

**16 Stock/ Inventory**

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	5,854	00
Lab consumables	00	00
Farm produce	00	00
Medication	00	00
Construction Materials	00	00
Others (specify)	00	00
	<b>5,854</b>	<b>00</b>

17 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)
	Late submission of financial statements	We appreciate the guidelines and recommendations given, we have submitted our financial statements to the county schools auditor and that what has prompted the late submission of our financial statements but now henceforth we will present our financial statements within the timeline and to the office auditor general as well .	Not Resolved	30 <sup>TH</sup> June 2024
	Lack of asset register	It's true that the school has a shoddy asset register	Non resolved	30 <sup>th</sup> June 2027
	Lack of policies	It's true that the school has shoddy policies in place but latter it has putted all policies in place .	Not Resolved	30 <sup>TH</sup> June 2024

**CHIEF PRINCIPAL**  
SABUNLEY SECONDARY SCHOOL  
P.O. BOX 43-70200  
Sign and Date **WAJIR**  
Principal